State of Texas

Health and Human Services Commission

Pre-Solicitation Announcement

Medicaid Modernization Services and Support

Date: March 27, 2020

1. OVERVIEW

1.1 Introduction

The Health and Human Services Commission (HHSC) issues this Pre-Solicitation Announcement (Announcement) to inform the vendor community that the HHSC intends to release several solicitations to procure the service components for a modernized, modular Medicaid Management Information System (MMIS).

1.2 Background

Currently, HHSC's MMIS is a massive, fully integrated, highly complex ecosystem composed of applications, processes, call center, mainframe computers and datacenter infrastructure used in support of the Texas Medicaid delivery system.

In 2015, Centers for Medicare and Medicaid Services (CMS) directed states to modernize their MMIS. CMS promoted an approach to MMIS modernization with emphasis on multi-vendor, interoperable, modular design and a departure from the inflexible monolithic customized systems. CMS allowed states the flexibility to define their MMIS modernization strategies to improve maturity as outlined in the CMS Medicaid Information Technology Architecture (MITA) Framework, as well as supporting timely, cost-effective projects. CMS' perspective is that a modular approach to the Medicaid Information Technology (IT) enterprise provides the most efficient and cost-effective long-term solution for meeting states' business needs. States will be able to leverage the modular approach to optimize project design for agility, interoperability and other desirable attributes as well as associated acquisition approaches to avoid prolonged development efforts and vendor lock-in. The modular approach supports all Medicaid service delivery models, including managed care, fee-for-service, and use of an administrative services organization.

HHSC desires to modernize specific components and functionality of MMIS modules/applications to achieve the Medicaid program's desired outcomes, drive business innovation, replace inefficient system-driven processes, and transition away from expensive, aging datacenter systems/infrastructure. It is expected that the new service model will require minimal customization and will aid HHSC in its transition to national standard code sets.

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2. Summary of Anticipated Procurements

2.1 Anticipated Solicitations

At the time of issuance of this Announcement, HHSC anticipates the Medicaid Modernization Services and Support portfolio to encompass separate procurements of four services and the use of an existing interagency agreement. The interagency agreement addresses the transition of modernized applications from the incumbent vendor's datacenter to a State-owned datacenter managed by the Texas Department of Information Resources.

The four separate solicitations that HHSC anticipates issuing are solicitations to procure the following service components:

1. **Business Operations and Business Services Integration**
   The services to be provided in the Business Operations and Business Services Integration component include the systems integration effort and technical staff managing projects to ensure effective functioning of the Medicaid ecosystem when divided across multiple vendors.

2. **Claims Processing Adjudication and Financial Services**
   The services to be provided in the Claims Processing and Financial Services component include the outsourcing of Fee-For-Service claims processing through a Claims-as-a-Service (CaaS) solution.

3. **Application Maintenance and Development of MMIS Modernized Systems**
   The services to be provided in the Application Maintenance and Development component include the support of recently updated applications which will be residing in the State-owned data center, including Provider Management, Electronic Visit Verification, the Transformed Medicaid Statistical Information System (T-MSIS) for federal reporting, the Medicaid/CHIP Data Analytics (including Surveillance Utilization Review and Medicaid Fraud and Abuse Detection System), and the managed care encounter data warehouse.

4. **Independent Validation and Verification (IV&V) for Application Maintenance and Development**
   The services to be provided in the IV&V component include the oversight of MMIS operations by an independent review organization.

The first three listed services will be procured through separate Request For Offer (RFO) solicitations posted to the Electronic State Business Daily (ESBD) accessed at http://www.txsmartbuy.com/sp. The IV&V services are expected to be procured using a Deliverables-Based Information Technology Services contract established by the Texas Department of Information Resources.

The services associated with the IV&V federal certification requirements for the Medicaid Modernization and Support portfolio, which is separate from the IV&V services for Application

Maintenance and Development described above, are expected to be obtained using an existing IV&V services agreement.

Depending on the procurement, HHSC may establish mandatory thresholds for eligibility (e.g., specified number of years in business) to ensure that vendors responding to the solicitation possess the minimum requisite experience necessary to provide the requested services. HHSC may also preclude the award of certain contracts to the same vendor in order to mitigate an actual or potential conflict of interest in the provision of services. Any mandatory qualification or award restriction will be specified in the applicable solicitation.

2.2   Anticipated Schedule of Events

The anticipated time frames for the upcoming procurement initiatives are as follows:

Business Operations and Business Services Integration
Anticipated Request For Comment Posting	Summer 2020
Anticipated RFO Posting	Early 2021
Anticipated Contract Start	Summer 2022

Claims Processing Adjudication and Financial Services
Anticipated Request For Comment Posting	Summer 2020
Anticipated RFO Posting	Early 2021
Anticipated Contract Start	Summer-Fall 2022

Application Maintenance and Development of MMIS Modernized Systems
Anticipated RFO Posting	Early 2021
Anticipated Contract Start	Summer-Fall 2022

Independent Validation and Verification for Application Maintenance and Development
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Anticipated RFO Posting	Summer 2021
Anticipated Contract Start	Summer-Fall 2022

The schedule of events is tentative. HHSC reserves the right to modify these potential solicitations, identified activities, and target timelines at any time without notice or issuance of addenda to this Announcement.

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2.3   Framework for Allocation of Anticipated Scope of Services

The following diagram shows the framework for allocation of current services among the anticipated five modular service components.
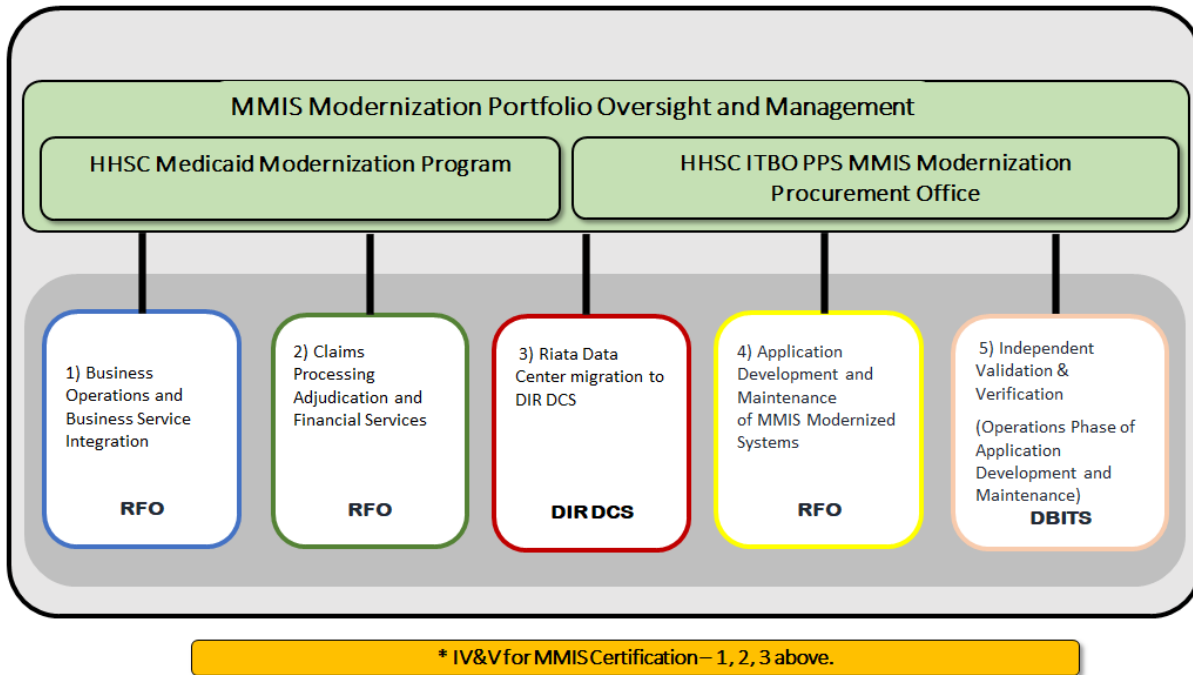
The chart below depicts the currently anticipated services of each component of the Medicaid Modernization Services and Support portfolio.
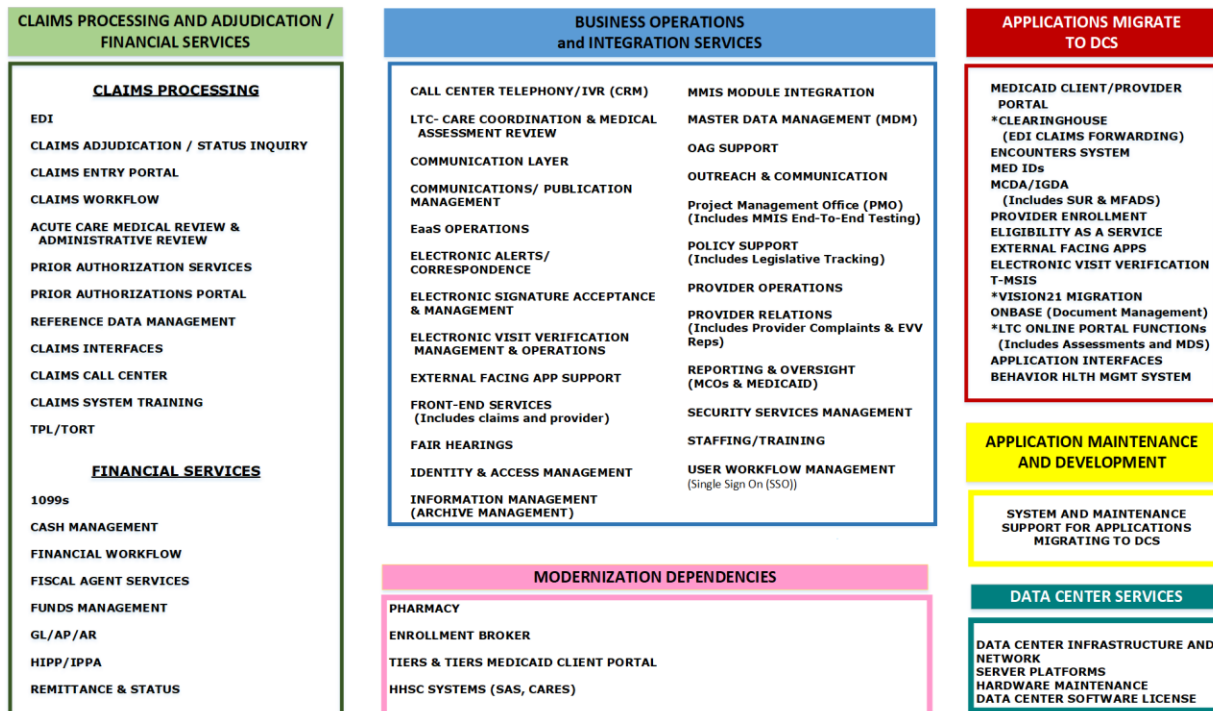
2.4 Volume and Usage Information

For reference purposes, volume and usage estimates for the existing HHSC Medicaid Management Information System for the month of January 2020 are provided below.

Claim Status Inquiries

Inquiry Type	Total
Portal	420,000
Automated Inquiry System	8,800
Electronic	135,000
Phone	18,250

Contact Center Statistics

Client Calls	72,000
Provider Calls	89,000
Long-Term Care Calls	9,700
TPL Client Calls	14,000
HIPP/IPPA Calls	7,300

Front End Services (FES)   **192,000**

Front End Services (FES) provides mailroom, data entry, and image retrieval services for medical claim forms and related documents. FES processes mail from postal boxes, overnight deliveries, EDI and fax.

Program ID cards printed   **101,000**

Acute Care Claims Received   **2,833,000**

Electronic	2,125,000
Paper	121,000
Other (Manual)	587,000

Acute Care Prior Authorizations (PA)   **14,000**

Long-Term Care Claims Volume   **2,100,000**

Provider Enrollment: **1,500**

Note: These volume and usage estimates are provided solely for reference purposes, and the approximations do not take into account future events such as subsequent changes to federal, state or agency policies.

3. Additional Information

3.1 Announcement Modification and Withdrawal

HHSC does not anticipate issuing any additional notices prior to the commencement of the procurement initiatives. In the event that HHSC does supplement this Announcement with additional information, such information will be appended to this Announcement via numbered addenda. HHSC reserves the right to withdraw this Announcement at any time and without providing advance notice.

3.2 No Contract Results From this Announcement

This Pre-Solicitation Announcement is issued solely for vendor planning purposes. This Announcement does not constitute a solicitation for offers, a binding commitment to conduct a procurement, or an offer of a contract or prospective contract. Any action taken by the interested party is on its own accord and any financial outlay is at its own risk.