Testimony for Health Care Reform Review Committee
Department of Human Services

Medicaid Managed Care <u>and</u> Health Enterprise
Medicaid Management Information System (HE MMIS)

February 1, 2018

Chairman Keiser, members of the Health Care Reform Review Committee, I am Maggie Anderson, Director of the Medical Services Division for the Department of Human Services. I appear to provide information regarding the intersect of the procurement of MMIS services and the relationship to the consideration of additional Medicaid managed care services.

Renewal and extension options for the current HE MMIS maintenance and operations contract expire in October 2020. DHS will need to procure services, which include several options:

(1)   System Maintenance and Operations (current contract)

Fiscal Agent (claims processing and call center staff)

Certain component replacement (examples: Provider, Pharmacy, Reports)

(2)   Full system replacement

> Assumes use of current HE MMIS

MMIS Functional Area	Fee For Service	Managed Care
Member Management	Needed	Needed
Provider Management	Needed	Needed
Claims Front End Pricing Back End Financial management	Needed	Needed
Third Party Liability	Needed	Needed

SURS	Needed	Needed
Service (Prior) Authorization	Needed	COULD be diminished
Managed Care*	Needed	Needed
Contact Management	Needed	Needed
Data Management and Edits and Audits	Needed	Needed
Administrative Reporting	Needed	Needed
Pharmacy	Needed	Needed
Drug Rebate Administrative Management System (DRAMS)	Needed	Needed
Electronic Data Interchange (EDI)	Needed	Needed
EDMS	Needed	Needed
Automated Voice Response (AVR)	Needed	Needed+
Data Warehouse (Truven)	Needed	Needed

*There is a current change request for MMIS to implement automated premium payments and enrollment files and to allow for the capture of encounter claims for Medicaid Expansion. The change request is estimated to cost at least $3 million** and the project is estimated to be at least nine months of effort. (Work on this change request will not begin until HE MMIS is certified, which is estimated to be no sooner than early 2019.) **This estimate was made prior to the 2016 Medicaid Managed Care regulations.

+ Primarily needed because of the non-Medicaid claims processed by HE MMIS (see below).

MMIS processes "non-Medicaid" claims (SPED, Ex-SPED, Department of Corrections and Rehabilitation, Children's Health Services (Dept of Health), Ryan White, County Jails, State Hospital, Part C, State Hospital, and Disability Determination Services). HE MMIS components including all claims processing, pricing and fee schedule functions would need to be maintained for these programs/entities or they would need their own claims processing system.

If any service area (dental, pharmacy) is carved "out" or if any population (long-term care, developmental disabilities) is carved out, or if there is not state-wide implementation of managed care, all MMIS components and Medicaid functions will continue to be needed.

There are also "secondary" contracts to HE MMIS – such as front end claims edits and drug pricing files that may be impacted.

Medicaid services and populations have various funding percentages (M-CHIP Kids, Family Planning, IHS and Tribal 638, Women's Way) and there are currently other entities who cover the non-federal match for certain Medicaid-covered services (DPI for School-Based services, DOCR for Inpatient Prisoner claims and Targeted Case Management claims). Decisions about how these services or populations will be covered is important if there would be any system modifications that would be necessary as part of an MMIS procurement.