DSS IT Capital Fund Requests for CT Medicaid Enterprise Technology System (CT METS)

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CT Medicaid Enterprise Technology System (CT METS) - Agenda

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  - CMS and National Landscape
  - Connecticut MITA State Self-Assessment
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  - Anticipated Financial and Service Benefits
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Introduction – What is CT METS?

Connecticut Medicaid Enterprise Technology System (CT METS) Program

- Supports HUSKY Health Program, which provides services to 800,000 State residents
- Replaces existing core Medicaid Management Information System (MMIS); contract for existing system is running out and must be addressed
- Support other Medicaid services/processes outside of core MMIS
- Process improvement as well as a technology program
- Aligns with federal guidance; DSS mission, vision and goals
- Supports multiple agencies which comprise the Medicaid Enterprise
- Enables reuse/support of other programs beyond HUSKY Health/Medicaid

Background: Connecticut Medicaid Overview

Connecticut Medicaid, along with the Children's Health Insurance Program (CHIP) is called *HUSKY Health*

- Husky Health provides comprehensive health coverage to over 800,000 residents
- Coverage includes both preventative and acute care, hospital-based services, and long-term services and supports to a wide variety of individuals and families
- Core MMIS Processing volume for SFY 17 (July 2016 – June 2017)
  - 20 million pharmacy claims processed
  - 27 million non-pharmacy claims were processed
  - Total Medicaid expenditures: approximately $7 billion
  - 28.1 million electronic eligibility transactions (50,300 via automated voice response)
  - 4.6 million medication histories processed through the e-Prescribing application
  - Over 222,000 documents were received, scanned and processed
  - Over 339,000 calls were answered by the DXC Call Centers
  - Over 16,800 providers were enrolled or re-enrolled

Background: CMS and National Landscape

- U.S. Department of Health and Human Services' Center for Medicare and Medicaid Services (CMS) provides major financial support for State Medicaid IT systems
- **Enhanced financial support is contingent on CMS certification of such systems**
- CMS certification of State Medicaid Systems is based on 42 CFR 433 and 45 CFR 95.611(d), and guidance in State Medicaid Director Letter 16-010 issued to States in August 2016.
- **These rules and guidance impose several new conditions and standards on Medicaid Systems, which states must comply with to be certified and receive enhanced federal support (90% for DDI; 75% for maintenance and operations)**
- States required to adhere to MITA (Medicaid Information Technology Architecture) standards

Background: CMS and National Landscape (Cont'd)

Modular Medicaid Enterprise is a CMS procurement requirement for enhanced funding - 90/10 DDI and 75/25 M&O

Historical Approach for MMIS

Purchase one claims processing system with multiple subsystems from one vendor, often packaged with operational services. The Lessons Learned from this approach:

- Monolithic systems proven to be costly – time and money for total new replacement system approximately every 10 years
- Slow return on investment and difficult to keep up with the changing Medicaid policies and new initiatives
- Few vendors/captive market
- Single Certification review only after a complete system implementation

Current CMS Regulations and Guidelines for MMIS

New Rule (Dec. 2015) brought changes to State MMIS procurements

- Modular and Interoperable Solutions receive 90/10 DDI and allows 75% match for O&M
- CMS shifted away from custom development towards COTS and SaaS, use of modularity, reuse, and shared services
- CMS introduced guidance and requirements for utilizing:
    - MECL – Medicaid Enterprise Certification Lifecycle
    - MECT – Medicaid Enterprise Certification Toolkit
    - Required IV&V
    - System Integrator Role as Key to Modular Enterprise

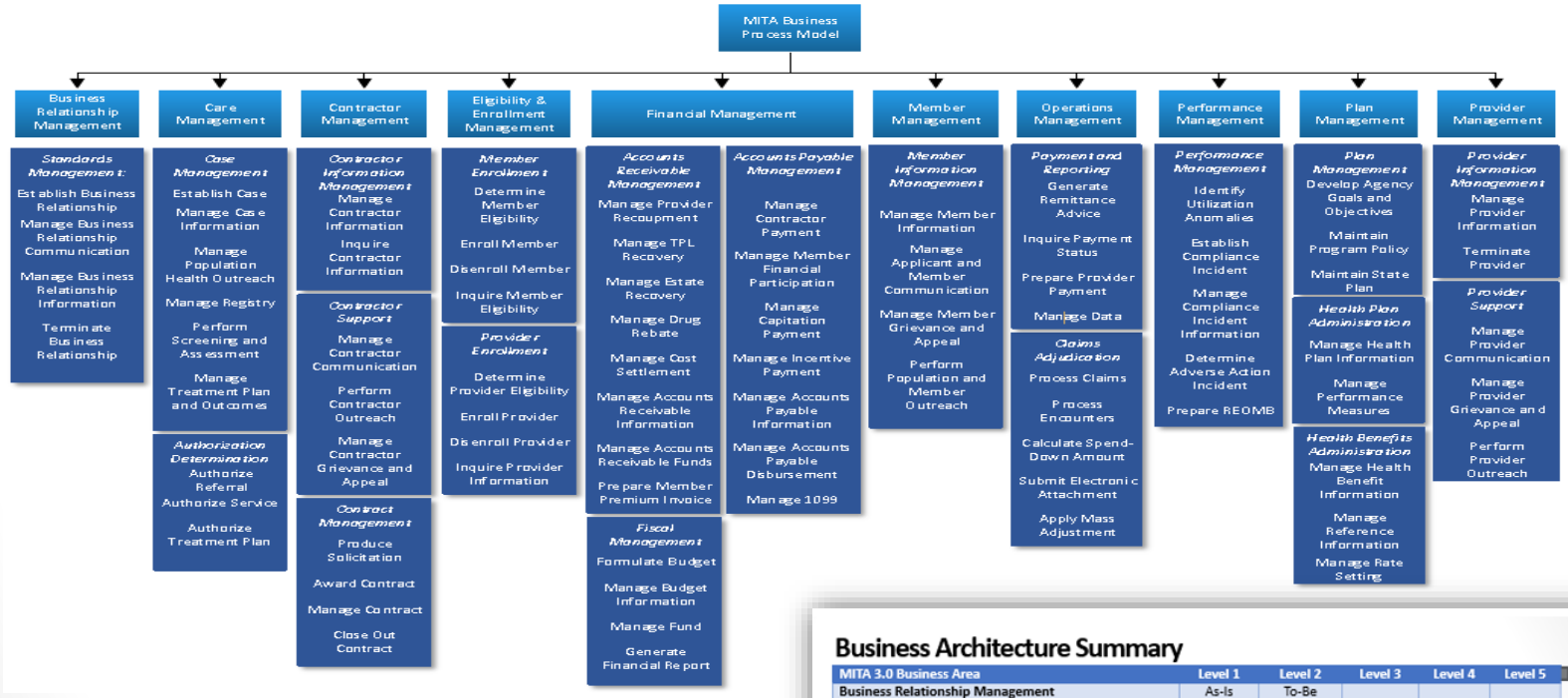
Background: Connecticut MITA State Self-Assessment

June 2017: DSS completed the CMS-required Medicaid Information Technology Architecture (MITA) state self-assessment of existing systems and processes

- Assessment addressed business, information, and technical architecture
- Multiple agencies participated in the assessment with DSS (e.g., DAS, DDS, DPH, DORS, DMHAS) as they are part of the larger Medicaid Enterprise
- Assessment results drive initiatives needed to improve MITA maturity in the Connecticut Medicaid Enterprise

Background: CT MITA State Self-Assessment (Cont'd)

MITA State Self-Assessment completed in June 2017 addresses Business, Information, and Technical Architectures across the Medicaid Enterprise and drives initiatives to improve maturity



Business Architecture Summary

MITA 3.0 Business Area	Level 1	Level 2	Level 3	Level 4	Level 5
Business Relationship Management	As-Is	To-Be			
Care Management	As-Is	To-Be			
Contractor Management	As-Is	To-Be			
Eligibility & Enrollment		As-Is	To-Be		
Financial Management	As-Is	To-Be			
Member Management		As-Is	To-Be		
Operations Management	As-Is	To-Be			
Performance Management	As-Is	To-Be			
Plan Management	As-Is	To-Be			
Provider Management		As-Is	To-Be		

Background: CT MITA State Self-Assessment (Cont'd)

MITA State Self Assessment also covered Information Architecture (IA) , Technical Architecture (TA), and Seven Standards and Conditions (7S&C)

Information Architecture Summary

MITA 3.0 Business Area	Level 1	Level 2	Level 3	Level 4	Level 5
Business Relationship Management		As-Is	To-Be		
Care Management	As-Is		To-Be		
Contractor Management		As-Is	To-Be		
Eligibility & Enrollment	As-Is		To-Be		
Financial Management	As-Is	To-Be			
Member Management	As-Is		To-Be		
Operations Management	As-Is	To-Be			
Performance Management	As-Is	To-Be			
Plan Management	As-Is		To-Be		
Provider Management	As-Is		To-Be		

IA maps Enterprise Data to Business Areas, and covers:

- Data Management Strategy
- Conceptual Data Model
- Logical Data Models
- Data Standards
- Information Capability Matrix

TA promotes collaboration between states, CMS, and vendors through the use of:

- Technical Management Strategy
- Business Services leveraged for multiple processes
- Technical Services
- Application Architecture
- Technical Standards including Technical Reference Model
- Technical Capability Matrix

Technical Architecture Summary

MITA 3.0 Business Area	Level 1	Level 2	Level 3	Level 4	Level 5
Business Relationship Management	As-Is	To-Be			
Care Management	As-Is		To-Be		
Contractor Management	As-Is	To-Be			
Eligibility & Enrollment	As-Is		To-Be		
Financial Management	As-Is	To-Be			
Member Management	As-Is		To-Be		
Operations Management	As-Is	To-Be			
Performance Management	As-Is	To-Be			
Plan Management	As-Is		To-Be		
Provider Management	As-Is	To-Be			

Seven Standards and Conditions Summary

MITA 3.0 Standard/Condition	Level 1	Level 2	Level 3	Level 4	Level 5
Modularity Standard	As-Is		To-Be		
MITA Condition		As-Is	To-Be		
Industry Standards Condition		As-Is	To-Be		
Leverage Condition	As-Is		To-Be		
Business Results Condition		As-Is	To-Be		
Reporting Condition		As-Is	To-Be		
Interoperability Condition		As-Is	To-Be		

Each of the 3 architectures – Business, Information and Technical are evaluated with respect to Seven Standards and Conditions as part of the MITA maturity model and forms the basis of Federal Financial Participation

DSS Mission, Vision and Goals

Mission:

- Provide person-centered programs and services to enhance the well-being of individuals, families, and communities

Vision:

- Guided by our shared belief in human potential, we envision a CT where all have the opportunity to be healthy, secure, and thriving

Goals:

- Drive decision-making, collaboration, and service-coordination through enhanced use of data to improve services
- Instill public trust by continuously improving the way we administer programs, manage our resources, and operate our infrastructure
- Improve access to health and human services to enable our customers to gain independence, enhance health, and achieve well-being

CT METS Program Goals

CT METS goals align with DSS goals and support improved administration of the Medicaid Enterprise

- Seamless, integrated systems that communicate effectively
- Environment that supports flexibility, adaptability, and cost-effectiveness; allows rapid response to changes in programs and technology
- Enterprise view that supports enabling technologies aligned with business processes
- Data that is timely, accurate, usable, and easily accessible to support analysis and decision-making
- Support for performance measurement, accountability, and planning
- Improved coordination with partners and integration of health outcomes

Business Drivers

- Facilitate person-centric service delivery across DSS and other agencies
  - ***Person*** rather that *program*-centric
  - Person is provided with information/support to make informed decisions and actively participate in care/services
  - Services are selected with persons' preferences in mind
  - Care coordination in partnership with the individual
- Optimize business processes and organizational structures
- Positively impact multiple stakeholders including Medicaid beneficiaries and providers
- Provide tools and technology for improved staff efficiency
- Strengthen Program Integrity, Financial, and Contract Management functions
- Streamlined operations, new self-service operations, and improved access to data

Business Drivers: Example

Some of the functions supporting Medicaid that are segmented across DSS and several vendors. CT METS will provide an opportunity to streamline and consolidate some of these functions, and seek 75% CMS funding as opposed to current 50% funding

- Example: a program beneficiary may need assistance with the following:
  - Help addressing complex dental issues requiring referrals to specialists
  - Help finding a new primary care provider
  - Help arranging transportation to multiple providers
- Currently, the beneficiary would need to direct these issues to three separate call centers w/ separate contact tracking systems
- In contrast, CT METS will enable a consolidated call center function

Technology Drivers

- Modernize Medicaid technical platform to conform with CMS standards
- Incorporate shared services, business process alignment, and Service Oriented Architecture (SOA) across multiple state agencies
- Optimize the new technology for future program enhancements
- Facilitate more timely and cost effective support for reform initiatives and program evolution
- Improve access to data and analytics
- Improve capability, accuracy, and timeliness of federal reporting
- Assist partners (ASOs, providers, sister agencies)
- Maximize use of federally funded technology to improve operations

Researching Other States' Projects: State Call Summary

Met with Montana, Wisconsin, Wyoming, Virginia, South Carolina, Tennessee, New Mexico, and Kansas to gain insight into their experience of implementing Medicaid systems

- Adequate planning is critical for project success
- Base priorities on business needs and current pain points
- Important to hold frequent meetings with CMS
- States can define state-specific modules
- Staffing and time required will be higher than anticipated
- APD costs are estimates – expect adjustments
- Legacy decommission funded at 90/10
- SI scope of work and location of reference data varied

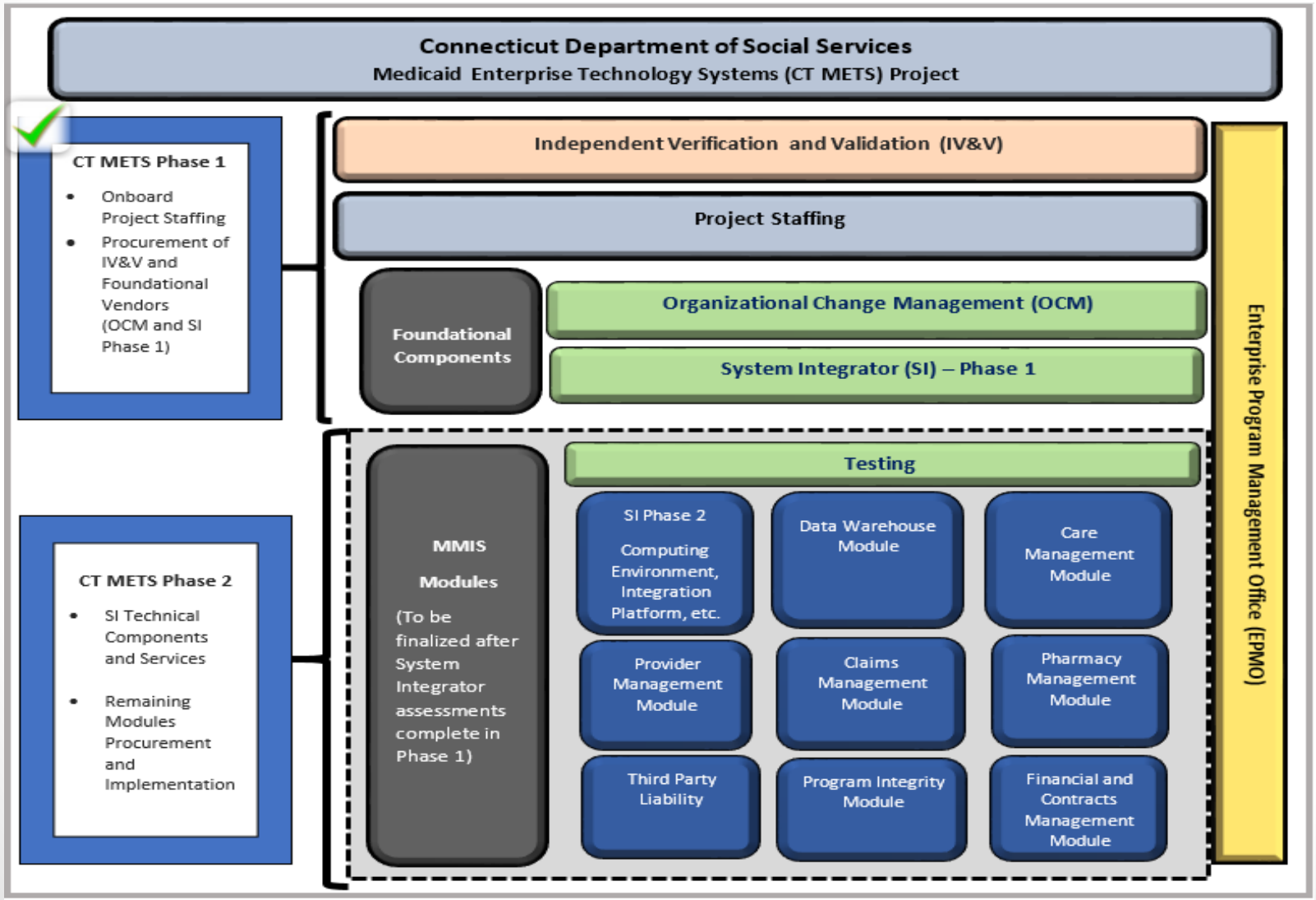
CT METS - Critical Success Factors

- Streamline business interactions, improve user experience, improve care management and coordination
- Web portal integration to facilitate self-service functions and improve data access
- Seamless data sharing between disparate systems (e.g, CoreCT, Budget Management)
- Develop capabilities to be shared with other programs/systems, e.g., Enterprise Service Bus, Data Warehouse, Document Management Services
- Reduce change management effort and risk through modular implementation

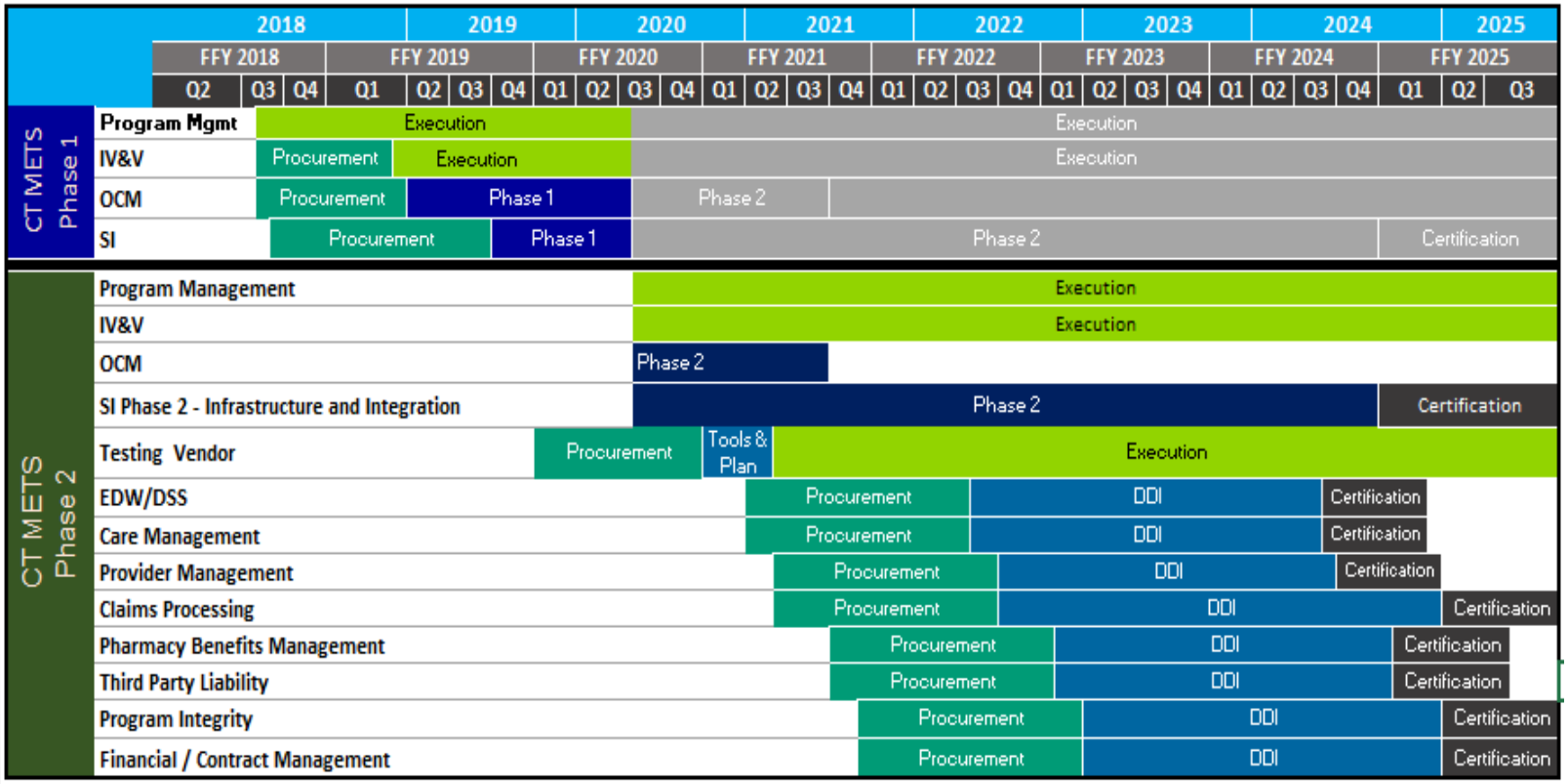
CT METS – Phased Approach (subject to CMS approval)

- **Phase 1 Foundational work** (7/2018 – 6/2020):
  - Onboard project staffing (technical, business)
  - Independent Verification and Validation
    - ✓ Independent program monitoring to reduce risk and promote success
    - ✓ Required by CMS
  - Organizational Change Management
    - ✓ Review, transform ,and document business processes
    - ✓ Support organizational change and realignment
    - ✓ Prepare for training needs
  - System Integrator
    - ✓ Assess current assets for reuse; analyze and recommend modular approach/sequence
    - ✓ Prepare for integration effort: define SDLC; architectural plans; plans for Enterprise Service Bus (ESB); technical infrastructure; data management; other plans
    - ✓ Final documentation with New Operating Model, Conceptual Program Design, and the Updated Modular Roadmap
- **Phase 2 Implementation** (7/2020 – 9/2025)
  - Integration build out including ESB, Identity and Access Management, Master Data Management
  - Acquisition/implementation of modular components and services
  - Legacy Data Conversion
  - Additional vendor to support testing efforts

CT METS – Phased Approach (Cont'd)



CT METS – Planned Program Timeline (subject to CMS approval)



Notes:

1. *IAPD Updates are done annually or as needed*
2. *Procurement includes RFP (or alternative such as pooled purchase), Contract Negotiation and CMS Approval for RFP (2 months) and Contract (2 months)*
3. *Certification includes Operational Stabilization and pre-work required for Certification*

CT METS Capital Fund Request

- Total project costs are estimated at $428.0 million for the full duration of the CT METS project. Of that amount, $47.2 million is for staffing and related costs that cannot be bonded.
- Virtually all of the bondable and non-bondable shares of the project will be reimbursed at 90% by the federal government.
- The multi-year federal reimbursement for bondable activities is estimated at $339.5 million, with an additional $41.0 million for non-bondable project costs.
- The remaining bondable State share of project costs for which we are seeking IT Capital Investment Fund support is estimated at $41.3 million.

CT METS Capital Fund Request (Cont'd)

- Yearly requests for IT Capital Fund support:

SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	Out Years after FY2024	Total
1,478,147	2,979,589	5,061,279	6,793,763	8,052,963	7,896,511	9,066,406	41,328,658

- SFY 2019 and SFY 2020 total IT Capital Fund request is $4.5 million in total. The request ramps up in SFY 2021 and beyond as the design, development, and implementation work begins to accelerate across the various modules.

Anticipated Financial and Service Benefits

- Enhanced federal reimbursement on the project is estimated at $153 million *with total federal reimbursement at 88.9%, or $380.5 million*.
- Enhanced 75% reimbursement on future operational costs for services that are currently reimbursed at 50% estimated at $3.75 million annually.
- Enhanced coordination and consolidation of business process to improvement efficiency of operations.
- Consolidation of contracted service providers-examples include member services supports, analytics, document management, etc.
- Enhanced coordination and consolidation of IT services across the wide range of DSS contracted service providers.

Return on Investment

- Current annual systems operating costs are estimated to be $39.6 million. Of this expense, approximately $24.6 million is reimbursed at 75%, and the balance of $15 million is reimbursed at 50%.
- As a result, the net annual State cost of current operation after federal reimbursement is $13.7 million.
- Under the fully implemented updated CT METS system, annual operating costs are expected to rise to $42.9 million, but all operating costs will then be eligible for 75% reimbursement.
- Under the updated system, annual net State operating costs are estimated to be $10.7 million, resulting in an ongoing operating savings of $3 million annually.
- In addition, there will be significant beneficiary and provider benefits to be derived from the new system.

Federal Funding and APD Activity

- Federal support for enhanced reimbursement for the project will be sought through an Advance Planning Document (APD) request to the Centers for Medicare and Medicaid Services (CMS)
- Federal approval will lock in the 90% reimbursement on virtually all activities (a few selected areas are reimbursed at lower rates)
- The APD is under development and is expected to be sent to CMS following IT Capital Fund review (April target)

Questions?