Utah Department of Health
Division of Medicaid and Health Financing

State of Utah

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September 27, 2021

Jonathan Ball, Director
Office of Legislative Fiscal Analyst
State Capitol Complex
House Building, Suite W310
Salt Lake City, UT 84114

Reference: Medicaid Management Information System Annual Report

Dear Mr. Ball:

Legislative intent language from the 2021 Legislative General Session directs the Utah Department of Health (UDOH) to report annually on the status of replacing its Medicaid Management Information System (MMIS). This letter and its contents constitute UDOH's report for the 12 months starting October 1, 2020 and ending September 30, 2021.

MMIS Replacement Project Status by Component

Pre-Payment Editing System

The editing software has been in production since December 20, 2010. The total avoided claim payments for the 12 months starting October 1, 2019 and ending September 30, 2020 was $3,709,365. The total amount avoided since the implementation of the system is $34,472,526.

Fraud and Abuse Detection System (FADS)

The requirements for a FADS tool will be incorporated with the development of the new MMIS replacement.   In the interim, UDOH is providing the necessary data extracts and clarification of the data to the Medi-Medi contractor. The vendor is utilizing the State's data to analyze Medicare-to-Medicaid claims.

Point of Sale (POS) and Drug Rebate Management System (DRMS)

The POS/DRMS contract was awarded to Goold Health Systems (GHS).   The Point of Sale System was implemented on February 19, 2012. The DRMS went into production April 16, 2012. The 2012 first quarter rebates were invoiced in May utilizing the new DRMS. A Pharmacy Provider Portal is the last functionality implemented as part of this project. The Portal allows a registered provider to submit prescriptions and prior authorization requests, verify eligibility and view preferred drug list information. During February 2013, the Centers for Medicare and Medicaid Services (CMS) completed the on-site certification review of the system. There were no initial findings at the conclusion of the on-site certification review. UDOH received the CMS certification report on April 4, 2013. UDOH recently renewed this contract; however, in FY 2020,

UDOH will be issuing a request for proposals seeking a system that can meet UDOH's needs regarding liability, security, and proper payment of claims.

Data Warehouse Upgrade
The Data Warehouse upgrade was completed in February 2011 and is in production.

Core MMIS replacement
The following items provide a month by month log of key project activities:

October 2020
The C1 PRISM Release remained in production since June 29, 2020 and was stable with minimal issues identified in the post Go-Live period. The next major milestone for the C1 Release will be the CMS Certification Review, anticipated to occur in early 2021 after being in production a minimum of six months. C3 Release iterations 01, 02 and 03 are actively executing test cycles. The pass rate continues to be overall positive and is a significant improvement over C1 testing phases. Work on the Medicaid expansion Change Request (CR) into the C3 Release continued. CNSI delivered an initial consolidated response for Medicaid expansion and the additional CRs on October 2, 2020.

November 2020
The C1 PRISM Release remained in production and was stable. A revised Medicaid Expansion change request response was provided by CNSI on November 4, 2020 which aligned implementation of Medicaid expansion with PRISM Release C4 in late 2022. Once the terms for inclusion of Medicaid expansion and the additional CRs have been agreed upon and approved, the project schedule will need to be re-set and contract revised.

December 2020
Execution of C3 Release iterations 01, 02 and 03 of SIT was completed and supported the on-schedule delivery of the C3 Unit Test Results Report (UTRR) Deliverable on December 18, 2020. Identified defects, although increased in the reporting period, remained at manageable levels. Detailed planning continued in preparation for upcoming C3 Parallel and User Acceptance Testing (UAT) testing activities. Although the quality of training materials in the first two C3 formal training material deliverables was good overall, CNSI faced challenges in meeting development targets for delivery of remaining modules. C3 Training Package 2 was delivered according to schedule during the period and a portion of the planned Package 4 training modules were delivered on time but some of the planned Package 4 modules have been delayed. Medicaid expansion CR discussions continued.

January 2021
The PRISM C1 Provider Management Release remains stable. The C1 Release CMS Certification Review was scheduled for 3/10/2021. Upon successful completion of the Certification Review, the C1 Release will be eligible for enhanced federal financial participation (FFP) for development (DDI) and operations (M&O). Detailed planning and preparation continue for upcoming C3 Parallel and User Acceptance Testing (UAT) testing activities. All remaining C3 Training modules were delivered during the period and as a result the risk level for C3 Training has been reduced.

February 2021
The PRISM C1 Provider Management Release remains stable and preparation for the CMS Certification Review continues. MITRE feedback on the Certification Review materials submitted to-date has been positive. Negotiation on the scope of C3 SIT Demonstrations has made progress during the period. Identified defects remain at manageable levels. Detailed planning and preparation continue for upcoming C3 Parallel and User Acceptance Testing (UAT)

testing activities. DOH and CNSI have reached agreement on schedule changes needed to incorporate Medicaid expansion into project scope. These changes will be formalized in a contract amendment that is in the process of being finalized. Approved adjustments to the project schedule to incorporate Medicaid expansion and accompanying change requests now places C3/C4 Implementation date at January 2, 2023.

March 2021

The PRISM C1 Provider Management Release remains stable. The CMS Certification Review for the C1 Release, the final step for federal certification, was held on March 10, 2021. The event went smoothly, and verbal feedback provided by CMS and MITRE at the conclusion was that Utah had successfully passed. Remaining tasks required to complete the remaining C3 System Integration Test Results (SITR) deliverable are in process and are currently tracking to support submission on or very near the April 16, 2021 schedule date. CNSI has executed a Corrective Action Plan for C3 SIT that has effectively mitigated the risk of missing the C3 SITR milestone schedule date. Identified defects continue to be actively worked and remain at manageable levels.

April 2021

The PRISM C1 Provider Management Release remains stable. Formal CMS notification of successful C1 certification has not yet been received by DOH but is expected soon. The C3 Unit Test Results Report (UTRR) deliverable was submitted according to schedule in December and the companion C3 System Integration Test Results (SITR) deliverable was submitted on time on 4/16/2021. The SITR has been reviewed by DOH and IV&V and feedback provided to CNSI. Active preparation is in process for C3 Parallel Test and upcoming User Acceptance Testing (UAT) testing activities including CNSI delivery of C3 training to DOH trainers and UAT testers. Exit from C3 SIT testing and entry into C3 UAT testing are currently tracking to schedule. Gap review and approval for the C4 Release (Member Portal, Audit Studio) is nearly complete for the release.

May 2021

The PRISM C1 Provider Management Release remains stable. The CMS Certification Review for the C1 Release was successfully conducted in March and formal CMS notification of successful C1 certification was received by DOH on May 26, 2021. DOH is preparing an APDU for submission to CMS to request enhanced Federal Financial Participation (FFP) for development (DDI) and operations (M&O) for the C1 Release. The C3 Unit Test Results Report (UTRR) and companion C3 System Integration Test Results (SITR) deliverables were submitted by CNSI according to schedule. C3 SIT Exit criteria was successfully met and the SIT testing phase was completed on May 17, 2021. Entrance criteria for C3 User Acceptance Testing (UAT), including CNSI delivery of C3 training to DOH trainers and UAT testers, was met and UAT commenced on May 18, 2021. Preparations continue for parallel testing, which is scheduled to begin execution on July 8, 2021.

June 2021

The PRISM C1 Provider Management Release remains stable. An APDU to request enhanced federal funding for the certified C1 Release was submitted to CMS on 6/11/2021. Entrance criteria for C3 User Acceptance Testing (UAT) was met and UAT started on May 18, 2021. The initial cumulative pass-rate for C3 UAT to-date is in the range of 76% which is positive. A larger contingent of DOH business testers will engage with C3 PRISM beginning in August 2021. UAT test case construction and rate of execution are currently tracking behind plan, which is increasing risk for the DDI Testing focus area. A Corrective Action Plan is in place and appropriate steps are being taken including securing additional resources, bringing on resources earlier, leveraging existing SIT test cases, and re-evaluating which test cases are actually needed in specific areas. Preparation for parallel testing continues, including selection of data and a kickoff meeting on

June 23, 2021. Execution of parallel test is currently on track to begin on schedule on July 8, 2021.

July 2021

The PRISM C1 Provider Management Release remains stable. C3 User Acceptance Testing continues in process. The cumulative pass-rate for C3 UAT to-date has improved and is in the range of 83.5%. As in the prior period, UAT test case construction and rate of execution are tracking behind plan, which is increasing risk for the DDI Testing focus area. A Corrective Action Plan (CAP) is being executed and appropriate steps are being taken including bringing on more resources, leveraging existing SIT test cases, authorizing overtime and others. The first cycle of C3 Parallel Testing was run during the period and results were delivered to DOH on 8/1/2021. Claim denial rates were higher than hoped and payment rates were lower, but these results were not completely unexpected for a first run. DOH continues to evaluate its options to move PRISM out of the state data center in SLC to a different platform, one option under consideration being Amazon Web Services (AWS). CNSI has provided two options and cost proposals for this approach. Careful planning and precise execution will be essential to successfully making such a transition.

August 2021

The PRISM C1 Provider Management Release remains stable. C3 User Acceptance Testing (UAT) continues in process. The cumulative pass-rate for C3 UAT to-date is in the range of 79.5% which remains positive. Additional DOH business testers joined the effort during August. UAT test case construction and rate of execution trended behind plan, although Week 15 execution exceeded its target. A Corrective Action Plan (CAP) continues to be executed and steps are in place to manage the shortfall. Defect repairs and retest by CNSI are keeping backlogs and workloads in balance. DOH and DTS made the decision to move PRISM to Amazon Web Services (AWS). Weekly migration planning and working sessions with representatives from CNSI, DOH, and DTS have started.

September 2021

The PRISM C1 Provider Management Release remains stable. C3 User Acceptance Testing continues. The cumulative pass-rate for C3 UAT to-date remains positive. UAT test case construction and rate of execution trended behind plan. A Corrective Action Plan (CAP) continues to be executed and good progress is being made to close the gap. Defect repairs and retest by CNSI are keeping backlogs and workloads in balance. Weekly AWS migration planning and working sessions with representatives from CNSI, DOH, and DTS are proceeding well.

Appropriations, Project Cost and Expenditures

Most of the project's expenditures can be matched at a 90/10 federal-to-state matching rate. However, computer hardware and software expenditures are matched at a 75/25 federal-to-state matching rate.

The Utah State Legislature appropriated $3 million in general fund to the MMIS project in the 2010 General Session (FY 2011) and another $3 million in general fund in the 2011 General Session (FY 2012). No new appropriations were made to the project in the 2012 General Session or the 2013 General Session.

UDOH presented the project status and funding needs to the Executive Appropriations Committee on June 18, 2013. To help UDOH meet project cash flow demands, the 2013 Legislature collapsed the MMIS Line Item into the Medicaid Mandatory Services Line Item starting in FY 2014.

During the 2014 General Session, the Legislature appropriated $2 million in one-time general fund and an additional $1.5 million in contingent general fund for FY 2015. The contingency was met during FY 2014 closeout. So UDOH received the full $3.5 million anticipated in FY 2015. UDOH did lapse approximately $1 million in general fund at the conclusion of FY 2014 because it did not receive carry forward authority during the 2014 Legislative General Session.

During the 2015 General Session, the Legislature appropriated just over $5 million in one-time general fund. In the 2015 General Session, the Legislature also approved non-lapsing authority for the MMIS replacement project of all unexpended appropriated balances and additional amounts of unexpended Medicaid program appropriations. At the closeout of FY 2015, UDOH was able to direct $1.7 million of the unexpended claims appropriations to the MMIS replacement project.

During the 2016 General Session, the Legislature approved intent language that allowed UDOH to carry-forward up to $8,800,000 for the replacement project from UDOH's Medicaid Mandatory Services line item, which represented the FY16 beginning funding balance plus an additional $300,000. Intent language was also approved for UDOH's Medicaid Optional Services line item to carry-forward up to $300,000 to be used for replacement project, if there were insufficient funds available from the mandatory line. During its FY 2016 closeout, UDOH was able to carry-forward the full $8,800,000 from UDOH's Medicaid Mandatory Services line item. Since the full amount was carried forward from the mandatory line, UDOH did not carry forward any funds from the optional line for the replacement project.

During FY 2017, FY 2018, and FY 2019 closeout, UDOH carried forward the maximum amount allowed under legislative non-lapsing authority. In FY 2019, this non-lapsing authority included an additional $3,000,000 authorized by the Legislature. Based on current estimates, UDOH estimates that these funds will be sufficient to fund design and development through the implementation of C3. UDOH will work with the Governor's Office of Management and Budget and the Office of the Legislative Fiscal Analyst to determine appropriate non-lapsing authorities to ensure sufficient funds for the project in future years.

The FY 2019 contract amendment delineates CNSI's costs post implementation. UDOH is still reviewing how current DTS charges will change post implementation. However, UDOH is currently estimating a net increase to operate the PRISM system over current operation costs.

During the 2020 Third Special Session, the Legislature removed $5,500,000 of the MMIS project balance anticipated to non-lapse at the end of FY 2020, and appropriated these funds in FY 2021.

During the 2021 General Session, the Legislature appropriated $5.65 million in one-time general fund. In the 2021 General Session, the Legislature also approved non-lapsing authority for the MMIS replacement project of $1,299,300 from the Medicaid and Health Financing line item and $5,500,000 from the Medicaid Services line item.

Pre October 2020-Accomplishments of the MMIS Project
- State Self-Assessment completed
- Assessment of state capabilities completed
- Gap analysis completed
- Cost/Benefit analysis completed
- Request for Information (RFI) completed
- Requirement analysis and documentation drafted
- FADS I-APD submitted to CMS and approved
- FADS Request for Proposal (RFP) submitted to CMS Regional Office and approved
- FADS canceled – 5-year functionality provided free of charge by CMS Medi-Medi project

- Pre-Pay RFP posted and contract awarded
- Pre-Pay project implemented
- Point of Sale (POS) I-APD approved
- Point of Sale responses evaluated and contract awarded to Goold Health Systems (GHS)
- Data Warehouse contract awarded without protest
- Data Warehouse upgrade completed
- DDI contract awarded without protest in August 2012
- IV&V contract awarded without protest in October 2012
- Cognosante contract approved by CMS and completed during December 2012
- CNSI contract approved by CMS and completed on March 6, 2013
- Scheduled requirement validation sessions completed on June 28, 2013
- CNSI reached an agreement with IBM to provide organizational change management services
- The first hardware was received and installed in the State Data Center
- CMS gave the State a positive review of the project status and management processes during the December 2013 onsite visit
- Release 1, which contains the new Medicaid Website and Eligibility Lookup Tool successfully went live March 30, 2014 as scheduled
- Successful UAT and implementation of Release 1.2 and 1.3 during May and June 2014
- Implementation of the new Medicaid Card was successful during June 2014
- Successful UAT and implementation of Release 1.4 and 1.5 during July and August 2014
- Release 2 was successfully implemented and released ahead of schedule on August 1, 2014
- The annual update of the Implementation Advance Planning Document (IAPD-U) was submitted to CMS and approved
- Successful UAT and implementation of Release 1.6 and 2.1 on September 14, 2014
- Successful UAT and implementation of Release 1.7 and 2.2 on October 14, 2014
- Successful UAT and implementation of Release 1.8 and 2.3 on November 20, 2014
- Successful UAT and implementation of Release 1.9 and 2.4 on December 14, 2014
- Design for Release 3 was completed in January 2015.
- The first development demonstrations for Release 3 occurred January 13, 2015
- Release 1.10 and 2.5 were implemented in February 2015
- The Release 3 design documentation was approved February 2015
- Release 1.11 and 2.6 were implemented in March 2015
- The annual update of the IAPD-U was submitted to CMS
- Unit testing for Release 3 was completed in April 2015
- System integration testing for Release 3 started in May 2015
- The annual update of the IAPD-U was approved by CMS
- The Release 4 schedule was re-baselined in July 2015
- System integration testing for Release 3 was completed in August 2015
- The Release 3 user acceptance testing environment was brought online.
- User acceptance testing training was held for Release 3 in September 2015
- User acceptance testing for Release 3 started in September 2015
- Approximately 200 Medicaid providers are signed up to test Release 3
- The first pass of user acceptance testing for Release 3 was completed in December 2015
- A new go-live for Release 3 has been set for July 1, 2016
- User acceptance regression testing for Release 3 started in January 2016
- The PRISM status was presented to the Utah Indian Health Advisory Board in January 2016
- Release 3 system testing for external providers began in February 2016
- User acceptance regression testing for Release 3 completed in March 2016.
- Release 3 system testing for external providers completed in March 2016

- The April 2016 Medicaid Information Bulletin included information about the July 1, 2016 go-live date
- The review of Release 4 use cases was completed in May 2016
- An Interim Medicaid Information Bulletin was sent to providers to announce the June 1 freeze date for new provider enrollment applications in May 2016
- Configuration and testing of the Release 3 production environment was completed in June 2016
- The training materials were finalized and the training sessions conducted for Release 3 in June 2016
- Provider and staff training resources were published to the website in June 2016
- PRISM slides were finalized for the 2016 Annual State-wide Provider Training
- Release 3 was successfully implemented on July 1, 2016
- Minor Release R3.1.0.1 was successfully implemented on August 12, 2016
- Minor Release R3.1.0.2 was successfully implemented on September 16, 2016
- The 2016 Annual State-wide Provider Training was completed in September 2016
- Minor Release R3.1.0.3 was successfully implemented on October 28, 2016
- Minor Release R3.1.0.4 was successfully implemented on December 9, 2016
- Representatives from UDOH and DTS completed an onsite visit to Michigan to discuss the CNSI Cloud solution and see their data center during January 2017
- Major release R3-1.1 was successfully implemented on March 3, 2017
- The decision was made to move PRISM to the Cloud in April 2017
- Release R3-1.1.1 went live on April 4, 2017
- CNSI was notified of the State's decision to move to the Cloud in May 2017
- Cloud solution sessions started on May 15, 2017.
- The Cloud decision and costs were presented to the Executive Appropriations Committee on May 16, 2017
- The Cloud decision and costs were presented to the Health and Human Services Interim Committee on May 17, 2017
- CNSI was notified of the State's decision to host the Cloud in Michigan on June 28, 2017
- User Acceptance Testing for Release R3-1.2 was completed and the release went live on August 4, 2017
- The State negotiated and approved the CNSI Cloud pricing during August 2017
- An executive summary of the project and a request to amend the existing CNSI contract was submitted to State Purchasing
- The annual update of the Implementation Advance Planning Document was submitted to and approved by the Centers for Medicare and Medicaid Services
- State Purchasing approved moving forward with a contract amendment instead of a new CNSI contract on September 11, 2017
- CMS agreed to allow the State to amend the current IAPD instead of creating a new IAPD for the Cloud.
- Release R3-1.2.1 was completed and the release went live on November 5, 2017
- Release R3-1.2.2 was completed and the release went live on December 21, 2017
- User acceptance testing for release R1-1.14 started February 2, 2018 and was completed February 14, 2018
- Release R1-1.14 went live on February 22, 2018
- User acceptance testing for release R1-1.15 started March 14, 2018 and was completed March 16, 2018
- User acceptance testing for release R3-1.13 started March 19, 2018 and in anticipated to end on April 5, 2018
- A 120-day contract extension was executed to complete the negotiation of the CNSI contract amendment on March 26, 2018
- User acceptance testing for release R3-1.13 completed on April 5, 2018
- Release R3-1.13 went live on April 6, 2018

- User acceptance testing for release R3-1.4 started July 9, 2018 and was completed on August 8, 2018
- The final draft contract was submitted to CMS on July 31, 2018
- Release R3-1.4 went live on August 9, 2018
- On August 31, 2018 the revised project schedule was completed and approved
- The IADP-U was finalized and submitted to CMS on September 6, 2018
- CMS submitted a request for additional information for the IAPD-U and the contract amendment on September 20, 2018
- CMS approved the CNSI Contract Amendment and IAPD-U on 10/24/2018
- The CNSI Contract Amendment was approved and effective 11/13/2018
- CNSI submitted the Project Management Plan package early on 12/12/2018 for an on-time approval of 12/14/2018
- With approval of the Master IT Security Plan (MITSP) in January 2018, all 17 Project Planning deliverables for the Planning and Initiation Phase of the project have been approved by UDOH and approved
- Operational Release R3-1.5 went live on January 3, 2019 and Operational Release R1-1.17 went live on January 11, 2019
- Operational Release R3-1.6 went live on March 28, 2019
- During the reporting period, C1 System Integration Testing (SIT), was initiated on June 3, 2019
- Operational Release R1-1.18 went live on June 20, 2019 and Operational Release R3-1.7 went live on June 27, 2019
- The annual CMS Initial Advanced Planning Document Update (IAPD-U) was completed and submitted to CMS on July 31, 2019
- The annual CMS Initial Advanced Planning Document Update (IAPD-U) was approved by CMS on September 4, 2019
- Operational Release R3-1.8 went live on September 26, 2019
- The resubmitted Unit Test Results Report was approved by UDOH on October 17, 2019
- On October 21, 2019, UDOH made the decision that April 24, 2020 will be set as a 'soft' go-live date, the date CNSI will have the system ready for implementation, and that June 29, 2020 will be set as the 'hard' go-live date, the date that will be announced publicly to providers
- With delivery of the C1 Unit Test Results Report (UTRR), the C1 System Integration Test Report (SITR), and completion of the exit criteria for C1 SIT, C1 SIT was formally closed on December 13, 2019
- Operational Release R3-1.9 went live on January 16, 2020
- Hands-on UAT testing by UDOH staff began on January 6, 2020
- The C1 UAT exit criteria were determined to be met as of April 2, 2020
- The Operational Readiness Review with CMS was held on May 27, 2020
- CMS provided a formal response to the Operational Readiness Review to UDOH on June 22, 2020
- The PRISM C1 Provider Management Release went into production successfully on June 29,
- C3 SIT officially began on July 20, 2020

Please let me know if you have any questions related to this report. You can reach me at (801) 448-1543.

Sincerely,

Emma Chacon

Emma Chacon
Interim Director, Division of Medicaid and Health Financing