Medicaid Management Information System

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Agenda

- IT Projects
- MMIS Overview
- MMIS in North Carolina
  - History
  - Current Project
  - Special Provision

Recent IT Project Study

- Examined 1,471 projects

- Average cost overrun was 27%

- One in six was a "black swan"
  - Average cost overrun of 200%
  - Schedule overrun of almost 70%

Harvard Business Review, September 2011, Flyvbjerg and Budzier

Successful IT Projects

- Adhered to schedule

- Resisted changes to the project's scope

- Broke the project into discrete modules

- Assembled the right team, including IT experts from their organization, outside experts, and vendors

- Prevented turnover among team members

- Framed the initiative as a business endeavor, not a technical one

- Focused on a single target, readiness to go live, measuring every activity against it

Harvard Business Review, September 2011, Flyvbjerg and Budzier

What is MMIS?

- The MMIS is an integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives.

- The objectives of this system and its enhancements include:
  - Program control and administrative costs
  - Service to recipients, providers and inquiries
  - Operations of claims control and computer capabilities
  - Management reporting for planning and control.

Centers for Medicare and Medicaid Services

Origins of MMIS

- October 1972 - Public Law 92-603 was enacted
  - Provided for 90-percent Federal financial participation (FFP) for design, development, or installation
  - Provided 75-percent FFP for operation of state mechanized claims processing and information retrieval systems approved by the Secretary.
- For Medicaid purposes, the mechanized claims processing and information retrieval system which states are required to have, unless this requirement is waived by the Secretary, is the Medicaid Management Information System (MMIS).

Centers for Medicare and Medicaid Services

MMIS Contracting

- Contractual services may be utilized to perform work for the design, development, installation, or enhancement of a mechanized claims processing and information retrieval system.

- A fiscal agent who is a private contractor to the state, normally selected through a competitive procurement process, may operate the state's MMIS.

Centers for Medicare and Medicaid Services

MMIS History in North Carolina

- EDS won original MMIS contract
  - HP acquired EDS in 2008
  - HP continues to operate legacy system
- New contract awarded in April 2004
  - Project managed by Office of MMIS Services (OMMISS)
  - ACS selected
  - Planned completion date of June 2006 slipped into 2007
  - In May 2006, State CIO notified DHHS that project would be suspended if issues were not resolved
  - DHHS terminated contract in July 2006
  - ACS and State settled in 2007

MMIS History in North Carolina

- Second new contract
  - Awarded to CSC in December 2008
  - Schedule
    - Initial go-live date was August 22, 2011
    - CSC proposed an October 1, 2012 go-live date
    - Current operational readiness date is March 1, 2013
  - Changes = Approaching 300
  - Cost
    - Original = $417,538,094
    - Current = $619,452,289 (Does not include additional costs for two contracts requiring renegotiation)

Current MMIS Project

- Schedule - Slippage

- Scope changes - Significant

- Modules - Discrete projects

- Team - Same State leadership team since original contract

- Turnover - Ongoing challenge

- Framed as business endeavor - Role of Division of Medical Assistance?

- Focus on readiness to go live

MMIS Funds/Implementation of MMIS (Section 10.29)

- DHHS
  - Provide detailed cost information by August 1, 2011
  - Utilize prior year earned revenue/overrealized receipts/funds with reporting requirements
  - Expedite implementation of enhancements
  - Engage private counsel for amendments in excess of $10,000,000
  - Develop revised project schedule by August 1, 2011

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MMIS Funds/Implementation of MMIS (Section 10.29)

- DHHS (continued)
  - Make quarterly progress reports beginning July 1, 2011
  - Submit reports on:
    - Reporting and Analytics Project
    - Division of Health Services Regulation Project

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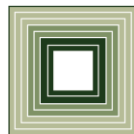# MMIS Funds/Implementation of MMIS (Section 10.29)

- State Chief Information Officer
  - Ensure timely and effective implementation of project
  - Ensure project meets all State requirements for project management and immediately report any failures
  - Report immediately if any MMIS project goes "red" in the project portfolio management tool

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Questions

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