Project #	Agency	Project Title
25-01	Health and Human Services System	New Medicaid Management Information System (MMIS)

SUMMARY OF REQUEST (Executive Summary from the Proposal)
[Full text of all proposals are posted here: http://www.nitc.state.ne.us/nitc/documents/fy2007-09/index.html]

In 1965, Title XIX of the Social Security Act initiated a jointly funded medical assistance program for certain individuals and families with low incomes and resources. The program, called Medicaid, is a cooperative venture between the Federal and State governments to assist States in providing medical care to eligible needy persons.

The Medicaid Management Information System (MMIS) is the claims processing system for Nebraska's Medicaid Program. In addition to processing claims, the MMIS also supports coordination of benefits, surveillance and utilization review, federal and management reporting, and case management.

Last fiscal year the Nebraska MMIS was used to process nearly 9.5 million Medicaid claims, and issued over $1.3 billion in payments to providers. Over the past ten years, the number of Medicaid claims processed has nearly doubled, and the average monthly number of Medicaid eligibles has increased from 135,159 in fiscal year 1994 to 197,152 in 2004.

The Centers for Medicare and Medicaid Services (CMS) requires a certified and continuously operational MMIS to fully fund administrative functions. CMS funds the MMIS at 75% for operations and 90% for MMIS enhancement and replacement. The federal fiscal year 2005 budget proposal released on February 5, 2005, proposed to cut the federal matching rate for MMIS enhancements from90% to 75%. Although this proposal was not adopted, the potential elimination of federal funding exists.

Three significant problem areas of the current system are:

1) **Outdated Technology:** Nebraska's MMIS was developed 27 years ago and has outlived most other states; Medicaid Management Information Systems. The current MMIS uses outdated technology and an older, inflexible technical design. Staff have worked hard to maintain the functionality of the MMIS, however, it is an extremely tenuous system often requiring "band aid" solutions. Several experts have concluded that the current MMIS in incapable of meeting expectations and future needs.

2) **Needs Outgrew System:** The Medicaid program has become increasingly complex, with service changes (e.g. hospice, behavioral health), eligibility changes, and new regulations (e.g. HIPAA). New program needs are difficult to address with the existing system. Labor-intensive "workarounds" are used to address these changes in the short-term, but do not represent a long-term solution.

3) **Costly to Maintain:** Because the MMIS is based on outdated technology and older, inflexible programming, it is costly to maintain, operate and enhance.

A Medicaid Management Information System (MMIS) procurement will replace the current MMIS with a state-of-the-art MMIS. It will provide the Department with enhanced claims processing functions to increase claims productivity and accuracy. It will also provide tools to manage and distribute work, track and report all customer contracts and provide a portal for providers and clients to obtain and share needed information within the Department as well as to external agencies.

The new MMIS will be more closely aligned to the Medicaid Information Technology Architecture (MITA), which was developed and supported by Centers for Medicare and Medicaid Services (CMS). CMS is

using MITA as a tool for communicating a common vision for the Medicaid program and for providing guidance on achieving that vision. CMS will use an updated advance planning document (APD) review process and criteria to ensure that state IT planning meets MITA goals and objectives.

Some of the key technical architecture features include:
- Service-oriented architecture (SOA)
- Common interoperability and access services
- Adaptability and extensibility
- Hub architecture
- Performance measurement

The State of Nebraska released a RFP for a MMIS on December 15, 2005. Four bids were received. The bids were opened and reviewed by State Purchasing on April 26, 2006. After evaluation, all four bids were rejected on June 20, 2006. The bids were rejected for price, failing to meet the requirement that the bidder transfer ownership of some key portions to the State, and qualifications of the bidder. It is the State's intent to continue with procurement of a new MMIS.

The Department is submitting an Advance Planning Document (APDP to notify the Centers for Medicare and Medicaid Services (CMS) of plans to procure a new MMIS and to request Federal Financial Participation (FFP) for the activities required for planning, procurement, design, development, implementation and certification.

FUNDING SUMMARY

The total cost for this project is estimated at $50 million. Based on previously submitted RFP's the federal match for this project will average 87%. A break out of individual expenses is not available at this time but will be included in the RFP responses.

PROJECT SCORE

Section	Reviewer 1	Reviewer 2	Reviewer 3	**Mean**	Maximum Possible
3: Goals, Objectives, and Projected Outcomes	12	13	12	12.3	15
4: Project Justification / Business Case	22	24	19	21.7	25
5: Technical Impact	15	18	18	17.0	20
6: Preliminary Plan for Implementation	8	9	6	7.7	10
7: Risk Assessment	8	9	7	8.0	10
8: Financial Analysis and Budget	13	15	13	13.7	20
			TOTAL	**80**	100

REVIEWER COMMENTS

Section	Strengths	Weaknesses
3: Goals, Objectives, and Projected Outcomes	- Goals and objectives are described adequately - Very strong goals/objectives/beneficiaries and outcomes description - Goals, objectives, benefits, and expected outcomes well thought out and presented. Using comprehensive project management process and procedure will benefit the implementation process.	- This project will be very similar in size and scope to the installation of a typical ERP system. It will also be a system that is probably quite similar to 50 other state systems doing the same thing. I would have liked to see some reference to that fact. - Could improve measures of success by relating them specifically to outcomes (i.e. one expected outcome is increased number of electronic claims, an appropriate measure of achievement would be change in e-claim numbers)

Section	Strengths	Weaknesses
		- Page 5, the first bullet item appears to be incomplete; not sure if everything is mentioned. There is no measurement criteria defined to determine the quality and effectiveness of the resultant software application.
4: Project Justification / Business Case	- Appears to be well thought out - Explanation of other solutions evaluated is particularly strong - Good analysis of the four solutions presented pertaining to time frame and risk factors. State and federal mandates are clearly defined.	- It seems to me that if 50 states are all doing similar types of activities in this area the option of MMIS replacement with /Fiscal agent should possibly be given more consideration, I would have liked to see more data on this approach as well as the MMIS procurement approach. What are the real differences? - Tangible benefits are not fully explained. There is no projected economic return on investment (ROI) for any of the four solutions identified.
5: Technical Impact	- The SOA approach is a good one as it enables you to connect just about all of your computing assets into a cohesive whole, making it possible to get your systems speaking the same language together, regardless of their technology and what you may have been told in the past were 'incompatible' systems. - Technical elements are defined at the standards level, rather than software/hardware level, which is appropriate at this stage of project. Standards identified are appropriate for project. - Most of the technical issues are well developed and supported.	- A Service Oriented Architecture (SOA) is a very good approach to this proposal. SOA is supported by standards-based technologies like XML, web services, and SOAP, it is quickly moving from pilot projects to mainstream applications critical to business operations. One of the key standards accelerating the adoption of SOA is Business Process Execution Language for web services (BPEL). BPEL was created to address the requirements of composition of web services in a service-oriented environment. I would have liked to see a discussion on the use of BPEL as part of the architectural design that is associated with this project, since BPEL is a really good approach to model and map the business processes to the system design. - No clear discussion of reliability and security, beyond statement of adherence to common standards. - Security measures are not defined.
6: Preliminary Plan for Implementation	- Good discussion from an IT perspective - Good breakdown on teams that will be involved. The support requirements are clear and well defined.	- The business modeling process was really not discussed. If the agency does not look at this aspect then we are paving the cow paths. Implementing an SOA environment should include a review of all the business processes. - Stakeholder acceptance not addressed - I could not find where the Project sponsor(s) were identified. No information was given that indicated stakeholder acceptance was examined. Deliverables are loosely defined. Not clear which groups the "train the trainers" will train and which the contractor will train.
7: Risk Assessment	- Agree that this will not be a simple project. Going in with eyes wide open is positive. Coordination with other states will be necessary. - A number of valid risks and mitigation plans are identified. I do believe this project carries significant risk simply as a result of its size and scope. - The IT risks are well defined.	- Not much discussion regarding the risks associated with the business process design. This is going from the as-is to the to-be model. Will the architecture match the business process? What is that risk? - End-user computer proficiency could be a factor in the acceptance of new technology and the time needed to train the end-users.
8: Financial Analysis and Budget		- Not much information, however the project is in an initial planning stage. - Financial information is sparse due to initial planning stage. There was no response to item #16.

TECHNICAL PANEL COMMENTS

Technical Panel Checklist	Yes	No	UNK	Technical Panel Comment
1. The project is technically feasible.				
2. The proposed technology is appropriate for the project.				
3. The technical elements can be accomplished within the proposed timeframe and budget.				

STATE GOVERNMENT COUNCIL COMMENTS

- The State Government Council recommends this project be categorized as a "mandate".

NITC COMMENTS

- Mandate (Required by law, regulation, or other authority.)
- Regarding Project 25-01, New Medicaid Management Information System, Commissioner Peterson moved:
  o To leave Project 25-01 in the recommended "Mandate" list.
  o To note that the project was not submitted on time for an evaluation and Technical Panel review.
  o That the agency coordinate with the Technical Panel for review of the project as needed.
  Commissioner Aerni seconded. Motion passed.

Project #	Agency	Project Title
25-02	Health and Human Services System	Laboratory Information Management System (LIMS)

SUMMARY OF REQUEST (Executive Summary from the Proposal)

[Full text of all proposals are posted here: http://www.nitc.state.ne.us/nitc/documents/fy2007-09/index.html]

The NHHS R&L Laboratory is in the process of identifying a new Laboratory Information Management System (LIMS) to replace their current system, LabVantage SeedPak (version 3.98.1). The current system is outdated (Oracle 7.4.3). The new system will improve the efficiency for sample tracking, quality assurance documentation, record-keeping, document archival, data management, and data reporting. All of these enhancements will help the HHS Lab achieve and maintain accreditation under the National Environmental Laboratory Accreditation Program (NELAP) and/or the Environmental Protection Agency (EPA).

FUNDING SUMMARY

Estimated costs for the HHSS Laboratory LIMS

Expenditures for new hardware, software and services.

Also includes expenditures for ongoing support and maintenance

(Revise dates as necessary for your request.)

	Estimated Prior Expended	Request for FY2007-08 (Year 1)	Request for FY2008-09 (Year 2)	FY2009-10 (Year 3)	FY2010-011 (Year 4)	Future	Total
1. Personnel Costs							$ -
2. Contractual Services							
2.1 Design							$ -
2.2 Programming							$ -
2.3 Project Management							$ -
2.4 Implementation Services							$ -
3. Supplies and Materials							$ -
4. Telecommunications							$ -
5. Training		$ 2,000.00	$ 2,000.00				$ 4,000.00
6. Travel		$ 2,000.00	$ 2,000.00				$ 4,000.00
7. Ongoing support and maintenance Costs		$ -	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 60,000.00
8. Capital Expenditures							
8.1 Hardware		$ 20,000.00					$ 20,000.00
8.2 Software		$ 150,000.00	$ 150,000.00				$ 300,000.00
8.3 Network		$ 3,000.00					$ 3,000.00
8.4 Other		$ 2,000.00					$ 2,000.00
TOTAL COSTS	$ -	$ 179,000.00	$ 169,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 393,000.00
General Funds							$ -
Cash Funds (22082)		$ 179,000.00	$ 169,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 393,000.00
Federal Funds							$ -
Revolving Funds							$ -
Other Funds							$ -
TOTAL FUNDS	$ -	$ 179,000.00	$ 169,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 393,000.00

PROJECT SCORE

Section	Reviewer 1	Reviewer 2	Reviewer 3	Mean	Maximum Possible
3: Goals, Objectives, and Projected Outcomes	12	14	13	13.0	15
4: Project Justification / Business Case	22	22	23	22.3	25
5: Technical Impact	15	17	15	15.7	20
6: Preliminary Plan for Implementation	6	10	5	7.0	10
7: Risk Assessment	6	9	5	6.7	10
8: Financial Analysis and Budget	14	18	12	14.7	20
			TOTAL	79	100

REVIEWER COMMENTS

Section	Strengths	Weaknesses
3: Goals, Objectives, and Projected Outcomes	- Good description of goals/objectives - Complete project definition with reasonable measurement criteria. - The goals and objectives are strong, but it does read like a sales brochure…. A little more detail instead of the generalized statements would have been better.	- Minimal info about linkage to agency technology plan - found it as a reviewer, without assistance within the project proposal - Would like to see some quantity assigned to 'more testing', 'shorter time period', 'reduce data entry'. - Expected outcomes - could have been stronger. If there were that many goals and objectives, at a minimum, there should have been a reference to the goals and objectives. Question 2 - measurement and assessment methods - instructions ask for the methods that will be used. The statement of staff will determine when each phase is complete is not an answer. Of course staff will be used, but what criteria are they going to use. The methods are either not listed or are in vague terms. I would expect a project of this complexity to provide more of a methodology to the acceptance of each of the components of work. While I see this as a weakness, I also believe it is a detail that can be corrected and documented in the RFP and contract for the acquisition of the software. Question 3 - I don't understand how a project of this magnitude is not part of the agency technology plan.
4: Project Justification / Business Case	- Good description of justification, although almost entirely in terms of intangible benefits, with little or no mention of tangible benefits. - Good business case. - Reading the entire proposal, the benefits of the new system will be very valuable, just not completely stated in this section.	- Only the "do nothing" option was mentioned - this may be because a RFP will be used to identify the solution, and thus comparative options weren't really known - Only considering a 'do nothing' alternative may have been too narrow of a focus. - Question 4 - it would seem the goals and objectives would again be tangible benefits to the project, not referenced in this question. Question 5 - While it is briefly mentioned, it should have been more clearly stated here that one option considered was the upgrading of the existing system, while it is not a viable option, it would seem it was thought about. If going to a manual system, as a result of the current system not functioning, will only increase the lab operation by 2 FTEs and maybe require a little more time for samples. I think the result would have a much larger impact that is noted for doing nothing. Question 6 - is not accreditation for the federal programs an important aspect of this process, it may not be a mandate, but should have been mentioned again....
5: Technical Impact	- Reasonably good comments regarding enhancements - although similar or duplicative of the comments offered in the business justification. - Question 7 - the enhancements are clearly covered and discussed. Some technical discussion. (see weaknesses)	- Very little technical detail provided in project proposal. - I would like to know how the system will provide for future enhancements and migration to avoid a total reimplementation in the future. - Question 7 - The technical discussion was weak and confusing. The answer states this system will function on an independent network, yet in question 8, it states the system will use present network and internet protocol. The answers seem to conflict each other. Also, there was no discussion of strengths and weaknesses in this question.
6: Preliminary Plan for Implementation	- Pretty good overview of general schedule and milestones or phases that will be monitored and	- Doesn't speak much at all to the experience and qualifications of the team from HHSS that will be

Section	Strengths	Weaknesses
	managed as the project progresses	managing this project. - Question 9 - Did not think the answers came close to the information requested in the question. The answer was referencing the RFP will require. This question asked for detail now, we don't get to see the RFP on this document. Question 10 - was the same schedule listed before which could have used more narrative in the expectation for the deliverables. The deliverables are the gauge of project completion. Question 12 states a system administrator will be required to manage the system, but this position is not listed in the budget section. It would appear to be existing staff, but it is unclear.
7: Risk Assessment	- All risks seem to be understood and manageable.	- Not much detail in addressing how any potential risks would be mitigated. - Question 13- setting up the network - again seems to conflict with previous statements. Also, I would suspect there are other risks, such as the risk of the current system conflicting with the new system during dual operation. Question 14 - does not address strategies to address the risks listed in question 13, but talks about a specification list that will be in the RFP, and this list will minimize all of the risks. I do not understand the connection.
8: Financial Analysis and Budget	- The budget seems reasonable.	- The budgeted software amount is entered in two years - not quite sure how this payment structure is envisioned. Maintenance at 10% could easily be over-optimistic, at least based on common software contracting practices. - Final expenditure will be related to the cost of the LIMS software which is controlled by the vendor. (76% of the total budget) - Question 16 - itemized list of hardware and software - 2 servers (possibly 3) this is inconsistent with the rest of the proposal, most of the time only 2 servers are listed. Also, no software is listed here, yet the entire proposal is for information system (software?). No FTEs - should address what is meant by a system administrator listed previously. On-going or replacement costs - nothing is listed, yet it appears there might be a risk of some laboratory equipment not working with a new system. It is also possible that not all current equipment will be able to function with the new system. Should be included as a risk and a possibility of additional expenditures. The last item listed states the funding is coming from the cash fund. Will there be an increase in fees to the customers listed earlier in the proposal or is there an expectation that fees for lab work will remain the same... This could have a significant impact on the customers of this project, yet nothing is mentioned...

TECHNICAL PANEL COMMENTS

Technical Panel Checklist	Yes	No	UNK	Technical Panel Comment
1. The project is technically feasible.				
2. The proposed technology is appropriate for the project.				
3. The technical elements can be accomplished within the proposed timeframe and budget.				

NITC COMMENTS

- Tier 3 (Other. Significant strategic importance to the agency and/or the state; but, in general, has an overall lower priority than the Tier 1 and Tier 2 projects.)
- Regarding Project 25-02, Laboratory Information Management System, Commissioner Peterson moved:
    - To leave Project 25-02 in the recommended Tier 3 list.
    - To note that the project was not submitted on time for an evaluation and Technical Panel review.
    - That the agency coordinate with the Technical Panel for review of the project as needed.

    Commissioner Flanagan seconded. Motion passed.