NC MEDICAID MANAGEMENT INFORMATION SYSTEM+ (NCMMIS+) PROGRAM

Quarterly Report
to the
North Carolina General Assembly
May 2010 – July 2010

State of North Carolina
Department of Health and Human Services

October 1, 2010

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Table of Contents

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INTRODUCTION

In June 2008, the NC General Assembly passed Session Law 2008-107, House Bill 2436, of which Sections 10.9.(c), (d) and (e) required quarterly reporting in regard to the Replacement Medicaid Management Information System (MMIS). In accordance with this law, the Department of Health and Human Services began submitting quarterly reports on March 1, 2009. Session Law 2009-451, Section 10.41 continued the quarterly reporting requirements beginning July 1, 2009.

Appendix C–NCGA 2010 Session Legislative Mandates is a new item in this quarterly report that provides a reference to all of the legislative mandates from the 2010 Session of the North Carolina General Assembly that potentially impact the NC Tracks NCMMIS+ Project and a brief description of the potential impact.

This report covers the period of May 1, 2010 through July 31, 2010.

BACKGROUND

For background information on the MMIS Replacement Project, please see *Appendix D–Background.*

STATUS

Replacement MMIS PROJECT

DDI – Execution and Build Phase

NC Tracks design documents covering the Requirements Traceability Matrix (RTM) and Business System Design (BSD) phases are 100% complete and have been accepted for all of the functional builds. Office of Medicaid Management Information System Services (OMMISS) review and acceptance of the Technical Design Documents (TDD) is complete for all except the following builds:

- 13.2 Third Party Liability (TPL)
- 14.1 Reference
- 15.1 Financial Transactions
- 17.0 Call Center

OMMISS and the Division Subject Matter Experts (SMEs) are currently reviewing the Edits and Audits translation document produced by CSC. The purpose of this document is to transcribe the Medicaid Legacy system edits and audits from legacy code and other sources, and then translate the information into NC Tracks nomenclature. Results of the review are being compiled with suggestions for enhanced automation of some edits and audits that currently suspend for manual review. CSC is planning a series of meetings to evaluate and update documentation and processes where appropriate, based upon State multi-Division reviewer comments and suggestions. The final culmination of this process will form the foundation for coding and maintenance of claim adjudication edits and audits in NC Tracks across all payers (DMA, DMH, DPH and ORHCC).

The initial State user acceptance testing is underway for the following areas:

- Build 7 – Eligibility Verification System (web-based)
- Build 6 – Recipient

CSC has initiated the preliminary steps for internal testing for additional areas:

- Build 8 – Non Electronic Submission (paper claim attachments and other documents)
- Build 5 – Provider

Following successful completion of vendor testing, the State will expand acceptance testing to include these modules.

OMMISS continues to work with CSC on the optimal solutions for incorporating electronic signature and e-prescribing capabilities within the new system, based on industry standard best practice and incorporating guidance provided by CMS. We are also preparing detailed gap analysis documents between the "as is" and the "to be" claims processing environments to identify and prepare for compliance with 5010 electronic claim transactions mandated by CMS effective January 1, 2012. These regulations involve the coding system that physicians and hospitals use to code diagnoses and procedure information on medical claims and other fundamental health insurance transactions.

Early Operations

Early Operations for Provider Enrollment, Verification and Credentialing (EVC) continues to meet contractual Service Level Agreements (SLAs) for performance standards in call center operations.

The team has trained staff and updated multiple business rules, forms and procedures during the past month. These revisions are required by recent NC legislative actions and DMA changes to the Medicaid provider requirements for provision of behavioral health services. Staff has responded with appropriate speed to post updated forms, revise web pages, create provider mass mailings and assist providers by phone with rapidly evolving enrollment and credentialing requirements.

NC TRACKS Operational Readiness

- Pre-work has begun to develop the Claims and Client Services Operations manual strategy and prototype for OMMISS review and approval.
- CSC has initiated design and definition of training requirements, including course content and training delivery mechanisms for providers, state users and fiscal agent staff.
- High level proposed transition strategy for pended claims in the legacy system(s) at the time of NC Tracks implementation has been agreed upon. A series of meetings with various State Division representatives will begin in September to identify and work-through related issues, including differences between the existing and new claims adjudication business rules.

- A Provider Communication workgroup has been formed to identify, develop and promote a multi-faceted strategy for ensuring providers are aware of key dates, required actions and critical information regarding the new multi-payer claims processing system. This group has been studying a similar provider communication plan deployed by the State of Washington and is formulating an action plan customized for North Carolina.

Reporting & Analytics (R&A) Project

The R&A Evaluation Committee completed its negotiations with Thomson Reuters and submitted the contract award recommendation to ITS and CMS for review and approval. The committee received final approval from ITS on the award recommendation on June 17, 2010. CMS approved the award recommendation on June 28, 2010. The Reporting and Analytics contract was awarded to Thomson Reuters on June 29, 2010. The contract is in compliance with North Carolina Session Law 2009-451, Section 10.41.(f) in that the solution supports the capability to interface with the North Carolina Teachers and State Employees Health Plan, and the price of this capability was negotiated prior to contract award.

Preliminary meetings were held during the first two weeks of July with Thomson Reuters to review project scope, high level requirements, contract terms and the IMS (Integrated Master Schedule). Thomson Reuters held two kickoff meetings with representatives from the divisions, ITS and OMMISS on July 14 - 15, 2010.

Thomson Reuters conducted data summit meetings with CSC, OMMISS and divisional DPEs on July 27 - 29, 2010. The data summit meetings were the first set of meetings focused on mapping the Replacement MMIS source data from CSC to the Thomson Reuters data warehouse and data marts. Additionally, Thomson Reuters scheduled business requirements meetings with representatives from the divisions the first week of August to gather additional information on reports and parameterized queries. Several meetings were held with Thomson Reuters, CSC and OMMISS to begin discussions on the integration points of the R&A and Replacement MMIS Projects.

RECENT UPDATES

In the August 2010 Steering Committee Meeting, CSC announced that the August 22, 2011 go-live date would not be met. On September 16, CSC proposed a new go-live date of October 1, 2012. This proposed go-live date must first be reviewed by DHHS, the IV&V vendor, and CMS. If the proposed date is approved by the DHHS Change Control Body, Statewide IT Procurement, DHHS management and CMS, a contract amendment will be executed. As soon as a revised go-live date is finalized, DHHS will send a report under separate cover describing the impact of the schedule slippage, which could include damages as depicted in the CSC contract. The contract states that the vendor shall be liable for all costs incurred by the State to continue operation of elements of the Legacy MMIS+ including the cost of the continued operation of OMMISS, less the amount the State would have paid the Vendor had the Replacement MMIS been timely operational.

CHANGE REQUESTS –

The Replacement MMIS has developed a Change Management Plan (CMP) to ensure changes in the size, scope; complexity and length of the Project are appropriately planned and managed. The CMP documents the multiple levels of reviews and approvals that are required before a change is enacted. The final review within DHHS is the multi-divisional Change Control Body (CCB); then, if the change has an associated cost, the Statewide IT Procurement Chief also approves the change. During the procurement process, Offerors were required to propose the anticipated cost for changes during the DDI phase. CSC proposed $22 million which was approved by CMS and subsequently budgeted by the Agency. The following table summarizes change requests approval during this reporting period.

	Prior to May 2010	May 2010 - July 2010	Total
No Cost CSRs	99	16	115
Cost CSRs	18	19	37
Number of Approved CSRs	117	35	152
Cost of Approved CSRs	$3,826,783	$1,644,026	$5,470,809

By volume, most of the Customer Service Requests (CSRs) to date have been business rule changes related to the early implementation of the provider Enrollment, Verification and Credentialing functionality.

A summary of CSRs approved to date is:

Preferred Drug List (3/15/10 – 8/31/16)	$ 3,673,233
HIT Planning	$ 806,898
HIPAA Code Set 5010, Design	$ 639,105
All other CSRs	$ 351,573

FINANCIAL UPDATE

The current estimated cost of the Replacement MMIS Design, Development and Installation (DDI) is $114,704,822, of which $13,717,683 is the necessary State matching funds. CMS funds most DDI activities at a 90/10 federal match. Some exceptions to the 90/10 match include funding for training, furniture, indirect costs (overhead), and travel for non-project specific purposes; these activities receive 50/50 federal match. It should also be noted that non-Medicaid functionality, such as Public Health and Mental Health are not funded by CMS. In consideration of these factors, the “effective” federal funding rate for the MMIS DDI effort is approximately 88%. The $114,704,822 total Replacement MMIS DDI cost includes $22,000,000 in optional change orders approved by CMS; should DHHS opt to spend any part of this $22 million, contract amendments and approval by the Statewide IT Procurement Office are required.

Program expenditures for SFY 09-10 were $33,508,217, which includes $5,910,197 in State matching funds. With a carry forward of $3,775,615 from SFY 08-09, $2,134,582 of new state funds were required in SFY 09-10

The above figures represent a decrease of $26,349,491 in total expenditures and $8,630,571 in State appropriations from the original budget for SFY 09-10. Due to longer-than-expected procurement timelines for the R&A and DHSR projects, vendor costs have been removed from the SFY 09-10 budget. Additionally, billings for change requests on the Replacement MMIS project are slower than anticipated. As a result of these delays, $8,630,571 of State appropriations has been moved from SFY 09-10 budget to SFY10-11. This movement of funds maintains the $18,829,281 biennium amount included in Section 10.41.(a) of the Session Law 2009-451 Senate Bill 202.

The Division of Health Service Regulations (DHSR) project is currently conducting procurement activities; therefore, cost projections from this project have been redacted from the attached financial tables.

The financial details are provided in *Appendix A–Financial Update*.

SCHEDULE

This report includes the most recent high-level DDI schedule. Appendix B reflects all major milestones during the 32-month schedule. The Replacement MMIS is scheduled to be operational on August 22, 2011. It should be noted that this schedule may be affected by federally mandated changes referred to as 5010 and ICD-10, described in the June 1, 2009 report.

In the August 2010 Steering Committee Meeting, CSC announced that the August 22, 2011 go-live date would not be met. On September 16, CSC proposed a new go-live date of October 1, 2012. This proposed go-live date must first be reviewed by DHHS, the IV&V vendor, and CMS. If the proposed date is approved by the DHHS Change Control Body, Statewide IT Procurement, DHHS management and CMS, a contract amendment will be executed. As soon as a revised go-live date is finalized, DHHS will send a report under separate cover describing the impact of the schedule slippage, which could include damages as depicted in the CSC contract

End of Report

APPENDIX A –

FINANCIAL UPDATE

Table 1 below represents total costs incurred since the inception of the NCMMIS+ Program in September 2006, through the month ending July 2010. It also includes estimated costs through the implementation of the Replacement MMIS, plus one year of CMS certification activities, ending on August 31, 2012. Post-implementation maintenance and operational costs are not included in these costs.

The Program's overall estimated costs are running 1.6% below the ITS-approved budget.

Table 1: Program Costs from September 2006 - July 2010 & Estimates through CMS Certification (August 2012)

Project	Start Date	End Date	Expenditures to Date	ITS Approved Budget	Required State Funds	Current Estimated Costs	Variance
[4]MMIS DDI	11/01/08	11/30/11	25,980,511	92,704,823	10,661,055	92,704,823	0
[1]MMIS DDI Changes	01/05/09	08/23/11	164,442	N/A	2,695,000	22,000,000	N/A
MMIS Early Operations	04/20/09	08/23/11	4,435,882	N/A	5,181,955	10,363,909	N/A
R&A	11/01/08	08/31/11	976,743	14,204,074	1,633,469	13,000,479	-1,203,595
[2]DHSR	07/01/08	06/30/11	1,345,236	REDACTED: SEE FOOTNOTE 2			
Program-Level	02/01/07	08/31/12	7,502,206	11,151,565	2,007,282	11,501,457	349,892
Business Initiatives							
Health Choice	12/01/08	03/31/11	899,317	1,238,546	123,855	1,231,830	-6,716
HIT Planning	02/01/11	12/31/11	77,227	N/A	266,472	2,555,120	N/A
Medicaid Forecast.	11/01/09	01/31/11	651,993	1,739,914	173,991	1,739,914	0
Completed Projects			9,384,802	9,436,139	1,029,109	9,384,802	-51,337
Total Projects			51,418,359	REDACTED: SEE FOOTNOTE 2			
[3]Total ITS-Approved	09/16/06	08/31/12	46,740,808	137,572,357	18,622,199	135,399,045	-2,173,312
Variance							-1.61%

Footnotes:

[1]- This amount has been designated as a place holder for legislative and/or Federal changes that may be required during the next fiscal year. Federal match is already approved.

[2]- **Source Selection Sensitive**. The Division of Health Service Regulations (DHSR) project is currently in the Procurement Phase. Since the State is conducting procurement activities, **these cost projections have been redacted**. Also, since a contract has not been executed, these projected costs are more speculative than the other estimates.

[3]- Total estimated cost of ITS-Approved Projects; i.e., the place-holder *MMIS DDI Changes* and the *MMIS Early Operations* costs are not included in this total.

[4]- Includes $692,063 in expenditures for the SAS Budget & Finance project.

Table 2 below represents State funds required for the State Fiscal Year (SFY) 09-10.

2009-2010. Due to longer than expected procurement timelines for the R&A and DHSR projects, vendor costs are removed from this year's budget. Additionally, billings for change requests on the Replacement MMIS project are slower than anticipated. As a result of these changes $26,349,491 in total expenditures and $8,630,571 of State appropriations are being moved from SFY 09-10 to SFY 10-11.

Table 2: State Funds Required for SFY 2009-2010

Project	Expenditures	State Funds
[3]MMIS DDI	25,079,978	3,106,343
[1]MMIS DDI Changes	164,442	16,444
MMIS Early Operations	4,164,559	2,082,280
R&A	525,366	58,169
DHSR	REDACTED: SEE FOOTNOTE 2	
Program-Level	2,191,871	354,048
Business Initiatives		
Health Choice	562,046	67,998
HIT Planning	121,701	12,170
Program Total	REDACTED: SEE FOOTNOTE 2	
State Appropriation Balance 7/1/09		3,775,615
Appropriations For SFY 09-10		**10,765,153**
Estimated Carry Forward Appropriations 6/30/10		8,630,571

Footnotes:

[1]- This amount has been designated as a place holder for legislative and/or Federal changes that may be required during the next fiscal year. Federal match is already approved.

[2]- **Source Selection Sensitive**. The Division of Health Service Regulations (DHSR) project is currently in the Procurement Phase. Since the State is conducting procurement activities, **these cost projections have been redacted**. Also, since a contract has not been executed, these projected costs are more speculative than the other estimates.

[3]- Inclusive of estimated expenditures for the SAS Budget & Finance project.

Table 3 below represents State funds required for SFY 10-11.

Please refer to the narrative for Table 2 above. State appropriations of $8,630,571 were moved from SFY 09-10 to SFY 10-11. This movement maintains the $18,829,281 biennium amount included in Section 10.41.(a) of the Session Law 2009-451 Senate Bill 202.

Table 3: State Funds Required for SFY 20010-2011

Project	Estimated Expenditures	Estimated State Funds
[3]MMIS DDI	48,786,073	5,878,757
[1]MMIS DDI Changes	11,000,000	3,800,000
MMIS Early Operations	5,848,014	2,924,007
R&A	7,322,744	737,074
[2]DHSR	REDACTED: SEE FOOTNOTE 2	
Program-Level	2,243,807	247,181
Business Initiatives		
Health Choice	415,818	41,582
HIT Planning	4,570,000	464,200
Program Total	REDACTED: SEE FOOTNOTE 2	
State Appropriation Balance 7/1/10		8,630,571
Appropriations SFY 10-11		**8,064,128**
Estimated Carry Forward Appropriations 6/30/11		0

Footnotes:

[1]- This amount has been designated as a place holder for legislative and/or Federal changes that may be required during the next fiscal year. Federal match is already approved.

[2]- **Source Selection Sensitive**. The Division of Health Service Regulations (DHSR) project is currently in the Procurement Phase. Since the State is conducting procurement activities, **these cost projections have been redacted**. Also, since a contract has not been executed, these projected costs are more speculative than the other estimates.

[3]- Inclusive of estimated expenditures for the SAS Budget & Finance project.

End of Appendix A

APPENDIX B –

REPLACEMENT MMIS SCHEDULE

This October 1, 2010 quarterly report includes the most recent high-level design, development and installation schedule which reflects all major milestones during the 32-month schedule. Although two intermediate tasks schedules have changed, the *Replacement MMIS* is still scheduled to be operational on August 22, 2011. The changes involve 1) a further revision of the Build 6 Recipient SIT Complete revised planned date from August 13, 2010 to August 17, 2010 and the actual date of August 17, 2010 and 2) the revision of the planned date of Build 7 Eligibility Verification SIT Complete date from August 20, 2010 to August 31, 2010.

It should be noted that this schedule may be affected by federally mandated changes. On January 16, 2009, US DHHS published two final rules to adopt updated HIPAA standards to the Electronic Transaction Standards, and adoption of the ICD-10 code set. These legislative changes are commonly referred to as 5010 and ICD-10. A summary of these changes is contained in the June 1, 2009 Quarterly Report document.

In the August 2010 Steering Committee Meeting, CSC announced that the August 22, 2011 go-live date would not be met. On September 16, CSC proposed a new go-live date of October 1, 2012. This proposed go-live date must first be reviewed by DHHS, the IV&V vendor, and CMS. If the proposed date is approved by the DHHS Change Control Body, Statewide IT Procurement, DHHS management and CMS, a contract amendment will be executed. As soon as a revised go-live date is finalized, DHHS will send a report under separate cover describing the impact of the schedule slippage, which could include damages as depicted in the CSC contract

Design, Development and Implementation (DDI) Replacement MMIS Schedule

Build Number	Key Milestone	Planned Date	Planned Dates Revised this Report Period	Actual Date
	Award Announcement /Contract Signed	December 22, 2008		December 22, 2008
	Project Kickoff Meeting	January 5, 2009		January 5, 2009
2	Setup Baseline System Replica Environment Complete	March 3, 2009		March 3, 2009
	CSC Permanent Facility Ready for Early Occupancy	March 5, 2009		March 5, 2009
1	Project Management Portal (NCTracks) Complete	March 26, 2009		March 26, 2009
4.3	RetroDUR Early Implementation	April 6, 2009		April 6, 2009
	Final Baseline Integrated Master Schedule Submitted to the State	April 9, 2009		April 9, 2009
4.1	Provider Early Implementation Operational for Enrollment, Verification and Credentialing	April 20, 2009		April 20, 2009
	NCID Framework Complete	April 24, 2009		April 24, 2009
	Final Baseline Integrated Master Schedule Accepted by the State	April 27, 2009		April 24, 2009
	Management Plans Complete	May 7, 2009		May 7, 2009
3	Install Imaging/ Retrieval/ Printing Equipment	June 12, 2009		May 22, 2009
	Configuration Management Plan Complete	June 25, 2009		June 8, 2009
	Master Test and Quality Assurance Plan Complete	October 2, 2009		October 2, 2009
	Business Continuity/Disaster Recovery Plan Complete	October 7, 2009		October 7, 2009
0	Multi-payer Foundation Complete	March 22, 2010		March 22, 2010
6	Recipient SIT Complete	August 13, 2010	August 17, 2010	August 17, 2010
7	Eligibility Verification SIT Complete	August 20, 2010	August 31, 2010	
	OMMISS Completes Development of UAT Scenarios	September 30, 2010		
6	Recipient UBAT Complete	October 6, 2010		
5	Provider SIT Complete	October 8, 2010		
8	Non-Electronic Submissions SIT Complete	October 25, 2010		
7	Eligibility Verification UBAT Complete	October 29, 2010		
17	Call Center SIT Complete	December 9, 2010		
5	Provider UBAT Complete	December 14, 2010		
9/10	Medical/Pharmacy Claim Adjudication SIT Complete	December 14, 2010		
14	Pend Resolution/Batch Interfaces/Reference SIT Complete	January 5, 2011		
8	Non-Electronic Submissions UBAT Complete	January 12, 2011		
11	Financial Claims Processing SIT Complete	January 13, 2011		
	Final SIT Completed	January 25, 2011		
18	Automated Voice Response System/Subsystem Reporting SIT Complete	January 28, 2011		
16	Health Check/Drug Rebate (EPSDT) SIT Complete	February 1, 2011		
15	Financial Transactions/MAR SIT Complete	February 2, 2011		
12	Prior Authorization SIT Complete	February 8, 2011		
13	Managed Care/TPL SIT Complete	February 23, 2011		
9/10	Medical/Pharmacy Claim Adjudication UBAT Complete	March 14, 2011		
	Training and Documentation Complete	May 12, 2011		
	User Acceptance Test (UAT) Completed	June 7, 2011		
	Final Data Conversion Complete	July 20, 2011		
	Production Simulation Test (PST) Complete	August 11, 2011		
	Replacement MMIS Operational	August 22, 2011		

End of Appendix B

APPENDIX C –

NCGA 2010 SESSION LEGISLATIVE MANDATES

NCGA 2010 SESSION LEGISLATIVE MANDATES
IMPACTING NC TRACKS NCMMIS+ PROJECT

Bill #	Session Law #	Title of Bill	Summary of Legislation	NCMMIS Potential Impacts
H 382	2010-70	Health Choice Program Review Process	• Creates the Health Choice Program Review Process to continue the current review process for program applicants and recipients appealing enrollment and eligibility decisions. • Creates a new review process for program recipients to appeal health services decisions. • Adds the health services review process to the agencies and proceedings currently exempted from the contested case provisions of the administrative procedure act.	Potential to add new data fields in MMIS to document recipient appeal process & new ad-hoc reports to monitor efficiency of appeal process.
H 589	2010-2	Ins. & State Health Plan Cover/Hearing Aids/ Autism	Requires health benefit plans and the State Health Plan to cover hearing aids and replacement hearing aids.	Potential impact on R&A reporting tables if State Health Plan claims data is included in this project.
H 1692	2010-88	Medicaid Dental/Special Needs Population	Requires the Division of Medical Assistance and the Division of Public Health, in the Department of Health and Human Services, to explore issues related to providing dental services to the special needs population.	• Based on study's final set of recommendations, potential future new MMIS data fields for pricing, services, provider info related to special health needs recipients in LTC or group homes. • Potential future impact on provider enrollment requirements/data collection/reporting related to dental services for special needs recipients
H 589	2010-2	Ins. & State Health Plan Cover/Hearing Aids/ Autism	Requires health benefit plans and the State Health Plan to cover hearing aids and replacement hearing aids.	Potential impact on R&A reporting tables if State Health Plan claims data is included in this project.

NCGA 2010 SESSION LEGISLATIVE MANDATES
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Bill #	Session Law #	Title of Bill	Summary of Legislation	NCMMIS Potential Impacts
H 1703	2010-93	Adult Day Care Criminal Record Check Process	Directs the Division of Aging and Adult Services, Department of Health and Human Services, to study the issue of criminal history record checks for current and prospective owners, operators, and volunteers of adult day care programs and adult day health services programs, as recommended by the North Carolina Study Commission on Aging.	• May affect provider services functionality in MMIS. • Potential future impact on provider enrollment requirements/ data collection/ reporting related to adult day care services providers
H 1705	2010-121	Consumer Guidelines for Hearing Aid Purchases	Requires the Hearing Aid Dealers and Fitters Board to coordinate a task force that will develop guidelines for consumers to use when purchasing a hearing aid, as recommended by the North Carolina Study Commission on Aging.	Has potential impact, but any recommended guidelines or standards should be able to be accommodated within existing MMIS projects.
H 1707	2010-3	SHP/ Age-Out Dependents; Tobacco Use Testing	• Allows already enrolled dependent children under the age of twenty-six who are not eligible for employer-based health care to remain on the North Carolina State Health Plan for Teachers and State Employees for plan year 2010-2011 • Directs the State Health Plan to consult with the Committee on Hospital and Medical Benefits before implementing any tobacco use testing program.	Potential impact on R&A reporting tables if State Health Plan claims data is included in this project.
S 354	2010-128	Continuing Care Retire. Community/ Home Care	• Permits continuing care retirement communities to provide or arrange for home care services without providing lodging when those services are provided adjunct to a contract for continuing care • Requires Department of Insurance and the Department of Health and Human Services to study issues related to continuing care retirement communities providing home care services without providing lodging.	• Adds new provider type for Home Health Services. • Potential future new data elements or modification of existing data elements in the MMIS.

NCGA 2010 SESSION LEGISLATIVE MANDATES
IMPACTING NC TRACKS NCMMIS+ PROJECT

Bill #	Session Law #	Title of Bill	Summary of Legislation	NCMMIS Potential Impacts
S 765	2010-118	Pooled Trusts/Medicaid Reimbursement	Amends the general statutes with respect to community third party trusts and Medicaid pooled trusts, and to provide for Medicaid reimbursement in certain circumstances.	• May require new or modified data elements in MMIS • Potential reporting changes for R&A
S 897	2010-31	Appropriations Act of 2010	Modifies the Current Operations and Capital Improvements Appropriations Act of 2009.	Items that may impact MMIS include: • CAPMR/DD Waiver changes • DMA to contract w/ CCNC for Enhanced Primary Care Case Mgt Sys • Expand 1915 Waiver • Study Medicaid reimbursement rates & program benefits by 4/2011 • Add Never Events to MSP • Modify the Medicaid Recipient Appeal Process
S 900	2010-152	Studies Act of 2010	Provide for studies by the Legislative Research Commission, statutory oversight committees and commissions, and other agencies, committees, and commissions.	The following studies could lead to changes in MMIS: • Consolidation of State Agencies & Departments • Efficient E-Commerce • Monitor Impact of Revised Requirements for PCS • Cost effectiveness of supportive housing as alternative to institutionalization (MH/DD/SA) • Prescription Drug Abuse
S 1193	2010-68	Implement LTC Partnership Program	• Implements the Long-term care partnership program, to ensure that North Carolina's Long-term care insurance laws comport with the long-term Care Partnership Provisions in the federal 2005 DRA • Authorizes the sharing of confidential information between the North Carolina Department of Insurance, entities that contract with the federal government, and other governmental agencies, as recommended by the North Carolina Study Commission on Aging.	• May require new or modified data elements in MMIS • Potential reporting changes for R&A

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S 1392	2010-120	State Health Plan/Court-Ordered Guardianships	Allows state employees to enroll children for which they are court-appointed guardians as dependents in the North Carolina State Health Plan for Teachers and State Employees.	Potential impact on R&A reporting tables if State Health Plan claims data is included in this project.
H 1703	2010-93	Adult Day Care Criminal Record Check Process	Directs the Division of Aging and Adult Services, Department of Health and Human Services, to study the issue of criminal history record checks for current and prospective owners, operators, and volunteers of adult day care programs and adult day health services programs, as recommended by the North Carolina Study Commission on Aging.	• May affect provider services functionality in MMIS. • Potential future impact on provider enrollment requirements/ data collection/ reporting related to adult day care services providers
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S 897	2010-31	Appropriations Act of 2010	Modifies the Current Operations and Capital Improvements Appropriations Act of 2009.	Items that may impact MMIS include: • CAPMR/DD Waiver changes • DMA to contract w/ CCNC for Enhanced Primary Care Case Mgt Sys • Expand 1915 Waiver • Study Medicaid reimbursement rates & program benefits by 4/2011 • Add Never Events to MSP • Modify the Medicaid Recipient Appeal Process
S 900	2010-152	Studies Act of 2010	Provide for studies by the Legislative Research Commission, statutory oversight committees and commissions, and other agencies, committees, and commissions.	The following studies could lead to changes in MMIS: • Consolidation of State Agencies & Departments • Efficient E-Commerce • Monitor Impact of Revised Requirements for PCS • Cost effectiveness of supportive housing as alternative to institutionalization (MH/DD/SA) • Prescription Drug Abuse
S 1193	2010-68	Implement LTC Partnership Program	• Implements the Long-term care partnership program, to ensure that North Carolina's Long-term care insurance laws comport with the long-term Care Partnership Provisions in the federal 2005 DRA • Authorizes the sharing of confidential information between the North Carolina Department of Insurance, entities that contract with the federal government, and other governmental agencies, as recommended by the North Carolina Study Commission on Aging.	• May require new or modified data elements in MMIS • Potential reporting changes for R&A

End of Appendix C

APPENDIX D –

BACKGROUND

Medicaid is a health insurance program for certain low income and needy people. It serves over one million people in the State, including children, the aged, blind and/or disabled, and people who are eligible to receive federally assisted income maintenance payments. For approximately 31 years, North Carolina has had the same vendor supporting the Medicaid claims processing system and associated outsourced business functions. In 1999, the same vendor was contracted to develop the Division of Mental Health, Developmental Disabilities and Substance Abuse Services' (DMH) Integrated Payment and Reporting System (IPRS) using the Medicaid claims payment system as a prototype. In addition, the Department operates another claims processing solution to facilitate claims payment for the Division of Public Health (DPH).

DHHS recognized the need to improve business processes and services provided by merging several of its claims payment systems into a *multi-payer* solution. This DHHS plan was modeled from CMS' Medicaid Information Technology Architecture (MITA) and Statewide Enterprise Architecture concepts. The processing of Medicaid and other healthcare claims directly supports DHHS' mission to serve the people of North Carolina by enabling individuals, families and communities to be healthy and secure and to achieve social and economic well being.

The NCMMIS+ Program was initiated in September 2006, to manage the activities related to the re-procurement and implementation of systems and services for a Replacement Medicaid Management Information System (MMIS) as well as systems and services for Reporting and Analytics (R&A) and an information technology (IT) system for the Division of Health Service Regulation (DHSR). The Replacement MMIS will expand claims payment functionality beyond Medicaid to include the Division of Public Health (DPH), the Migrant Health Program in the Office of Rural Health and Community Care (ORHCC), the Division of Medical Assistance (DMA), and the Division of Mental Health, Developmental Disabilities and Substance Abuse (DMH).

In July 2007, the Department of Health and Human Services (DHHS) posted a Request for Proposal (RFP) to fulfill the Centers for Medicare and Medicaid Services' (CMS') mandate that the State conduct an open procurement for a replacement of the Medicaid Management Information System (MMIS) and Fiscal Agent operations contract. Then, in June 2008, pursuant to the requirements of Section 10.40D.(a) (2) of Session Law 2008-107, DHHS amended the RFP to include the following payers: NC Health Choice, NC Kid's Care, Ticket to Work, Families Pay Part of the Cost of Services under the CAP-MR/DD, CAP Children's Program, and all relevant Medicaid waivers and Medicare 646 waiver, a five-year demonstration project that places the state's high-risk Medicare patients and dual eligibles (i.e., patients qualifying for both Medicaid and Medicare) into the primary care program known as Community Care of North Carolina (CCNC).

The NCMMIS+ Program consists of three major functional groups that are to be procured and contracted separately, which will provide the State with flexibility in contracting, and provides for access to the knowledge and skills of multiple vendors, and will broaden the

industry experience base in NC DHHS systems by providing opportunities for specialization that might attract new vendors or partnerships not seen in a monolithic acquisition. The three major functional groups are: 1) Core MMIS Replacement, 2) Reporting & Analytics and 3) DHSR.

There are two other major procurements in addition to the three mentioned above: 1) Test Management Services and 2) Independent Verification and Validation (IV&V). Test management of all three NCMMIS+ Program functional groups is outsourced to a single vendor that specializes in testing. The Test Management Vendor is responsible for managing the testing activities while primarily DHHS staff will perform the tests. Because of the close relationship among the Program's three functional groups, having one testing vendor is more efficient than procuring three different vendors. The Test Management Services contract was awarded to *SysTest Labs* on July 29, 2009.

CMS mandated that the State acquire IV&V services for the Replacement MMIS. The lead IV&V staff members have the responsibility to oversee the Project and report directly to the Project Sponsor and to CMS. The IV&V vendor provides the Lead with supporting staff as needed for specific activities; for example, a DBA (Data Base Administrator) may be called in to review data base layouts, etc. DHHS will also use the IV&V services for the R&A, and DHSR projects. The IV&V contract was awarded to MAXIMUS, Consulting Services, Inc. on September 17, 2009.

End of Appendix D