Utah Department of Health

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State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

June 28, 2011

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 Quarterly Report

Dear Mr. Ball:

Legislative intent language from both the 2010 and 2011 Legislative General Sessions directs the Utah Department of Health to report quarterly on the status of replacing the Medicaid Management Information System (MMIS). This letter and its contents constitute the Department's report for the quarter ending June 30, 2011.

MMIS Replacement Project Status by Component

Pre-Payment Editing System

The editing software has been in production since December 20, 2010. The total amount of avoided claims payment for the fourth quarter of state fiscal year 2011 was $583,328, bringing the total avoided claims amount to $939,233.

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, the Department is providing the necessary data extracts and clarification of the data to the Medi-Medi contractor. It is anticipated the contractor will provide training for the MedStat DataProbe tool this next quarter.

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

The POS/DRMS contract was awarded to Goold Health Systems (GHS). The Department is working with GHS to validate the requirements. The Point of Sale functionality will be in production by January 2012.

Data Warehouse Upgrade

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

Core MMIS replacement

The Department received a $3 million one-time, general fund appropriation in FY2011, which is a portion of what is needed to replace the entire system. The Department proceeded with the system components mentioned above with the initial appropriation. The Department presented the replacement options and the recommended replacement solution to the Executive Appropriations Committee on August 17, 2010.

UTAH DEPARTMENT OF HEALTH

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The Department received an additional $3 million one-time, general fund appropriation for FY2012. These additional State funds will allow the Department to seek approval for enhanced funding from the Federal Government. The Department is actively working on the Implementation Advanced Planning Document (IAPD) for Design, Development and Implementation (DDI).

The Department is also preparing an Implementation Advanced Planning Document (IAPD) to request enhanced federal funding for implementation, a Request for Proposal (RFP) for an Independent Validation and Verification (IV&V) contractor and an RFP for the core system replacement. The Department has spent a considerable amount of effort this quarter in refining the business requirements for inclusion in the core system RFP. The anticipated time frame for releasing the RFPs is by the end of the 2011 calendar year.

The project governance structure has been implemented. Three oversight/coordinating committees have been formed and are meeting regularly. These are the Sub-Cabinet Committee, the Program Committee to work through technical issues and the Multi-Agency Project Committee. Management and staff from the Department of Health, the Department of Human Services, the Department of Technology Services and the Department of Workforce Services participate in this governance structure. Representation from the Governor's Office of Planning and Budget will begin in the first quarter of the new fiscal year.

Specific Accomplishments of the Planning 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
- Draft I-APD for System Design, Develop, Implement (DDI) completed
- Draft RFP for Core System Development written
- FADS I-APD submitted to CMS Regional Office and approved
- FADS I-APD amendment approved by CMS
- FADS Request for Proposal (RFP) submitted to CMS Regional Office and approved
- FADS RFP posted on BidSync
- 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 (POS) RFP approved
- Point of Sale RFP posted on BidSync
- Point of Sale responses evaluated
- Point of Sale Intent to Award was sent
- Point of Sale contract awarded to GHS
- Data Warehouse RFP posted and contract awarded
- Data Warehouse upgrade completed

Please let me know if you have any questions related to this report. You can reach me at (801) 538-6689.

Sincerely,

Michael Hales
Deputy Director, Department of Health
Director, Division of Medicaid and Health Financing