NC MEDICAID MANAGEMENT INFORMATION SYSTEM+ (NCMMIS+) PROGRAM

Quarterly Report
to the
North Carolina General Assembly
August 2010 – October 2010

State of North Carolina
Department of Health and Human Services

January 1, 2011

This Page Was Intentionally Left Blank

Table of Contents

This Page Was Intentionally Left Blank

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 D–NCGA 2010 Session Legislative Mandates provides a reference to all of the legislative mandates from the 2010 Session of the North Carolina General Assembly that potentially affect the NCMMIS+ Program and a brief description of the potential impact.

This report covers the period of August 1, 2010 through October 31, 2010.

BACKGROUND

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

STATUS

Replacement MMIS PROJECT

System Implementation Date

In August 2010, CSC notified the NCMMIS+ Steering Committee that it was requesting an extension to the originally planned Replacement MMIS implementation date of August 22, 2011. At the September Steering Committee meeting, CSC proposed a new implementation date of October 1, 2012. The vendor explained that the extension was necessary to accommodate the customization of the proposed baseline Medicaid system for North Carolina was greater than originally planned. The request and detailed project plan documents, timelines and remaining tasks are currently under review by the State and the Centers for Medicare and Medicaid Services (CMS). Approval of the new date is pending at this time.

Design, Development and Implementation – Execution and Build Phase

The Office of MMIS Services (OMMISS) has approved the design documentation submitted by CSC for all of the new Replacement MMIS multi-payer system build components. The builds are identified by key functional areas within the system, as identified in the attached *Exhibit C*. primary design documentation consists of the following three sets of documents for each build:

- ***Requirements Traceability Matrix (RTM)*** – maps each requirement from the Request for Proposal (RFP) to the build responsible for developing the related system design and/or business process.

- ***Business System Design (BSD)*** – describes the high level process, workflow or system solution for each requirement identified in the RTM.
- ***Technical Design Document (TDD)*** – detailed design for system user interface screens, Web pages, automated workflow processes, interface requirements to send or receive data from external sources, reports, letters, valid values, system tables and other components of the claims processing rules engine.

The Replacement MMIS brings together claims processing, call center and additional Fiscal Agent functions for multiple divisions within North Carolina DHHS under a single umbrella. Replacement MMIS flexibility is inherent in the core design to accommodate a simplified approach for making changes to existing benefit plans as well as adding new benefit plans in the future.

Detailed design workgroups, consisting of technical and operations representatives from OMMISS, CSC and affected DHHS Divisions, are ongoing to address specific divisional business needs, changes to the legacy systems that must be incorporated into the Replacement MMIS design and required design changes resulting from federal and State legislation. Some current workgroup focus areas include:

- National Correct Coding Initiative (NCCI) edits/audits for Medicaid
- Medically Unlikely Edits (MUE) as defined by recent CMS directives
- Payment methodology based upon provider taxonomy rather than provider type/specialty
- New claim type designations for improved reporting
- Translating Legacy MMIS system design changes into Replacement MMIS multi-payer nomenclature and design
- Automated workflow design for paperless claims processing
- Electronic signature (i.e., provider enrollment applications)
- E-prescribing (automatic routing of prescription from provider to pharmacy)

Initial CSC System Integration Testing (SIT) and State User Build Acceptance Testing (UBAT) is underway or has been completed in several builds, including Recipient, Web-based Eligibility Verification System (EVS), Non-Electronic Submissions (paper document handling for data capture, imaging and electronic routing to specific work areas) and Provider.

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.

Revisions were mandated by NC legislative actions and requirements were changed for the provision of behavioral health services. In response, staff was trained and multiple business rules, forms and procedures updated. Prompt provider support included the posting of updated forms, revised Web pages, mass mailings and phone assistance for the dynamic enrollment and credentialing requirements.

Replacement MMIS Operational Readiness Activities

OMMISS continues to work with CSC and DHHS Divisional partners with planning activities in preparation for full implementation of the Replacement MMIS. These include:

- High level development and outline of new customized provider Web-based training modules for the Replacement MMIS and Medicaid training.
- Detailed analysis of strategy and process for moving pended claims in the Legacy MMIS to the Replacement MMIS at the time of implementation.
- Interface definition, file layout design, secure File Transfer Protocol (FTP) and identification of all internal and external entities that will furnish data to or receive data from the Replacement MMIS.
- Launch of a new Replacement MMIS Project provider communication website to provide general information on the status of the new system, provide a forum for Frequently Asked Questions, allow submission and response of specific provider questions and post critical information providers need to prepare for submitting claims to the new system.

Reporting & Analytics (R&A) Project

Thomson Reuters held a series of sessions to gather business reporting requirements, data requirements and Program Integrity software configuration requirements. CSC, Thomson Reuters and OMMISS have worked together to identify the required tables from the Replacement MMIS that will be needed for the R&A data warehouse and data marts.

Initial database table-level mappings have been completed for all Replacement MMIS build subject areas and were distributed to the State for review and comment. Several sessions were held with members from OMMISS, DHHS Divisions, CSC and Thomson Reuters to facilitate the review process and gain approval on the proposed list of Replacement MMIS tables targeted by the R&A Project.

Thomson Reuters provided information for the ITS Technical Architecture System Design Document for the R&A Project. The document was distributed to the DHHS Division of Information Resources Management (DIRM) and the NC Information Technology Services (ITS) for review and comment.

The State has reviewed and accepted three deliverables from Thomson Reuters, i.e., the Service Level Agreements (SLAs), Revised Contract Data Requirements List (CDRL) and Risk, Issue and Opportunity Management Plan. The State is currently reviewing the Change Management Plan (CMP) and the Project Management Plan (PMP) that were submitted in October. The R&A CMP will use components of the existing Change Management process developed by CSC to ensure the appropriate integration with the Replacement MMIS project. A Customer Service Request (CSR) has been submitted to CSC that defines the requirements for the integration points between the R&A and the Replacement MMIS projects

Thomson Reuters is reviewing CSC's proposed schedule revision for an October 1, 2012 implementation of the Replacement MMIS Project as it relates to the R&A Project. The R&A

Project has significant dependencies on the Replacement MMIS in obtaining data for the R&A data warehouse. A complete impact analysis is underway to define the changes that will be required to the R&A schedule and the related project resources in consideration of the proposed 14-month delay in the Replacement MMIS schedule. Thomson Reuters will submit a revised R&A schedule that aligns with the revised dates in the State-approved Replacement MMIS schedule.

DHSR Business Process Automation System (BPAS) Project

In October 2010, the DHSR BPAS Evaluation Committee completed its review of vendor proposals submitted in response to the DHSR RFP and made a recommendation for an award to GL Solutions, Inc. On October 29, 2010, the N.C. Department of Health and Human Services awarded the five-year contract for the Division of Health Service Regulation (DHSR) Business Process Automation System (BPAS) Project to GL Solutions, Inc. The GL Solutions proposal meets the specifications and objectives set forth in the RFP. The high-level project objective is to implement a solution for DHSR that improves productivity by reducing technology-driven silos in DHSR's business and by automating manual business processes utilizing a highly configurable Commercial Off-the-shelf (COTS) product, or collection of products. The term of the contract is five years with the work performed both at the GL Solutions headquarters and on site at DHHS facilities.

GL Solutions, Inc. provides operational software to state government regulatory agencies. Its solution, called GL Suite™, has been successfully implemented in regulatory environments such as medical licensing boards, construction inspections for compliance with accessibility laws and the licensure of public accountants.

The DHSR BPAS Project will immediately begin with a 90-day Discovery Phase as part of Planning and Design Phase. GL Solutions and OMMISS will jointly work on the administrative tasks for the contract, revise the IMS (Integrated Master Schedule) to reflect the contract award date and arrange for a series of on-site meetings to review the high-level requirements and clarify the business process details. These on-site visits will occur between December 2, 2010 and December 10, 2010. A kick-off meeting is planned for Wednesday December 8, 2010.

RECENT UPDATES

Refer to the *Schedule* section of this Report on page 10 for recent updates regarding the proposed Replacement MMIS schedule.

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). 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 approved for the MMIS Replacement project during this reporting period.

	Prior to August 2010	August 2010 - October 2010	Total
No Cost CSRs	115	22	137
Cost CSRs	37	37	74
Number of Approved CSRs	152	59	211
Cost of Approved CSRs	$5,470,809	$992,110	$6,462,919

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
$100 Provider Enrollment Fee	$ 449,806
HIT – Medicaid Incentive Payments	$ 336,825
All other CSRs	$ 557,052

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.

The current estimated cost of the Reporting & Analytics Project’s DDI is $10,363,909, of which $1,217,957 is the necessary State matching funds

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.

On September 16, 2010, 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. The SFY 10-11 budget was based on an August 22, 2011 go-live date for the Replacement MMIS; once a revised schedule is approved, the current fiscal year's budget will be revisited.

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

SCHEDULE

This report includes the most recent high-level DDI schedules for both the Replacement MMIS project and the R&A project. Appendix B reflects all major milestones during the life of the DDI phase. 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

In mid October, CSC provided DHHS with a revised detailed work plan which reflected an October 1, 2012 go-live date. Since that time there have been a series of meetings and revisions to the work plan. To date none of the revisions have caused the go-live date to change from October 1, 2012. DHHS is reviewing the latest work plan to ensure that the new schedule does not place an unreasonable burden on State staff to meet revised deadlines, and to achieve a reasonable level of confidence that the new go-live date is attainable.

As of this Report's publication, DHHS is still verifying that the proposed schedule provides sufficient time to accomplish outstanding "changes." These changes include legislatively mandated changes (including the large federally mandated *5010* change described earlier in this Report) as well as Legacy system changes made since the publication of the Replacement MMIS RFP. Cost negotiations, which include finalizing damages and pricing for the "changes" are in progress. DHHS anticipates completing negotiations by the end of January 2011. Approval of the Amendment from Statewide IT Procurement and the CMS is expected by the end of February.

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 of October 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 0.73% below the ITS-approved budget.

Table 1: Program Costs from September 2006 - October 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
MMIS DDI	11/01/08	11/30/11	33,523,442	92,704,823	10,661,055	92,704,823	0
[1]MMIS DDI Changes	01/05/09	08/23/11	347,063	N/A	2,695,000	22,000,000	N/A
MMIS Early Operations	04/20/09	08/23/11	6,758,501	N/A	5,181,955	10,363,909	N/A
R&A	11/01/08	08/31/11	1,365,501	10,590,927	1,217,957	10,590,927	0
DHSR	07/01/08	06/30/11	1,736,289	7,097,296	2,993,439	5,835,740	-1,261,556
Program-Level	02/01/07	08/31/12	8,531,480	11,151,565	2,007,282	11,501,457	349,892
Business Initiatives							
Health Choice	12/01/08	03/31/11	1,072,072	1,238,546	123,855	1,231,830	-6,716
HIT Planning	02/01/11	12/31/11	483,745	N/A	79,581	2,555,120	N/A
Medicaid Forecast.	11/01/09	01/31/11	1,182,210	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			64,385,105		26,163,222	167,908,522	
[2]Total ITS-Approved	09/16/06	08/31/12	56,795,796	133,959,210	18,206,687	132,989,493	-969,717
Variance							-0.73%

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]- 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.

Table 2 below represents State funds required for SFY 10-11.

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.

On September 16, 2010, 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. The budget below was based on an August 22, 2011 go-live date for the Replacement MMIS; once a revised schedule is approved, the current fiscal year's budget will be revisited.

Table 2: State Funds Required for SFY 20010-2011

Project	Estimated Expenditures	Estimated State Funds
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
DHSR	5,480,981	2,601,898
Program-Level	2,243,807	247,181
Business Initiatives		
Health Choice	415,818	41,582
HIT Planning	4,570,000	464,200
Program Total	85,667,437	16,694,699
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.

Table 3 below represents State funds required for SFY 11-12.

On September 16, 2010, 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. The budget below is based on the proposed 10/1/12 go-live date for the Replacement MMIS, should the approved go-live date differ from this date a new SFY 11-12 budget will be calculated.

Table 3: State Funds Required for SFY 20011-2012

Project	Estimated Expenditures	Estimated State Funds
[2]MMIS DDI	45,888,565	5,587,304
[1]MMIS DDI Changes	6,000,000	730,548
MMIS Early Operations	5,903,815	1,650,549
R&A	6,535,573	653,557
DHSR	5,204,389	2,378,992
Program-Level	2,313,544	231,354
Business Initiatives		
Health Choice	0	0
HIT / HIE	8,459,135	845,914
Program Total	80,305,021	12,078,218
State Appropriation Balance 7/1/11		0
Appropriations SFY 11-12		**12,078,218**
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]- Inclusive of estimated expenditures for the SAS Budget & Finance project.

End of Appendix A

APPENDIX B – NCMMIS+ PROGRAM SCHEDULES

Replacement MMMIS Schedule

This January 1, 2011 quarterly report includes the most recent Replacement MMIS high-level design, development and installation schedule which reflects all major milestones during the 32-month schedule. On September 16, 2010, CSC proposed a new go-live date of October 1, 2012. The schedule below reflects an August 2011 go-live date. Although the August 2011 date will most likely not be met, a new date has not yet been approved by DHHS or CMS. 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.

It should be noted that this schedule may be additionally 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.

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	August 17, 2010
	OMMISS Completes Development of UAT Scenarios	September 30, 2010	December 13, 2010	
6	Recipient UBAT Complete	October 6, 2010	November 29, 2010	
5	Provider SIT Complete	October 8, 2010		
8	Non-Electronic Submissions SIT Complete	October 25, 2010	November 9, 2010	
7	Eligibility Verification UBAT Complete	October 29, 2010	October 19, 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		

Reporting & Analytics Schedule

This R&A high-level design, development and installation schedule which reflects all major milestones is based on the schedule originally proposed by the vendor, Thomson Reuters. On September 16, 2010, CSC proposed a new go-live date of October 1, 2012, for the Replacement MMIS. The schedule below reflects an August 2011 go-live date. The Replacement MMIS schedule change under review would likely affect the R&A schedule.

Reporting and Analytics Schedule

UID	Key Milestone	Planned Date	Planned Dates Revised this Report Period	Actual Date
	Award Announcement /Contract Signed			June 29, 2010
30	Project Kickoff Meeting	July 7, 2010		July 15, 2010
288	Data Summit Complete	July 20, 2010		July 26, 2010
226	Gather and Document Business Requirements	October 13, 2010		October 25, 2010
366	Extract Specification Document Complete	September 23, 2010		
281	Business Requirements Document Complete	September 24, 2010		
1214	Initial Test Data Submission Complete	November 2, 2010		
1241	Data Warehouse Design Complete	November 3, 2010		
222	Hardware and Software Installation Complete	November 18, 2010		
515	Detailed System Design Complete	December 22, 2010		
589	DW Extract Development Complete	January 3, 2011		
732	System Integration Test 1 Complete	February 11, 2011		
1522	Demo Data Warehouse Results Document Complete	March 11, 2011		
787	System Integration Test 2 Complete	April 8, 2011		
833	System Integration Test 3 Complete	June 2, 2011		
898	Submission of Update Extracts Complete	July 7, 2011		
919	System Release for Production	September 12, 2011		

End of Appendix B

APPENDIX C –

	1 REPLACEMENT MMIS BUILDS
0.	Multi-payer Foundation
1.	NCTracks Portal
2.	Training/Demo Environment
3.	Imaging/ Retrieval/ Printing Equipment
4.	Early Implementation 4.1 Provider Enrollment, Verification, & Credentialing (EVC) 4.3 Retro DUR
5.	Provider
6.	Recipient
7.	Eligibility Verification/Transaction Services (EVS)
8.	Non-Electronic Submissions
9.	Pharmacy Claim Adjudication
10.	Medical Claim Adjudication
11.	Financial Management & Accounting
12.	Prior Authorization
13.	Managed Care/Third Party Liability 13.1 Managed Care 13.2 Third Party Liability
14.	Pend Resolution/Batch Interfaces/Reference 14.1 Reference 14.2 Pend Resolution
15.	Financial Transactions/MAR Reporting 15.1 Financial Transactions 15.2 MAR Reporting
16.	Health Check/Drug Rebate 16.1 Health Check 16.2 Drug Rebate
17.	Call Center Services
18.	Automated Voice Response System (AVRS)
19.	5010 Claim Format
99.	Architecture
100.	Operations

End of Appendix C

APPENDIX D –

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
IMPACTING NC TRACKS NCMMIS+ PROJECT

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/ Aged-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

NCGA 2010 SESSION LEGISLATIVE MANDATES

IMPACTING NC TRACKS NCMMIS+ PROJECT

Bill #	Session Law #	Title of Bill	Summary of Legislation	NCMMIS Potential Impacts
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
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/ Aged-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.

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

End of Appendix D

APPENDIX E –

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 E