

Report Title: Appendix A 08 - 10 Report

Agency: Department of Medical Assistance Services
(DMAS)

Date: 8/24/2009

Agency Head Approval:

Yes

Major Projects

Fiscal Agent Competitive Re-Bid

Appropriation Act/Funding Status

Not Funded

The Project is being undertaken by DMAS to accomplish the following three objectives:

- a. DMAS will undertake the transition from the current Fiscal Agent Contract with First Health Services, to a new Fiscal Agent Contractor. The new contractor will provide MMIS technical and functional support. The contract is being awarded through a competitive bid process. DMAS will conduct an Evaluation process that compares technical solutions to the MMIS requirements. Once the vendors have been narrowed down to the two or three with the technical expertise to meet the requirements, DMAS will look at Best Value for these services. After award, a 16-month takeover implementation will begin.
- b. A second undertaking is the request of proposed web based solution for Provider Enrollment Services. This is a new web based application. The web based Provider enrollment services will perform all provider enrollment functions for current and prospective providers, provide customer services, maintain provider enrollment files, electronically store and allow access to all enrollment paper documents and provide reports to DMAS management. Electronic forms will be accessible. The site will follow COV web accessibility standards. The establishment of a web based Provider data base will position DMAS to leverage other Provider data available through collaboration with other agencies and national provider data bases. Again, through a competitive bid DMAS will establish the best solution for supporting business needs and determine Best Value. After award, a 16-month implementation effort will begin.
- c. A third undertaking will be to secure a vendor who has a Drug Rebate application that is CMS-certified and can provide functional support. The Drug Rebate Services contract will have the ability to capture and maintain data associated with drug rebate agreements between CMS and the manufacturers. The contractor will be responsible for day-to-day operations of the Drug Rebate functions for both CMS and state supplemental rebates based on policies and procedures provided by CMS or DMAS. DMAS will conduct evaluations of solutions and determine one or two of the best vendors. A Best Value determination will be made. After award, a 16-month takeover implementation effort will begin.

DMAS has estimated \$12,651,000 for the Takeover project phase to secure Fiscal Agent Services, Provider Enrollment Services and Drug Rebate Services contracts in order to have technical systems, technical support and operational support in place for the July 1, 2010 transition. CMS will provide 75% FFP for a Takeover. DMAS researched leveraging enterprise solutions. CMS requires a single-state agency to administer the MMIS in order to receive enhanced funding. The decision was made to pursue single-agency administration.

The following discussion includes Stakeholder's specific interests with the IT investment, participation in the project, and statement of value from the project.

- o CMS will have oversight of the partially federally funded takeover project in support of a Medicaid Program administered using a certified MMIS. In addition, CMS will monitor compliance with mandated federal electronic interchange standards, and compliance with security and privacy of health information. CMS will participate through funding and approval of the Implementation, and oversight of the project. CMS' value in the project is to have the project result in successful Medicaid administration continuity along with migration of Medicaid toward the new MITA vision.
- o VITA's interest in the project is twofold: 1) Stable and reliable data interfaces with DMAS technology operated by VITA 2) Project Management standards used for Major IT Projects. Participation in the

project includes testing with DMAS as well as PMD office project oversight through ProSight. VITA's value is reliable data exchanges and project disciplines

Is this a proposed project or the continuation of an active project? (Proposed or Continuing)?	Continuing
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Planned project start date:	1/30/2009	Planned project end date:	9/30/2010
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Estimated Costs:	Total	General Fund	Nongeneral Fund	Nongeneral Funding Source
Project Cost (estimate at completion):	\$12,651,001	\$3,219,000	\$9,432,001	
Estimated project expenditures first year of bienium:	\$2,383,000	\$614,500	\$1,768,500	Non-general - Federal
Estimated project expenditures second year of bienium:	\$2,383,000	\$2,383,000	\$7,074,000	Non-general - Federal

Funding Required:	Total	General	Nongeneral	Nongeneral Funding Source
Funding required for first year of bienium:	\$2,996,523	\$805,381	\$2,191,142	Non-general - Federal
Funding required for second year of bienium	\$9,850,557	\$2,518,889	\$7,331,668	Non-general - Federal

Service Area	Weight
602 DMAS 49900 Administrative and Support Services	Primary

Project Related Procurements

FY09 MMIS Re-bid Consultant Services

Procurement Description:	DMAS will require functional/business analysts for the development of a Request for Proposal (RFP) for providing MMIS Fiscal Agent Services. The contract with the current Fiscal Agent expires June 30, 2010. Prior to the expiration, CMS is requiring DMAS to competitively bid the contract. CMS will require that the Medicaid Information Technology Architecture (MITA) processes be incorporated into the RFP. The technical skills to accomplish the tasks will require familiarity with CMS' MITA processes and the State Self-Assessment process. In addition, the skill set required will need to have working knowledge of Medicaid modules including claims processing, provider enrollment, eligibility, pharmacy programs, managed care functionality, and all proprietary systems functionality in order to assist in replacement with any Commercial Off-the-Shelf (COTS) packages. DMAS will rely on the use of highly knowledgeable and skilled resources in both systems functionality and Medicaid business practices.
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Planned Delivery Date:	6/30/2009		
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FY10 MMIS Re-bid Consultant Services			
Procurement Description:	DMAS will require functional/business analysts for providing migration consulting services to an awarded Fiscal Agent Services contractor. A new Fiscal Agent contractor will require functional and systems experience on the MMIS modules including provider enrollment and management, recipient eligibility, claims processing, remittance and reporting, financial accounting, and managed care services. The required technical and functional skills for the migration, testing, and verification of the systems must be highly familiar with the Virginia Medicaid systems and business practices. The functional/business analysts will provide consulting services through the implementation of the systems.		
Planned Delivery Date:	6/30/2010		
Fiscal Agent Competitive Re-BID Procurement			
Procurement Description:	This procurement is for the competitive re-bid of MMIS Fiscal Agent Services, including maintenance, operations, and support of the Medicaid Management Information System (MMIS). The competitive re-bid process will use a Request for Proposals (RFP) for the take-over of its current federally certified MMIS with limited enhancements, including additional web-based applications to improve service to enrolled providers. This RFP is to obtain one or more contractors to provide a variety of services for DMAS. It is structured so that a prospective bidder can respond to any or all of three different components that together comprise all of the services to be performed. These components are: 1) MMIS Fiscal Agent Services; 2) Provider Enrollment Services; and 3) Drug Rebate Services. The Fiscal Agent supports the federally certified MMIS in making enhancements to the system to support changing business requirements, maintenance, and production support. The MMIS Services will have a four-year base contract with four one-year options. Provider Enrollment Services will have a two-year base contract, one two-year option, and four one-year options. Drug Rebate Services will have a three-year base contract with five one-year options.		
Planned Delivery Date:	6/30/2010		

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Stand Alone Non-Major Projects

There are no Non-Major Projects for this Agency