



News Release

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DEPARTMENT OF HEALTH CARE SERVICES ANNOUNCES INTENT TO AWARD NEW CONTRACT FOR THE CALIFORNIA MEDICAID MANAGEMENT INFORMATION SYSTEM

SACRAMENTO – California Department of Health Care Services (DHCS) Director David Maxwell-Jolly today announced that DHCS intends to award a 10-year, \$1.4 billion contract to Affiliated Computer Services (ACS) to serve as its new fiscal intermediary and manage payments for health care services delivered to more than 7 million Medi-Cal beneficiaries.

ACS was selected after an extensive, two-year bidding and evaluation process, the most comprehensive process in DHCS' history. Three companies submitted bids, the most ever for this contract. ACS is a global leader in business process and information technology services, with operations that support multinational corporations and government agencies in more than 100 countries. The contract, which includes improvements to make the fiscal intermediary process more efficient and effective, is expected to begin in early 2010. The current contract ran for seven years at a cost of \$1.2 billion.

"This bid process was an exhaustive, detailed and labor-intensive effort," said Maxwell-Jolly. "We went to great lengths to devise a system that ensures the state will receive outstanding services for its investment. I'm proud of our staff for successfully carrying out this monumental task."

The California Medicaid Management Information System (CA-MMIS) processes payments to health care providers of the Medi-Cal fee-for-service program, including physicians, pharmacies, hospitals and other providers. Before finalizing the request for proposal, DHCS visited and closely examined MMIS systems in five states and had discussions with 30 other states about their systems. These states provided valuable input that helped DHCS develop a procurement document for fiscal intermediary services and a new system that meets the state's needs as well as those of its millions of Medi-Cal beneficiaries.

Director Maxwell-Jolly thanked the outgoing fiscal intermediary, Electronic Data Systems (EDS), which held the contract since 1987: "We are grateful to our business partner EDS for the quality service it provided to Californians for more than two decades." EDS also submitted a bid for this contract term, as did Noridian Administrative Solutions.

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