



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Utah Department of Health

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Executive Director

Division of Medicaid and Health Financing

Michael Hales
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September 30, 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 the 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 September 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 avoided claim payments for the third quarter of 2011 was \$476,454 for a total of \$1,415,687.

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. The vendor is utilizing the State's data to analyze Medicare-to-Medicaid claims. State staff still needs training before they can start using the Medi-Medi tool.

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 for the POS and DRMS. The POS functionality will be in production by January 2012. Implementation of the DRMS will follow based upon the CMS defined quarterly schedule. The first DRMS cycle will begin with the January – March 2012 claims data.

Data Warehouse Upgrade

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



Core MMIS replacement

The Department received \$3 million in general fund 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 this initial appropriation. Of the appropriated amount, the Department spent approximately \$512,000 in FY 2011 and carried forward a balance of \$2,488,000 into FY 2012. The Department received an additional \$3 million in general fund for FY2012.

The Department has completed a draft of the Implementation Advanced Planning Document (IAPD) for Design, Development and Implementation (DDI) and submitted it to CMS for review. The Department is also preparing a Request for Proposal (RFP) for an Independent Validation and Verification (IV&V) contractor and a RFP for the core system replacement. The anticipated time frame for releasing the RFPs is January 2012.

Three oversight/coordinating committees are meeting regularly. These are the Sub-Cabinet Committee, a program committee to work through technical issues and a multi-agency project committee (which includes DOH, DHS, DTS and DWS).

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
- Draft I-APD submitted to CMS for review

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