

NEBRASKA INFORMATION TECHNOLOGY COMMISSION

Project Proposal - Summary Sheet
Biennial Budget FY2005-2007

Project #25-05
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Agency	Project	FY2005-06	FY2006-07
HHSS	MMIS (Medicaid Management Information System)	\$30,000,000	\$20,000,000

SUMMARY OF REQUEST (Executive Summary from the Proposal)

Note: Please see the Quarterly NITC Reports for full information on the planned release schedule and priorities established for the MMIS system. This report is an attempt to highlight some significant change requests.

- MMIS Procurement. Process all MMIS claims. The new system will provide enhanced claims processing functions, thereby increasing claims productivity and accuracy; greater client/user flexibility allowing program changes to be made more efficiently. Implement process allowing web healthcare transactions. It will also provide the tools to manage and distribute work, track and report all customer contacts, and provide a portal for providers and clients to obtain and share needed information with HHSS.
- Implement DSS/MRS/SURS. - Tracking and reporting process/storage to support health care data analysis services; provides software to develop a range of reporting and data analysis tools.
- Implement new HIPAA Regulations – NPI – National Provider Identification – federal regulation
- Managed Care ASO Vendor

FUNDING SUMMARY

	FY'04	FY '05	FY '06	FY '07
MEDICAID	Actual	Budget	Budget	Budget
Processor	1,053,534	\$ 1,284,000	\$ 1,284,000	\$ 1,284,000
DB2	1,532	840	924	924
Printing 1 part	67,541			
Tape Mounts	151,065	165,000	169,125	173,353
Job Setup	155,939	165,000	165,000	165,000
Disk Storage	435,114	504,000	541,800	582,435
Job Output	23,731	34,800	34,800	34,800
LAN/Device Fee	-			
Fixed Function Term Conn.	5,148	4,896	-	-
Direct SNA Comp. Conn.	-	-	-	-
Direct Access	-			
Online Viewing	842	960	960	960
CICS	472,935	32,400	33,696	35,044
CICS Test	29,112	25,944	26,982	28,061
Printing 2 part	214			
Overlays/Page Print	22,781			
CMS-R22 Processor Prime	1	2	2	2
CMS-R22 Proc. Non-Prime	0	1	1	1
CMS-Local Printing 1part	-			
CMS-Tape Mounts	-	-	-	-

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CMS-File Recovery	-	-	-	-
CMS-Disk Storage	12	24	24	24
CMS-Job Print	-	-	-	-
Outbound E-Fax	-	-	-	-
Outbound Long Distance E-Fax	-	-	-	-
NT Application 2	-	-	-	-
Lotus Notes Apps Trans	1,627	2,400	2,400	2,400
Lotus Notes Storage	56	56	56	56
Accounting/Admin Support	-	-	-	-
Job Scheduler	441	1,800	1,800	1,800
Monthly Server Support	-	-	-	-
IT Support	-	-	-	-
Systems Prog/Senior	-	-	-	-
SWI Maintenance	-	-	-	-
AMC-Print Lines	-	-	-	-
IMS Training-Classes	-	-	-	-
IMS Training-Room Rental	-	-	-	-
Computer Paper/Ribbons/Misc	5	5	5	5
Software License (SAS)	-	-	-	-
Tape Cartridge	23	23	23	23
Vendor Software	-	-	-	-
Secure ID Card	65	65	65	65
Contract/Programmer/PCLan	-	-	-	-
Westlaw Mo. Software	-	-	-	-
Direct Software Cost	-	-	-	-
Misc.	4,967	4,967	4,967	4,967

Total	\$	2,426,683	\$	2,227,183	\$	2,266,630	\$	2,313,920
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Staff Cost								
Contractors	\$	1,864,431	\$	2,824,088	\$	2,836,796	\$	2,836,796
FTE	\$	713,517	\$	2,148,893	\$	2,158,993	\$	2,158,993
Total Staff Cost	\$	2,577,947	\$	4,972,980	\$	4,995,789	\$	4,995,789

DCS	\$	210,684	\$	210,684	\$	210,684	\$	210,684
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Sub Total	\$	5,215,314	\$	7,410,847	\$	7,473,103	\$	7,520,393
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HHS Budget Cost (only)	\$	116,303	\$	275,000	\$	275,000	\$	275,000
IMService - IS & T Grand Total	\$	5,331,617	\$	7,685,847	\$	7,748,103	\$	7,795,393

Expansion budget						30,000,000		20,000,000
Final Budget	\$	5,331,617	\$	7,685,847	\$	37,748,103	\$	27,795,393

PROJECT SCORE

Section	Reviewer 1	Reviewer 2	Reviewer 3	Mean	Maximum Possible
III: Goals, Objectives, and Projected Outcomes	11	13	11	11.7	15
IV: Project Justification / Business Case	15	23	20	19.3	25
V: Technical Impact	12	13	18	14.3	20
IV: Preliminary Plan for Implementation	7	7	8	7.3	10
VII: Risk Assessment	0	0	0	0.0	10
VIII: Financial Analysis and Budget	13	18	18	16.3	20
TOTAL				69	100

REVIEWER COMMENTS

Section	Strengths	Weaknesses
III: Goals, Objectives, and Projected Outcomes		<ul style="list-style-type: none"> - The goals and objectives assume that the reader is familiar with the problems of the existing MMIS. An explanation of those deficiencies would help provide an understanding of the goals. It is not clear that the outcome would be a complete replacement of the existing MMIS. The measurement and assessment methods are too abbreviated for the magnitude of the project. No information is provided for question 3. - The timeframe to achieve the objectives is not clear. Consider metrics that will illustrate the improvement in claims processed without intervention and the increase in the number of detected fraud cases.
IV: Project Justification / Business Case	<ul style="list-style-type: none"> - Current federal mandate (NPI) is identified. 	<ul style="list-style-type: none"> - The information in Section IV is not adequate to explain or justify a \$50M project. The answer to question 4 (project justification) should provide more detail and explanation of why the MMIS needs to be replaced. It should acknowledge that recent improvements to meet HIPAA requirements achieved the goal of avoiding possible penalties and lawsuits, but did not rectify the fundamental problems of an aging system. The answer to question 5 (other solutions) should provide an overview of the consultant's study and the four options that were evaluated. The answer to question 6 should explain the federal mandate, deadline, and problems with compliance. - Consider identifying tangible monetary benefits like reduced case processing costs and increased fraud recovery. - Item 3 - Assume that a new system does provide some efficiency, productivity, cost reductions/ratios, etc? ex - system expected to handle same volume at x% less cost?
V: Technical Impact	<ul style="list-style-type: none"> - Some description of the approach is included 	<ul style="list-style-type: none"> - The information in section V is not adequate for a \$50M project. What are the hardware, software, and communications requirements -- or will these be determined after a solution is chosen through competitive bidding? Will the technology of the new system be superior to the existing MMIS and why? No information is provided for question 8 regarding the proposed technology. - Technical impact is not well described. Technical requirements are missing. This may be

Section	Strengths	Weaknesses
		<p>a consequence of the current stage of the project's planning efforts. Item 8 is not addressed.</p> <ul style="list-style-type: none"> - Item 7 - Could be more effective and provide context if contrasted today's environment with proposed?
<p>VI: Preliminary Plan for Implementation</p>		<ul style="list-style-type: none"> - The information is rather sketchy, even considering the project is still being defined. Regarding question 9, who is the project sponsor, and what approach will be used to insure stakeholder acceptance? Given the size of the project, will there be a formal project team and what project management methodology will be in place? Is there a need for outside assistance with vendor selection, contract negotiations, or independent verification and validation? - Most of the information is not available at this stage of the planning cycle. - Item 9 & 10 - Recognize no firm schedule, but perhaps could layout some hi-level timeline for major activities (ex - RPF Development, Solicitation, Selection, System Development, Implementation, etc..)
<p>VII: Risk Assessment</p>		<ul style="list-style-type: none"> - No information is provided regarding risks or strategies to minimize risks. The magnitude of a project to replace the state's Medicaid Management Information System requires early and frequent attention to risks. This section should not be ignored, even considering the early stages of planning.
<p>VIII: Financial Analysis and Budget</p>		<ul style="list-style-type: none"> - Granted, this is in the early stages of planning, but what is the basis for the estimated \$50M in costs? No information is provided regarding the need for new FTE or ongoing operational costs. - CICS projection is likely \$300,000 understated - What is expansion budget in figures? Maybe add footnote about those costs given they're pretty significant?