



MONTANA LEGISLATIVE AUDIT DIVISION

INFORMATION SYSTEMS

Combined Healthcare Information and Montana Eligibility System for Medicaid

Department of Public Health and Human Services

FEBRUARY 2011

10DP-07

REPORT SUMMARY

Montana Medicaid processes almost seven million medical claims every year at a cost of more than \$775 million for health care services. The CHIMES-Medicaid system was implemented to assist in determining client eligibility.

Context

The Department of Public Health and Human Services (DPHHS) is responsible for managing Medicaid in Montana. One of the responsibilities of DPHHS is determining who is eligible to receive Medicaid coverage. To assist in the administration of Medicaid eligibility, DPHHS contracted with a third-party vendor to develop the Combined Healthcare Information and Montana Eligibility System (CHIMES) – Medicaid. CHIMES – Medicaid is a complex system with processing dictated by a wide variety of both state and federal statutes and regulations. In addition, CHIMES – Medicaid manages over 80,000 client eligibility records and interfaces with 27 other systems.

Because of the complexity and critical nature of the system, we conducted audit work regarding data integrity including data input, data processing, and system interfaces. Audit work also included a review of system security, management of changes to the system, and processes used during implementation of the system.

Results

We noted DPHHS followed industry standards when implementing CHIMES – Medicaid. We identified areas where controls could be strengthened. This report contains seven recommendations for improvement including:

- ▶ Actively managing user access
- ▶ Formally monitoring all user activity
- ▶ Ensuring compliance with password policy
- ▶ Strengthening access security
- ▶ Better controlling system change migration
- ▶ Ensuring security of access to system servers
- ▶ Strengthening data integrity

Recommendation Concurrence	
Concur	7
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

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