



MISSISSIPPI DIVISION OF
MEDICAID



**Medicaid and Human Services Transparency and Fraud Prevention
Act**

Progress Report

July 11, 2017

State of Mississippi

Division of Medicaid

Department of Human Services

TABLE OF CONTENTS

1	LEGISLATIVE REQUEST	3
2	EXECUTIVE SUMMARY	4
3	BACKGROUND.....	5
3.1	Advanced Planning Documents and the A-87 Cost Allocation Exception	5
3.2	DOM and MDHS Working Relationship	6
3.3	Health and Human Services Transformation Project (HHSTP).....	7
4	STATUS OF THE ADVANCED PLANNING DOCUMENT (APD).....	9
5	FUNDING.....	10
6	NEXT STEPS	11

APPENDICES

Appendix A: Approval Letters.....	12
-----------------------------------	----

TABLES

Table 1: Considerations for the APD.....	7
Table 2: APD Approval Timeline.....	9
Table 3: HHSTP Cost Allocation Budget	10

1 Legislative Request

This report is in response to the legislative requirement in the Medicaid and Human Services Transparency and Fraud Prevention Act (House Bill 1090). Section 2 requires:

“The division shall submit a report on its progress to the chairmen of the House and Senate Medicaid Committees within ninety (90) business days and on a quarterly basis thereafter until the final Advanced Planning Document is completed. The report also shall be provided to the other members of the Legislature upon request.”

This report was prepared by the Mississippi Division of Medicaid (DOM) and Mississippi Department of Human Services (MDHS).

2 Executive Summary

The DOM and MDHS are pleased to submit this initial progress report on planning activities for the Medicaid and Human Services Transparency and Fraud Prevention Act (House Bill 1090).

Prior to the enactment of House Bill 1090, DOM and MDHS were committed to working together on opportunities that would benefit the State, both agencies and the citizens we serve. In September 2016, DOM and MDHS signed a Memorandum of Understanding (MOU) to develop a vision of interoperability and shared services leveraging 90/10 Federal Financial Participation (FFP) and A-87 Cost Allocation Exception. Working together, the agencies explored improved interoperability and integration in technology, front end identity management and asset verification, business process and workflows, case management, privacy, security, analytics/business intelligence and proper governance across health and human services systems to support integrated and coordinated services.

As a result of the planning effort, DOM and MDHS jointly launched the HHS Transformation Project or “HHSTP” which is dedicated to accomplishing the goals of the Medicaid and Human Services Transparency and Fraud Prevention Act and submitting the Advanced Planning Document. DOM and MDHS prioritized quick wins and collaboration to prove success and planned for scalable future success. In Tier One of HHSTP, DOM and MDHS plan to implement three major modules that form the foundation: 1) Common Web Portal Module 2) Fraud and Abuse Module and 3) Data Hub Module.

DOM and MDHS finalized a joint vision in January 2017, drafted the APD in parallel to the 2017 Legislative Session, and submitted it shortly after the passage of the Act in April. This approach enabled DOM and MDHS to act on the legislation quickly while giving the State the maximum time available to leverage the A-87 Exception, which is currently set to expire at the end of 2018. DOM and MDHS are pleased to report that our Federal partners, the Centers for Medicare & Medicaid Services (CMS) and the Federal Nutrition Services (FNS) have approved the APD as of June 2017 to begin work on implementing the proposed plan. The approved APD allows DOM and MDHS to receive FFP for approximately \$46M in IT investments with a State share of approximately \$8M or 17%.

DOM and MDHS are moving quickly and decisively to implement the provisions of HB1090 and allow for as much time as possible to leverage the A-87 Exception. We have officially started the project and are working with our technology vendors to implement Tier One by the end of 2018. As the project progresses, we will continue to provide regular updates.

3 Background

The Medicaid and Human Services Transparency and Fraud Prevention Act (House Bill 1090) or (“Act”) was introduced in the 2017 Legislative Session and signed into law by Governor Phil Bryant on April 12, 2017. The Act requires the Mississippi Division of Medicaid (DOM) and the Mississippi Department of Human Services (MDHS) to submit an Advanced Planning Document (APD) to “support the integration of eligibility systems between the division and any applicable Department of Human Services program where an integrated system of eligibility will serve the state's interest in developing shared eligibility services across health and human services programs, while at the same time promoting and enhancing the state's efforts of ensuring maximum program integrity across each agency.” In addition, the Act requires DOM and MDHS to “establish and use a computerized income, asset, residence and identity eligibility verification service to verify eligibility, eliminate the duplication of assistance, and deter waste, fraud, and abuse within each respective assistance program administered by the department.”

As required by the Act, DOM and MDHS have prepared this initial report in accordance to Section 2 and will produce subsequent progress reports in accordance with the Act’s provisions. This initial report is focused on progress related to the APD submission requesting project funding, which is a required precursor for implementing requirements of the Act.

3.1 Advanced Planning Documents and the A-87 Cost Allocation Exception

The APD process governs the procedure by which States obtain approval for Federal financial participation (FFP) in the cost of acquiring IT systems. DOM and MDHS are required to obtain prior approval from their respective Federal partners to use federal funds for technology investments within certain financial thresholds.

On August 10, 2011, the three Federal agencies responsible for providing financial participation for health and human service state-based eligibility and enrollment information technology systems—the U.S. Dept. of Health and Human Services’ Centers for Medicare and Medicaid Services (CMS), the Administration for Children and Families (ACF), and the U.S. Dept. of Agriculture’s Food and Nutrition Service (FNS)—announced a new approach for allocating the cost of building such IT systems in a Tri-Agency Letter focused on integration and interoperability. For many years, the cost of building such information technology (IT) systems that were shared by multiple programs was allocated among the benefitting programs in direct proportion to their use, as outlined in the federal Office of Management and Budget’s (OMB) Circular A-87 guidance. Beginning in 2012, an exception to this approach was approved by the White House to help states pay for the much-needed modernization of their Medicaid eligibility determination and enrollment systems (E&E) due to the requirements of the Affordable Care Act (ACA). Known as the “A-87 Cost Allocation Exception,” the new, time-limited policy (scheduled to expire at the end of 2018) allows human service programs to share a wide range of IT components needed by Medicaid, but that can also be used by human services programs at little or no additional cost except for interfaces or other services uniquely required by those programs. As a result, MS has the time-limited opportunity to modernize their health and human service eligibility and enrollment systems.

The A-87 Exception provides an opportunity for MS, but there are limitations:

- The Exception was not written to provide 90 percent match for Human Services (or other non-Medicaid) programs. Rather, it provides for human service programs to benefit from shared system components that are paid for by Medicaid at the 90 percent rate. Thus, the E&E services must benefit Medicaid in addition to the human service agencies.
- The Exception only applies to the development of the systems and their upgrades, not to their maintenance and operation. Once the system is implemented, maintenance and operating costs revert back to the pre-A-87 Exception basis of allocating all costs going forward in proportion to their use by each agency sharing the system.
- The services must be built, tested, and fully installed by December 31, 2018. An IT system that was contracted for, even paid for, but not completed by the end of 2018 does not qualify for the Exception.

In summary, the A-87 Exception is an important tool to enable collaboration for shared eligibility for DOM and MDHS, but there are time and development constraints.

3.2 DOM and MDHS Working Relationship

Because DOM and MDHS have extensive overlap in the communities we serve, we have long shared a joint-vision to improve collaboration and introduce technology and programmatic solutions to improve client services and program integrity. In 2013, DOM conducted a feasibility study to explore the feasibility of developing an integrated eligibility solution. Due to complexities with the ACA it was not the right time to pursue a fully integrated solution, but we have continued productive dialogue.

Before the introduction of the Act in 2017, DOM and MDHS had already committed to working together to submit an APD and take advantage of the unique opportunity for the State. In September 2016, DOM and MDHS signed a Memorandum of Understanding (MOU) committed to developing a collaborative process to establish a vision of interoperability and shared services leveraging the 90/10 FFP and the A-87 Cost Allocation Exception. In mid-October, DOM and MDHS began official meetings to develop the vision and begin working on the components of an APD. Working together, the agencies explored improved interoperability and integration in technology, front end identity management and asset verification, business process and workflows, case management, privacy, security, analytics/business intelligence and proper governance across health and human services systems to support integrated and coordinated services. DOM and MDHS conducted visioning sessions, analyzed in-progress projects, plans, and technology, and ultimately identified and prioritized several avenues of collaboration and coordination that could immediately improve administrative efficiency, reduce information technology (IT) cost of ownership for the state, and improve service delivery to clients. Additionally, the Governor's Office supported the efforts by making this initiative a priority for both agencies and requested monthly updates on the progress being made.

As a result of the planning effort, DOM and MDHS jointly launched the HHS Transformation Project and submitted a joint-APD for federal approval.

3.3 Health and Human Services Transformation Project (HHSTP)

The HHSTP is dedicated to accomplishing the goals of the Medicaid and Human Services Transparency and Fraud Prevention Act and the Advanced Planning Document. Through the planning process, DOM and MDHS discussed goals, IT systems, interoperability, fraud and abuse, and more. DOM and MDHS made the decision to prioritize quick wins and collaboration to prove success and then plan for scalable future success. They identified a series of initiatives that could be prioritized to hit-the-ground running. DOM and MDHS will continue to iteratively identify opportunities for collaboration and integration to merge into the future roadmap. DOM and MDHS have agreed to prioritize the HHS Transformation Roadmap into two distinct Tiers for actionable tasks.

- **Tier One:** The HHS Transformation project includes multiple foundational components for the HHS Enterprise and provides “quick wins” to maximize impact for program integrity and eligibility/case workers.
- **Tier Two:** The HHS Transformation project will include a long-range planning effort to explore the feasibility of additional infrastructure components for the HHS Enterprise that will build on the successes of Tier One.

DOM’ and MDHS’ goal is to implement a system of shared services and processes through the HHSTP while retaining autonomy in their eligibility systems. In Tier One of HHSTP, DOM and MDHS plan to implement three major modules that form the foundation:

- **Common Web Portal Module:** Centralized application intake that serves as a one-stop shop for HHS eligibility programs and self-service for clients and staff
- **Fraud and Abuse Module:** Joint-platform that is integrated into DOM and MDHS to identify waste, fraud and abuse, verify identities, reduce dual participation, and help ensure Mississippi welfare benefits go to the individuals that are qualified.
- **Data Hub Module:** Centralized “Hub” that serves as a web services clearinghouse and repository of common data elements, verifications, and streamlined workflow processes

The below table demonstrates how DOM and MDHS addressed each of the requirements under Section 2 of the Act.

Table 1: Considerations for the APD

APPLICABLE BILL REQUIREMENT	DOM AND MDHS RESPONSE
a) Identify functions that can be leveraged or shared across the state Medicaid program and other Department of Human Services programs;	DOM and MDHS conducted an IT inventory, analyzed in-flight projects, and identified core shared components through a three-month planning process from October to December 2016
(b) Weigh benefits of shared systems;	DOM and MDHS conducted a CMS-mandated alternatives and cost/benefit analysis in the APD.
(c) Identify interoperability and integration goals;	DOM and MDHS identified three goals: <ul style="list-style-type: none"> • Improved Service Delivery • Increased Program Integrity • Reduced Burden on Taxpayers
(d) Seek guidance from the Centers for Medicaid and Medicare Services (CMS) and the Office for the Administration of Children and Families (ACF) on state ideas before submitting the Advanced Planning Document; and	DOM and MDHS held multiple meetings with CMS, ACF, and Food and Nutrition Services (FNS) representatives from December 2016 to May 2017 to fully leverage state innovations, explore guidance, and/or receive approval.
(e) Ensure that the enhancement to front end identity and asset verification is an integral part of the advanced planning and integration process going forward.	DOM and MDHS included Fraud and Abuse as a module in Tier One and requested FFP in the approved APD.

DOM and MDHS agreed upon the HHSTP vision and scope in accordance with the Act and worked quickly to draft the joint-APD and receive approval. The next section provides an update on the status of the APD.

4 Status of the Advanced Planning Document (APD)

DOM and MDHS have made the HHSTP and the implementation of the Act a top priority as evidenced by the investment in time, resources, and planning since 2016. This up-front investment allowed DOM and MDHS to get a “head start” on the APD. Within 90 days of the passage of the Act, DOM and MDHS have already received federal approval of the joint-APD.

To expedite federal approval, DOM made the decision to utilize its existing E&E APD and amend it to include the integration work with MDHS. DOM had previously applied for the A-87 Exception in 2013, so the federal partners were already aware of a potential project between the two agencies. DOM and MDHS began the planning process in October 2016, completed the vision in January 2017, drafted the APD in parallel to the 2017 Legislative Session, and submitted it shortly after the passage of the Act. This approach enabled DOM and MDHS to act on the legislation quickly and give the State the most time to leverage the A-87 Exception, which expires at the end of 2018. DOM and MDHS are pleased to report that CMS and FNS have both approved the APD and MS is approved to get started on the implementation. Below is the timeline of events that led to the approval of the APD.

Table 2: APD Approval Timeline

MILESTONE	DUE DATE	STATUS
APD Vision	December 31, 2016	Completed
APD Drafting	March 31, 2017	Completed
APD Submittal	April 4, 2017	Completed
CMS Approval	May 4, 2017	Approved
FNS Approval	June 16, 2017	Approved

DOM has attached the approval letters from both CMS and FNS in the Appendix.

5 Funding

DOM and MDHS have received federal approval for the APD and have secured enhanced federal participation (FFP) to maximize the benefit to the State. ***In summary, DOM and MDHS are receiving approximately \$46M for IT investments with only \$8M in state funds (or 17%).*** This is a major step forward for IT investment in the State that promotes reuse, leveraging, and minimizes state dollars.

Table 3: HHSTP Cost Allocation Budget

Overall Budget by Programs for Federal Fiscal Year 2017					
Program Category - DDI	Program %	Program Amount	FFP Rate	Federal Share	State Share
Title XIX - Medicaid	71.0%	\$17,510,752	90%	\$15,759,677	\$1,751,075
Title XIX - Medicaid	16.4%	\$4,031,231	75%	\$3,023,423	\$1,007,808
Total Title XIX & XXI		\$21,541,983		\$18,783,100	\$2,758,883
SNAP	12.0%	\$2,956,090	50%	\$1,478,045	\$1,478,045
TANF	0.6%	\$155,584	100%	\$155,584	\$0
Total Other Programs		\$3,111,674		\$1,633,629	\$1,478,045
TOTAL	100%	\$24,653,657		\$20,416,729	\$4,236,928

Overall Budget by Programs for Federal Fiscal Year 2018					
Program Category - DDI	Program %	Program Amount	FFP Rate	Federal Share	State Share
Title XIX - Medicaid	61.5%	\$13,551,504	90%	\$12,196,354	\$1,355,150
Title XIX - Medicaid	25.6%	\$5,639,157	75%	\$4,229,368	\$1,409,789
Total Title XIX & XXI		\$19,190,661		\$16,425,722	\$2,764,939
SNAP	12.3%	\$2,715,430	50%	\$1,357,715	\$1,357,715
TANF	0.6%	\$142,917	100%	\$142,917	\$0
Total Other Programs		\$2,858,348		\$1,500,633	\$1,357,715
TOTAL	100%	\$22,049,009		\$17,926,355	\$4,122,654

6 Next Steps

DOM and MDHS have acted quickly and decisively to implement the Act and allow for as much time as possible to leverage the A-87 Exception. Now that Federal approval has been granted, DOM and MDHS are kicking off the official project and working to contract with technology vendors to accomplish the vision. DOM and MDHS plan to implement Tier One of this vision by the end of 2018.

DOM and MDHS have chartered the HHSTP Governance Council that will provide transparency and proactive reporting as required by the Act. The following reports will be supplied going forward in accordance with the Act:

- Quarterly Update on this report
- Thirty (30) business days before entering into a competitively bid contract for the eligibility verification service required by Section 3 of this act, the department shall provide a written report to the Governor, the Chairmen of the House and Senate Appropriations Committees, the House Public Health and Human Services Committee and the Senate Public Health and Welfare Committee, and the House and Senate Medicaid Committees, detailing the data sources proposed to be used by the third-party vendor for eligibility and redeterminations, the relevancy of the information from the data sources, the frequency of how often each data source will be accessed, and an explanation of why other data sources that are readily available are not being used. The report shall include a dynamic cost-benefit analysis that shows the ratio of potential fraud detection to the types and kinds of data sources and information tools proposed to be used by the third-party vendor.
- Six (6) months after the implementation of the eligibility verification service required by Section 3 of this act, and quarterly thereafter, the department shall provide a written report to the Governor, the chairmen of the House and Senate Appropriations Committees, the House Public Health and Human Services Committee and the Senate Public Health and Welfare Committee, and the House and Senate Medicaid Committees, detailing the effectiveness and general findings of the eligibility verification service, including the number of cases reviewed, the number of case closures, the number of referrals for criminal prosecution, recovery of improper payments, collection of civil penalties, and the savings that have resulted from the service. The report also shall be provided to the other members of the Legislature upon request.
- The Division of Medicaid and the Department of Human Services shall provide on an annual basis to the chairmen of the House and Senate Appropriations Committees, the House Public Health and Human Services Committee and the Senate Public Health and Welfare Committee, and the House and Senate Medicaid Committees, a report of characteristics of recipients of Medicaid, SNAP and TANF benefits. The report also shall be provided to the other members of the Legislature upon request.

Appendix A: Approval Letters



MS_040417_IAPDU_
Approval_Letter.pdf



MS_RFP_Approval
Letter.pdf