



*MMIS Replacement Planning Project
Legislative Quarterly Status Report
July – September 2014*

Submitted: October 20, 2014

Summary

Nebraska's current Medicaid Management Information System (MMIS) has supported DHHS Medicaid operations since 1977. Medicaid is an ever-changing environment where program updates occur quickly. The need for access to data is increasing and technological enhancements are necessary to keep pace with program changes. Recognizing the need to implement new technology, and with the support of the Legislature, DHHS has embarked on the planning phase of the MMIS replacement.

DHHS staff with extensive Nebraska operational experience and consultant resources experienced in MMIS procurements and Medicaid operations have been dedicated to navigate MLTC through the planning process. A work plan and timeline were created that leveraged previous MMIS planning efforts and current initiatives. The DHHS investment in completing the Medicaid Information Technology Architecture (MITA) State Self-Assessment is the foundation for the MMIS replacement planning project. MITA is the Centers for Medicare and Medicaid Services' (CMS) initiative promoting the integration of business and information technology transformation. Medicaid information technology projects must be aligned to the MITA framework and standards in order to receive enhanced federal funding.

Stakeholder involvement and communication are critical to obtaining competitive vendor proposals that meet the business and technical requirements of the solution. To that end, MLTC has engaged DAS early in the process to mitigate procurement risks, is engaging provider organizations for input on functionality requirements, and has provided the high-level timelines to potential vendors to ensure the project is in their business development pipelines.

Please find below the project status, specific accomplishments during the quarter, upcoming activities for the next 180 days and the estimated project timeline.

Current Project Status

The MMIS replacement planning project is currently on schedule. Figure 2 on page 6 provides a high-level schedule of activities and milestones. Expenditures for the planning phase are within budget according to the amounts appropriated by Legislature and approved by CMS at enhanced federal participation percentages. The quality of the planning project deliverables is meeting or exceeding standards.

Project Management Plan

One of the first activities accomplished by the project team was to develop the overarching project management plan. The plan includes the following key components:

- **Project Initiation Document.** This document details the project purpose, background and authority and overall goal and also defines the scope, assumptions, constraints and identified risks/issues.
- **Project Governance.** This effort included development of the organizational and governance structures and identifying roles/responsibilities for the team members and various committees.
- **Change / Scope Management.** This content defines the approach to scope responsibility, change control and the project deliverables.
- **Requirements Management.** Provides direction to the project team regarding definition and review of project requirements, including basic rules for requirement development.
- **Risk, Issue and Action Item Management.** Defines what is to be considered a risk or issue, and establishes plans for risk, issue and action item management with process flows.
- **Communications and Stakeholder Management.** Identifies the purpose of the communication management plan and the approach to using various means of communication to internal and external stakeholders. A detailed project communications matrix has been developed to identify, track and monitor communication. This will be an evolving document throughout the planning project.

Organizational Structure and Governance

The project is structured with three levels of governance: Delivery Team, Operating Committee and the Steering Committee.

Delivery Team – Directed by the Project Manager, the Delivery Team is comprised of experts and leads each focused on specific areas of the planning process. This includes business requirements, financial, communications, reporting/analytics, technical, project support and procurement. Also included are subject matter experts in the 10 MITA identified business areas who will assist in gathering the thousands of requirements that will be included in the MMIS replacement Request for Proposal (RFP). Resources on the team include MLTC staff, IS&T staff and consultants.

Requirements Committee – A subset of the Delivery Team, this committee triages all of the RFP requirements to ensure they are appropriately developed, grouped and documented to meet Nebraska's needs. It is likely there will be in excess of 3,000 requirements in the MMIS

replacement RFP. This committee will also ensure all the requirements conform to a uniform standard and style.

Operating Committee – This committee is comprised of the Project Lead, the Project Manager, the Delivery Team leads and MLTC business subject matter experts. The committee meets weekly and is the first escalation point for risks and issues raised by the Delivery Team. The Operating Committee is also responsible for identification and ongoing awareness of other MLTC projects/initiatives with potential impact on the MMIS replacement.

Steering Committee – This committee is comprised of the three MLTC Deputy Directors and the DHHS Chief Information Officer, with support to the committee from the Project Manager and two project advisors. The committee is responsible for the overall project direction and meets on a monthly basis to resolve issues or risks elevated by the Operating Committee.

Below is a graphical representation of the flow of information and direction between the team and committees.

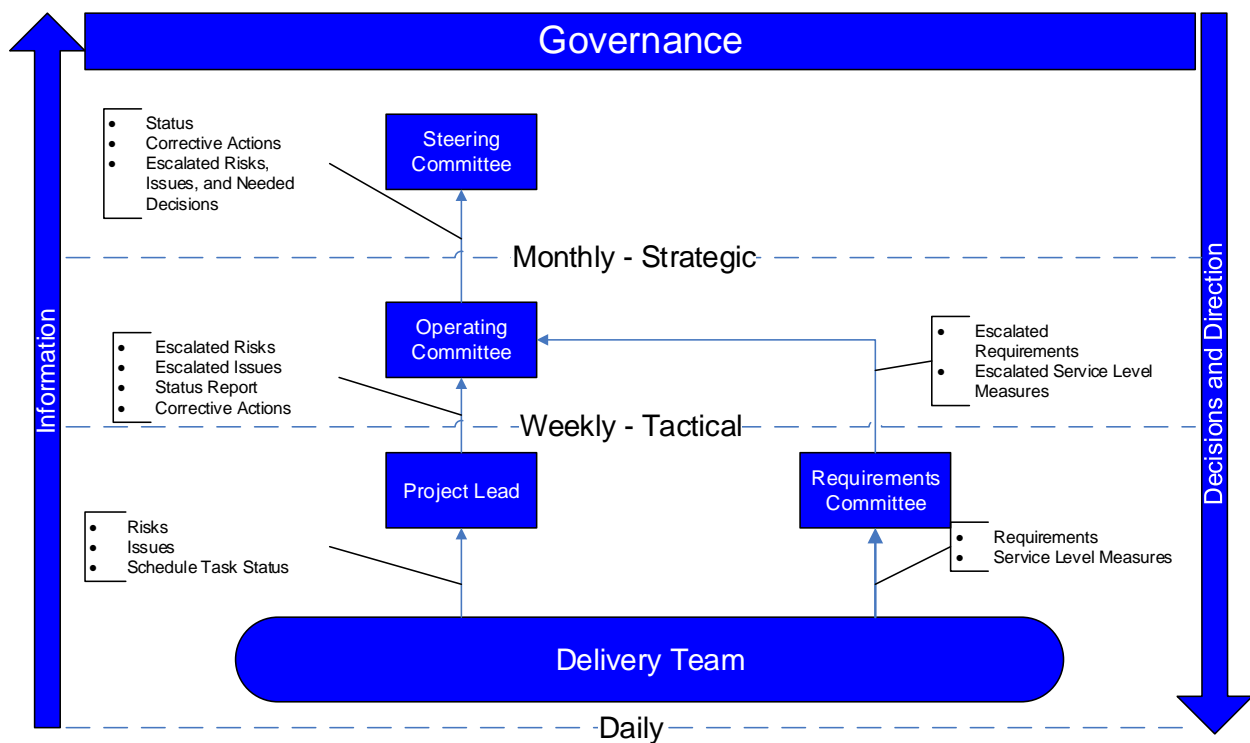


Figure 1 - MMIS Planning Governance Flow

Accomplishments

- Secured internal and external resources dedicated to planning efforts.
- Planning project structure and governance developed.

- Project SharePoint site developed as central repository for project documents.
- Conducted discovery tasks, including identification of MITA artifacts, templates and previous work product relevant to MMIS replacement.
- Developed methodology to analyze seven high-level alternative options and completed analysis.
- Project staff attended annual Medicaid Enterprise System Conference (MESC) in Denver to network with other state's MMIS staff, attend presentations from CMS and other industry experts and meet with potential solution vendors.
- Began procurement analysis that will look at how to solution individual Medicaid business functions, formulate strategy of issuing one or multiple RFPs, and look at various contracting options.
- Began market analysis by developing other state Medicaid agency survey and putting vendor community on notice that Nebraska will be seeking a new MMIS solution.
- Implemented monthly status meetings with Kansas City Regional CMS office to keep them apprised of the planning project progress.
- Started detailed planning for development of MMIS requirements (often more than 3,000) that vendors will respond to in their proposals.

Upcoming Activities

- Continue procurement and market analysis activities. The Strategic Analysis deliverable (alternatives, procurement and market components) is scheduled for completion in April 2015.
- Interested vendors will be conducting half-day onsite demonstrations of their systems in October – December.
- Outreach to numerous provider associations will occur to solicit initial feedback and to implement ongoing communication.
- Draft and submit to CMS an amendment to the existing Planning – Advance Planning Document (P-APD) that expires 12/31/14 to secure 90 percent federal funding through 9/30/15 at which time a new APD will need to be submitted.

Draft RFP

Based upon feedback from other states and the vendor community, including a draft RFP process will be beneficial to the project. This process will allow potential vendors an opportunity to review the draft and submit comments and/or suggestions. Including this process prior to releasing the final RFP for bid will provide Nebraska with early notice of problematic requirements that may prevent vendors from bidding. This will also provide better vendor proposals when the RFP is released. Other states have recently utilized draft RFPs for their successful MMIS procurements. CMS and DAS are aware of the addition of the draft RFP process. The process will be tightly managed, with DAS involvement, to alleviate any concerns of the RFP changing to favor any one vendor.

A prior timeline released to Legislature some months ago did not include the draft RFP process. The timeline below has been modified to include it.

MMIS Estimated Planning Project Timeline

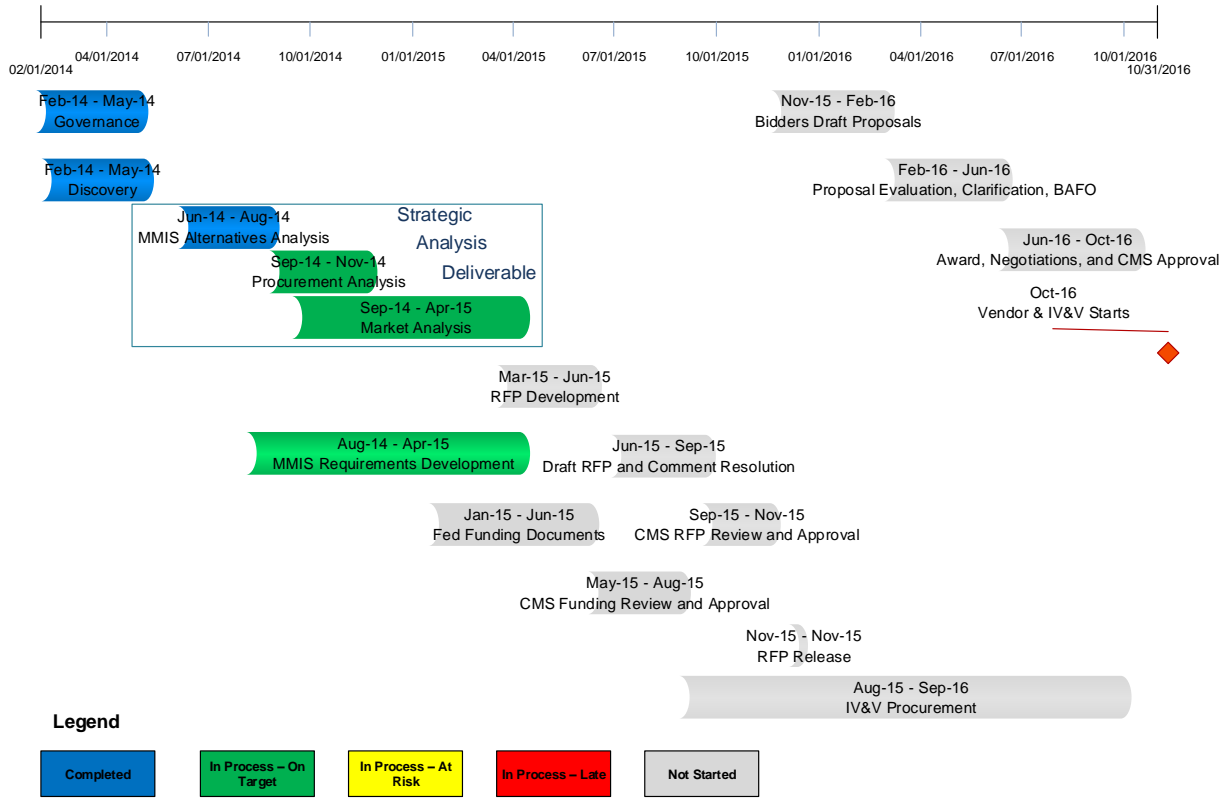


Figure 2 – Estimated Project Timeline

Note: Strategic Analysis is comprised of three components – alternatives, procurement and market. Deliverable will not be available until completion of market analysis in April 2015.