



State of Utah

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Governor

GREG BELL
Lieutenant Governor

Utah Department of Health

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December 28, 2010

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

Reference: H.B. 2 Medicaid Management Information System
Quarterly Report

Dear Mr. Ball:

House Bill 2 of the 2010 Legislative General Session included intent language for the Utah Department of Health report quarterly to your office on the status of replacing the Medicaid Management Information System (MMIS) beginning September 30, 2010. This letter and its contents constitute the Department's report for the quarter ending December 31, 2010.

MMIS Replacement Project Status by Component

Pre-Payment Editing System

The RFP process has been completed. There were three bidders on the RFP for this component. The successful bidder was Bloodhound Technologies. Integration, validation and testing were completed and went live December 20, 2010.

Fraud and Abuse Detection System (FADS)

The Implementation Advanced Planning Document (I-APD) for enhanced funding has been approved by CMS. The RFP for this project was released in the spring of 2010, but retracted to allow more vendors and a wider array of products to be included for consideration. The Department submitted the new RFP to CMS on August 12, 2010. CMS approved the RFP on November 2, 2010. The RFP was released November 15, 2010 and closes on January 19, 2011. The Department received 15 letters of intent from potential bidders. Evaluations and recommendation for award will be completed within the first quarter of 2011.

Point of Sale (POS) and Drug Rebate System

The Implementation Advanced Planning Document (I-APD) for enhanced funding was approved by CMS on July 26, 2010. The RFP was submitted and approved by CMS on November 15, 2010. The RFP was released November 23, 2010 and closes on January 18, 2011. The Department received 6 letters of intent from potential bidders. Evaluations and recommendation for award will be completed within the first quarter of 2011.



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Data Warehouse Upgrade

The RFP process has been completed. There was only one bidder on the RFP for this component: Ingenix. The Department selected Ingenix. Due to the length of contract negotiations, the time line for completing the Data Warehouse upgrade is March 2011.

Core MMIS replacement

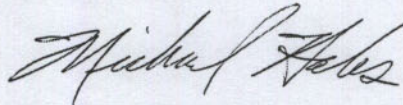
The Department has received a \$3 million one-time general fund appropriation for the MMIS replacement. The Department can proceed with the system components mentioned above within the current appropriation, but will not be able to begin the core system replacement without additional funding. The Department presented the replacement options and the recommended replacement solution to the Executive Appropriations Committee on August 17, 2010. The Governor's Budget Recommendations for FY 2012, released earlier this month, proposed an additional \$3 million one-time General Fund appropriation for the MMIS replacement.

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
- 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
- Data Warehouse RFP posted and contract awarded

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