Medicaid IT Enterprise
Innovation & Opportunity

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Agenda Topics

- Medicaid Overview
- Medicaid IT Enterprise
- Regulatory reforms
- The Opportunities
Medicaid Overview

• Social Security Act: Title XIX: GRANTS TO STATES FOR MEDICAL ASSISTANCE PROGRAM
• Serving 72+ million families, children, pregnant women, adults without children and also seniors and people living with disabilities
• Federally and State Funded, and State administered
• Functions like most commercial health insurance but with broader support for home/community based care and other critical areas
• More than 70% of Medicaid is provided through managed care
• PPACA provides Medicaid expansion opportunity (coverage up to 138% of poverty). Currently 32 states including DC have expanded Medicaid.
Medicaid IT Enterprise

• Information Technology Systems supporting:
  • Medicaid Eligibility (application, verification, noticing, renewals, etc.)
  • Health Information Technology/Exchange
  • Medicaid Enrollment (FFS or managed care, provider enrollment, provider payment, data analytics, fraud/abuse prevention/detection, claims processing etc.)
  • Integration with Human Services (e.g. SNAP and TANF) for eligibility, case management, care coordination, etc.

• CMS provides states matched funding of up to 90% for Medicaid IT design, development and implementation (including limited COTS expenses) and up to 75% for operations and maintenance of those systems and on-going COTS licenses.
Medicaid IT Enterprise
At a Glance

Medicaid Eligibility & Enrollment (E&E)

ICD-10

Enterprise Life Cycle (ELC)

Affordable Care Act (ACA)

7 Standards and Conditions (7S&C)

Medicaid Information Technology for Economical and Clinical Health (HITECH)

Meaningful Use

Medicaid HITECH/HIT systems and EHR Incentive Program

Medical Management Information System (MMIS)

Administrative Simplification
Medicaid Eligibility

• All state eligibility systems had to change because of the ACA and CMS regulations:
  – Online, dynamic application for all 3 insurance affordability programs (Medicaid, CHIP, Marketplace)
  – Interactive with an Insurance Exchange
  – Reliance upon electronic data sources for verification
  – Interoperability with the Data Services Hub
  – Application of Modified Adjusted Gross Income (MAGI) rules to all applications for coverage
Integration can mean:
- Multi-benefit application
- Shared services via ESB (e.g. MPI, document management)
- Integrated data warehouse
- Mothership model

The A-87 cost allocation waiver –extended through 12/31/18- offers an opportunity for states to build integrated eligibility systems (IES) to streamline the consumer experience and the underlying technology where there is a high overlap of participating consumers/IT uses cases.

Interoperability (standards and data) is fundamental to achieving effective integration of systems to serve multiple health and human services programs.

37 states are either actively building or planning IES
- 21 states have a “multi-benefit” application

CMS, ACF and FNS can help states to build an IES to serve the full range of health and human services.
Medicaid Management Information Systems

- Traditionally viewed as the claims processing system but has evolved into being many sub-systems such as:
  - Claims processing
  - Data Warehouse
  - Analytics/Utilization Reviews
  - Provider Screening and Enrollment
  - Pharmacy Benefit Management
  - Financial Management
  - Interfaces with MCOs
  - Prior authorizations

- Over 30 states are redesigning them. Generally cost in the hundreds of millions once said and done. Too expensive and take too long to implement

- CMS is forcing modular, phased development with system integration, reliance upon standards, SaaS and COTS and curtailing over-customization
Health Information Technology

• The Medicaid EHR Incentive Program
  – Pays EP and EH incentive payments
  – 2016 is the last year for Adopt, Implement and Upgrade
  – Incentives continue through 2021
  – No penalties

• Since 2011, invested in HIE to help Medicaid providers meet Meaningful Use

• Growing emphasis on HIE as it relates to Delivery System Reform
2016 Priority Areas

• MMIS- Modularity/ Modular Certification/ Modular pre-certification
• Eligibility- Human Services Integration/Interoperability
• HITECH- Health Information Exchange, and reaching the remaining providers in 2016 for AIU
• Across the Board- Data and Data Analytics
CMS’ annual investment in state Medicaid IT is over $5 billion

Critical tipping point: 30 states are in the process of modernizing their MMIS systems

Handful of vendors dominate the current market for claims processing and data warehouse and analytics

National Medicaid IT environment is ripe for innovative tech companies

New 90/10 rule (Dec. 2015) encourages states to:

- evolve legacy Medicaid IT systems to leverage reusable and interoperable solutions
- practice industry-proven IT methods such as use of modularity, reuse, shared services (including SaaS)
Opportunity
Seeking New Entrants

• Innovative technological approaches that automate Medicaid business processes and services, such as systems related to:
  • member eligibility and enrollment, enrolling clinicians and others as providers, paying claims, managing member benefits, and financial management
• A common security framework, cloud computing, data analytics, common data repository, consumer-facing portals
• Functional capabilities such as population health analytics, health information exchange (HIE), Provider Directory, and Master Person Index
• Information management related to:
  • doctor's visits, prescription drugs, preventive care, nursing home care, and other long term services for seniors and people with disabilities.
Opportunity
Seeking New Entrants

• New business models, such as shared services (inter and intra state)
• Adaptations of existing business solutions from comparable sectors, such as:
  • banking, commercial healthcare, or large provider systems
• Technologies to improve integration across multiple health and human services programs, such as:
  • integration of Medicaid IT systems with federal Human Services IT systems, including Supplemental Nutrition and Assistance Program and Temporary Assistance to Needy Families, along with state-specific program IT systems.
Opportunity Areas

- Client Portals
- Mobile consumer tools
- User Interfaces
- Master Client Index
- Interfaces to: Federal and State verification sources; Community Assisters/Outreach Organizations; Exchange Infrastructure
- Beneficiary Cost Share Tracking
- Data Warehouse
- Workflow Management Tools
- Customer Services Technical Support
- Master Data Management
- Health/Human Services Data Exchange
- Notices
- Automated Account Creation and Case Notes
- Identity Management
- Document Imaging and Digitization of Case Records
- Business Intelligence, Analytic Tools, including Decision Support and Program Integrity
- Telecommunications
- Information Security and Privacy Controls
- Infrastructure and Data Center/Cloud Housing
In order for IT costs to go down and implementation timelines to accelerate:

- Ready to go modules (SaaS or COTS)
- States acceptance of configuration over customization
- Certification criteria that focus more on outputs and outcomes and not the “how” (same for state RFPs)

All of the above also preps the market for more solution options
Notional Modular Architecture Approach

A Notional Medicaid Application Module

User Interface Services
- Consumer Portal
- Provider Portal
- CSR Portal
- Admin Portal
- Interactive Voice Response
- Mail
- Fax

Business Architecture Services (MITA)
- Operations Mgmt
- Provider Mgmt
- Member Mgmt
- Contractor Mgmt
- Business Relationship Mgmt
- Performance Mgmt
- Financial Mgmt

Example Module
- Eligibility and Enrollment Mgmt
  - Determine Provider Eligibility

Business Process
- Business Process
- Business Process
- Business Process

SOA Services
- Enterprise Service Bus

Technical and Data Architecture Services
- Business Rule Services
- Work Flow Services
- Performance Management Services
- Data Center Services
- Security Services
- Data Management Services
- Operational Services
- Decision Support Services

Interoperable Data Exchange Services
- HIPAA Transactions (EDI)
- Web Service APIs (WSDL, RESTful)

Functional Decomposition
- Unified Modeling Language (UML)
- Business Process Definition
- Business Process Modeling Notation (BPMN)
- Functional Requirements
- Requirements / User Stories
- Data Definition
- Data Models

Interface Adapters and Integration
- Other State Medicaid Modules
- Other State Systems
- Federal Systems

Security Services
- Security Credentials
- Data Dictionary
- Interface Contract (ICD)
- De Facto Standards
- Established Standards

Data Definition
- Data Models

Other State Systems
- Federal Systems
- Other State Medicaid Modules
Current CMS Activities to Foster Opportunities

- In its recent guidance, CMS shifted the financial incentives away from custom development towards COTS and SaaS
- Modular CMS certification to turn on enhanced operations funding faster
- Creating a new vendor pre-certification process for modules
- State Medicaid IT procurements listed on Medicaid.gov
- Working with states on their RFP language in order to be inviting to new contractors, new approaches/solutions
- CMS is publishing a Health IT RFI for modular solutions and certification, and input on Identity Management and Clinical Data Warehouse solutions.
“Serving the Medicaid consumer better takes meaningful investment in infrastructure to help serve low-income individuals, many with less regular interactions with the health care system, coordinate care, organize long-term services and support, and ensure quality measurement and delivery system reform plans can be executed. **Investing in the future of Medicaid is one of the single biggest opportunities in the health care sector.**”

“The problem-solving opportunity is exciting: The Medicaid program is undergoing tremendous change, such as a growing emphasis on managed care, offering home and community-based services to seniors and people with disabilities, and developing new models of delivery system reform to improve health outcomes while controlling costs. State Medicaid agencies are hungry for innovation and have pioneered new IT adoption. They were early adopters of Health Information Technology and have issued more than $10.2 billion in incentive payments to providers for adopted and meaningfully used electronic health records.”

Questions?

Resources:

• https://www.federalregister.gov/articles/2015/12/04/2015-30591/medicaid-program-mechanized-claims-processing-and-information-retrieval-systems-9010


Colorado’s Medicaid Enterprise Journey

- Health Care Claims Processing & Analytics
  - Timeline: November 2009 to November 2016
  - HP Colorado interChange
    - Provider Re-enrollment
  - Magellan Pharmacy Benefits Management System
  - Truven Health Analytics

- Client Eligibility Determination
  - HRSA Grant: 2011 PEAK Outreach Toolkit Available
  - ACA Enhanced Funding: State Based Eligibility System Upgrades
    - PeakHealth App
Colorado’s Medicaid Health IT Ecosystem

- Eligibility Determinations
- Case Management Tool
- Provider Enrollment/Directory
- Claims Processing
- Client Benefit Plans
  - Benefit Limits, Copayments, TPL
- Population Management Tool
- Risk Scores/Quality Measurements
- Predictive Analytics/Modeling
- Data from External Systems

- Health Information Exchange
- All Payers Claims Database

- Provider & Client Portals
- Business Intelligence & Data Management
- Client PHR
- Client Mobile App
- PEAK & Client Eligibility Portal
- Colorado Benefits Management System
- Colorado interChange
Lessons Learned from Planning Stage

• Defining Approach
  – Modular Components vs Current State
  – Limit Customization
  – Number of Vendors
  – Data Interfaces
• Funding is Everything
  – Long-Term Budgeting, with Flexibility
• Human Resource Constraints
  – Project & Contract Management
  – Program & Policy Team Engagement
• Planning
  – Realistic Optimism
Lessons Learned During Implementation

• Requirements Change
  – Is Funding Available to Accommodate?
  – Are Changes Really Needed for Go-Live?
  – Are you Sure the Change Isn't another Customization?

• People & Change Management
  – What is the Business Change Management Process?
  – What is the Communications Plan?

• Vendors Don’t Always Naturally work Together
  – Who is Really the System Integrator?
Colorado’s Health IT Next Chapter

• Governance: Office of eHealth Innovation
  – Modular, Sustainable Projects

• HIE Network Connectivity to the Medicaid Enterprise
  – Master Provider Directory
  – Master Client Index
  – Medicaid Personal Health Record

• Specialized Registries for Enhanced Care Coordination

• Interoperability of Human Services Programs and Data
Questions

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