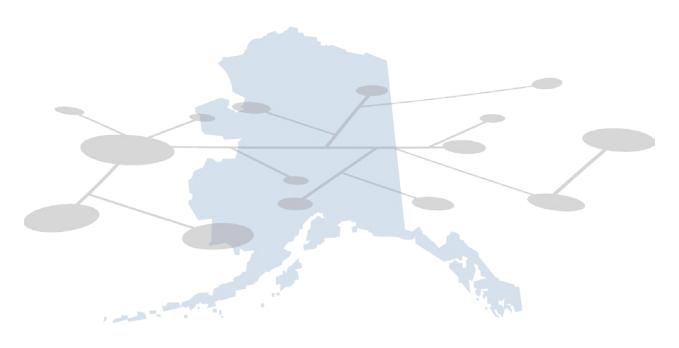# Alaska Medicaid Management Information System (AK MMIS)

Update – June 2017

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<u>**Background**</u>

In October 2013, the Department of Health & Social Services went live with a new Alaska Medicaid Management Information System (AK MMIS) solution. Xerox implemented the solution and is the fiscal agent for AK MMIS operations. The primary goal was to phase down a legacy MMIS that was at the end of its life cycle. Customization to the new system included new functionality and consolidation of multiple data interfaces from other systems, creating one framework for Medicaid related services for providers, patients, Medicaid operations and State of Alaska (SOA) staffs.

Some AK MMIS features include, but are not limited to:

- Web-based user interface
- One suite of applications accessed through single sign-on
- Secure/controlled access
- High availability, except for planned maintenance outages
- Relational database
- Real time adjudication
- Configurable for future growth and functionality
- Data replication nightly
- Concurrent execution of major processes
- Direct access to images and attachments
- Support of multiple financial cycles
- Fee-for-service processing
- Provider web portal
- Electronic Funds Transfer (EFT) option for provider payments

Although the October 2013 AK MMIS "go-live" presented some program and operational challenges, both SOA and Xerox teams continued to work together to improve effectiveness and efficiency, over the succeeding months. Even today, the joint team is committed to ensure 185,000 Alaskan Medicaid members continue receiving healthcare services without interruption.

While working through the post implementation challenges of the AK MMIS and planned functions, other planned enhancements and system deployments were still deployed, although some were delayed until after go-live:

- Waiver 1915(c) regulation changes: Phase 1   May 2014
- New CMS-1500 professional services billing form   May 2014
- ESRD pricing regulations changes   Oct 2014
- Waiver 1915(c) regulation changes: Phase 2   Dec 2014
- Enhanced National Provider ID (NPI) crosswalk capabilities   Dec 2014

- New ADA paper dental services billing form   Apr 2015
- IRIS: New State accounting system   Jul 2015
- Medicaid Expansion   Sep 2015
- International Code of Disease 10 (ICD-10)   Oct 2015
- 1095(b) Verification of Insurance – New IRS Form   Jan 2016
- HIPAA Operating Rules (HOPR)   In Progress
- Transformed Medicaid Statistical Information System (TMSIS)   In Progress
- Social Security Number Removal Initiative (SSNRI)   Just Started

A 3-month cycle was instituted to address system defects and allow for vetted change requests needed by system users. The configuration control board is a joint planning, approval and management program by the SOA and Xerox. The 3-month cycle has quality review throughout the development cycle to ensure technical solutions are correct while trying to prevent collateral defects through regression testing. Though the process is stringent and time bound on schedule milestones, there is still flexibility to allow for "hot fixes" when a priority issue requires immediate attention. This is a collaborative and thoughtful process that continues to produce good results.

AK MMIS Current Status

Current Medicaid claims production cycles process an average of 11 million claims a year for an average of $30.5 million each week.

There are currently 146 known defects, some of which were identified as a result of the recent federal MMIS Certification review that occurred the week of September 19, 2016.

Enterprise is processing and suspending claims correctly at an average rate of 98 percent.

Service Authorization (SA) functionality has been corrected. Third-Party-Avoidance functionality (allows for claims to bypass the requirement for third-party payment when the recipient's insurance or Medicare plan never covers the service) has been corrected. New procedure codes are being added which will save time for providers.

Two projects are currently being worked on that will address the claims suspense issue and the time it takes for service authorizations to be approved. One project is called SmartPA which will allow providers to enter the information directly into the system and receive their approvals quicker. The other project on reducing the suspense volume by allowing more claims to be processed by the system without having to stop for people to manually check the attachments. These projects should enhance processes for providers and recipients alike.

Federal Certification

Paramount to the future success of the Medicaid program in Alaska is maximizing federal funds available through a matching program. A critical milestone for the AK MMIS is a successful Centers for Medicare & Medicaid Services (CMS) certification that directly affects the federal matching funds allowed to our state.

Federal MMIS certification is the procedure by which CMS validates that the State Medicaid Claims Processing systems are designed to support the efficient and effective management of the program and satisfy the requirements set forth in Part 11 of the State Medicaid Manual, as well as subsequent laws, regulations, directives, and State Medicaid Director letters. The certification process also validates that the systems are operating as described in the prior approval documents, i.e., Advance Planning Documents, Requests for Proposal, and all associated contracts submitted to CMS for the purpose of receiving Federal Financial Participation (FFP).

Financial Impacts to the System

The CMS authority for requiring Federal certification is based, in part, on language found at Public Law 92-603, and the Code of Federal Regulations (CFR) at 42 CFR 433 and 45 CFR 95.611(d). In the absence of Federal certification, Medicaid systems are not authorized to receive enhanced Federal matching funds for their operation. While the MMIS onsite visit has historically been viewed as the final litmus test of a system's operational effectiveness, the development process leading up to Federal certification is critically important.

In September 2016, officials from CMS, Division of Health Care Services (DHCS)along with senior Xerox leaders, experienced certification project leads, subject matter experts, business analysts and a multitude of augmenters and partners joined together to support the CMS certification onsite visit. Artifacts and documentation were collected, interviews and meetings were conducted to capture/inventory relevant data and gain an understanding of the current posture and security of the AK MMIS. Much preparation occurred, ahead of time, and this, along with the presentations during the certification visit week, allowed for an effective and positive review by CMS. It is also noteworthy that throughout the entire certification process, CMS has been very supportive and thoughtful in providing timely and accurate feedback to position the AK MMIS for a favorable certification.

As a part of the CMS certification process, there were 177 open action items. DHCS and Xerox have addressed and responded to all open action items to CMS and continue to respond to new requests as they develop from CMS.

Certification of the system was expected early in 2017; however, certifications of MMIS systems have been significantly delayed with the new federal administration. The North

Dakota MMIS system was scheduled for the site visit in January 2017 and CMS postponed that visit until March 2018.

AK MMIS Stability

Critical for the success of the Medicaid program in Alaska is the availability, stability, accuracy and security of the AK MMIS. The system continues to evolve and changes have been implemented to improve process, defects and overall functionality. System availability continues to remain relatively high. There is an ongoing effort to improve system speed and performance while keeping scheduled and unscheduled downtimes to absolute minimum levels.

Claims Processing and System Accuracy

The primary focus of claims processing is to ensure claims are correctly processed within federally mandated timeframes, in minimal time, so providers can be paid for care they provide in likewise minimal time. Many provider organizations rely heavily on timely and prompt Medicaid payments for their revenue cycles. Delays caused by claims held in suspense or other reasons can create financial difficulties for providers.

Overall claims processing has improved significantly, particularly the total number of claims suspended over 120 days and over 60 days. Overall, over 98 percent of all Medicaid claims are paid within 60 days (65 percent within 30 days) with the performance improving each month. This gives Alaska providers confidence in planning their revenue cycles knowing that Alaska Medicaid is one of the quickest payers in the state.

Status of Legal Proceedings

On September 16, 2016 the Department of Health and Social Services settled the lawsuit with Xerox Corporation. As with most settlements of this kind, no money actually changed hands. What we did get out of the settlement is future functionality for the Enterprise System. These include:

- $1.5 million in hardware upgrades
- An additional 900 hours a month of development work, to total 1500 hours.
- Xerox will implement a Smart PA (prior authorization for medical, dental, and prescription drugs) for all services that require a prior authorization. This will allow for medical procedures to be approved quicker.
- Xerox will implement a web based Smart TA (prior authorization for travel) that will enable recipients to get approval for travel faster.
- Xerox will develop electronic Explanation of Benefits (EOBs) for all recipients.
- Xerox has put new management of the contract in place.

Next Steps

The settlement lays out a path towards an accurate, efficient system for processing Medicaid claims. Our goal is to have an accurate, efficient system to pay Medicaid providers who deliver critical health services to Alaskans.

The Centers for Medicare and Medicaid Services (CMS) is requiring a complete third party audit of the Alaska Enterprise system since go live. This audit was completed in the first three months of 2017. The results of the audit have been provided to CMS. There were no significant issues identified.

Xerox restructured in January 2017 and formed a new company called Conduent to handle their health enterprise business and will continue to operate the system as the State's Fiscal Agent under the State's existing contract with Xerox.

The State is receiving the benefit of certain services and hardware, and Xerox is receiving the payments the State had put on hold while this matter was pending.

Summary

Much effort, investment and collaboration has been and will continue to be made to improve the AK MMIS and Operations. There is a strong focus and active involvement by Xerox top leadership, along with a dedicated account team and SOA leadership, to make sure that the AK MMIS Fiscal Agent is effectively supporting the Alaska Medicaid program, the providers and ultimately the Medicaid members. There is a strong focus to address concerns quickly, collaboratively and in a results oriented manner.

The success of the AK MMIS for Alaska is dependent on successful partnerships and teams to meet the challenges today and in the future that will, amongst other things, have a favorable CMS certification to maximize federal investments to Alaskans while also allowing the growth of an expanded Alaska Medicaid member population.

Overall the AK MMIS is on the right track. Alaskans are realizing the benefits the new system was planned for. Certainly, Medicaid change will continue and there will be continued evolution and fine tuning of process, tools and skills. Working together, with common goals, shared commitment and vision, much can be done to support Alaskan provider organizations and the Medicaid members they serve.