California Medicaid Management Information System -
CA-MMIS Replacement Project

Quarterly Legislative Briefing

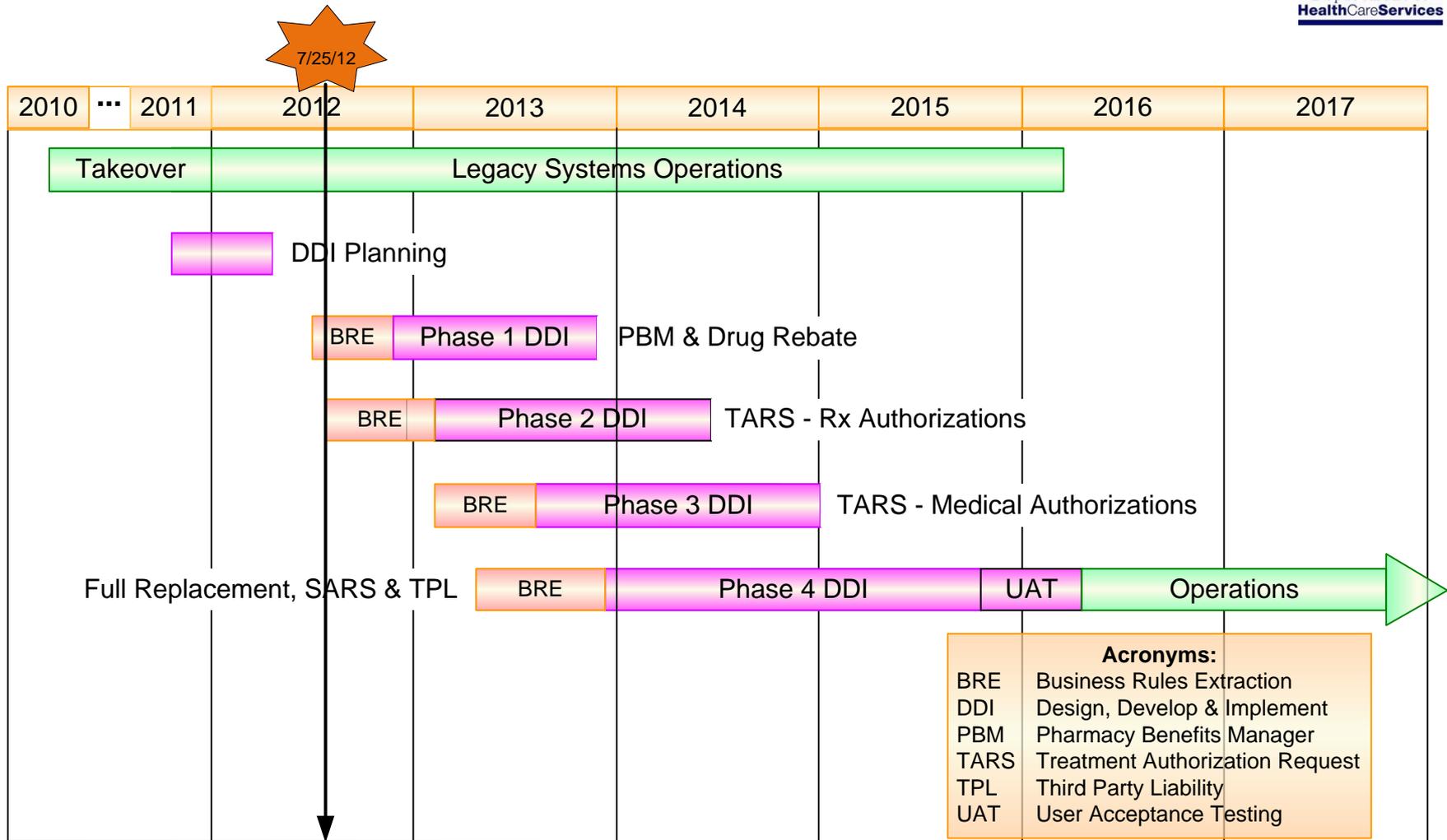July 25, 2012

CA-MMIS Project Scope

- **Legacy CA-MMIS operations**
  - On-going Claims Processing using the Legacy CA-MMIS system
- **CA-MMIS Replacement System Design, Development and Implementation (DDI)**
  - Implement and configure a transfer system to replace the Legacy CA-MMIS system
  - Includes implementation, staff training , provider training, etc.
- **CA-MMIS Enhancements**
  - Health Insurance Portability and Accountability Act (HIPAA) 5010: New functionality to allow the Legacy CA-MMIS to process claims using the new (5010) transaction codes
  - International Statistical Classification of Diseases, 10th Revision (ICD-10): New functionality to allow the Legacy CA-MMIS to process claims using the new (ICD-10) diagnosis and procedure codes
  - State Level Registry (SLR): New functionality to allow the Legacy CA-MMIS to support providers as they convert to Electronic Health Records

Legacy CA-MMIS Operations

- **No significant service downtime**
  - 174 million claims processed since Assumtion of Operations (10/3/2011)
  - $13.5 billion in checks written

- **Claims Processing Volume and Suspense are at Normal Operating Levels**
  - Average 4.2 million claims processed per week
  - Average $329 million in checks written per week
  - Inventory of suspended claims are below expected levels

- **Call Center performance exceeds expectations**
  - 4,300 provider & beneficiary calls per day
  - 1:09 average time on hold
  - 4.13% abandonment rate

CA-MMIS Replacement Timeline

7/25/12

| 2010 | ... | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |

Takeover — Legacy Systems Operations

DDI Planning

BRE | Phase 1 DDI — PBM & Drug Rebate

BRE | Phase 2 DDI — TARS - Rx Authorizations

BRE | Phase 3 DDI — TARS - Medical Authorizations

Full Replacement, SARS & TPL — BRE | Phase 4 DDI | UAT | Operations

Acronyms:
BRE — Business Rules Extraction
DDI — Design, Develop & Implement
PBM — Pharmacy Benefits Manager
TARS — Treatment Authorization Request
TPL — Third Party Liability
UAT — User Acceptance Testing

CA-MMIS Replacement Status

- **Schedule**
  - Planning schedule re-baselined with kickoff date set for 10/31/2012
  - Business Rules Extraction for Phase I is ready for rule validation
    - 11,000+ documents reviewed
    - 2,200 rules extracted
  - Business Rules Extraction for Phase II continues
    - 2,600 documents reviewed
    - 744 rules extracted
- **Critical Deliverables**
  - System Development Approach submitted to DHCS on July 18, 2012 is conditionally approved
  - Master Project List (MPL) completed on June 29, 2012
  - Work Breakdown Structure expected to be completed on August 22, 2012
  - Phase I Schedule expected to be completed on October 5, 2012
  - Phase II Schedule expected to be completed on October 19, 2012
- **ACS State Healthcare, LLC name has changed to Xerox State Healthcare, LLC**

CA-MMIS Replacement Status

- **Pharmacy Subject Matter Experts (SMEs)**
  - DHCS has identified specific SMEs to support Phase I implementation
  - On boarding approach defined including identification of workgroups requiring SME participation
- **Contracts**
  - Technical Architecture Consultant Services contract was awarded to Sabot Technologies.
  - DDI Project Management (PM) Services Invitation for Bid (IFB) intent to award on July 23, 2012; Contract Execution expected mid to late August

Xerox Performance

- **System Replacement**
  - Scope:
    - Set entrance criteria for start up of replacement system to ensure agreements on approach and the quality of deliverables
  - Status:
    - DHCS required a System Replacement Corrective Action Plan due to concerns about the timeliness and quality of deliverables and the lack of clarity of what was required to effectively kickoff the replacement project.
    - DHCS has used the Corrective Action Plan process to ensure there are clear agreements on the key deliverables and that the expectations of DHCS were met in building the foundation for the replacement system.
    - DHCS has used the Corrective Action Plan process to hold Xerox accountable to the specific actions and plans necessary to make the project successful
    - Additionally, DHCS and Xerox agreed to implement a schedule estimation "Proof of Concept" to satisfy the terms of the Corrective Action Plan and as a quality assurance and validation tool

Xerox Performance

- Enterprise Project Management Office (EPMO) Corrective Action Plan:
  - ☐ Scope:
    - Clarification and direction to Xerox on the scope and responsibilities of the Enterprise Project Management Office (EPMO) as defined in the CA-MMIS Contract 09-86210.
  - ☐ Status:
    - Xerox submitted a detailed response on July 5, 2012
    - DHCS requested an extension for response due back to Xerox on July 26, 2012
      - ☐ Extension requested due to other competing priorities and had minimal impact

Xerox Performance

- **Design, Development & Implementation (DD&I) Required Deliverables Corrective Action Plan**
  - ☐ Scope:
    - Development and submission of Planning Deliverables necessary to commence Phase I has not occurred within the prescribed Contract timeframes, and the delay in receipt and approval of these deliverables have a direct impact/risk to a proposed DDI kick-off date.
  - ☐ Status:
    - DHCS approval of the Xerox corrective action plan provided on June 25, 2012

Xerox Performance

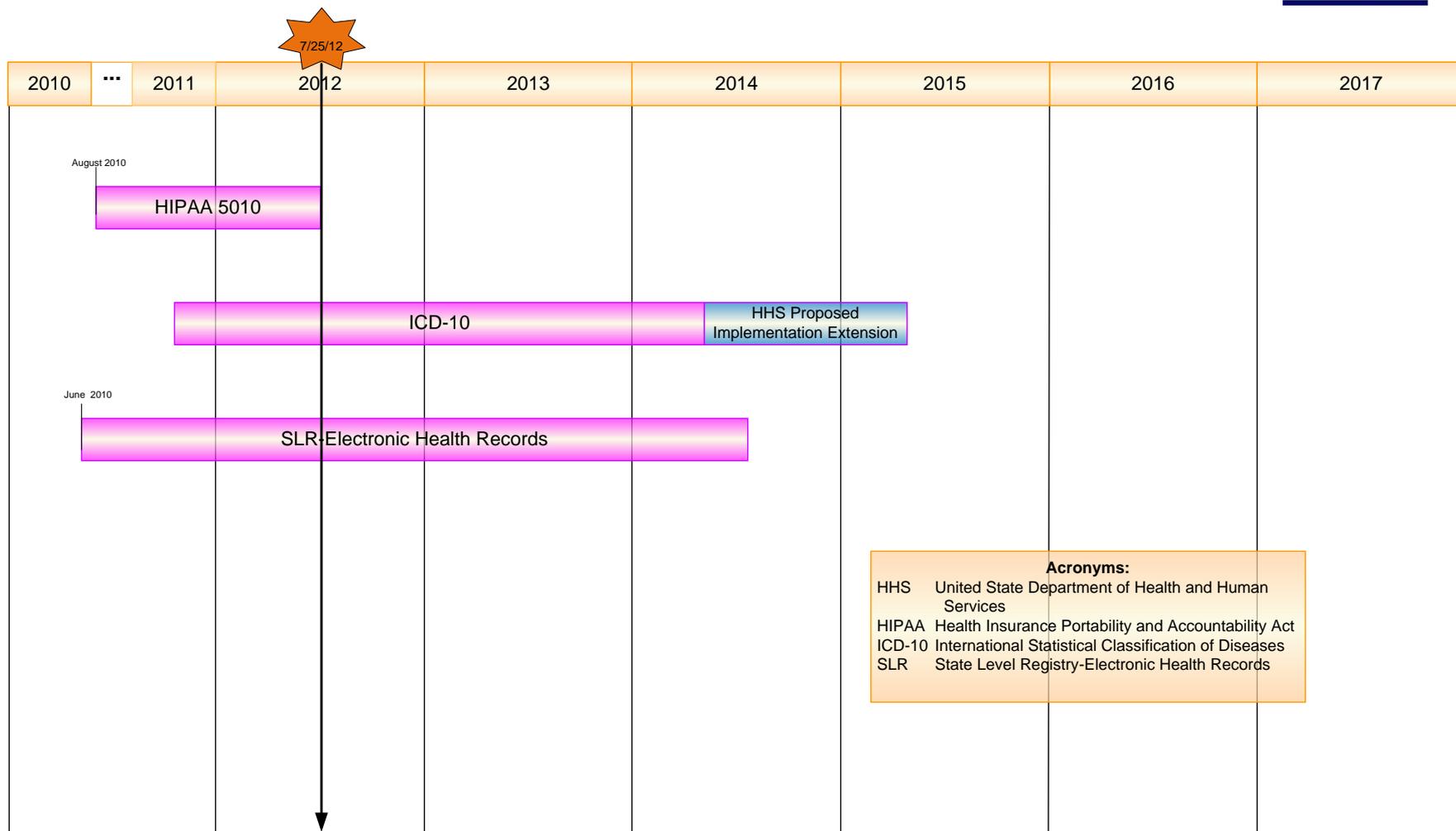- **Environment Management Corrective Action Plan**
  - ☐ Scope:
    - Development and submission of an Environment Management plan that details the strategy, processes and metrics that Xerox intends to use to manage all mainframe and non-mainframe, legacy and new, hardware and software computing and storage environments through out the life of the project.
  - ☐ Status:
    - Xerox response to request for corrective action plan due July 16, 2012
    - DHCS is evaluating response from Xerox received on July 23, 2012

CA-MMIS Enhancement Timeline

2010	...	2011	2012	2013	2014	2015	2016	2017

7/25/12

August 2010

HIPAA 5010

ICD-10 — HHS Proposed Implementation Extension

June 2010

SLR-Electronic Health Records

Acronyms:
HHS   United State Department of Health and Human Services
HIPAA Health Insurance Portability and Accountability Act
ICD-10 International Statistical Classification of Diseases
SLR   State Level Registry-Electronic Health Records

CA-MMIS Enhancements

- Health Insurance Portability and Accountability Act (HIPAA) 5010
  - **The final phase, ability to process both 4010 and 5010 transactions went live on June 25, 2012**
  - DHCS has successfully implemented the following new 5010 Claims Transaction Code functionality:
    - 820 Capitation Payment (Managed Care)
    - 834 Enrollment and Disenrollment (Managed Care)
    - 837i and 837p, 835 for behavioral health and substance abuse treatment (Short Doyle Medi-Cal)
    - 837d and 835 to support Dental Services
    - 837I and 837P Crossover Claims
  - Next Steps:
    - Certify providers for the 5010 format so they can submit using 5010
    - Stop processing 4010 transactions by July 1, 2013

CA-MMIS Enhancements

Certification Status – Non-Pharmacy (3,622 Submitters Total)

Claim Volumes Week Ending 7/13
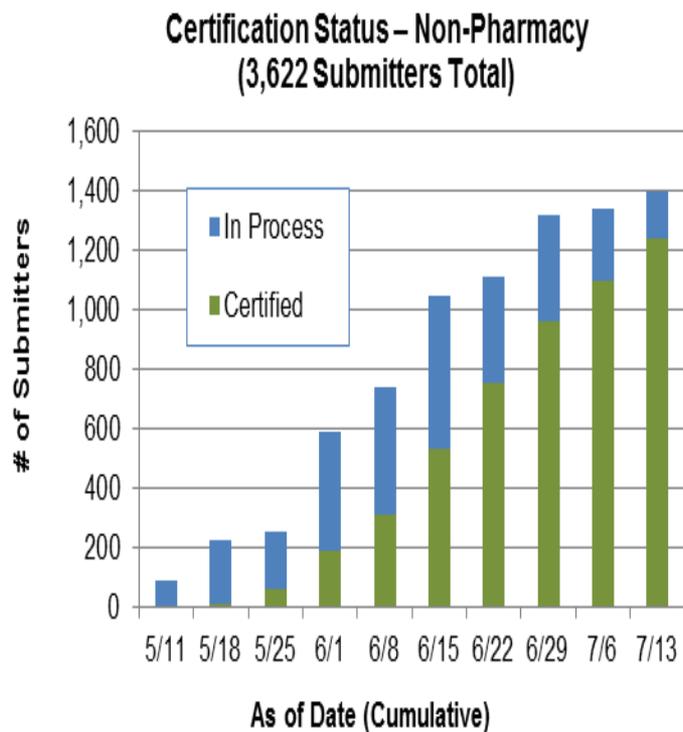
Transaction Type	New Standard	Old Standard	Percent New
Claim Status Batch (276)	0	10,065	0%
Eligibility Batch (270)	0	13,590	0%
Eligibility Real-time (270)	363	1,492,223	0%
Inpatient Batch (837I)	5,366	7,954	40%
LTC Batch (837I)	33,523	28,606	54%
Outpatient Batch (837I)	331,914	848,316	28%
Medical Batch (837P)	330,132	630,971	34%
Remittance Advice (835)	482	1,422	25%
Pharmacy Batch (1.1/1.2)	15	1,845	1%
Pharmacy Real-time (5.1/D.0)	150,843	1,753,069	8%
TOTAL	852,638	4,788,061	15%

CA-MMIS Enhancements (cont)

- **International Statistical Classification of Diseases (ICD-10)**
  - ☐ The current mandated implementation date is 10/1/2013.
  - ☐ United States Department of Health and Human Services (HHS) has proposed a new implementation date of 10/1/2014. HHS anticipates providing a final ruling in late summer.
  - ☐ Objective: Modify the Legacy CA-MMIS to accept ICD-9 and ICD-10 diagnosis and procedure codes on incoming claims
  - ☐ Strategy:
    - Make minimum changes to the Legacy CA-MMIS – use ICD-9 codes
    - Convert ICD-10 codes to ICD-9 codes used by the Legacy system.
    - Project portfolio will need to be evaluated against any new date for implementation finalized by HHS
  - ☐ Status
    - DHCS has instructed Xerox to continue with the Requirements Phase of the ICD-10 project to a decision point of either a Centers for Medicare & Medicaid Services (CMS) delay decision or the end of the Requirements Phase

CA-MMIS Enhancements (cont)

- **State Level Registry (SLR) - Electronic Health Records Incentive Program**
  - ☐ Objective: Develop enrollment portal to accept eligible hospital and provider incentive applications, as well as facilitate $1.9 billion in incentive payments for Adoption, Implementation or Upgrade (AIU) to Certified Electronic Health Record technology; and engage in the ongoing Meaningful Use (MU) of the technology.
  - ☐ Strategy:
    - Implement application portal for eligible hospitals and providers
    - Develop the State's Administrative Module (SAM)
    - Integrate all functionality with CA-MMIS
  - ☐ Schedule:
    - All provider application modules complete by 10/3/2012

CA-MMIS Enhancements (cont)

- **Provider Incentives/ State Level Registry (SLR)**
  - Summary Status
    - Eligible Hospitals: successful launch on 10/3/2011
      - DHCS 198 submissions
        - 175 Hospitals paid $256 million paid through 7/9/2012
        - 23 submissions currently under review
    - Groups: successful launch 11/15/2011
      - 743 groups created accounts
      - 589 fully constituted and submitted
        - Attached 7,000+ eligible professionals
    - Eligible Providers: successful launch on 1/3/2012
      - 9,717 Providers created accounts (individual or via group)
      - 7,257 Providers have submitted attestations for review and approval
      - 2,001 Providers paid $42.5 million through July 9, 2012
      - 397 providers approved and payment in process