North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

October 1, 2013

The Honorable Harry Brown, Co-Chair
Senate Appropriations Committee
North Carolina Senate
Room 300-B, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Peter Brunstetter, Co-Chair
Senate Appropriations Committee
North Carolina Senate
Room 2022, Legislative Building
Raleigh, NC 27601-2808

The Honorable Neal Hunt, Co-Chair
Senate Appropriations Committee
North Carolina Senate
Room 309, Legislative Office Building
Raleigh, NC 27603-5925

Dear Senators Brown, Brunstetter and Hunt:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

System modifications and schedule changes were accommodated within existing project funding and schedule constraints; thus, as you know, the replacement MMIS project went live on July 1, 2013.

Please direct all questions regarding this report to Ed Riley at (919) 647-8326.

Sincerely,

Aldona Wos, M.D.
Secretary

Cc: Susan Jacobs   Joe Cooper   Senator Ralph Hise
       Patricia Porter   Rod Davis   Representative Justin Burr
       Sarah Riser   Jim Slate   Representative Mark Hollo
       Kristi Huff   Adam Sholar   Legislative Library (one hard copy)
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October 1, 2013

The Honorable Ralph Hise, Co-Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina Senate
Room 1026, Legislative Building
Raleigh, NC 27601-2808

The Honorable Louis Pate, Co-Chair
Appropriations Subcommittee on
Health and Human Services ·
North Carolina Senate
Room 1028, Legislative Building
Raleigh, NC 27601-2808

Dear Senators Hise and Pate:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

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October 1, 2013

The Honorable Nelson Dollar, Senior Chair
House Appropriations Committee
North Carolina House of Representatives
Room 307B1, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Justin Burr, Chair
House Appropriations Committee
North Carolina House of Representatives
Room 307A, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Pat McElraft, Chair
House Appropriations Committee
North Carolina House of Representatives
Room 634, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Bryan Holloway, Chair
House Appropriations Committee
North Carolina House of Representatives
Room 305, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Linda Johnson, Chair
House Appropriations Committee
North Carolina House of Representatives
Room 301D, Legislative Office Building
Raleigh, NC 27603-5925

Dear Representatives Dollar, Burr, McElraft, Holloway and Johnson:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

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October 1, 2013

The Honorable Marilyn Avila, Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina House of Representatives
Room 2217, Legislative Building
Raleigh, NC 27601-1096

The Honorable William Brisson, Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina House of Representatives
Room 405, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Mark Hollo, Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina House of Representatives
Room 639, Legislative Office Building
Raleigh, NC 27603-5925

Dear Representatives Avila, Brisson and Hollo:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

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        Pam Kilpatrick

October 1, 2013

Mark Trogdon, Director
Fiscal Research Division
North Carolina General Assembly
Room 619, Legislative Office Building
Raleigh, NC 27603

Dear Mr. Trogdon:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

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October 1, 2013

Mr. Art Pope, State Budget Director
Office of State Budget and Management
Administration Building, Suite 5200
116 West Jones Street
Raleigh, NC 27603

Dear Mr. Pope:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

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October 1, 2013

The Honorable Andrew Brock, Co-Chair
Joint Legislative Oversight Committee on
on Information Technology
North Carolina Senate
Room 1028, Legislative Building
Raleigh, NC 27603-5925

The Honorable Jason Saine, Co-Chair
Joint Legislative Oversight Committee
Information Technology
North Carolina House of Representatives
Room 402, Legislative Office Building
Raleigh, NC 27603-5925

Dear Senator Brock and Representative Saine:

Sections 10.41.(d) and (e) of Session Law 2009-451 and Section 10.29.(h) of Session Law 2011-145 require the Department of Health and Human Services to report on the replacement Medicaid Management Information System (MMIS) on a quarterly basis. Please find attached the quarterly report covering the period from May 1, 2013 to July 31, 2013. It contains a status update, a financial update, and a schedule incorporating federal and state project management and review requirements.

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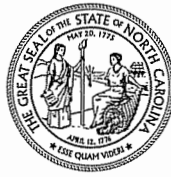
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The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
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The Honorable Mark Hollo, Co-Chair
Joint Legislative Oversight Committee on
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North Carolina House of Representatives
Room 639, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Justin Burr, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina House of Representatives
Room 307A, Legislative Office Building
Raleigh, NC 27603-5925

Dear Senator Hise and Representatives Burr and Hollo:

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NC MEDICAID MANAGEMENT INFORMATION SYSTEM+ (NCMMIS+) PROGRAM

Quarterly Report
to the
North Carolina General Assembly
May – July 2013
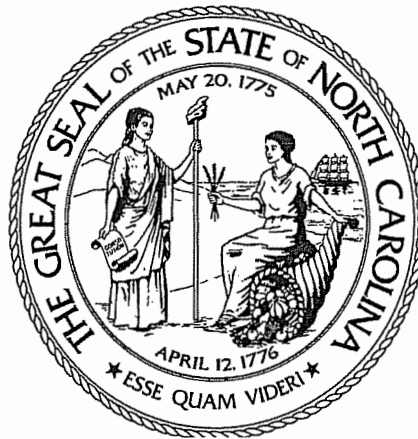
State of North Carolina
Department of Health and Human Services

October 1, 2013

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Table of Contents

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INTRODUCTION

The North Carolina Department of Health and Human Services (DHHS) began submitting quarterly reports on the development and implementation of the replacement MMIS on March 1, 2009.

Since the Replacement MMIS was implemented in July 2013, this will be the final quarterly report submittal. One-time and other reporting that fulfills subsequent legislation will continue.

EXECUTIVE SUMMARY

The State and CSC completed NCTracks deployment planning during which activities and schedules were defined for the pre-launch, launch and "Go-Live" phases of the NCTracks deployment. During the NCTracks launch phase, staff transitioned to the 24x7 support mode, data loads and data verifications were completed, and all aspects of the operational system were verified. The State and CSC were staffed with knowledgeable resources to respond to NCTracks users' issues and provide the required guidance. NCTracks went live at 5:45 a.m. on July 1, 2013, and operational monitoring began. The Pharmacy Prior Approval (PA) Call Center line was fully operational by 8:00 a.m.

Truven, the Replacement MMIS Reporting and Analytics (R&A) Project vendor, assigned a new Director of Client Services, Account Manager and Project Manager, who are working to ensure contracted commitments are met. DHHS User Acceptance Testing (UAT) of the R&A system completed June 28, 2013. Testing was inclusive of the NCID solution as well as associated reports for a number of the R&A solution components. The milestone dates for UAT completion by Truven were postponed due to delays in the receipt of data from the MMIS System Integrator, CSC; however, this did not hinder DHHS from executing the test plan outlined by the State.

The Division of Health Service Regulation Business Process Automation System (DHSR BPAS) Project completed implementation of Stage 1, the Unified Data Source, Stage 2, Certificate of Need, and Stage 3, Construction, and all are in production status. Since January 31, 2013, the DHSR BPAS project has been running significantly behind schedule and the remaining Design Phase (DDI) funding was diverted to address a key database structure issue. As a result, approximately 50% of the database restructuring was completed and DDI funds were expended. Project activity was then suspended and the agreed plan to use contracted operations funding to complete this effort is under review.

STATUS

Replacement MMIS Project

Project Overview

The purpose of the Replacement MMIS Project is to design, develop, and install a componentized, integrated, multi-payer Replacement MMIS claims processing system (to include Fiscal Agent operations) with business and technical processes that will satisfy all DHHS requirements, and to offer training for all users prior to implementation of the system.

Replacement of the Legacy MMIS with a multi-payer claims processing system will support the Division of Medical Assistance (DMA), the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH), the Division of Public Health (DPH), and the Office of Rural Health and Community Care (ORHCC).

Design, Development and Implementation – Implementation Phase

Accomplishments:

The State and CSC completed deployment planning during which activities and schedules were defined for the pre-launch, launch and "Go-Live" phases of the NCTracks deployment. Pre-launch activities included finalizing the detailed plans for cutover staffing, concepts of operations and the establishment of State and CSC resources to support overall governance for the NCTracks deployment. The plans also specified that CSC, OMMISS, Division Program Executives, and Division staff be subject to a 24x7 call-back to address any deployment and operations issues that should arise.

During the NCTracks launch, staff transitioned to the 24x7 support mode, data loads and data verifications were completed, and all aspects of the operational system were verified. NCTracks was staffed with knowledgeable resources to respond to NCTracks users' issues and provide the required guidance. State staff also participated in limited validations of the operation portal and reference data.

NCTracks went live at 5:45 a.m. on July 1, 2013, and operational monitoring began. The Pharmacy Prior Approval (PA) Call Center line was activated at 7:00 a.m, and was fully operational by 8:00 a.m. Hewlett Packard (HP), the Legacy vendor, was notified that the cutover to NCTracks was accomplished successfully.

Work In Progress

Issues related to user provisioning occurred soon after Go-Live, preventing Call Center staff from accessing the Call Center system, called Pega, and Call Center faxes could not be transmitted. Problems also arose with electronic fund transfers (EFTs). Corrective actions were taken quickly to resolve these issues.

The first check-write occurred on July 5, 2013, with a focus on the adjudication and payment of pharmacy claims, although a number of Medical claims were also processed. The bulk of the pharmacy claims that were processed were from the backlog of claims approved by HP and the new point of sale (POS) transactions from the switch vendors. Subsequent check-writes included pharmacy claims and the full spectrum of medical claims. Through July, cumulative adjudication approval rates were as follows:

- Institutional – 553,580 claims with an approval rate of 63.4%
- Professional – 2,226,559 claims with an approval rate of 40.8%
- Capitation and Management Fees – 11,934,677 with an approval rate of 86.4%
- Dental – 215,618 claims with an approval rate of 55.7%
- Pharmacy – 3,087,812 claims with an approval rate of 56.7%

One of the new features of NCTracks is the use of taxonomy codes. The major issue that negatively impacted the claims adjudication approval rates was providers submitting claims with either invalid or missing taxonomy codes. The State and CSC have partnered to reach out to providers to re-educate them on the use of taxonomy codes. The State has developed a "Taxonomy Lookup" application where providers can enter their NPI to retrieve the taxonomy to be used for claims payment.

Through July, a total of 1,097 defect issues have been opened, with 143 of these being categorized as Severity 1, of which 115 have been resolved. CSC has formed a "tiger team" to focus on a number of PA defects that have caused a backlog in processing all PAs, as well as delays in processing pharmacy claims. Due to the negative impact on servicing Medicaid clients, the resolution of these defects became a high priority. Progress continues on the resolution of the defects. CSC is creating a plan to eliminate the backlog of PAs.

A CSC and State workgroup meets daily to discuss issues resolution regarding balancing of the financial reports generated out of the check-write (and targeted for general ledger posting). Progress has been made; however, the State will continue with a manual financial reconciliation process until the automated process yields the expected results. A preliminary plan was discussed with the State to address issues identified by the DHHS Controller's Office related to the accounts receivable functions within NCTracks.

Call Center operations continue to improve with additional staff training and the use of call scripts that target specific provider issues. Call Center abandon rates dropped to about 30%, down from 68%, during the month of July, with similar improvements seen with handle time and answer time. When a caller is on hold (in queue), recorded messages on provider taxonomy and other relevant issues are played.

The State staff provider outreach role has expanded in the areas of provider issues resolution and providing individualized sessions that walk providers through the most commonly used system functionality. The State established a team of about 25 resources to contact providers to offer assistance with provider enrollment, the setup of provider affiliations and EFT protocols.

The NCTracks website makes available to providers updated documentation, announcements, and frequently asked questions by topic area. Regular updates are shared with providers and provider associations regarding NCTracks status, common errors, training opportunities, etc. Taxonomy webinars were held for the NC Hospital Association and NC Association of Long Term Care Facilities to provide additional information regarding the NCTracks use of taxonomy.

CMS Certification meetings continue between CSC and the State to review the Integrated Master Schedule and the responses for the mapping of State requirements to checklist requirements. Finalizing of the checklists was completed prior to the end of July 2013. Work continues on inventorying artifacts that have been collected thus far for each checklist. In addition to identifying the artifacts that are stored in each checklist folder, a spreadsheet is used for tracking completion of artifact collection, and will be a resource used for related quality assurance activities. An executive presentation regarding CMS certification and artifact collection activities is scheduled for August 2.

Reporting & Analytics (R&A) Project

Project Overview

The purpose of the R&A project is to design, develop, and launch a centralized integrated claims payment data repository for improved decision support analytics capability by a broader spectrum of DHHS staff. The R&A solution will satisfy all DHHS requirements for monitoring and assessing trends in the delivery of health care, expenditures, and outcomes for improved policy decisions for DHHS-administered programs.

Accomplishments

Truven, the R&A vendor, assigned a new Director of Client Services, Account Manager and Project Manager, who are working to ensure contracted commitments are met. Status is monitored and accountability is enforced by the Office of Medicaid Management Information System Services (OMMISS).

DHHS completed the R&A system's User Acceptance Testing (UAT) on June 28, 2013. Testing was inclusive of the NCID solution, as well as associated reports for the following R&A solution components:

- The Data Warehouse repository will include 10 years of MMIS claims history initially and will grow to 15 years total.

- The Advantage Suite decision support system, which is used for benefit program management and trending against national norms to improve health outcomes.

- The Java Surveillance Utilization Review System (JSURS), which is used for managing fraud waste and abuse in provider and recipient billing and usage patterns.

- The Healthcare Effectiveness Data and Information Set (HEDIS) system used to measure and compare key dimensions of care, service, and health plan performance.

The milestone dates for UAT completion by Truven were postponed due to delays in the receipt of data from CSC, the MMIS System Integrator. NCTracks data was not available in a timely fashion due to data integrity concerns. This shifted the timeframe for receipt of data for the R&A System which resulted in the slippage of Truven's overall UAT schedule. Truven is actively working to complete its verification task; however, these tasks did not hinder DHHS from executing the test plan outlined by the State.

Operations Activity:

CSC, OMMISS, and Truven finalized methods for data exchange, data reconciliation, and change control processes needed between R&A and NCTracks. The initial load of ten years of converted claims history has been received from CSC for the R&A system deployment. In addition, the NCTracks incremental data updates are being received by R&A weekly for each check-write cycle.

The milestone dates for Execution Phase Closeout Deliverables and System Production Release were postponed by Truven due to issues to better manage internal resources. Truven has extended the submission dates of closeout deliverables and delayed the release

of the production system until September 30, 2013, due to its incomplete development tasks.

Truven continues development of DHHS Dashboards reports utilizing the SAS software platform. Dashboards are used by Program Managers and Administrators to monitor Key Performance Indicators specific to DHHS-administered programs. This information provides guidance for prevention and intervention programs within Medicaid and potentially other areas within Mental Health and Public Health. Truven is progressing towards the implementation of Change Service Requests (CSRs) to supply extracted data to DMA Managed Care Organizations and other contracted vendors for similar use. The targeted date for implementation of these CSRs remains October 1, 2013.

The R&A user provisioning process has been initiated and approved by the DHHS divisions for granting access to the production system. The process is centralized and will be administered by OMMISS in conjunction with DHHS approvers. Select Division Subject Matter Experts (SMEs) have been trained and granted access to the R&A UAT system. Training is scheduled during the period of August through October 2013 for additional DHHS users who will gain access to the production R&A System in late September. Training will continue on a requested basis from each DHHS division for the tenure of the R&A Contract.

DHSR Business Process Automation System (BPAS) Project

Project Overview

The Division of Health Service Regulation (DHSR) is responsible for the allocation, approval, licensing and inspection of regulated facilities, services and medical equipment in the State of North Carolina. DHSR decisions are essential to managing North Carolina's Medicaid Program. The DHSR BPAS Project will provide the means for integrating essential business processes and data among DMA, DMH, and DHSR.

Accomplishments:

The DHSR BPAS Project has completed implementation of Stage 1, the Unified Data Source, Stage 2, Certificate of Need, and Stage 3, Construction, and all are in full production status.

The DHSR BPAS is currently the system of record for Certificate of Need.

The DHSR BPAS is being used in all critical areas of Construction, but, as a safeguard, will require some double data entry until all BPAS component enhancements are complete.

DHSR and the Vendor have come to an agreement that the BPAS database is structured improperly and that long-term use of the current structure may compromise both the usefulness of the system and the way data is reported. A correction to this structure is approximately 50% complete. The State and Vendor have agreed that funds contracted for an operations phase modification pool/support will be used to address expanded Online License Renewal requirements, as well as all the DHSR BPAS objectives. This agreement is under review at OSBM.

RECENT UPDATES

By mid-September, NCTracks had paid over $2 billion in claims. The approval rates for submitted claims are close to the rates experienced with the legacy system, with the exception of professional claims. Some providers continue to struggle with taxonomy codes, as noted above. Although the NCTracks Call Center had a problematic startup phase, by mid-September the Call Center was meeting its service level agreements (SLAs). Although prior approval backlogs remain higher than expected, CSC plans to reduce the prior approval inventory to a normal level by the end of September. Of the 2,193 defects discovered to date, 1,668 (76%) have been resolved.

The R&A Project is in the process of loading converted history claims received from NCTracks. The R&A data warehouse and data marts are expected to go online on September 23, 2013.

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 executed. The final review within DHHS is the multi-divisional Change Control Body (CCB).

After execution of the initial CSC Contract, Congress passed the American Recovery and Reinvestment Act (ARRA), which included funds for Health Information Technology (HIT). Incentive payments to Medicaid providers for investing in HIT infrastructure are a component of ARRA. DHHS is leveraging its existing contract with CSC to implement the incentive payments. For that reason, changes are separated in tables below to distinguish changes to the Replacement MMIS versus HIT.

Contract amendment #2 with CSC identified several pools for changes:
1) Changes approved at the time of contract negotiations equaled $6,720,749
2) Modification pool for future DDI changes equaled $20,100,000
3) Health Information Technology (HIT) modifications, non-MMIS, modification pool equaled $15,277,760

Replacement MMIS

Amendment 2 approved CSR statistics are reported below. These statistics reflect CSRs reported against the $20,100,000 CSR Capacity Pool. Pre-Amendment 2 CSR statistics are no longer being reported.

Amendment # 2 CSR Statistics for MMIS

	Prior to May 2013	May - July 2013	Total
No Cost CSRs	96	16	112
Cost CSRs	328	10	338
Number of Approved CSRs	424		450
Cost of Approved CSRs	$19,421,893	$275,187	$19,697,080

CSR Capacity Pool $ 20,100,000
CSRs Approved through 7/31/2013 $19,697,080
Balance Remaining $ 402,920

HIT

The approved CSR statistics for HIT are shown below:

CSR Statistics for HIT (Non-MMIS)

	Prior to May 2013	May - July 2013	Total
No Cost CSRs	2	1	3
Cost CSRs	22	1	23
Number of Approved CSRs	24	2	26
Cost of Approved CSRs	$7,207,448	-$14,511	$7,192,936

HIT CSR Capacity Pool $ 15,277,760
CSRs Approved through 07/31/2013 $ 7,192,936
Balance Remaining $ 8,084,824

FINANCIAL UPDATE

Most development, design and implementation activities for the Replacement MMIS and R&A Projects are funded by CMS at a 90/10 federal match. 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. Additionally, 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 financial details are provided in *Appendix A–Financial Update*.

SCHEDULE

There have been changes in the Replacement MMIS schedule to reflect the completion of Final Data Conversion for Cutover on July 1, 2013, Site Cutover Go/No Go Decision date on June 28, 2013, the revised Training Completion date of August 5, 2013, and the actual Replacement MMIS Operational date of July 1 2013, as indicated in *Appendix B–NCMMIS+ Program Project Schedules.* None of these schedule changes negatively impacted the July 1, 2013 system functionality at Go-Live date.

The R&A Project schedule has been changed to reflect the completion of the SIT3 Results Document, as well as date revisions for the completion of UAT, the submission of CDRL-39 UAT Results Document for State Review, the completion of the Execution Phase Closeout Deliverables, and the System Release for Production date, as indicated in *Appendix B– NCMMIS+ Program Project Schedules*. None of these schedule changes negatively impacted the ability of the R&A system to begin accepting and using data from NCTracks at Go-Live on July 1, 2013.

The DHSR Business Process Automation System project activity is suspended during review of the funding plan; therefore, there is no schedule update for this quarter.

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 July 2013. It also includes estimated costs through the implementation of the Replacement MMIS, plus one year of CMS-certification activities ending on June 30, 2014. Post-implementation maintenance and operational costs are not included in these costs.

The Program's overall estimated costs are running 0.29% under the ITS-approved budget.

Table 1: Program Costs from September 2006 – July 2013 &
Estimates through CMS Certification (June 2014)

Project	Start Date	End Date	Expenditures to Date	ITS Approved Budget	Required State Funds	Current Estimated Costs	Variance
MMIS DDI	11/01/08	10/31/13	$202,438,241	$229,847,418	$28,730,927	$229,847,418	0
MMIS Early Operations	04/20/09	06/30/13	24,673,653				N/A
R&A	11/01/08	06/30/13	12,088,153	15,549,664	1,788,211	14,862,566	-687,098
DHSR	07/01/08	05/31/12	8,836,430	8,565,102	3,399,670	8,836,430	271,328
DHSR - O&M	09/01/12	12/31/16	1,499,582	N/A	749,791	4,846,779	N/A
Program-Level	02/01/07	06/30/14	16,037,308	18,244,536	2,280,567	18,119,924	-124,612
Business Initiatives							
HIT Incentive Payments	01/01/11	09/30/13	10,014,975	N/A	1,023,797	10,237,969	N/A
Medicaid Forecast	11/01/09	01/31/11	1,523,010	1,739,914	173,991	1,543,010	-196,904
Completed Projects			11,133,002	11,535,538	1,239,049	11,440,782	-94,756
Total Projects			$288,244,354		$39,386,004	$299,734,878	
¹Total ITS-Approved	09/16/06	06/30/14	$252,056,144	$285,482,172	$37,612,416	$284,650,130	-832,042
Variance							-0.29%

Footnotes:

¹- Total estimated cost of ITS-Approved Projects; i.e., the place-holder *MMIS DDI Changes, MMIS Early Operations, and HIT* costs are not included in this total.

Table 2 below represents State funds required for SFY 2012-13.

Since MMIS resides in a special fund within a 2-type budget code, it maintains a fund balance. Pursuant to G.S. 143C-1-2(b)(iii), the unexpended, unencumbered balance of an appropriation for the implementation of information technology projects shall not revert until the project is implemented. The fund balance on the 2011-12 fiscal year-end budget report was $5,306,911. In addition to Federal funds, receipts include transfers from other DHHS divisions. Specifically, a portion of the receipts in each year of the biennium is a prior-year earned revenue transferred as outlined in House Bill 200–Appropriations Act of 2011. The Department may use $12,000,000 in prior-year earned revenue in SFY 2012-13 for the procurement, design, development, and implementation of the Replacement MMIS.

Of the $12 million State funds allowed by House Bill 200, $11,754,026 was expended in SFY 2012-13. There were significant SFY 2012-13 costs that did not get paid during the fiscal year (see Table 3 below); however, the $5,552,885 carry-forward funds are adequate to address these trailing expenses.

This table addresses only the Replacement MMIS requirements. HIT/HIE requirements are noted in Table 4.

Table 2: State Funds Required for SFY 2012-2013

Project	Total Expenditures	State Funds
MMIS DDI	$65,955,824	$7,609,768
MMIS Early Operations	7,271,025	2,034,947
R&A	5,578,703	585,520
DHSR	3,037,524	1,290,911
Program-Level	2,318,968	232,880
MMIS Total	**$84,162,044**	**$11,754,026**
State Appropriation Balance 7/1/12		$5,306,911
Appropriations SFY 2012-13		**$12,000,000**
Estimated Cash Balance on 6/30/13		$5,552,885

Table 3 below represents State funds required for SFY 2013-14.

Since MMIS resides in a special fund within a 2-type budget code, it maintains a fund balance. Pursuant to G.S. 143C-1-2(b)(iii), the unexpended, unencumbered balance of an appropriation for the implementation of information technology projects shall not revert until the project is implemented. The fund balance at the end of SFY 2012-13 is $5,552,885 for MMIS.

This table is divided into two sections. The first section addresses the $9,658,152 approved in SL 402 Section 12A.4.(a). The second section addresses the SFY 2012-13 costs that were carried forward to SFY 2013-14.

This table addresses only the Replacement MMIS requirements. HIT/HIE requirements are noted in Table 4.

Table 3: State MMIS Funds Required for SFY 2013-2014

Project	Estimated Total Expenditures	Estimated OMMISS Funds	Estimated Transfers Within DHHS
MMIS DDI	$26,295,423	$2,884,282	$0
Operations & Maintenance Support	41,078,092	5,987,350	17,364,957
R&A DDI	967,200	96,720	0
R&A O&M	4,879,562	0	2,439,781
DHSR DDI	1,850,000	689,800	0
DHSR O&M	604,315	0	604,315
MMIS Total	**$75,674,592**	**$9,658,152**	**$20,409,053**
Appropriations SFY 2013-14		**$9,658,152**	
Carry forward from SFY 2012-13			
MMIS DDI	$9,812,000	$1,251,030	$0
MMIS Early Operations	$1,520,000	$380,000	$0
R&A DDI	$1,276,000	$127,600	$0
R&A Early Operations	$53,000	$13,250	$0
DHSR DDI	$910,000	$455,000	$0
SFY 2012-13 Expenses paid in SFY 2013-14	**$13,571,000**	**$2,226,880**	**$0**
State Appropriation Balance 7/1/13		**$5,552,885**	
Expected Unused Carry-forward Funds		**$3,326,005**	

Table 4 below represents State expenditures for HIT/HIE during SFY 2011 and SFY 2012 and estimated requirements for SFY 2013.

This table addresses only the HIT/HIE requirements. Funding for these needs is expected through internal DHHS transfers.

Table 4: Funds Required for HIT/HIE for the Biennium

Project	Estimated Expenditures	Estimated State Funds
SFY 2010-11: HIT/HIE Expenditures	$5,113,682	$511,368
SFY 2011-12: HIT/HIE Expenditures	$3,896,957	$363,779
SFY 2012-13: HIT/HIE Requirements	$1,769,638	$176,964

End of Appendix A

APPENDIX B – NCMMIS+ PROGRAM PROJECT SCHEDULES

Design, Development and Implementation (DDI) Replacement MMIS Schedule

Build Number	UID	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
7		Eligibility Verification SIT Complete	August 20, 2010		August 17, 2010
7		Eligibility Verification UBAT Complete	September 9, 2010		September 21, 2010
8		Non-Electronic Submissions SIT Complete	October 25, 2010		November 11, 2010
6	106	Recipient UBAT Complete	January 17, 2011		January 17, 2011
8	86	Non-Electronic Submissions UBAT Complete	February 11, 2011		February 11, 2011
16.1	2703	Health Check (EPSDT) SIT Complete	April 8, 2011		April 5, 2011
17	1221	Call Center SIT Complete	May 24, 2011		May 24, 2011
12	2059	Prior Authorization SIT Complete	June 15, 2011		June 15, 2011
5	1115	Provider SIT Complete	June 7, 2011		July 7, 2011
13.1	1661	Managed Care SIT Complete	July 1, 2011		July 1, 2011
9	2275	Pharmacy Claim Adjudication SIT Complete	July 6, 2011		July 6, 2011
5	1126	Provider UBAT Complete*	October 7, 2011		October 7, 2011
16.2	1389	Drug Rebate SIT Complete**	October 31, 2011		October 31, 2011
18	1468	Automated Voice Response System/Subsystem Reporting SIT Complete	October 4, 2011		October 4, 2011
9	2299	Pharmacy Claim Adjudication UBAT Complete	June 25, 2012		June 25, 2012

14.1	2577	Reference SIT Complete	December 8, 2011		December 8, 2011
FIT/SIT	1223	Data Conversion for FIT/SIT Complete	April 12, 2012		April 12, 2012
EA	1102	Cycle 1 Final Security Roles Deliverable Complete	March 27, 2012		March 27, 2012
15.2	1832	MAR SIT Complete	May 24, 2012		May 25, 2012
13.2	2055	TPL SIT Complete	May 30, 2012		May 25, 2012
19	5234	5010 Phase 1 SIT Complete	June 8, 2012		May 29, 2012
11/15.1	2631	Financial Claims Processing SIT Complete	June 1, 2012		June 1, 2012
10/14.2	1464	Medical/Pend Reso Claims SIT Complete	May 25, 2012		June 4, 2012
Final UAT	1159	OMMISS Completes Development of UAT Scenarios	August 7, 2012		October 1, 2012
FIT/SIT	1195	Final Integration Test Complete	July 27, 2012		July 27, 2012
Ops Manuals	1084	Operations Manual Complete	February 19, 2013		February 28, 2013
FIT/SIT	1187	Final Performance Engineering Complete	September 4, 2012		August 31, 2012
10	1454	Medical Claims UBAT Complete	September 25, 2012		September 21,2012
19	5351	5010 Phase 2 SIT Complete	October 11,2012		October 11, 2012
FIT/SIT	1189	Final SIT Complete	November 16, 2012		November 21, 2013
Final UAT	1224	User Acceptance Test (UAT) Completed	March 26, 2013		April 8, 2013
19	5123	5010 Phase 1 Complete	January 14, 2013		November 21, 2013
PST	1425	Production Simulation Test (PST) Complete	April 17, 2013		April 26, 2013
Deployment	1177	Final Data Conversion for Cutover Complete	June 25, 2013	July 1, 2013	July 1, 2013
Deployment	1133	Site Cutover Go/No Go Decision	June 30, 2013		June 28, 2013
Training	4036	Training Complete	July 9, 2013	August 5, 2013	
Deployment	1144	Replacement MMIS Operational	July 1, 2013		July 1, 2013

Reporting and Analytics Schedule

UID	Key Milestone	Planned Date Per Amendment 2	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
1214	Initial Test Data Submission Complete	November 2, 2010		November 19, 2010
281	Business Requirements Document Complete	September 24, 2010		March 9, 2011
366	Extract Specification Document Complete	September 23, 2010		March 17, 2011
1781	Software Development and System Engineering Plan Complete	April 6, 2011		April 6, 2011
173	Change Management Plan Complete	May 20, 2011		May 20, 2011
222	Hardware and Software Installation Complete	November 18, 2010		June 1, 2011
204	Joint Security Plan Completed	July 27, 2011		July 27, 2011
4900	DW Design Group 2 Completed	August 31, 2011		August 31, 2011
4903	DSS Design Group 1 Completed	September 30, 2011		September 30, 2011
4912	DW Load Scripts Development Group 1 Completed	October 14, 2011		October 14, 2011
1836	Acceptance Criteria for Analytic Test Plan Complete	November 9, 2011		November 9, 2011
1791	Acceptance Criteria for R&A Data Dictionary Complete	December 8, 2011		December 8, 2011
4902	DW Design Group 4 Completed	January 20, 2012		January 20, 2012
442	Data Warehouse Design Complete	February 9, 2012		February 9, 2012
523	Detailed System Design Complete	March 14, 2012		March 14, 2012
732	System Integration Test 1 Complete	April 23, 2012		April 23, 2012
6154	SHP SIT Complete	May 16, 2012		May 16, 2012
1021	Training Plan Accepted and Complete	June 12, 2012		June 12, 2012
6171	SHP SIT Results documentation	June 22, 2012		July 2, 2012
7204	E J-SURS Viewer/OLAP Training Complete	July 27, 2012		July 27, 2012
1614	Turnover Plan Complete	August 22, 2012		August 22, 2012
6211	SHP Production Build Release	August 17, 2012		September 10, 2012
7278	E J-SURS UAT Test Results Complete	October 5, 2012		September 10, 2012
7282	E J-SURS Design Model ready for Production	September 13, 2012		September 24, 2012
787	System Integration Test 2 Complete	October 29, 2012		October 29, 2012
7307	SHP Go/No Go Decision	November 29, 2012		January 25, 2013
652	QSI Development Complete	February 15, 2013		January 25, 2013
1035	Data Management Plan Complete	December 21, 2012		December 21, 2012
589	QSI Extract Development Complete	February 15, 2013		January 25, 2013
1007	Business Continuity/Disaster Recovery Plan Complete	February 15, 2013		February 14, 2013

833	System Integration Test 3 Complete	March 13, 2013		April 30, 2013
1473	SIT3 Results Document Complete	May 20, 2013	June 25, 2013	June 25, 2013
1721	UAT Complete	July 23, 2013	August 9, 2013	
1476	Submit CDRL-39 UAT Results Document for State Review	July 12, 2013	August 14, 2013	
891	Execution Phase Close Out Deliverables Complete	August 20, 2013	September 23, 2013	
919	System Release for Production	September 2, 2013	September 3, 2013	

For a summary of the above schedule changes, please see the Schedule section on page 12.

End of Appendix B

APPENDIX C – BACKGROUND

Appendices C can be found in previous versions of the NCGA MMIS Quarterly Report or accessed by clicking the following link: NCGA MMIS Quarterly Report Appendix C for October 1 2013.

APPENDIX D – REPLACEMENT MMIS BENEFITS SUMMARY

Appendices D can be found in previous versions of the NCGA MMIS Quarterly Report or accessed by clicking the following link: NCGA MMIS Quarterly Report Appendix D for October 1 2013.

APPENDIX E – STATE LEGISLATIVE MANDATES

Appendices E can be found in previous versions of the NCGA MMIS Quarterly Report or accessed by clicking the following link: NCGA MMIS Quarterly Report Appendix E for October 1 2013.

APPENDIX F – REPLACMENT MMIS BUILDS

Appendices F can be found in previous versions of the NCGA MMIS Quarterly Report or accessed by clicking the following link: NCGA MMIS Quarterly Report Appendix F for October 1 2013.