Presentation to the House Appropriations Committee – Medicaid Information Technology

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Rider 175 (Capriglione), 86th Legislature, guided Health and Human Services (HHS) to develop a 10-year information technology modernization roadmap. The plan was published in October 2020.

The interconnection of technology/data requires us to create an infrastructure that is responsive to future growth, flexible, and innovative in design, development, and operation.

MODERNIZE

Seeks to modernize and improve network capacity, performance, and security. Network performance is a key component of the technology and data infrastructure which directly impacts all systems, applications, and users. Staff and clients both often overlook network functionality until systems and applications fail to perform or data becomes unavailable.

INTEGRATE

Employs a statewide technical infrastructure – inclusive of an increase in network capacity and data storage that is reliable and highly responsive to HHS needs for: remote care; telemedicine; on-premise oversight and control of workflows; and public health prevention and surveillance.

OPERATIONALIZE

Sees HHS free of legacy technology and data debt. Modern computing, storage, network, security, & application technology will become operational, with the decision-making flexibility & financing options available that will allow HHS to keep pace with future technological advances.

OPTIMIZE

Envisions technology that enables nationwide virtual and/or mobile service delivery and program administration for all clients and stakeholders. These connections will include proactive, wrap-around security where detection, defense, and enhancements are automated and transparent. All applications are easily modified, and modifications are only necessary when cost and timing present a clear value proposition.
# IT Modernization Plan – Projects Funded by 87th Legislature

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount (M)</th>
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<tbody>
<tr>
<td>eDiscovery</td>
<td>7.1</td>
</tr>
<tr>
<td>System-wide Business Enablement Platform</td>
<td>13.4</td>
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<tr>
<td>Cybersecurity Advancement</td>
<td>4.4</td>
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<tr>
<td>Stabilization of Enterprise Server and Storage</td>
<td>5.4</td>
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<tr>
<td>Winters DC Environment Protection Services</td>
<td>1.5</td>
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<tr>
<td>TIERS Data Center Environment Protection</td>
<td>1.5</td>
</tr>
<tr>
<td>Modernization of End-of-Life/End-of-Support Network Equipment</td>
<td>36.7</td>
</tr>
</tbody>
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- **Fully Funded**
- **Partially Funded**

- Grants and client services: 91%
- Admin services: 4%
- Other services: 2%
- State Operated Facility services: 3%

**Estimated Appropriations for IT (DSHS and HHSC) [all funds]**
- DSHS: $232.1
- HHSC: $1,163.8

** Appropriated approx. $78.8 billion in All Funds for 2022-23**
IT Modernization Plan
Status as of June 2022

- **Consolidate almost 900 servers into the Data Center Services (DCS) program**
  - Migrated MMIS 40% of 834 servers to Data Center Services
  - 45%

- **Continue the consolidation of the remaining 40 percent of the 868 LOI servers**
  - Scope increased from 868 servers to 1,027
  - 692 out of 1,027 LOI servers have been retired
  - 67%

- **Partner with the application & infrastructure vendors to begin implementing modernization plans of TIERS servers**
  - 19 out of 23 TIERS infrastructure upgrades completed
  - 83%

- **Investigating and implementing cloud computing for file servers**
  - Completed migration and synchronization of all shared data to Azure
  - 70%

- **Reduce extraneous system authentication servers**
  - 28 out of 160 servers have been removed
  - 17%

- **Migrate to less expensive open-source or standard platform systems**
  - 19 applications defined on the roadmap
  - 4 out of 19 applications migrated to the Business Enablement Platform
  - 21%

- **Leveraging data tagging tools**
  - 1,241 completed out of 21,240 tags associated with applications for HHS and DSHS
  - 6%

- **Oversee ongoing & routine maintenance data center infrastructure activities**
  - Exceptional Item for Data Center Facility Maintenance procurement is being prepared to sent out for bid
  - 25%

- **Implement service desk model and identification of a self-service chatbot solution**
  - HHS IT's self-service IT Help Central chatbot, Anita, went live in April 2022
  - 100%
The Quality Assurance Team (QAT) is authorized (Article V, Section 133 of the General Appropriations Act, 78th Legislature) to:

- Review projects before expenditure of appropriated funds based on analysis of project risks
- Make recommendations to the Legislature to reduce risk of project overruns/failures
- Report the status of Major Information Resource Projects (MIRPs) to state leadership
- Determine the frequency of monitoring (monthly or quarterly)
- Perform reviews of MIRP contracts over $10M and amendments that increase the original contract by 10% or more
- Review the cost benefit analysis on projects exceeding schedule or original contract cost by 10% or more

As of Feb. 2022, there were 55 MIRPs statewide for all state agencies; 37 or 67% belong to HHSC and DSHS
Texas Medicaid Program Overview

Medicaid
A jointly funded state-federal healthcare and long-term services program for certain groups of low-income persons

CHIP
A similar program for children whose families earn too much to qualify for Medicaid but cannot afford health insurance
Fee-for-Service (FFS)
- Clients go to any Medicaid provider
- Providers submit claims directly to HHSC’s administrative services contractor for payment
- Providers are paid per unit of service
- Most FFS clients do not have access to service coordination

Managed Care
- A managed care organization (MCO) is paid a capitated rate for each member enrolled
- MCOs provide a medical home through a primary care provider and referrals for specialty providers, when needed
- MCOs are required to have adequate provider networks
- MCOs negotiate rates with providers
- MCOs may offer extra services called value-added services
  - Examples: youth community or sports membership, pest control, respite care
Current Texas Medicaid Management Information System (MMIS)

MMIS is a highly complex network of interconnected systems that supports Texas’ Medicaid delivery system.

- Claims administrator contract ends August 31, 2023
- Have exhausted three, one-year extensions for each of the contracts
MMIS Highlights

Medicaid + CHIP

Medicaid

CHIP or Medicaid

36
MILLION
Acute Care Claims Processed

144
MILLION
Encounters Processed

8
MILLION
Long Term Care Claims

4.5
BILLION
Total EDI transactions

650,000
Prior Authorization Requests

36,024,980
eligible individuals

14% Texans covered

44% Texas Children covered

19
Managed Care Organizations (MCOs)

25,000
Medicaid Providers

Successfully completed migration of 73 modernized Medicaid applications and tools and 418 servers to DIR consolidated data center, coordinating with multiple vendor support teams to implement 700 firewall rules and 780 load balancer rules

Facilitated biweekly interdepartmental Medicaid Modernization Strategy & Visioning

Developed strategic roadmap and obtained federal funding approval for migration of Medicaid analytics to DIR-managed Azure cloud
MMIS Operations

CALL CENTER
- Receives provider and client calls

PRIOR AUTHORIZATION
- Task and workflow management for prior authorization

LONG TERM CARE
- Long Term Care claims adjudication and claims processing

FAIR HEARINGS
- Maintains compliance with state and federal requirements

PROVIDER ENROLLMENT
- Includes provider enrollment, reenrollment, validation of provider data

CLAIMS
- Acute care claims adjudication and claims processing

PROVIDER RELATIONS
- Includes provider communications, documentation, and provider training

PUBLICATIONS
- Provider publications and EDI companion guides

REFERENCE DATA MANAGEMENT
- Including benefit plan, procedure, and reimbursement data

APPEALS, COMPLAINTS, & RESOLUTION
- Manages Provider and Client ACR process

QUALITY
- Key Measures Reporting
## Why Modernize MMIS?

### Key Business Needs
- Reaching end of life; potential for systems failure and lack of vendor support creates high risk
- Expensive to maintain a legacy platform
- Designed for fee-for-service (FFS), not adequate for managed care model
- State is ‘vendor locked’ with single vendor

### Federal
- CMS directed states to modernize in 2015
- Enhanced federal match is available for modernization
- CMS has approved HHSC Advance Planning Documents (APD) for modernization

### State
- Ensure state contracting rules and best practices are followed
- 86th session – Exceptional Item (EI) for state data center migration, Provider Enrollment and Management System and other related modernization efforts
- 87th session – EI
Where We Are Heading

Current: One monolithic system, one vendor

- Claims management
- Provider enrollment and management
- Prior authorizations and assessments
- Encounters processing
- Electronic Visit Verification
- Rate setting
- Data analytics and integration
- Third Party Liability
- Call center operations
- Program integrity

Future: Multiple modules, multiple vendors

Vendor for business operations and integration
Manages overall Medicaid ecosystem
Also includes support services such as project management, prior authorizations and medical necessity determinations, call center, Medicaid enrollment outreach, mailroom/document intake services

Vendor for application maintenance & development

Vendor for claims management

Migrate data to DIR State Data Center
Business Path Forward

Procurements

1. Claims Management
2. Business Operations and Integration Services
3. Applications Maintenance and Development

Interagency Contract

1. Data center migration to the DIR State Data Center
   (Completed 10/1/2021)

Prior to vendor transitions

Complete deployment of Provider Enrollment and Management System modernization
Modernization Outcomes

- Functionality will better support both fee-for-service and managed care
- Enhancements can be made more quickly and cost-effectively
- On-going costs for maintenance and support will be reduced
- Multi-vendor environment will create a more agile and scalable business model
- Administrative efficiencies for providers, staff, and other business partners
- Streamlined processes will improve the client experience and access to services
High Level Timeline

Current MMIS Contract (9/1/2017 – 8/31/2020)

- CMS Rule 12/4/2015
- 86th Session MMIS EI

Extensions (9/1/2020 – 8/31/2023)

- 87th Session MMIS EI
- PEMS launches 12/13/2021
- CMS approves APDs* 8/12/2021 & 9/16/2021

Compliance

**SB1 Rider 6**

- HHS established the Texas Medicaid and Healthcare Partnership (TMHP) QAT Steering Committee beginning in FY18
- The Committee consists of:
  - Members of the QAT
  - HHS Chief Financial Officer
  - HHS Information Resource Manager/CIO
  - Technology Sponsor
  - Project Manager
- The committee meets monthly, and HHS provides status updates on:
  - MMIS projects in flight
  - MMIS active and planned procurements
  - MMIS budget
  - TMHP vendor performance/key performance indicators
- Any questions/requests from the QAT are addressed in a timely manner
Compliance

Section 9.01. Purchases of Information Resources Technologies

• HHS has consistently complied with submission of all projects through the agency’s Biennial Operating Plan

• HHS has consistently submitted all independent verification and validation (IV&V) reports received on MIRPs to the QAT within 10 days of receipt

• HHS has submitted all MIRP agency-owned contracts valued at $10M or more to the QAT in 2 steps—draft review prior to negotiations, and a second unsigned draft, redlined with all changes from the initial submission. HHS has also responded to all QAT comments from these reviews prior to execution

• Any contract amendment increasing an initial agency-owned MIRP contract by 10% or more has been submitted to the QAT prior to execution
Compliance

Section 9.02. Quality Assurance Review of Major Information Resources Projects

• HHS has consistently complied with submission of all documents in the required timeframes required by the QAT for all MIRPs and has responded to all inquiries regarding any project’s risk

• The QAT has not required IV&V on any MIRP

• HHS has notified the QAT of all MIRP solicitations when posted, as well as the vendor award of any contracts awarded valued at $10M or more within 10 days of award

• HHS has submitted all MIRP Post Implementation reports to the QAT on time in the past 4 years

• HHS has consistently followed all directives and guidelines issued by the QAT to ensure full compliance at all times