State of Utah

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Utah Department of Health

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December 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 December 31, 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 fourth quarter of 2011 was $608,751 for a cumulative total of $2,024,438.

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 Goold Health Systems (GHS). In light of provider concerns on the timing of the proposed implementation dates and an extension from the federal government on the adoption of new prescription processing standards, the conversion to the new system was changed from January 1, 2012 to February 20, 2012. Implementation of the DRMS will follow based upon the CMS defined quarterly schedule. The first drug rebate cycle using the new DRMS will begin with the April – June 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. Using the initial appropriation, the Department proceeded with work on the system components mentioned above and carried forward a balance of $2,488,000 into FY 2012. The Department received an additional $3 million in general fund for FY2012 for a total of $5,488,000. As of mid December, total (Federal and State) SFY 2012 FINET expenditures were approximately $865.000.

The Department submitted an Implementation Advanced Planning Document (IAPD) to CMS to request enhanced federal funding for implementation, and a Request for Proposal (RFP) for the core system replacement. Assuming a timely approval by CMS, the anticipated time frame for releasing the RFP is the end of 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 contract awarded to GHS
- Data Warehouse upgrade completed
- I-APD submitted to CMS for review and approval
- DDI RFP submitted to CMS for review and approval

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, Medicaid and Health Financing