Vermont Legislative Joint Fiscal Office

ISSUE BRIEF

Date: *Updated* 10/2/14

TECHNOLOGY CONSIDERATIONS
Health Care Reform & Green Mountain Care

The purpose of this document is to flag questions and issues concerning technology related to the implementation and functionality of Green Mountain Care (GMC), currently targeted for January 2017.

Summary

Integral to the implementation and business processes of Green Mountain Care (GMC) is whether the necessary technological infrastructure is in place and fully functional.   The total estimated expenditures on IT infrastructure could be close to $400 million, the majority of which will be federal dollars. However, given the history with large IT projects in both Vermont and other states, there are concerns as to whether the necessary technologies will be in place and functional when GMC is envisioned to start in January 2017.

- There is a high risk a new Medicaid Management Information System (MMIS) will not be ready by 2017.

- A new integrated eligibility (IE) system can be in place by 2017, but given the experiences in other states, there is still a good risk that delays could challenge initial timelines.

- 90/10 federal match dollars are scheduled to revert to 50/50 at the end of CY 2015, adding a potential risk of additional fiscal implications for the state. It is widely anticipated amongst state officials and other observers that the federal government will likely extend the enhanced federal funding for states.

- Nationwide, MMIS implementation projects almost always come in late, over budget, or some combination of the two.[1]

- The Vermont Health Connect (VHC) website still does not have full functionality and continues to be plagued with problems which diminishes the public's confidence in the state's readiness and ability to implement GMC.

MMIS, IE, and VHC are all part of the "Health Services Enterprise" projects. AHS testified to the Green Mountain Care Board (7/10/14) that this is the system that will "enable Green Mountain Care". If the IT infrastructure as

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[1] "MMIS Procurement Report" prepared by Public Knowledge LLC for the Colorado Department of Health Care Policy and Financing, April 18, 2012.

envisioned is not in place or ready when GMC is to go live in 2017, could it operate with the existing legacy systems and/or are there other options and what are those options?

- Short-term – GMC could start without the IE or MMIS systems being completed. According to administration, a third-party administrator (TPA) could be hired to administer the parts of the system affecting individuals and family not already part of the Medicaid system (e.g. currently in private insurance) and then transition them into GMC. This would reduce potential savings and/or potentially increase costs.
- Long-term - Using the current antiquated ACCESS system for all GMC, while not impossible, is not a viable, cost-effective, or realistic long-term option. New IE and MMIS systems are important to the long-term operation and efficiency of GMC.

Medicaid Management and Information System (MMIS)

Background

- 90/10 federal match
- VT MMIS is more than just claims processing. It also includes:
    - Pharmacy benefit management
    - Program integrity data analytics
    - Care management data analytics
    - Provider management
    - Customer call center services
- *There will be multiple contracts*

Timeline

- RFP for MMIS "CORE" functions released - 6/30/14
    - Functions include software design, development and implementation, and ongoing technical support and Medicaid operations services.
- Proposals due - 9/5/14
- Anticipated award announcement - 11/18/14
- Anticipated contract start - 2/3/15
- High risk VT MMIS won't be completed by 2017

Other states

According to a report done for Colorado in 2012 - "21 of the last 21 MMIS implementation projects over the past 10 years have been late, over budget, or some combination thereof."[2] While each state experience is unique to its own specific circumstances, the frequency at which there are delays and other issues reinforces skepticism that Vermont's experience will be trouble-free.

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[2] "MMIS Procurement Report" prepared by Public Knowledge LLC for the Colorado Department of Health Care Policy and Financing, April 18, 2012.

- New Hampshire – MMIS project took over 7 years from the original RFP (Dec. 2005) to the go live date (April 1, 2013), missing many deadlines and still had problems when it finally went live.
- Montana – development was supposed to start in November 2009 and be completed in November 2012. As of late 2013, it was still 12-14 months behind schedule.
- North Dakota – experienced challenges such as project delays and changes in federal mandates that added costs to the project and further delayed the project completion date.
- South Dakota –New MMIS initiated in 2008. Part of the system went live in 2010, but due to concerns around quality and timeliness of deliverables, contract was cancelled. This led to litigation and now project won't be completed for another 3-5 years.
- Other states (such as California and Alaska) have also experienced delays in upgrading their MMIS systems.
- Kansas – MMIS was on-schedule (as of March 2014).

The chart below is from a report by the California State Auditor to the Governor and legislative leaders (released 2/13/14). California had contracted with Xerox for both the implementation of their current system as well as the design, development and implementation of a replacement system. The chart below is specific to state's that used Xerox, which had relatively little experience in designing such systems. So while Vermont may not be using Xerox, it is still worth noting.

Status of Xerox's Implementations of Medicaid Management Information Systems in California and Other States

STATE	TOTAL MEDICAID ENROLLMENT, FEDERAL FISCAL YEAR 2010	TOTAL MEDICAID SPENDING, FEDERAL FISCAL YEAR 2012	ORIGINAL PROJECTED IMPLEMENTATION DATE	ACTUAL OR CURRENT PROJECTED DATE OF IMPLEMENTATION	ACTUAL OR ANTICIPATED DELAY
New Hampshire	167,560	$1,186,815,817	January 2008	April 2013	5 years, 3 months
Alaska	127,853	1,348,227,744	June 2010	October 2013	3 years, 4 months
North Dakota	82,762	744,160,777	July 2009	Second quarter of 2014	4 years, 8 to 11 months
Montana	128,792	972,565,512	March 2015	Unknown	Unknown
California	11,428,811	50,165,335,340	March 2016	Fourth quarter of 2016	6 to 9 months

Sources: The Kaiser Family Foundation State Health Facts, the California Department of Health Care Services, and publicly available records for Alaska, Montana, New Hampshire, and North Dakota.

Eligibility Systems (IE)

Background
- 90/10 federal match
  - Supposed to go back to 50/50 on 12/31/15 (however, there is strong speculation that the federal government will likely extend it).

Timeline
- The Integrated Eligibility will replace the current system (Access). Transition of programs from Access to the new system will be staggered over a period of time with *health care* being the priority.
- The next phase will be to migrate the other (non-exchange) programs into the new IE system. The timeline for this next phase/RFP will depend on the scoping of the project and vendors experience/abilities.
- Initial RFP went out in March; RFP deadline was extended two weeks (to 6/1/14).
- The State has received and is currently reviewing bids.
- The goal is to select a vendor by the beginning of September and start by Mid-December but is subject to change pending CMS review, contract negotiations and/or other factors.
- Transition of the *health care* programs only, could be done in 12 months assuming no delays.
    - The schedule of when and how long will be part of the contract negotiations with the vendor.
    - Given the experience of other states, as well as the rocky roll-out of Vermont Health Connect, there is risk that the project could take longer than initially anticipated.
- Transitioning of other human services programs (food stamps, etc.) will come afterwards.

Other states
- Georgia experienced delays due to protracted contract negotiations that delayed it nearly a year. They were concerned the vendor was overstretched with IE projects in other states amongst other concerns.
- Louisiana put out an RFI to modernize their eligibility system in Dec. 2013. Expected timeline is 18-30 months.
- Kansas timeline extended approximately 17 months longer than initially estimated.

Integrated Eligibility status for selected states - Working Draft updated 10/2/14

* As information from other states becomes available, chart will be updated.

State	Initial RFP release	Initial Est. Completion Date	Vendor	Status	Notes
Georgia	6/6/2012	12/31/2015	Deloitte	Was delayed nearly a year due to contentious contract negotiations.	
Illinois	8/2012	2015	Deloitte, CSG Government Solutions	Has had successes and challenges. Challenges include delays and transferring data from legacy system but appears to be working.	
Kansas	8/1/2012	5/21/2014	Accenture	Completion date will be approximately 17 months longer than initially estimated.	
Louisiana	12/1/2013			Estimated to take 18-30 months	
Texas			Have call into TX for more info.	IE launched in 2006 but contract cancelled in 2007. New vendor was brought in but problems still persisted (as of 2010).	Current status unknown.

Vermont Health Connect (VHC)

If VHC has not proven successful and/or is not fully functional, it will be a major setback and barrier for Green Mountain Care.

Background
- 100% federal funds through 1/1/15. It is widely believed/anticipated that the federal government will extend federal funding for states.

Timeline
- Questions remain as to when Vermont can expect full functionality.
- On-going issues continue to plague implementation.
- "Change in circumstance" still an issue.
- This year, small businesses purchased directly through carriers and will do so again during next open enrollment period.
- Additional vendor (Optum) was hired to help clear backlog.
- CGI continually missed deadlines. Beginning in January, the maintenance and operations of the exchange will be transitioned from CGI to Optum.