Modularity in MMIS – An Industry Perspective of Issues and Opportunities

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John Calabro
• Change management
• Regulatory needs
• Practical example
• Current state MMIS implementation processes are costly and inefficient
  – Time from I-APD, RFP and to contract can take 24 months
  – Entire process for new MMIS can be 2 – 5 years
  – Government cost for procurement rising, can approach $100 million for DDI

• Entire MMIS replacement/procurement often the norm
  – Single vendor for entire MMIS in most states
  – Lack of true competition in market; inefficient “best-of-breed” use; unnecessary redundancies
  – Vendor relationships can be inappropriately “sticky” due to cost and difficulty of reprocurement
• Data structures, definitions and reporting capabilities vary widely across Medicaid programs, limiting usefulness and consistency, i.e., re-usability
• Key needs for future MMIS and Medicaid program structure across all states:
  – Architecture framework (business, technical, cross-cutting)
  – Consistency in processes (planning, management)
  – Federal guidelines for states
• Goal: common interoperability of MMIS modules and data access (hub architecture, data marts and SoA)
• CMS policy for modular systems is the basis for future MMIS funding
  – Enhanced Funding Requirements: Seven Conditions and Standards
  – Modularity, MITA v3.0, Industry Standards, Leverage, Business Results, Reporting, and Interoperability
  – MITA and Industry Standards coordinate with HIPAA, etc.
  – Other five standards will drive down costs and improve functionality over time
• Modularity will encourage states away from “big bang” approach to MMIS procurement and implementation
MITA v3.0 Framework

- Medicaid Information Technology Architecture (MITA) – a national framework (89 to be exact) to support improved systems development and health care management for the Medicaid enterprise
- MITA v3.0 provides common language for integrated business and IT functionality in MMIS
- Becomes the basis for defining standard and non-standard MMIS functionality across states
- Will promote regular planning by states
  - Required MITA v3.0 SS-A within 12 months of publication
  - States will have to update SS-A with each APD
Common State Obstacles to MMIS Modularity – Lack of Examples

- No common definition of a module – e.g., “Smallest atomic business process in which trigger, shared, and result data sets can be standardized”
- No true examples of successful state system module reuse from state to state and from vendor to vendor
- Could some items be mandated (ex: 270/271), eliminating need for state companion guides
- Existing examples are standalone, away from core MMIS, e.g., management of health immunizations
- The library shelves are close to empty – no usable collection of transferrable modules
- Nothing currently exists for reuse modules in core components of MMIS
Common State Obstacles to MMIS Modularity - Repository

National Library of MMIS Modules

Current Status (EMPTY)

DOWNLOAD
Common State Obstacles to MMIS Modularity - Procurement

- States will develop and implement new procurement procedures and procurement practices to require and allow for module reuse
- No identification of reusable modules occurs currently
- States need strategy for selecting from existing modules mapped to specific requirements or business processes
- Innovative approach required to choose best fit from among more than one existing module
- Fiscal agent RFP development must account for SLA/key performance measures that include transferred modules from vendor to vendor
Common State Obstacles to MMIS Modularity - Procurement

- To allow for state-to-state migration of modules, the current definition of systems integrator - fiscal agent will change
- States will account for new procurement types and practices in P-APD and I-APD documentation
- Definition and role of IV&V approach will be reformed to support modular migration
- Previously-certified MMIS component could be deemed to be certified as a repository module for other states
- Separation of Medicaid IT from HHS IT and other “stove pipe silos” within state government
- Fiscal agent vendors also have a “stove pipe” approach
• Move to smaller state governments includes Medicaid programs
  – Consolidation of data centers, technical support and IT personnel
  – Additional layer of approvals during consolidation process
  – Future unclear as to further reductions

• State CIOs need Medicaid solutions that can be recycled into non-Medicaid agencies

• Cost allocation and funding issues need to be clear to State CIOs to assist in state-level projects
Common State Obstacles to MMIS Modularity - Resources

- States facing pressure to modify MMIS and other state systems across many initiatives
- Pent-up demand has been building similar to what occurred with Y2K post recession recovery
- HIPAA requirements deferred and behind schedule
- Additional pressures for re-procurements, 5010, ICD-10, Medicaid EHR incentives, RAC bids and other improvements
- States need time to catch up
- Elasticity of Medicaid resources is stretched to breaking point
Common State Obstacles to MMIS Modularity - Resources

• Affordable Care Act (ACA) requires significant investment in Medicaid systems
• Populations, categorical definitions, and real-time eligibility requirements changing
• ACA brings new options for coverage of dually eligible members in Medicaid
• ACOs, managed care changes, medical home models all may require state resources
• Lack of elasticity in Medicaid technologies will force strategic choices for scarce resources
• How will states prioritize all the IT demands including ACA or MITA projects with limited funding & resources?
### Common State Obstacles to MMIS Modularity - Changes

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Future Scenarios for States – Proposed Action Wish List

• Imperfection could be acceptable
  – MITA and modularity of MITA must be allowed to evolve over time
  – Tolerance will lower risk to states and private sector vendors and will accelerate development

• States could choose from Federal MMIS modular solutions from a Federal repository when available

• CMS could serve as communication hub for states about development of the MMIS modular repository
  – Modules can be developed as a Federal asset and become part of repository library or as available licensed software
• Systems integrators, technology suppliers, and consulting vendors could be consulted for collaboration with CMS and States

• CMS establishes an MMIS Solutions Management Team through contract or internal, to manage the creation and usage of MMIS Module Portfolio
  – Planning reviews – new systems, enhancements, funding
  – Regional office consistency
  – MITA Self-assessment and APD processes
  – Enforce rules requiring modularity

• CMS might re-think certification policies and practices
Future Scenarios for States – Proposed Action Wish List

• States will develop new APDs, RFPs, and contract language to promote and support acquisition and use of modules as solution to business needs

• States will include cost-benefit analysis in planning to justify use of modules versus other approaches (i.e., custom development)

• States would contribute existing effective MMIS modules to the Federal repository
  – Fully documented
  – Able to be reviewed and demonstrated to other states
Vendor community and states can and could support modularity efforts through the following:

- Current environmental scan of States that are in various stages of migrating to modularity
- Additional assessment and realistic appraisal along the lines of Y2K IV&V approach
- Rating of current module development – green, yellow, red
- Lead effort to define the targeted modularity and agree on the philosophical approach to modularization