

Appropriations Committee and Health and Human Services Committee
Legislative Resolution 535
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Department of Health and Human Services
Division of Medicaid and Long-Term Care

Good afternoon, chairperson Campbell, chairperson Mello and members of the Appropriations and Health and Human Services Committees. My name is Ruth Vineyard (R-U-T-H V-I-N-E-Y-A-R-D), Deputy Director in the Division of Medicaid and Long-Term Care with the Nebraska Department of Health and Human Services.

As requested, I am here today to address Medicaid's current plans for new Medicaid IT systems including the Eligibility and Enrollment System, or EES; and the Medicaid Management Information System, commonly referred to as the MMIS. In addition, I will also discuss Medicaid's plans to enhance our current data and analytics capabilities as part of the overall strategic plan for the division.

In 2013, MLTC initiated a project to replace the Medicaid eligibility and enrollment system and completed the contracting process early this year with Wipro LLC. Replacement of the system was necessitated by ACA regulations for real-time eligibility and enhanced system functionality. The current eligibility and enrollment system, NFOCUS, has been in use for approximately 20 years and has served us well. However, the current system no longer meets federal requirements for enhanced funding and the data analytics capabilities have presented some challenges. This has been particularly problematic in the last few years due to increased oversight and required reporting by the Center for Medicare and Medicaid services (CMS).

This is a significant project with an aggressive timeline. Development of the new system began at the end of August 2014 with an anticipated go live date in the first half of 2016. The project requires resources with diverse expertise to implement successfully. System integrators, Independent Validation and Verification (IV&V) contractors, consulting resources and State staff are all

required. The project is currently in the planning and requirements validation phase. A governance structure has been established including a Project Board and Steering Committee, and includes involvement of Executive leaders. This strong governance structure combined with IV&V minimizes risk and ensures accountability throughout the project.

Implementation cost for the new system is approximately \$59 million dollars. Enhanced match federal dollars at 90/10 are available and being utilized to assist the State with implementation costs.

The Department's initiative to replace the existing MMIS system began with the CMS-mandated Medicaid Information Technology Architecture State Self-Assessment (MITA SS-A). A consulting team worked alongside state staff to complete an "As Is" analysis of our current business, information and technical architecture. This was followed by a projection of our "To Be" state and the road map or strategic plan that will bridge the gap between the "As-Is" and "To-Be" states. The MITA SS-A is the required framework for federally funded Medicaid IT projects and it will be completed by the end of the year.

The planning phase of the MMIS procurement began in early 2014, with discovery and project governance formation. The project is led by consultants with expertise in MMIS procurement in conjunction with state management and staff. Strategic analysis involving system alternatives, procurement options and a current MMIS market view are in development. A specific workgroup has been established to define reporting and analytics requirements to ensure a new MMIS will meet the continuing demands for extensive program, financial and operational data analyses.

We anticipate the MMIS RFP will be released in November 2015, and a vendor to begin the design, development and implementation phase of the project in October 2016. Please see the MMIS Estimated Planning Project Timeline handout for additional detail on planning project milestones. Unknown at this time is the length of time before a new MMIS will be operational; however, implementations in other states routinely have taken three to four years.

Funding began for the MMIS replacement in state fiscal year 2015, with \$28.4 million being appropriated. The total amount projected over the course of four

years is \$113.6 million. Refined cost estimates will be made as the project progresses and decisions are made on procurement options.

In recognition of the importance of data analytics, MLTC has continued to build on its existing analytics capabilities. For example, a new Quality of Care and data analytics team has been created with the goal of analyzing key Medicaid data to provide insight into the value and quality of care being provided to Medicaid clients. These efforts are in addition to the existing data analytics conducted by other areas of MLTC such as our Program Integrity team. Staff currently utilize a data warehouse solution which serves as the basis for much of the data analysis but there are many additional sources of data which are now being researched and incorporated into our analysis.

MLTC recognizes the challenges that await in the collection, validation, management and use of health care data and expects the implementation of new EES and MMIS solutions will augment our current capabilities. Nonetheless, new systems are only part of the solution. Effective and useful analytics requires the critical analysis of individuals with the requisite skill and experience to interpret the data at hand. Even the most precise and accurate data will remain mostly useless if it cannot be interpreted and resulting action plans developed.

Implementing modern information systems while developing staff analytics capabilities will provide Nebraska Medicaid with the right combination to identify, monitor and, if necessary, remediate key indicators to maintain an effective and efficient administration of the Medicaid program.

I am happy to answer any questions you may have to the extent I am able.