



*MMIS Replacement Planning Project
Legislative Quarterly Status Report
October – December 2014*

Submitted: January 26, 2015

Current Project Status

The MMIS replacement planning project overall is on time and progressing according to plan. Figure 2 on page 6 provides a high-level schedule of activities and milestones. Expenditures for the planning phase are within budget according to the amounts appropriated by the Legislature and approved by CMS at enhanced federal participation percentages. The quality of the planning project deliverables is meeting or exceeding standards.

Two of the work streams have experienced some delay:

- The requirements development process began late due to resourcing issues. The project team is concentrating on this area to ensure the overall project timeline does not slip.
- Procurement analysis started on-time but was delayed throughout the September to November timeline due to the depth of analysis undertaken. Though delayed, the procurement analysis is now completed.

Strategic Analysis

There are three independent components that comprise the Strategic Analysis: Alternatives, Procurement, and Market. Each piece requires in-depth, critical thinking and documentation of the vision for future Medicaid program administration to ensure the technology procured now will support future operations.

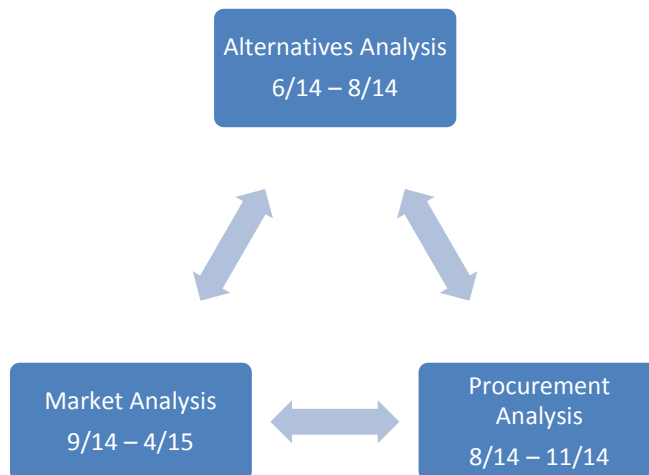


Figure 1 – Strategic Analysis Components

Alternatives Analysis

The approach in the Alternatives Analysis includes identifying options in the current market, describing each alternative, identifying advantages/disadvantages to each alternative, and considering six factors that may impact each alternative. The factors for each alternative considered are complexity, industry proven, business alignment, information technology standards alignment, demands on resources, and cost.

The Alternatives Analysis updates and expands on prior analysis efforts by considering the following alternatives:

1. Acquire new state-run MMIS with the state maintaining business operations;
2. Acquire new vendor-run MMIS with the state maintaining business operations;
3. Acquire new vendor-run MMIS and vendor-run business operations;
4. Enhance existing MMIS with state maintaining business and technical operations;
5. Partner with another State on a vendor-run system but maintain business operations;
6. Partner with another State on a vendor-run system and vendor-run business operations; or
7. Maintain the Status Quo

The purpose of the Alternatives Analysis is to identify at a high level the best model that will best support DHHS business operations and supporting technology systems.

Procurement Analysis

The Medicaid Information Technology Architecture (MITA) standards developed and instituted by CMS involve a much more modular approach to system development. The modularity seeks to better align business operations with technology. Modularity requires a detailed approach in identifying how particular Medicaid program areas and operations need to be supported by the new MMIS. Following are the modules being analyzed:

1. Claims and encounter processing
2. Reporting and analytics
3. Provider enrollment
4. Third-party liability identification and recovery
5. Program integrity
6. Managed care
7. Financial management
8. Care management
9. Medicaid Incentive Program (MIP)
10. Contract and business agreement management

The purpose of the Procurement Analysis is to identify the various approaches to system procurement, analyze how the approaches support DHHS' strategic vision and recommend the approach with the greatest probability for project success. It is possible there will be more than one Request for Proposal (RFP) as the Medicaid business areas, modules and approaches are analyzed.

Market Analysis

The purpose of the Market Analysis is to gain an understanding of the current marketplace for MMIS replacements, identify best practices occurring in other state's MMIS procurements and identify any timing conflicts with other state procurements that may reduce vendor interest in Nebraska's project. The Market Analysis includes conducting surveys of Nebraska Medicaid providers, other State Medicaid Agencies, and MMIS vendors. Initial vendor demonstrations are also part of the Market Analysis. These demonstrations provide insight to the latest vendor solutions and trends in the marketplace.

Requirements Development Process

Development of system and business requirements for the MMIS Request for Proposal (RFP) is a critical aspect of this project. An MMIS RFP may include as many as 3,000 or more requirements that vendors will analyze and use to develop their proposals and financial bids.

The team will be leveraging requirements from numerous sources and identifying those that are relevant to Nebraska and support the vision and goals of the project. Sources for requirements include:

- Previous system RFPs in Nebraska.
- Requirements from other state's recent MMIS RFPs.
- Requirements provided by the Centers for Medicare and Medicaid Services (CMS) through their Medicaid Enterprise Certification Toolkit.

There will be gaps in the requirements obtained from outside sources, necessitating drafting of requirements to fit Nebraska's business and technical needs. All requirements will be assigned to a workgroup consisting of DHHS subject-matter experts and expert consultants who will review, classify and potentially revise them to ensure their language is consistent with Nebraska's program.

Accomplishments

- Organized, scheduled and completed onsite vendor demonstrations with six MMIS vendors.
- Completed vendor survey.
- Developed Medicaid provider survey.
- Completed other State Medicaid Agency survey – have received 34 responses.
- Draft Alternatives Analysis document.
- Drafted and submitted to CMS the Planning-Advance Planning Document (P-APD) to secure enhanced funding for the planning phase through September 2015.
- Integrated DHHS subject-matter experts into planning project structure, improving communication and awareness of MMIS project.
- Initial outreach to provider associations and stakeholders conducted through Medical Assistance Advisory Committee (MAAC).

- MMIS Requirements Development work processes identified.
- MMIS Requirements Development kicked off.
- Draft Procurement Analysis document.

Upcoming Activities

- Continue Market Analysis, including scheduling demonstrations for reporting and analytics and program integrity solutions.
- Aggregate provider survey data.
- Continue requirements development.
- Draft strategic analysis document.
- Begin drafting Implementation Advance Planning Document necessary to continue enhanced federal funding starting October 1, 2015.

MMIS Estimated Planning Project Timeline

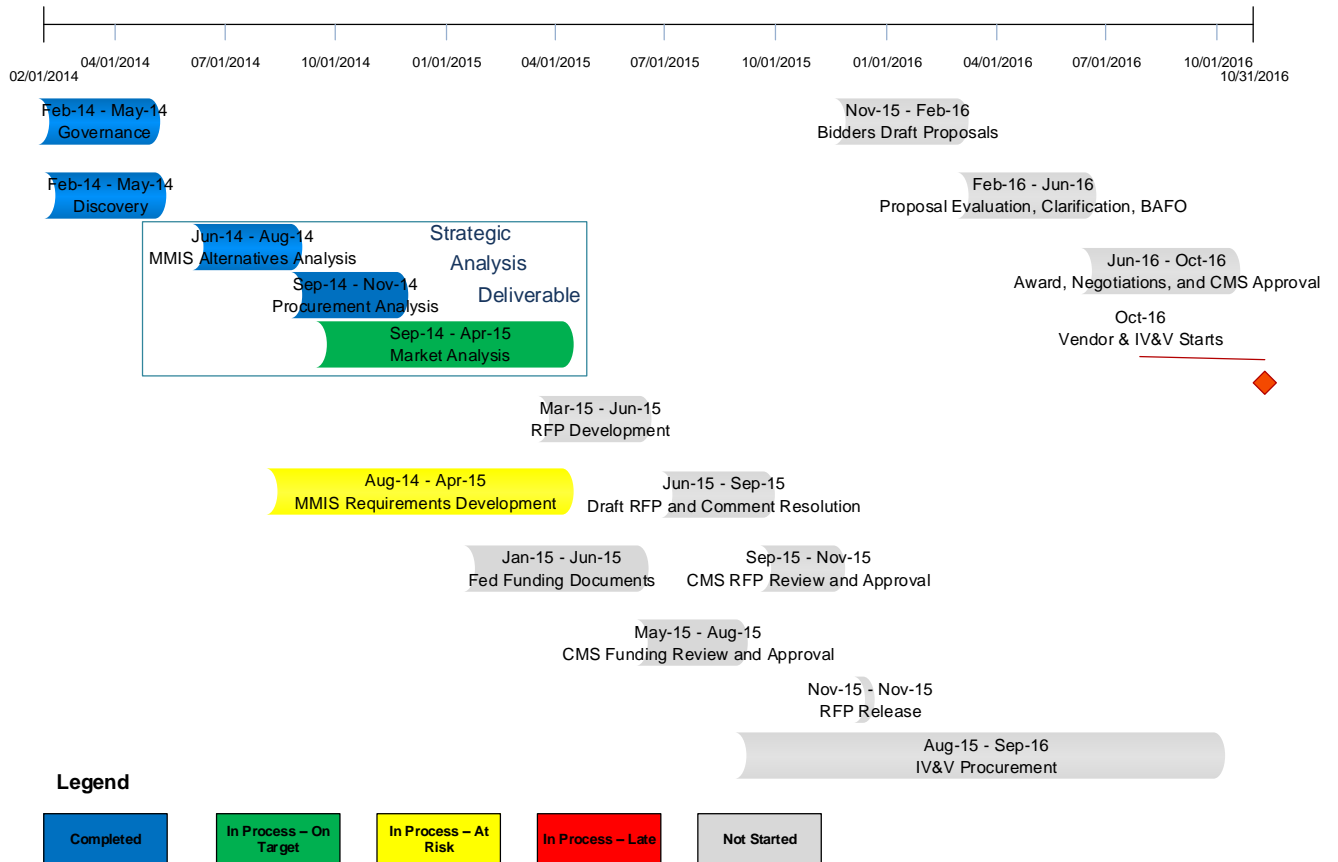


Figure 2 – Estimated Project Timeline

Note: Strategic Analysis is comprised of three components – alternatives, procurement and market. Deliverable will not be available until completion of market analysis in April 2015.