



State of Utah

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## Utah Department of Health

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March 31, 2014

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 2013 Legislative General Session 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 March 31, 2014

#### **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 first calendar quarter of 2014 was \$462,712. The total amount avoided since the implementation of the system is \$8,537,561.

##### *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.

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

The POS/DRMS contract was awarded to Goid 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, CMS completed the on-site certification review of the system. There were no initial findings at the conclusion of the on-site certification review. The Department received the CMS certification report on April 4, 2013.

##### *Data Warehouse Upgrade*

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



## *Core MMIS replacement*

On February 2, 2012, the Department received approval from CMS for both the Implementation Advanced Planning Document (IAPD) securing enhanced federal funding and the Request for Proposal (RFP) for the core system replacement. The RFP was posted on the State Purchasing Bid Notification System, BidSync on February 2, 2012. The Department received four letters of intent from potential bidders. Two Vendors completed and submitted proposals on the closing date of the RFP—May 2, 2012.

In August 2012, the Department named CNSI as the successful bidder because it received more technical points and was priced lower than the other bidder, Xerox. There was no protest of the award. In October 2012, the Department began active contract negotiations with CNSI and the State procured suitable facilities for the project work.

In August 2012, the State received a total of six responses to the Independent Verification and Validation (IV&V) RFP. The Department reviewed these responses, held oral presentations and completed the evaluation process in October 2012. The State awarded the IV&V contract to Cognosante. The contract negotiations were finalized December 20, 2012 and sent to CMS for final review.

In October 2012, the program governance, communications and risk / issues / work plan management structures were ratified and put in place. Internal weekly program meetings were started and three coordinating committees were created. They are the Sub-Cabinet Committee, a Program Committee to work through technical issues and a Multi-Agency Project Committee.

On January 2, 2013, State staff moved into the project facilities. On January 16, 2013, the State received CMS authorization to proceed on the IV&V contract with Cognosante. Once authorization was received the State moved forward with the contract signature process and the IV&V contract was completed January 30, 2013.

In February 2013, CNSI and Cognosante were both onsite to begin working through the project governance model, issue and risk management, change management, and other management plans that the project would be implementing once the vendors came on board. The CNSI contract negotiations were finalized and sent to CMS for final review on February 12, 2013. The updated IAPD was also sent to CMS in February.

On March 6, 2013, both the CNSI contract and IAPD were approved by CMS. The Project Kick-off was held on March 18, 2013 and the project orientation was completed March 29, 2013. During the project orientation, CNSI conducted job shadowing, eCAMS demos, and question answer sessions.

Early in April 2013, CNSI brought up the eCAMS demonstration system. CNSI and State staff conducted training and demonstration sessions surrounding the requirement validation process. On April 8, 2013 requirement validation sessions started with CNSI and State Staff. On April 25, 2013, the CNSI contract was signed by the State and contractor with an effective date of March 18, 2013.

In May 2013, project management activities were implemented using SharePoint. Requirement validation sessions continued throughout the month. State staff and Cognosante worked on the review and approval of projects deliverable. The State reviewed and submitted comments on eight CNSI deliverables. Two of the CNSI deliverables were approved during May.

In June 2013, the State reviewed and submitted comments on three additional CNSI deliverables. Five CNSI deliverables were approved during June. Three deliverables are still working through the review process and are expected to be approved during July. Planning for

the design phase of the project started and a mock design session was held. The scheduled requirement validation sessions were completed June 28, 2013.

In December 2013, CMS conducted an onsite review during the first week of December. During the visit, CMS reviewed the project management processes and status of the project. CMS gave the State a positive review of the project status and management processes during the visit. The first Stakeholder Interface Meeting was held with the agencies and groups that will interface with the new MMIS.

#### January 2014

The design sessions continued through the month. All Startup-Phase deliverables were completed. The User Acceptance Testing (UAT) Process and Tools Training was conducted with UAT testers. The Organizational Change Management and Training Workgroup started meeting. User acceptance testing started on January 31, 2014 for Release One. Software and hardware configuration with DTS and CNSI made good progress.

#### February 2014

Six CNSI deliverables were approved during February. The decision was made to call the new system "PRISM" (Provider Reimbursement Information System for Medicaid). Design sessions continued to be held through the month. User acceptance testing continued through the month and CNSI worked on correcting defects. System configuration and performance testing started for Release One. The web-based training for the Medicaid website and Eligibility Lookup Tool was completed. Work continued with stakeholders to validate the identified system interfaces. Network and Firewall configuration were worked through with DTS.

#### March 2014

Seventeen CNSI deliverables were approved during March. The design sessions continued to be held through the month. Hardware performance tests were successful and the content management platform tuned. Backup and restore tests were performed on database servers. Release One user acceptance testing was completed successfully on March 21, 2014. Web-based training modules were completed and training and knowledge transfer activities were scheduled and held. Release One, which contains the new Medicaid Website and Eligibility Lookup Tool went live on March 30, 2014.

### **Appropriations, Project Cost and Expenditures**

The Utah State Legislature appropriated \$3 million in general fund to the MMIS project in the 2010 General Session (FY '11) and another \$3 million in general fund in the 2011 General Session (FY '12). No new appropriations were made to the project in the 2012 General Session or the 2013 General Session. 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 (FY '15).

The Department expects \$15.5 million in general fund will be required to complete the project (\$6 million beyond the current level of appropriation, if all of contingency funding amount materializes). 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 Department presented the project status and funding needs to the Executive Appropriations Committee on June 18, 2013. To help the Department meet project cash flow demands, the 2013 Legislature collapsed the MMIS Line Item into the Medicaid Mandatory Services Line Item starting in FY '14.

## Specific 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
- Draft I-APD for system Design, Development, and Implementation (DDI ) completed
- 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
- IV&V contract awarded without protest
- Cognosante contract approved by CMS and completed
- CNSI contract approved by CMS and completed
- Updated IAPD approved by CMS
- Project management activities implemented using SharePoint
- Scheduled requirement validation sessions completed
- Baseline Work Plan was submitted and approved
- 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
- The decision was made to call the new system “PRISM” (Provider Reimbursement Information System for Medicaid)
- Release One user acceptance testing was completed successfully on March 21, 2014
- Release One, which contains the new Medicaid Website and Eligibility Lookup Tool successfully went live March 30, 2014 on schedule.

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