



MAXIMIZING YOUR MMIS TRANSFORMATION

PLAN AND PREPARE YOUR WAY TO SUCCESSFUL MODULARITY

In this perspective, we draw on our experience supporting Medicaid Management Information System (MMIS) transformation programs to explain the concepts and intent of Medicaid Enterprise System (MES) modularity and detail the planning and preparation required for successful transformation.

WHERE WE ARE TODAY

Several states have embarked on the transition from a legacy monolithic MMIS to the more targeted MES module approach, since Centers for Medicare and Medicaid Services (CMS) mandated that MMIS replacements be done in a modular environment. Modularity allows states to take advantage of the latest technologies and vendor specializations and implement new business processes more quickly and cost effectively.¹



MODULARITY ALLOWS STATES TO TAKE ADVANTAGE OF THE LATEST TECHNOLOGIES AND VENDOR SPECIALIZATIONS AND IMPLEMENT NEW BUSINESS PROCESSES MORE QUICKLY AND COST EFFECTIVELY.¹

As one of the conditions for enhanced funding, states must reuse or share Medicaid technologies and systems, like code segments, business rules, advance planning documents, request for proposals (RFPs), CMS-approved milestone review documentation, and operations and management materials. Reuse enables the Center for Medicaid and CHIP Services (CMCS) and states to:

- Reduce risk in development, implementation, maintenance, and operations of business processes and systems
- Lower implementation and operational costs
- Accelerate development and implementation timeline
- Improve the overall quality and maturity of MES²

UNDERSTANDING MODULARITY

Modular projects leverage commercial off-the-shelf (COTS) products or Software-as-a-Service (SaaS) solutions as well as other modular approaches. One of the requirements for enhanced FFP is that any solutions procured be compliant with Medicaid Information Technology Architecture (MITA) 3.0 standards.

Understanding these definitions as well as the MITA business areas and associated processes will help leaders involved in MMIS transformation define which modules need to be procured (e.g., claims, provider, and enterprise data warehouse). When it comes to Medicaid modularity, we've seen it all. We want to share our learnings and recommendations in more detail today

RISKS TO MMIS TRANSFORMATIONS

MMIS transformations share many of the same risks as other large system implementations: insufficient human and financial resources, schedule and cost overruns, a failure to achieve objectives, and low end-user adoption. MMIS transformations also have risks unique unto themselves, such as:

- A lack of CMS certification, which impacts the enhanced FFP available to a state.
- Having leaders who do not fully understand the modular transformation process and outcomes-based certification.
- Inexperience with modularity—because modularity is still in its infancy in the Medicaid space, many of the solutions needed for full enterprise implementation may not be fully mature or even exist yet.
- Prior implementation and certification of modules that are not outcomes focused.
- Implementation and integration of multiple modules by various vendors.



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GETTING STARTED WITH MMIS TRANSFORMATION

PLANNING AND BUSINESS ANALYSES

Proper research and planning are essential when preparing to transform a legacy MMIS to a more modular environment. The state Medicaid agency (SMA) should start by dedicating a core team with diverse subject-matter expertise to lead and support the charge. This team should report to an executive-level sponsor who champions the endeavor and helps the team align to the state's vision for the MES.

The next step is to establish a governance structure responsible for strategic and tactical decision-making. This organization will be charged with defining what a module is in the context of the pending transformation, and crafting a strategic plan that will serve as the transformation's North Star. The strategic plan should focus on achieving outcomes that enable the agency to administer the Medicaid program more efficiently.

Once the SMA has defined what will constitute its modules, it can begin developing a modular roadmap to transform the Medicaid enterprise. Developing the modular roadmap can be an intensive effort and can be achieved in multiple ways, so proper planning is critical.

North Highland has a proven, effective approach to developing the modular roadmap. We deploy professional business analysts and subject-matter experts to perform robust current state and future state analyses. These analyses also inform the timing and sequencing of procurements, ensuring that day-to-day administration of the Medicaid program isn't disrupted. We find that it's often advantageous to sequence module transitions in a way that reduces the need for costly extensions of existing contracts.

PROCURING MODULES

Leaders should understand the vehicles for procuring business modules and other solutions—RFPs, and invitations to negotiation (ITNs) are not the only games in town. Desired solutions may also be available via alternate contract source (ACS) procurements, such as the National Association of State Procurement Officials (NASPO) ValuePoint or the General Services Administration's (GSA) Multiple Award Schedule (MAS) Information Technology. These procurement options can yield positive results for states in terms of time, resources, and cost savings.

- *Leveraging the [NASPO ValuePoint option](#) can increase efficiency by simplifying requirements development, cost estimations, and service level agreement and liquidated damages development (SLA / LD). Using these predeveloped requirements can save considerable time, even if a state needs to develop state-specific requirements to be included in a participating addendum. Using NASPO also demonstrates to CMS that the state is embracing the reuse mandate required for enhanced federal funding.*
- *The pre-negotiated ceiling prices associated with the solutions available under these procurement options can provide significant cost savings over traditional commercial pricing and serve as a starting point for head-to-head vendor competition and further negotiations. In most instances, when a state uses NASPO or GSA 70 to procure a solution, the contract award cannot be protested, which can save time and cost when compared to a traditional RFP or ITN award.*

The procurement strategy could vary from one module to another depending on the SMA's business needs. North Highland helps states understand their procurement options and the processes involved when using ACS within the state's procurement guidelines.

HOW PROGRAM MANAGEMENT HELPS

With CMS guidance encouraging states to move away from monolithic system implementation projects to pursue more adaptive, modular solutions embracing reuse and interoperability, MMIS implementations become strategic programs designed to transform how a state delivers Medicaid services. Program management is the glue that binds the strategic and tactical elements of an MMIS transformation together.

Develop a program management plan, which will serve as the playbook for program delivery activities, and a program roadmap, which will provide a bird's-eye view of the entire journey. We work with states to develop a program management plan, which will serve as the playbook for program delivery activities, and a program roadmap, which will provide a bird's-eye view of the entire journey.

In any MMIS transformation, leaders must assess project-level changes through the lens of how they could impact other projects and the program overall; this holds true for revisions to time, cost, and scope as well as organizational change. Coordinating organizational change is especially important to ensure consistent messaging from the program (and its subprojects) and stakeholder adoption of the significant procedural and organizational changes driven by MMIS transformations.

Of course, the need for tight dependency management is essential when implementing modules, especially when multiple projects are underway concurrently and the functionality of one enables the functionality of another. This level of coordination requires a dedicated team to monitor the projects' schedules, changes, and risks, much like an air traffic controller works to keep planes from crashing and runways clear.

CMS CERTIFICATION

CMS certifies states' MES to ensure that they support efficient and cost-effective management of the Medicaid program while also satisfying regulatory requirements and CMS directives. Without certification, Medicaid systems will not be eligible for the enhanced FFP critical to the administration of the Medicaid program. After the systems are in production, CMS reserves the right to conduct periodic assessments of states' MES to ensure that they follow defined requirements and regulations.

The CMS certification model is moving toward outcomes-based certification (OBC), which is a streamlined, modular certification approach that focuses more on quantifiable outcomes that produce positive results for the Medicaid enterprise. Targeting outcomes in a modular environment allows the SMA to focus on smaller pieces of work that will collectively yield the desired outcomes, and this has a direct impact on the efficiency of many SMA business functions. We've been at the forefront of OBC and have vast experience in CMS certifications spanning the "Big Bang" model as well as all iterations of the Medicaid Enterprise Certification Toolkit (MECT).

¹ [Modularity in Focus](#)

² [Medicaid Enterprise Reuse](#)

ABOUT THE AUTHORS

TARA KYVIK, Expert Practitioner

Tara.Kyvik@northhighland.com

Tara has 20 years of IT experience spanning the systems development lifecycle and including some IT infrastructure management. In 2017, she was recognized by StateScoop as one of the Top 50 Women in IT. She also has over 15 years of experience in project, program, and portfolio management, including Independent Verification and Validation (IV&V), and leading Project and Program Management Offices.



JASON KELLY, Expert Practitioner

Jason.Kelly@northhighland.com

Jason is an Expert Practitioner at North Highland with over 12 years of experience in the Healthcare and Human Services (Medicaid) industry. Specific areas of his expertise include MECT, MITA, Claims Operations, Project Management/ Business Analysis, and IV&V.



ABOUT NORTH HIGHLAND

North Highland makes change happen, helping businesses transform by placing people at the heart of every decision. It's how lasting progress is made. With our blend of workforce, customer and operational expertise, we're the world's leading transformation consultancy. We break new ground today, so tomorrow is easier to navigate.

Founded in 1992, North Highland is an employee-owned firm—regularly named one of the best places to work. We have more than 5,000 consultants worldwide and 65+ offices around the globe. Meanwhile, we're a proud member of Cordence Worldwide (www.cordence.com), an international consulting alliance. For more information, visit northhighland.com and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

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