IT Project Proposal Report - Detail
Agency: 025 - DEPT OF HEALTH & HUMAN SERVICES
Budget Cycle: 2013-2015 Biennium   Version: AF - AGENCY FINAL REQUEST

IT Project : Medicaid Managed Care Expansion

General Section

Contact Name :	Eric Henrichsen	**E-mail :**	eric.henrichsen@nebraska.gov	**Agency Priority :**	
Address :	1050 N Street, Mezzanine	**Telephone :**	402-471-8554	**NITC Priority :**	
City :	Lincoln			**NITC Score :**	
State :	Nebraska	**Zip :**	68508		

Expenditures

IT Project Costs	Total	Prior Exp	FY12 Appr/Reappr	FY14 Request	FY15 Request	Future Add
Contractual Services						
Design	0	0	0	0	0	0
Programming	0	0	0	0	0	0
Project Management	0	0	0	0	0	0
Data Conversion	0	0	0	0	0	0
Other	5,349,903	377,831	1,746,472	2,150,400	1,075,200	0
Subtotal Contractual Services	5,349,903	377,831	1,746,472	2,150,400	1,075,200	0
Telecommunications						
Data	0	0	0	0	0	0
Video	0	0	0	0	0	0
Voice	0	0	0	0	0	0
Wireless	0	0	0	0	0	0
Subtotal Telecommunications	0	0	0	0	0	0
Training						
Technical Staff	0	0	0	0	0	0
End-user Staff	0	0	0	0	0	0
Subtotal Training	0	0	0	0	0	0

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Expenditures

IT Project Costs	Total	Prior Exp	FY12 Appr/Reappr	FY14 Request	FY15 Request	Future Add
Other Operating Costs						
Personnnel Cost	47,297	47,297	0	0	0	0
Supplies & Materials	0	0	0	0	0	0
Travel	0	0	0	0	0	0
Other	0	0	0	0	0	0
Subtotal Other Operating Costs	47,297	47,297	0	0	0	0
Capital Expenditures						
Hardware	0	0	0	0	0	0
Software	0	0	0	0	0	0
Network	0	0	0	0	0	0
Other	0	0	0	0	0	0
Subtotal Capital Expenditures	0	0	0	0	0	0
TOTAL PROJECT COST	5,397,200	425,128	1,746,472	2,150,400	1,075,200	0

Funding

Fund Type	Total	Prior Exp	FY12 Appr/Reappr	FY14 Request	FY15 Request	Future Add
General Fund	1,349,300	106,282	436,618	537,600	268,800	0
Cash Fund	0	0	0	0	0	0
Federal Fund	4,047,900	318,846	1,309,854	1,612,800	806,400	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
TOTAL FUNDING	**5,397,200**	**425,128**	**1,746,472**	**2,150,400**	**1,075,200**	**0**
VARIANCE	**0**	**0**	**0**	**0**	**0**	**0**

IT Project: Medicaid Managed Care Expansion

EXECUTIVE SUMMARY:

The Medicaid & Long-Term Care (MLTC) division has undertaken a multi-phase project to expand utilization of managed care for delivery of Medicaid services to Nebraska recipients. Expansion requires significant enhancements to the Nebraska MMIS to support integration of new Managed Care Organizations (MCOs), recipient plan assignment functionality, recipient notification/enrollment/disenrollment/reenrollment activities, revised capitation payment functionality, revised encounter data editing/management and expanded management reporting.

Attachments:

ManagedCare-WordDoc.doc

GOALS, OBJECTIVES, AND OUTCOMES (15 PTS):

1. Project Description:

The first phase in 2012 implements managed care for physical health services statewide, expanding from the ten (10) existing counties to all counties statewide, adding certain physical health services and incorporating additional recipients. The second phase, targeted for 7/1/2013, is planned to implement managed care for behavioral health services statewide. A third phase will convert the encounter data interface between the MMIS and the Managed Care Organizations (MCOs) from a proprietary format to an industry standard, HIPAA-compliant electronic transaction format (837I and 837P).

Subsequent phases being reviewed potentially include a consolidated re-procurement of statewide physical health services targeted for 7/1/2015, pharmacy carve in, and long-term care managed care.

2. Describe the measurement and assessment methods that will verify that the project outcomes have been achieved.

DHHS is employing industry-standard project management practices to plan, initiate, monitor and control project activities. Extensive system testing will be utilized to ensure system changes are validated and tested with external business associates, primarily the MCOs.

3. Describe the project's relationship to your agency comprehensive information technology plan.

This project is needed to support MLTC business objectives to more fully utilize managed care for delivering Medicaid services to recipients. In order to support this objective, significant MMIS enhancements are necessary.

PROJECT JUSTIFICATION / BUSINESS CASE (25 PTS):

4. Provide the project justification in terms of tangible benefits (i.e. economic return on investment) and/or intangible benefits (e.g. additional services for customers).

The managed care delivery systems will benefit the State by reducing costs, managing the rate of expenditure growth, improving quality and access, centralizing administrative functions and providing additional fraud and abuse management. The savings are generated by redirecting services from inpatient or 24-hour levels of care to outpatient settings, where appropriate. In addition, MCOs also employ prior authorization and utilization review of services to ensure all services are medically necessary and of the appropriate scope or duration. The managed care organization (MCO) must provide for reinvestment of any profits in excess of the contracted amount, performance contingencies imposed by the MLTC, and any unearned incentive funds to fund additional services.

5. Describe other solutions that were evaluated, including their strengths and weaknesses, and why they were rejected. Explain the implications of doing nothing and why this option is not acceptable.

Other solution alternatives are not evident. The MMIS enhancements are needed to support this strategic initiative for the Medicaid program within the timeframes required.

6. If the project is the result of a state or federal mandate, please specify the mandate being addressed.

As noted previously, this project is sponsored by the MLTC division within DHHS.

TECHNICAL IMPACT (20 PTS):

7.   Describe how the project enhances, changes or replaces present technology systems, or implements a new technology system. Describe the technical elements of the project, including hardware, software, and communications requirements. Describe the strengths and weaknesses of the proposed solution.

The enhancements required for this project will not require new technology components or architecture for the current MMIS. The enhancement will be incorporated within the

existing MMIS architecture.

8. Address the following issues with respect to the proposed technology:
- Describe the reliability, security and scalability (future needs for growth or adaptation) of the technology.
- Address conformity with applicable NITC technical standards and guidelines (available at http://nitc.ne.gov/standards/) and generally accepted industry standards.
- Address the compatibility with existing institutional and/or statewide infrastructure.

The enhancements required for this project are compatible with the existing MMIS and state infrastructure.

PRELIMINARY PLAN FOR IMPLEMENTATION (10 PTS):

9. Describe the preliminary plans for implementing the project. Identify project sponsor(s) and examine stakeholder acceptance. Describe the project team, including their roles, responsibilities, and experience.

The project sponsor is Susan Buettner, MLTC Deputy Director for Policy. The project is a collaborative effort between the MLTC and Information Systems & Technology (IS&T) divisions of DHHS. The project team consists of MLTC program managers, subject matter experts, IS&T MMIS development leads, business analysts, application developers, database administrators (part-time) and project managers (part-time). The IS&T resources are responsible for the MMIS system development activities and project management for the system-related activities. The MLTC resources are responsible for program management, requirements and external stakeholder engagement.

10. List the major milestones and/or deliverables and provide a timeline for completing each.

- Implementation of statewide physical health managed care – 7/1/2012.
- Implementation of the Program for All-Inclusive Care for the Elderly (PACE) – 2/1/2013.
- Implementation of statewide behavioral health managed care – 7/1/2013.
- Implementation of the 837-based encounter interface with the MCOs – 1/1/2014.

11. Describe the training and staff development requirements.

For the implementation of statewide physical health managed care on 7/1/2012, MLTC staff conducted a number of training sessions with DHHS Children & Family Services (CFS) field staff in order to prepare them to assist customers with this transition. In addition, MLTC conducted extensive outreach to the provider and external stakeholder community through provider bulletins and through ongoing stakeholder meetings such as the Medicaid Advisory Committee (MAC). Subsequent phases will be handled similarly.

12. Describe the ongoing support requirements.

Ongoing support of the MMIS enhancements will be assumed by the IS&T MMIS team after a post-implementation support period by project resources.

RISK ASSESSMENT (10 PTS):

13. Describe possible barriers and risks related to the project and the relative importance of each.

Risks are that the business goals cannot be achieved without the system configurations and that the move to expanded managed care is dependent on the system.

14. Identify strategies which have been developed to minimize risks.

As noted above, the requisite system changes are necessary in order to meet the business objectives. The scope of change is beyond the capacity of the existing MMIS systems development staff. Significant MMIS staff augmentation has been utilized to meet the current milestones and additional staff augmentation is planned to step up to subsequent phases.

FINANCIAL ANALYSIS AND BUDGET (20 PTS):

The "Financial" information tab in the Nebraska Budget Request and Reporting System (NBRRS) is used to enter the financial information for this project. However the Excel template used to assemble the data for the Financial tab has also been attached below.

Attachments:

    ManagedCare-Worksheet.xlsx

Nebraska Information Technology Commission

Project Proposal Form

**Funding Requests
for Information Technology Projects**

FY2013-2015 Biennial Budget

IMPORTANT NOTE: Project proposals should only be submitted by entering the information into the Nebraska Budget Request and Reporting System (NBRRS). The information requested in this Microsoft Word version of the form should be entered in the NBRRS in the "IT Project Proposal" section. The tabs in the "IT Project Proposal" section coincide with sections contained in this Microsoft Word version of the form. Information may be cut-and-pasted from this form or directly entered into the NBRRS. ALSO NOTE that for each IT Project Proposal created in the NBRRS, the submitting agency must prepare an "IT Issue" in the NBRRS to request funding for the project.

Project Title	**Medicaid Managed Care Expansion**
Agency/Entity	**Department of Health and Human Services**

Notes about this form:

1. **USE.** The Nebraska Information Technology Commission ("NITC") is required by statute to "make recommendations on technology investments to the Governor and the Legislature, including a prioritized list of projects, reviewed by the technical panel..." Neb. Rev. Stat. §86-516(8). "Governmental entities, state agencies, and noneducation political subdivisions shall submit all projects which use any combination of general funds, federal funds, or cash funds for information technology purposes to the process established by sections 86-512 to 86-524. The commission may adopt policies that establish the format and minimum requirements for project submissions." Neb. Rev. Stat. §86-516(5). In order to perform this review, the NITC and DAS Budget Division require agencies/entities to complete this form when requesting funding for technology projects.

2. **WHICH TECHNOLOGY BUDGET REQUESTS REQUIRE A PROJECT PROPOSAL FORM?** See the document entitled NITC 1-202 "Project Review Process" available at http://nitc.ne.gov/standards/. Attachment A to that document establishes the minimum requirements for project submission.

3. **COMPLETING THE FORM IN THE NEBRASKA BUDGET REQUEST AND REPORTING SYSTEM (NBRRS).** Project proposals should only be submitted by entering the information into the NBRRS. The information requested in this Microsoft Word version of the form should be entered in the NBRRS in the "IT Project Proposal" section. The tabs in the "IT Project Proposal" section coincide with sections contained in this Microsoft Word version of the form. Information may be cut-and-pasted from this form or directly entered into the NBRRS. ALSO NOTE that for each "IT Project Proposal" created in the NBRRS, the submitting agency must prepare an "IT Issue" in the NBRRS to request funding for the project.

4. **QUESTIONS.** Contact the Office of the CIO/NITC at (402) 471-7984 or ocio.nitc@nebraska.gov

Section 1: General Information

Project Title	Medicaid Managed Care Expansion
Agency (or entity)	Department of Health and Human Services

Contact Information for this Project:

Name	Eric Henrichsen
Address	1033 O Street, Mezzanine
City, State, Zip	Lincoln, NE 68509
Telephone	402 471-8554
E-mail Address	Eric.henrichsen@nebraska.gov

Section 2: Executive Summary

Provide a one or two paragraph summary of the proposed project. This summary will be used in other externally distributed documents and should therefore clearly and succinctly describe the project and the information technology required.

The Medicaid & Long-Term Care (MLTC) division has undertaken a multi-phase project to expand utilization of managed care for delivery of Medicaid services to Nebraska recipients. Expansion requires significant enhancements to the Nebraska MMIS to support integration of new Managed Care Organizations (MCOs), recipient plan assignment functionality, recipient notification/enrollment/disenrollment/reenrollment activities, revised capitation payment functionality, revised encounter data editing/management and expanded management reporting.

Section 3: Goals, Objectives, and Projected Outcomes (15 Points)

1. Describe the project, including:
   - Specific goals and objectives;
   - Expected beneficiaries of the project; and
   - Expected outcomes.

The first phase in 2012 implements managed care for physical health services statewide, expanding from the ten (10) existing counties to all counties statewide, adding certain physical health services and incorporating additional recipients. The second phase, targeted for 9/1/2013, is planned to implement managed care for behavioral health services statewide. A third phase will convert the encounter data interface between the MMIS and the Managed Care Organizations (MCOs) from a proprietary format to an industry standard, HIPAA-compliant electronic transaction format (837I and 837P). Subsequent phases being reviewed potentially include a consolidated re-procurement of statewide physical health services targeted for 7/1/2015, pharmacy carve in, and long-term care managed care.

2. Describe the measurement and assessment methods that will verify that the project outcomes have been achieved.

DHHS is employing industry-standard project management practices to plan, initiate, monitor and control project activities. Extensive system testing will be utilized to ensure system changes are validated and tested with external business associates, primarily the MCOs.

3. Describe the project's relationship to your agency comprehensive information technology plan.

This project is needed to support MLTC business objectives to more fully utilize managed care for delivering Medicaid services to recipients. In order to support this objective, significant MMIS enhancements are necessary.

Section 4: Project Justification / Business Case (25 Points)

4. Provide the project justification in terms of tangible benefits (i.e. economic return on investment) and/or intangible benefits (e.g. additional services for customers).

The managed care delivery systems will benefit the State by reducing costs, managing the rate of expenditure growth, improving quality and access, centralizing administrative functions and providing additional fraud and abuse management. The savings are generated by redirecting services from inpatient or 24-hour levels of care to outpatient settings, where appropriate. In addition, MCOs also employ prior authorization and utilization review of services to ensure all services are medically necessary and of the appropriate scope or duration. The managed care organization (MCO) must provide for reinvestment of any profits in excess of the contracted amount, performance contingencies imposed by the MLTC, and any unearned incentive funds to fund additional services.

5. Describe other solutions that were evaluated, including their strengths and weaknesses, and why they were rejected. Explain the implications of doing nothing and why this option is not acceptable.

Other solution alternatives are not evident. The MMIS enhancements are needed to support this strategic initiative for the Medicaid program within the timeframes required.

6. If the project is the result of a state or federal mandate, please specify the mandate being addressed.

As noted previously, this project is sponsored by the MLTC division within DHHS.

Section 5: Technical Impact (20 Points)

7. Describe how the project enhances, changes or replaces present technology systems, or implements a new technology system. Describe the technical elements of the project, including hardware, software, and communications requirements. Describe the strengths and weaknesses of the proposed solution.

The enhancements required for this project will not require new technology components or architecture for the current MMIS. The enhancement will be incorporated within the existing MMIS architecture.

8. Address the following issues with respect to the proposed technology:
   - Describe the reliability, security and scalability (future needs for growth or adaptation) of the technology.
   - Address conformity with applicable NITC technical standards and guidelines (available at http://nitc.ne.gov/standards/) and generally accepted industry standards.
   - Address the compatibility with existing institutional and/or statewide infrastructure.

The enhancements required for this project are compatible with the existing MMIS and state infrastructure.

Section 6: Preliminary Plan for Implementation (10 Points)

9. Describe the preliminary plans for implementing the project. Identify project sponsor(s) and examine stakeholder acceptance. Describe the project team, including their roles, responsibilities, and experience.

The project sponsor is Susan Buettner, MLTC Deputy Director for Policy. The project is a collaborative effort between the MLTC and Information Systems & Technology (IS&T) divisions of DHHS. The project team consists of MLTC program managers, subject matter experts, IS&T MMIS development leads, business analysts, application developers, database administrators (part-time) and project managers (part-time). The IS&T resources are responsible for the MMIS system development activities and project management for the system-related activities. The MLTC resources are responsible for program management, requirements and external stakeholder engagement.

10. List the major milestones and/or deliverables and provide a timeline for completing each.

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- Implementation of statewide behavioral health managed care – 9/1/2013.
- Implementation of the 837-based encounter interface with the MCOs – 1/1/2014.
- Implementation of the re-procurement of statewide physical health managed care – 7/1/2015.

11. Describe the training and staff development requirements.

For the implementation of statewide physical health managed care on 7/1/2012, MLTC staff conducted a number of training sessions with DHHS Children & Family Services (CFS) field staff in order to prepare them to assist customers with this transition. In addition, MLTC conducted extensive outreach to the provider and external stakeholder community through provider bulletins and through ongoing stakeholder meetings such as the Medicaid Advisory Committee (MAC). Subsequent phases will be handled similarly.

12. Describe the ongoing support requirements.

Ongoing support of the MMIS enhancements will be assumed by the IS&T MMIS team after a post-implementation support period by project resources.

Section 7: Risk Assessment (10 Points)

13. Describe possible barriers and risks related to the project and the relative importance of each.

Risks are that the business goals cannot be achieved without the system configurations and that the move to expanded managed care is dependent on the system.

14. Identify strategies which have been developed to minimize risks.

As noted above, the requisite system changes are necessary in order to meet the business objectives. The scope of change is beyond the capacity of the existing MMIS systems development staff. Significant MMIS staff augmentation has been utilized to meet the current milestones and additional staff augmentation is planned to step up to subsequent phases.

Section 8: Financial Analysis and Budget (20 Points)

15. Financial Information

The "Financial" information tab in the Nebraska Budget Request and Reporting System (NBRRS) is used to enter the financial information for this project (NOTE: For each IT Project Proposal created in the NBRRS, the submitting agency must prepare an "IT Issue" in the NBRRS to request funding for the project.)

Worksheet in Project
Proposal Form.xls