

MMIS DDI LFC Report Dated 05/31/2016

Main LFC Report:

General Project Information

<u>Project Title:</u>	Medicaid Management Information System (MMIS)
<u>Agency:</u>	Department of Public Health and Human Services
<u>Current Project Phase:</u>	Certification
<u>Project Sponsor:</u>	Jeff Buska
<u>LFC Meeting Project Rep:</u>	Scot Conrady
<u>Project Manager:</u>	Tim Peterson

Schedule Dates:

<u>Actual Start:</u>	April 2, 2012
<u>Original End Date:</u>	March 2, 2015
<u>% Complete:</u>	100% (The DDI phase of the project is complete.)
<u>Revised End Date:</u>	December 3, 2015*
<u>Actual End Date:</u>	December 6, 2015

* Contract Amendment #6 was approved by CMS and fully executed by Xerox and DPHHS. Therefore, the MMIS DDI schedule was modified to reflect the scope change for the implementation of the FlexibleRx Pharmacy Benefits Management system. The Flexible Rx system was successfully implemented on December 6, 2015 per the project schedule approved in Contract Amendment #5.

Project Amounts:

<u>General Fund:</u>	\$10,801,824
<u>HB10:</u>	Yes
<u>Year(s) Funding was appropriated:</u>	2010
<u>Total Project Funding:</u>	\$84,179,603
<u>Federal:</u>	\$73,377,779
<u>State Special Revenue:</u>	0
<u>Other:</u>	0

Total Estimated Cost:

<u>Original Estimate:</u>	\$65,500,000
<u>Current Estimate:</u>	\$84,179,603

Expended:

<u>Total:</u>	\$6,764,664 *
<u>%:</u>	98.5% *

* The March 2016 LFC report identified \$17,011,431 as the total expenditures through January 31, 2016. The revised total expenditures above, reflects the receipt of the \$10,300,000 from the Contract Amendment #6 settlement and the \$608,000 in liquidated damages collected from Xerox. The revised total cost to close out the pharmacy portion of the MMIS DDI is estimated at \$6,867,517. Therefore, the remaining pharmacy cost to be expended through September 30, 2016 is \$102,853.

Project Comments:

Agency Comments:

MMIS includes \$69.9m from Long Range IT, including transfers, and \$8.4m from HB2 appropriations. Projected costs for ICD-10 project appropriated in HB4 during the 2007 legislative session are included in the reporting of the MMIS project.

Internal Agency Comments:

None

Supplemental Report

A. General Project Information

1. Agency: DPHHS
2. Project Title: Medicaid Management Information System (MMIS)
3. Date Prepared: 05/31/16
4. Prepared By: Tim Peterson

B. Project Status

1. Overall Health: **Green**
2. Brief description of current project status

Since the March 11, 2016 LFC meeting, DPHHS completed the financial adjustments related to Contract Amendment #6 and the collection of the settlement funds and liquidated damages. The project total expenditures to date now reflect the accurate project costs post settlement. In addition, DPHHS has been made significant progress toward the CMS certification of the FlexibleRx system.

Recently, CMS identified the 323 certification check list criteria and 21 project documentation artifacts that are necessary for DPHHS to demonstrate that the system meets the requirements of the Contract and CMS. DPHHS has already validated 177 of the 323 (55%) of the certification checklist items and 6 of the 21 (29%) project documentation artifacts. DPHHS expects to finish the validation of the remaining items by early June 2016. CMS also confirmed that DPHHS can request certification as early as June 6, 2016. DPHHS expects the FlexibleRx certification to be completed as early as July 29, 2016 and no later than August 26, 2016.

DPHHS continued to develop the modular strategy to implement the remaining MMIS DDI components. The strategy will be consistent with the December 2015 CMS guidance related to the 42 CFR Part 433 final rule for Mechanized Claims Processing and Information Retrieval Systems (90/10). The Department has facilitated three strategic planning meetings of the Medicaid Executive Stakeholder Committee that was focused on defining the blueprint for the Montana MMIS modularity strategy.

DPHHS expects to finalize the blueprint for our Montana MMIS Modularity Strategy on May 20, 2016. The modularity strategy will include a prioritized list of system components that provide the following functionality: provider enrollment and re-validation services, data warehouse and analytics services, care management services, financial management services, claims processing services, and customer care services. In addition, CMS is requiring states to procure the services of a systems integration contractor to ensure that all of the modules interact in a secure and standard manner and implement the necessary interoperability between modules to support the efficient administration of the Medicaid program.

Once our Montana MMIS Modularity blueprint is complete, it will be included in a Planning Advanced Planning Document (P-APD) that DPHHS will submit to CMS for approval. Upon CMS approval of the P-APD, DPHHS will begin to develop the Advanced Planning Documents (APD) and Request for Proposal's (RFP) that are necessary to secure CMS approval to begin the module procurement process. After CMS approves the APD(s), DPHHS will initiate the procurement process for the modules (releasing the module RFP's in priority order), contract with the most qualified vendor, and initiate the modular DDI for each component. DPHHS expects to initiate the first modular DDI in late 2016 or early 2017. DPHHS expects to complete the last modular procurement by June 2019. The actual costs for each module will be primarily determined by the successful vendor's response to the department's Request for Proposal (RFP) and their proposed implementation approach, duration, and costs required to implement the selected solution.

DPHHS rates the health of the Pharmacy Benefits Management system certification as "Green".

3. Major milestones completed so far: **FlexibleRx Production Implementation**
4. Next milestone(s):
 - **CMS Certification of the FlexibleRx Pharmacy Benefits Management System (projected to be July 2016)**

C. Scope Changes

Title and Brief Description	Date Approved	Schedule Impact (weeks)	Budget Impact (\$ amount)

D. Issues and Risks

Title and Brief Description	Date Identified	Planned Resolution	Responsible for Resolution

E. Additional Comments

DPHHS internal project reporting rates the Scope as "Green".

The Pharmacy Benefit Management system was implemented and all of the required scope was met.

DPHHS internal project reporting rates the Schedule as "Green".

DPHHS is prepared to pursue the certification of the Pharmacy Benefit Management system at the earliest date allowed by CMS.

DPHHS rates the Budget as "Green" based on the reporting criteria.

The settlement outlined in Contract Amendment #6 resulted in positive budget position for DPHHS.

DPHHS internal project reporting rates Risk as "Green".

There are no open risks for the project.

MMIS Design Development LFC Financial Reporting History

In December 2015, DPHHS presented the Legislative Finance Committee (LFC) with a detailed history of financial information previously reported to the LFC for the MMIS DDI project. The table below presents the information reported to the LFC by the Department. Since 2009, the LFC requested that agencies include additional project expenditures in the report which increased the total cost reported. The table below has been updated following the approval of Contract Amendment #6 and DPHHS pursuing a modular strategy to complete the MMIS DDI project scope.

LFC Report Date	Event Type	Description	DDI Contractor(s)	Other Contracted Services	Project Team Support & Operations	Subject Matter Experts	Total
5/31/2009	Original Funding	Authorized in 2009 HB10	\$ 45,000,000	\$ 9,528,400	\$ 10,971,600	\$ -	\$ 65,500,000
6/10/2011	Project Cost Revisions	IV&V and PM contracts, and Project Team Support	\$ 45,000,000	\$ 6,137,148	\$ 17,262,852	\$ -	\$ 68,400,000
12/5/2011	Project Cost Revisions	Actual contract for DDI services	\$ 57,411,989	\$ 6,663,047	\$ 7,051,972	\$ -	\$ 71,127,008
9/27/2012	LFC Reporting Change	Inclusion of subject matter experts and agency costs for full cost projections	\$ 57,411,989	\$ 8,032,985	\$ 7,838,234	\$ 4,213,739	\$ 77,496,947
3/14/2013	Project Cost Revisions	Staff Overtime, Project Team Support, Oracle Licensing	\$ 57,411,989	\$ 8,212,986	\$ 9,458,252	\$ 3,343,550	\$ 78,426,777
9/15/2014	Project Cost Revisions	Contract extension to May 2017	\$ 57,411,989	\$ 10,665,017	\$ 12,930,241	\$ 3,172,356	\$ 84,179,603

** DPHHS has developed the blueprint for the modular strategy to implement the remaining MMIS DDI components, consistent with the December 2015 CMS guidance related to the 42 CFR Part 433 final rule for Mechanized Claims Processing and Information Retrieval Systems (90/10). This blueprint modular strategy will be used to develop and submit an Implementation Advanced Planning Document (I-APD) to CMS with cost estimates for each of the modules to be implemented. This will provide updated cost estimates for each of the cost categories above. The actual costs for each module will be primarily determined by the successful vendor's response to the department Request for Proposal (RFP) and their proposed implementation approach, duration, and costs required to implement the selected solutions.*