



News Release

NUMBER: 12-02
FOR IMMEDIATE RELEASE
March 20, 2012

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NEW FISCAL INTERMEDIARY ASSUMES OPERATIONS OF CALIFORNIA MEDICAID MANAGEMENT INFORMATION SYSTEM

SACRAMENTO – The Department of Health Care Services (DHCS) today announced that its new fiscal agent for Medi-Cal claims processing, Affiliated Computer Services (ACS), a Xerox Company, has fully assumed operations and is managing payments to health care providers delivering services to more than 7.6 million Medi-Cal beneficiaries. Since assuming operational responsibility in October 2011, ACS has processed more than 90 million claims totaling \$7.5 billion.

The transfer of responsibility for this system, called the California Medicaid Management Information System (CA-MMIS), represents one of the largest and most complex system transitions in California history. CA-MMIS processes payments to physicians, pharmacies, hospitals and other providers in the Medi-Cal fee-for-service program.

“This important change advances our goal of improving delivery of services while also increasing the efficiency of programs,” said DHCS Director Toby Douglas. “We applaud ACS and our own hard-working staff for their dedication and skill, and also note that our partnerships with providers and their associations were key factors in our success.”

In 2010, DHCS awarded a 10-year, \$1.6 billion contract to ACS to manage CA-MMIS. ACS was selected after an extensive two-year bidding and evaluation process. The ensuing transition from the former fiscal agent, Electronic Data Systems/Hewlett Packard, required detailed planning, training, testing and multiple practice sessions during the past 18 months.

Director Douglas also thanked the outgoing fiscal agent, which had held the contract since 1987. “We are grateful to Electronic Data Systems/Hewlett Packard for the quality service it provided to Californians for more than two decades,” Douglas said.

The transition project will next begin the transition of Medi-Cal to a new system called Health Enterprise. This system will give California flexibility to improve how it pays claims and enhance its ability to prevent fraud and abuse. Health Enterprise will also meet Medicaid Information Technology Architecture standards, allowing the state to maximize federal funding.

ACS processes approximately 800,000 health care provider claims daily, with average weekly payments of about \$330 million. ACS also responds to more than 4,000 calls daily from beneficiaries and providers.

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