Presentation to the House Appropriations Committee – Medicaid Information Technology

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TEXAS
Health and Human Services

IT Modernization Plan -
Rider 175 Report

TEXAS
Health and Human Services

- 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.

PHASE 1 — MODERNIZE

PHASE 2 — INTEGRATE

PHASE 3 — OPERATIONALIZE

PHASE 4 — OPTIMIZE
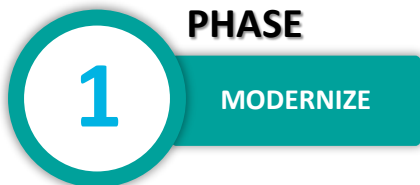
Seeks to modernize and improve network capacity, performance, and security. Network performance is a key component of the technology and data infrastructure which directly impacts all systems, applications, and users. Staff and clients both often overlook network functionality until systems and applications fail to perform or data becomes unavailable.

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.

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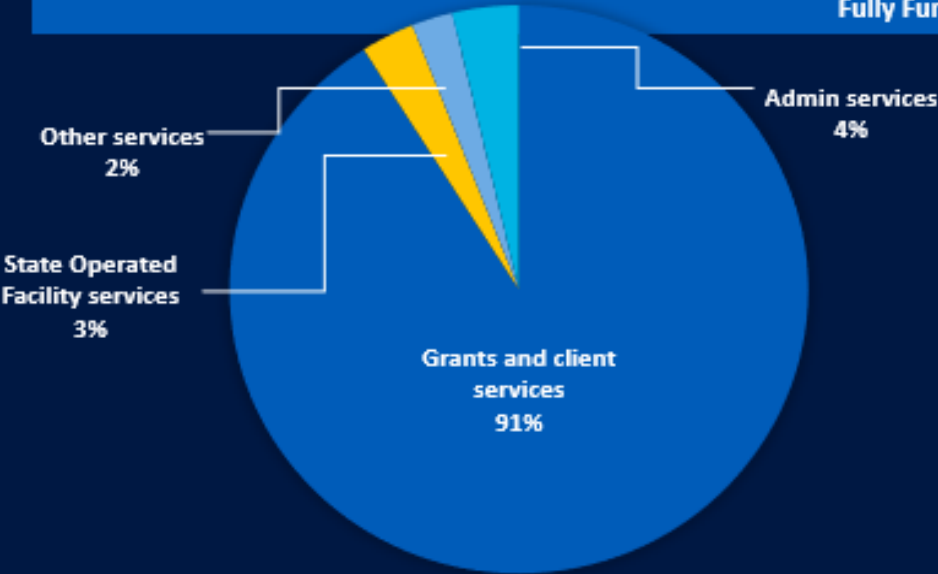
Envisions technology that enables nationwide virtual and/or mobile service delivery and program administration for all clients and stakeholders. These connections will include proactive, wrap-around security where detection, defense, and enhancements are automated and transparent. All applications are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

IT Modernization Plan –
Projects Funded by 87th Legislature

eDiscovery	System-wide Business Enablement Platform	Cybersecurity Advancement	Stabilization of Enterprise Server and Storage	Winters DC Environment Protection Services	TIERS Data Center Environment Protection	Modernization of End-of-Life/End-of-Support Network Equipment
7.1 M	13.4 M	4.4 M	5.4 M	1.5 M	1.5 M	36.7
Fully Funded						**Partially Funded**

Other services 2%

State Operated Facility services 3%

Grants and client services 91%

Admin services 4%

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

appropriated approx.
$78.8 billion
in All Funds for 2022-23

IT Modernization Plan
Status as of June 2022

TEXAS Health and Human Services

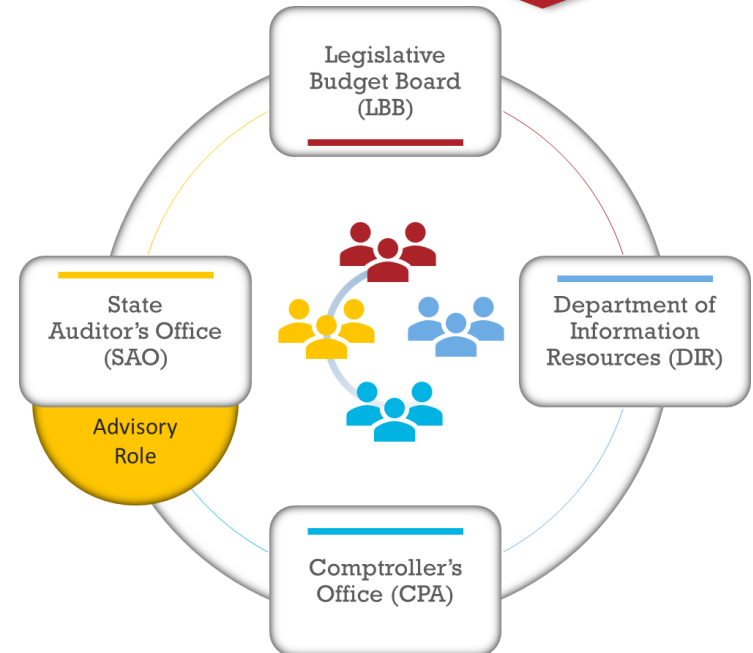| Consolidate almost 900 servers into the Data Center Services (DCS) program	Continue the consolidation of the remaining 40 percent of the 868 LOI servers	Partner with the application & infrastructure vendors to begin implementing modernization plans of TIERS servers	Investigating and Implementing Cloud computing for file servers	Reduce extraneous system authentication servers	Migrate to less expensive open-source or standard platform systems	Leveraging data tagging tools	Oversee ongoing & routine maintenance data center infrastructure activities	Implement service desk model and identification of a self-service chatbot solution
45%	67%	83%	70%	17%	21%	6%	25%	100%
Migrated MMIS 408 of 839 servers to Data Center Services	Scope increased from 868 servers to 1,027 692 out of 1,027 LOI servers have been retired	19 out of 23 TIERS Infrastructure upgrades completed	Completed migration and synchronization of all shared data to Azure	28 out of 160 servers have been removed	• 19 applications defined on the roadmap • 4 out of 19 applications migrated to the Business Enablement Platform	1,241 completed out of 21,240 tags associated with applications for HHS and DSHS	Exceptional Item for Data Center Facility Maintenance procurement is being prepared to sent out for bid	HHS IT's self-service IT Help Central chatbot, Anita, went live in April 2022

IT Modernization Plan
Partners

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

TOTAL CURRENT ALL FUNDS COST FOR ALL MIRP PROJECTS	
HHSC	**DSHS**
$125,679,965 22 MIRPs	$32,420,405 15 MIRPs

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

HHSC

Models for Service Delivery

5% of clients

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

95% of clients

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

Main Functions

- Claims processing and provider payments
- Provider enrollment and management
- Prior authorizations and assessments
- Encounters processing
- Rate setting
- Electronic Visit and Verification
- Data analytics and integration
- Third Party Liability
- Call Center Operations
- Program Integrity (i.e. Office of the Inspector General)

Key Data Exchanges

- Texas Integrated Eligibility Redesign System (TIERS) for client eligibility
- Enrollment Broker
- Medicaid Vendor Drug systems
- Other HHSC and external entities

MMIS Highlights

SERVED BY MMIS

AGENCIES

FEDERAL

CMS — Centers for Medicare and Medicaid Services

USDA — Food and Nutrition Service

FDA — Food and Drug Administration

Office of the Inspector General

STATE

Office of the Governor

The Attorney General

The Office of the Comptroller

Texas Health and Human Services Commission

The Department of Agriculture

Texas Workforce Commission

The Senate of Texas

Texas House of Representatives

STAKEHOLDERS

19
Managed Care Organizations (MCOs)

25,000
Medicaid Providers

CLIENTS

Medicaid
14% Texans covered

CHIP or Medicaid
44% Texas Children covered

Medicaid + CHIP
5,024,980 eligible individuals

Medicaid Management Information System

MAKING A DIFFERENCE

ACCOMPLISHMENTS

- 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
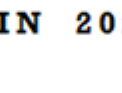
IN 2020:

4.5 BILLION
Total EDI transactions

650,000
Prior Authorization Requests

36 MILLION
Acute Care Claims Processed

144 MILLION
Encounters Processed

8 MILLION
Long Term Care Claims

MMIS Operations

CALL CENTER
Receives provider and client calls

PRIOR AUTHORIZATION
Task and workflow management for prior authorization

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

LONG TERM CARE
Long Term Care claims adjudication and claims processing

CLAIMS
Acute care claims adjudication and claims processing

FAIR HEARINGS
Maintains compliance with state and federal requirements

OPERATIONS

PROVIDER RELATIONS
Includes provider communications, documentation, and provider training

THIRD PARTY LIABILITY
Identify other insurance and initiate collection process

PUBLICATIONS
Provider publications and EDI companion guides

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

QUALITY
Key Measures Reporting

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

MMIS

Why Modernize MMIS?

① 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

② 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

③ 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

3 Procurements

1. Claims Management

2. Business Operations and Integration Services

3. Applications Maintenance and Development

1 *Interagency Contract*

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
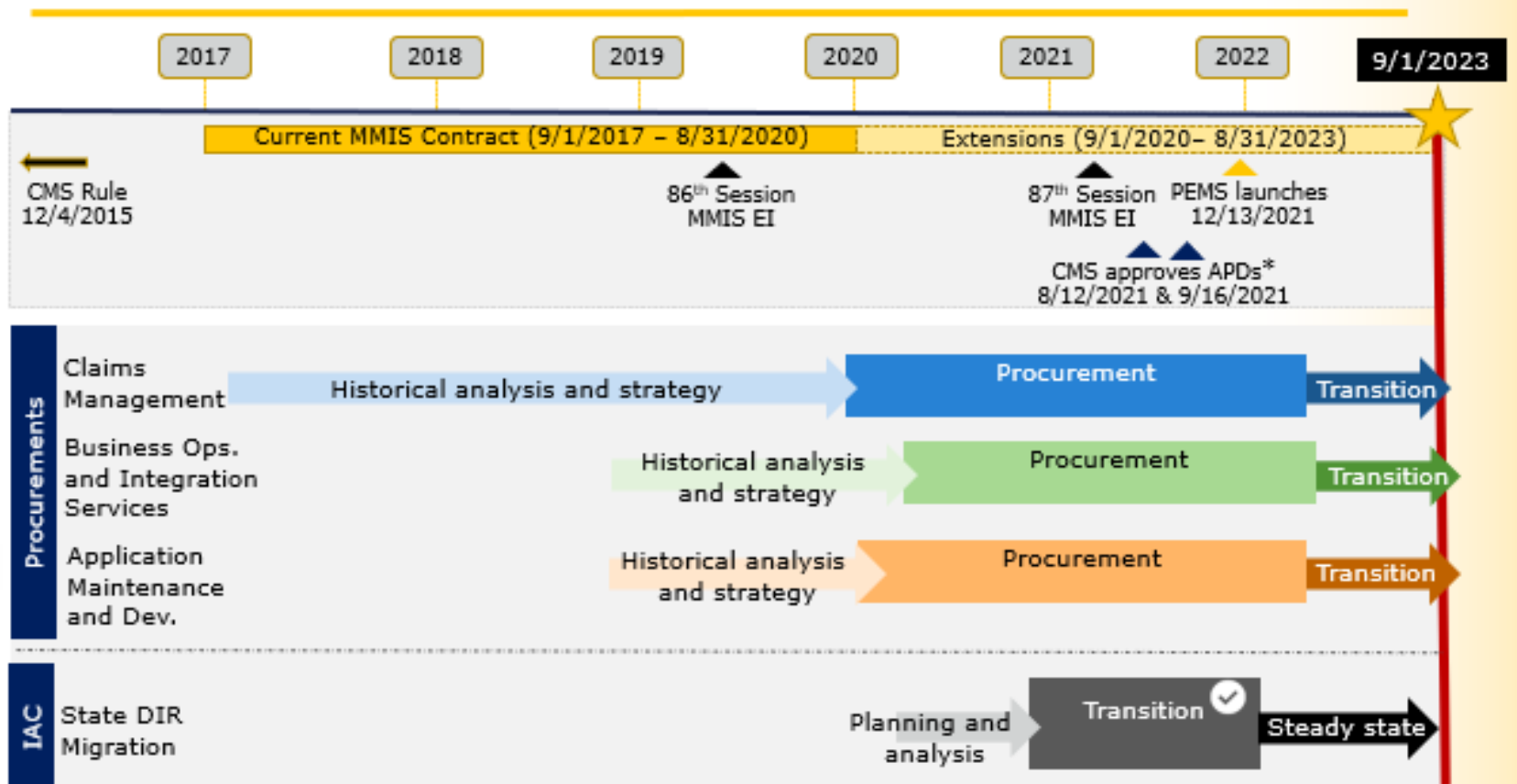
*CMS approved APDs: Business Operations and Integration, Claims Mgmt., Data Center Services. Pending with CMS: Application Maintenance and Development.

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