

Testimony
Department of Human Services
Information Technology Committee
Representative Robin Weisz, Chairman
August 20, 2013

Chairman Weisz, members of the Information Technology Committee, I am Jenny Witham, Chief Information Officer for the Department of Human Services (DHS). I appear before you to provide the status of the Medicaid Systems Project.

The components of the Medicaid Systems Project include:

- The Medicaid Management Information System (MMIS):
 - Provider Management
 - Member Management
 - Claims Processing and Payment
 - Pharmacy Point of Sale
 - Prior Authorization
 - Utilization Review
 - Third Party Liability
 - Recoupment
 - Estate Recovery
 - Drug Rebate
 - Program Management
 - Benefit Administration/Care Management
 - Program Integrity
 - Financial and Program Analysis/Reporting
 - Budget for MMIS: \$53,728,257
 - Expenditures for MMIS through June 2013: \$32,864,953 total funds, \$4,001,446 state funds

- The Data Warehouse System:
 - Longitudinal Financial Analysis Reporting
 - Clinical Outcome/Disease Management Analysis
 - Ad Hoc Reporting
 - Budget for Data Warehouse System: \$5,252,000
 - Expenditures for Data Warehouse System through June 2013: \$3,850,000 total funds, \$443,820 state funds
- Independent Verification and Validation (IV&V) services:
 - Overall Quality Assurance Monitoring
 - System Requirements and Analysis
 - Code Development
 - Data Conversion
 - System Testing
 - Verification of appropriate development methodologies and processes
 - Validation of the completeness and accuracy in all project reporting and deliverables
 - Budget for IV&V: \$6,915,521
 - Expenditures for IV&V through June 2013: \$6,615,026 total funds, \$761,384 state funds
- Information Technology Department (ITD) services:
 - Project Management Services
 - Software Development
 - System Administration
 - Budget for ITD: \$11,816,392
 - Expenditures for ITD through June 2013: \$10,421,377 total funds, \$1,430,977 state funds
- Other:
 - Subject Matter Experts

- o Facilities
- o Contingency
- o Budget for other: \$4,206,566
- o Expenditures for other through June 2013: \$1,921,000 total funds, \$172,064 state funds

Expenditures through June 2013

Description	Budget	Total Expended	Remaining
Total Medicaid System Project	\$81,918,736	\$55,672,356	\$26,246,380
General Fund	\$7,533,297	\$4,616,165	\$2,917,132
Federal Funds	\$72,191,913	\$48,862,665	\$23,329,248
Other Funds	\$2,193,526	\$2,193,526	\$0



Project Updates

DHS launched the Provider Enrollment function in April 2013. This portion of the system went into production prior to the MMIS go-live date to give providers adequate time to re-enroll in the new system. Approximately 500 individuals have participated in DHS-sponsored training on the provider enrollment system, and over 1,500 providers have initiated the enrollment process.

DHS is working with the primary system vendor, Xerox Corporation, on a revised work plan for the completion of the project. The planned go-live date was October 1, 2013; however, DHS is anticipating the go-live date will shift to the second quarter of calendar year 2014. DHS does not anticipate that this change in the final implementation date will result in increased cost to the state; the current contract provides for damages resulting from missing the October 1, 2013, go-live date.

If you have any questions, I would be happy to address them at this time.