

Legislative Finance Committee: IT Project Portfolio Post Implementation Report

LFC Meeting Date: 3/14/2014

1. Agency: DPHHS
2. Project title: CHIMES EA – Medicaid Modernization and MAGI Implementation – Affordable Care Act (ACA) Phase 1
3. Executive sponsor:
4. Project close date: 12/31/2014
5. Appropriated budget amount: \$6,281,027
6. Total project development cost: \$6,049,747*
7. Expected ongoing annual cost: On-going annual costs are part of the annual CHIMES Medicaid/HMK maintenance and operations contract, this contract is approximately \$3,200,150 annually.
8. Year the ongoing annual cost started: SFY2014
9. Funding source(s) for ongoing cost: 25% general funds 75% federal funds
10. List the primary project goals:

* final development costs have not all been paid

The Patient Protection and Affordable Care Act (PPACA), commonly called “Health Care Reform” or the Affordable Care Act (ACA), is a United States federal statute signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act, it represents the most significant government expansion and regulatory overhaul of the country's healthcare system since the passage of Medicare and Medicaid in 1965. The law provides for an expansion of Medicaid covering millions of childless adults formerly ineligible. States challenged the constitutionality of this provision of the reform, but on June 28, 2012, the United States Supreme Court upheld the constitutionality of most of the ACA in the case National Federation of Independent Business v. Sebelius. However, the Court held that states cannot be forced to participate in the ACA's Medicaid expansion under penalty of losing their current Medicaid funding. This resulted in each state having the choice to expand Medicaid coverage or not. While states have this choice, they all have to conform to the new rules, standards and procedures for determining Medicaid for individuals who are not aged, blind or disabled.

Montana's Direction

In addition to expanding Medicaid or not, each state also had policy options and procedural decisions. Montana's primary choices include the following:

- 1) Montana has not currently expanded Medicaid.
- 2) Montana chose the exact federal poverty level (FPL) standards applied to adults and children respectively:

Legislative Finance Committee: IT Project Portfolio

Post Implementation Report

LFC Meeting Date: 3/14/2014

- a. Pregnant Women <= 157% FPL
 - b. Parents/Caretaker Relatives <= 47% FPL
 - c. Children under 19 <= 109% FPL to 143% FPL (depending on age)
 - d. CHIP = between 144% FPL to 261% FPL
- 3) Montana implemented Federal Data Services Hub (FDSH) services with the Social Security Administration (SSA) and Department of Homeland Security (DHS) to verify SSN, citizenship, identity, immigration status, and disability benefits. Existing state interfaces are used for post-enrollment verification of income.
- 4) Montana chose to use the Federally Facilitated Marketplace (FFM).
- 5) Montana chose to be a determination state for FFM participating states.

11. List the key project objectives, the metrics used to measure these objectives, and the final metric results.

	Key Objectives	Metric Used	Final Results
1	Implement ACA Medicaid business rules for eligibility effective 1/1/2014.	Development and implementation of the systems according to the approved detailed system designs and program policies.	The systems were successfully developed and implemented according to the approved detailed system designs and program policies.
2	Implement new real-time, Service-Oriented Architecture (SOA) compliant interfaces with the Federal Data Services Hub (FDSH) and Federally Facilitated Marketplace (FFM).	Development and implementation of the systems according to the approved detailed system designs and program policies.	The systems were successfully developed and implemented according to the approved detailed system designs and program policies. Due to subsequent changes to the FFM design, extended testing timeframes, and technical challenges at CMS, the automated receipt of FFM referrals, known as "Account Transfer," has not yet been turned on in Production. Montana has developed to the final designs and has kept up with repeated changes identified. The Account Transfer functionality continues to undergo validation in a test environment using Production payloads transferred from the FFM.
3	Implement a new	Development and	The systems were successfully

Legislative Finance Committee: IT Project Portfolio Post Implementation Report

LFC Meeting Date: 3/14/2014

	Key Objectives	Metric Used	Final Results
	State-based Self-Service Portal (SSP) to allow applicants to complete a Single-Streamlined Application when applying for health coverage. This application format was a CMS requirement and prescribed to states, changing the previously existing Medicaid application format. The SSP will also support combined applications for SNAP, TANF, and health coverage.	implementation of the systems according to the approved detailed system designs and program policies.	developed and implemented according to the approved detailed system designs and program policies.
4	Implement system solutions compliant with CMS Seven Standards and Conditions and (Medicaid Information Technology Architecture) MITA standards.	Development and implementation of the systems according to the approved detailed system designs and program policies.	Successful completion of the CMS "Gate Reviews", "Operational Readiness Assessment", Independent Verification and Validation (IV&V) Attestation, and Operational Advance Procurement Document (OAPD). This resulted in enhanced maintenance funding to the State of Montana of 75% Federal to 25% State effective 10/1/2013.

12. List and describe all post-implementation issues that have arisen and, if they have been resolved, what was the solution. If they have not been resolved, describe actions taken so far and possible solutions. Also list and describe any possible concerns.

	Start Date	Resolved Date	Issues and Concerns
1	1/1/2014	Ongoing issue	Due to the inability to test using a complete set of data prior to Go Live, changes to the FFM design, delayed testing timeframes, and technical challenges encountered by CMS, the automated processing of FFM Account Transfers has not yet been turned on in Production. The Account Transfer functionality continues to undergo

Legislative Finance Committee: IT Project Portfolio Post Implementation Report

LFC Meeting Date: 3/14/2014

			<p>validation in a test environment using Production payloads transferred from the FFM.</p> <p>To proceed with application processing, the Department has chosen to process referrals using a “flat file” of information provided on a weekly basis by CMS that contains the minimum details needed to enroll persons determined eligible for Medicaid/CHIP by the FFM.</p>
2	1/1/2014	Ongoing issue	<p>Data issues have been identified in referral payloads transferred from the FFM to CHIMES EA. These data issues result in inaccurate or incomplete case data that would not support the determination of eligibility made by the FFM if loaded into CHIMES EA.</p> <p>These data issues have been logged as issues with CMS, who is analyzing the root cause and will communicate the proposed solution and timeframe for these issues to be resolved.</p>

13. Please add any additional comments the agency would like to provide to the committee, if any.

None