

**Legislative Finance Committee
IT Project Portfolio: Post Implementation Report**

Project Information	
Agency	Department of Public Health and Human Services
Project Title	Pharmacy Benefits Manager for MMIS (FlexibleRx)
Current Date	9/1/2017
Sponsor	Marie Matthews
Project Manager	Jeff Buska
Project Delivery Date	12/5/2015
Appropriated Budget Amount	\$65,500,000
Total Project Development Cost	\$6,778,779
Expected Ongoing Annual Cost	\$2,800,000 - \$3,100,000
Year the Ongoing Annual Cost Began	2015
Funding Sources for Ongoing Cost	75% Federal Funds / 25% State General Fund)
Primary Project Goals	Implement a modern Pharmacy Benefits Manager system to process pharmacy claims for Montana Healthcare Programs.

Please list the key project objectives, metrics used to measure objectives, and final metric results.		
Key Objectives	Metric Used	Final Results
System - System Availability In the event of an unscheduled system outage that is related to a man made or natural disaster, the contractor will restore Flexible Rx and or SmartPA availability within 30 minutes.	Pass/Fail	Monitored Monthly via Contractor Report Card submitted each month.
System - FlexibleRx and SmartPA shall provide POS function availability 24 hours a day, seven days a week, with exception of maintenance downtimes.	The system must be up 99% of the time for a pass in a month, outside the normal daily 2 hour maintenance window or system downtime approved by DPHHS,	Monitored Monthly via Contractor Report Card submitted each month.
System - The contractor shall be required to notify the State immediately upon identification of an error. Priority 0 Errors (system unavailable) Priority 1 Errors (system production issue with no work around) *A work around is defined as an alternate process or system function that supports efficient business operations without placing an undue burden on the user.	Pass/Fail	Monitored Monthly via Contractor Report Card submitted each month.
System - FlexibleRx shall provide on-line response notifications to providers within five seconds of receipt of incoming claim transactions.	99% of transactions of transactions must be adjudicated within 5 seconds for a pass	Monitored Monthly via Contractor Report Card submitted each month.
Operations - Documentation will be updated and available electronically within 15 calendar days following post implementation of each CSR (this is 15	Pass based on 100% of all documentation reviewed being updated for the 10 tickets.	Monitored Monthly via Contractor Report Card submitted each month.

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days calendar days following the closure of the CQ ticket)		
Performance Monitoring - Average speed to answer shall not exceed 60 seconds.	Scoring: if the average for the month is over 60 seconds, the month is a fail	Monitored Monthly via Contractor Report Card submitted each month.
Performance Monitoring - Call abandonment rate shall not exceed 5%.	If the average for the month is over 5%, Xerox will review each abandoned call to determine if it was a hang up. If the average for a month is over 5% excluding calls determined to be a hang up, the month is a fail.	Monitored Monthly via Contractor Report Card submitted each month.
System - The following performance standards apply to all reports generated by the PBM. All standard production reports must be available on line for review by DPHHS staff pursuant to the following schedule: c. Monthly reports – by the third business day after month end cycle.	Score will be pass or fail based on 100% of reports delivered within 10 business days from the end of the month	Monitored Monthly via Contractor Report Card submitted each month.
System - The following performance standards apply to all reports generated by the PBM. All standard production reports must be available on line for review by DPHHS staff pursuant to the following schedule: d. Quarterly reports – by the fifth business day after quarterly cycle.	Score will be pass or fail based on 100% of reports delivered within 10 business days from the end of the quarter	Monitored Quarterly via Contractor Report Card submitted each month.
Operations - 1. Ensure the contractor will provide the specified number of staff required to complete a CSR within the specified timeframe. 5. The contractor will complete system maintenance requests within 24 hours of receipt from the State or within the mutually agreed timeframe between the contractor and the State.	See "timely completion of tickets" tab	Monitored Monthly via Contractor Report Card submitted each month.
Operations - i. without any charge against pool hours or otherwise, answer in writing (email or physical) any questions the Department asks about how the System works within five (5) business day of the date the Department asks the questions. A question is defined to be any inquiry that would take Contractor one full time employee no more than one week to answer. If Contractor determines that a full time employee cannot reasonably complete a	90% of all questions submitted to the PBM Manager are adequately answered within 5 business days (questions where Xerox has provided an satisfactory explanation to DPHHS why the answered cannot be provided within this time frame will be excluded from the metric)	Monitored Monthly via Contractor Report Card submitted each month.

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response within five (5) business days, then Contractor will provide a detailed explanation of why the question cannot be answered within five (5) business days and provide an estimate of how much time it will take the Contractor to answer the question.		
System - Assure that MMIS files are continuously synchronized with the Pharmacy Benefits Management (PBM) system.	100% of all member and provider data are accurately transmitted to FlexibleRx.	Monitored Monthly via Contractor Report Card submitted each month.
System - Transfer fully adjudicated POS claims (including reversals & adjustments), including National Council of Prescription Drug Pricing (NCPDP) reject/payment codes, into the MMIS nightly by 8:00 PM Mountain Time.	100% of all PBM claims (including reversals) are accurately transmitted to the MMIS. Not completing reconciliation during a week will result in a fail.	Monitored Monthly via Contractor Report Card submitted each month.

Please describe all post-implementation risks, resolutions, and concerns. If the risks have not been resolved, describe actions taken and possible solutions.		
Start Date	Resolved Date	Issues and Concerns
There are no outstanding post-implementation risks, resolutions, or concerns at this time. The system has been very stable and operating in production processing pharmacy claims for Montana Healthcare programs for twenty months. In addition, there are very few open work tickets for the system.		

Please add any additional comments.
<p>DPHHS contracted with Xerox to design, develop, and implement an integrated MMIS / Pharmacy Benefit Management System (PBMS) / Decision Support System (DSS) system. After several years of work and schedule extensions, both parties agreed to reduce the scope to one of the planned components, the PBMS, which was implemented in December 2015. The negotiated settlement included the following:</p> <ul style="list-style-type: none"> • Xerox did not receive any payments from DPHHS for the MMIS DDI project. • DPHHS received a complete Pharmacy Benefits Manager system at no cost. • DPHHS receive a Drug Rebate Administration and Management system at no cost. • DPHHS received • DPHHS received the Digital Harbor Provider monitoring and screening solution and implementation services to integrate the solution into the MMIS environment. • DPHHS received a \$10,300,000 in cash to offset the DPHHS costs incurred during the failed portion of the Contract. • DPHHS collected \$608,000 in liquidated damages from Xerox based on performance issues that occurred during the MMIS DDI project. <p>The Pharmacy Benefits Manager system and supporting components were successfully implemented on December 5, 2015 and it has been operating successfully.</p> <p>CMS conducted the Certification Review Meeting on November 2, 2016, with additional follow-up meetings conducted throughout November 2016. DPHHS received notice fro from CMS Region VIII on February 15, 2017, stating the FlexibleRx pharmacy module was certified retroactive to the module implementation date of December 5, 2015. CMS provided recommendations for improvements, but found no deficiencies that needed to be corrected to achieve certification. The pharmacy module was the first module in the country to be certified using the new Medicaid Enterprise Certification Toolkit 2.x checklist for certification. In addition,</p>

Please add any additional comments.

the pharmacy module was the first ever completely virtual (i.e. no CMS representatives were physically in Montana for the Certification process). The receipt of the CMS Certification letter is the final step of a Medicaid implementation and is the trigger to close out the project.

Over the past 20 months, DPHHS has made a number change and enhancements to the PBM. These changes included the following: adding support for HELP Medicaid Expansion program, cost share coordination across payers, Federal Upper Limit (FUL) pricing methodology, and the Average Acquisition Cost (AAC) pricing methodology. Finally, DPHHS has worked closely with the vendor to close 491 system changes that included enhancements (99), configuration changes (228), research (37), mass adjustments (3), maintenance (10), and defects (114). At this time there is only one open minor defect. It is in development and it is expected to be in production the first week of August 2017.