

Medicaid Management Information System (MMIS)

Current Status – DHS MMIS contains 30-year-old software systems technology that is extremely out-of-date, and in need of replacement.

- The system processes and handles claims for approximately 31,000 health care providers annually and tracks medical eligibility of about 600,000 Oregonians.
- The system was designed to handle about 260,000 claims per month; it is now processing over 2 million claims monthly.
- The original system was based on a fee-for-service payment system and has transitioned significantly overtime to a managed care environment.
- Because the system is so overworked, it has become difficult to maintain and is incapable of being expanded to meet future needs.

Inadequacies of the current MMIS – A number of fundamental weaknesses have been identified in the current system.

- Limited Medicaid provider access to MMIS information.
- Technical issues that limit the supportability of the system such as hard coded logic, no database capabilities, limited on-line capabilities, and inflexible data structures.
- The vendor no longer supports the current MMIS software.
- A backlog of a large number of MMIS system change requests.
- Inability to timely and accurately provide Medicaid data to policy decision makers.

Replacing the MMIS – The Department’s new MMIS will be the largest and most complex information system in state government. DHS plans to transfer a MMIS that is currently operational in another state and enhance the system to meet Oregon’s requirements.

- Approximately 90 percent of the estimated total cost for development and implementation is from federal funds. The state funding for the project is being funded through a Certificate of Participation (COP).
- Unlike 37 other states that have contracted out the Medicaid payment process, DHS will continue to support claims processing and other Medicaid administration functions.
- In addition to contracting for the design of system enhancements, the department plans to contract out the computer operations and maintenance functions. In 2007, 37 DHS staff positions will be directly impacted. The department is committed to ensuring compliance with the collective bargaining agreement regarding all employee entitlements related to the displacement. Additionally, over the next two years, DHS will continue to work with the

affected staff to continue support for the existing MMIS and at the same time develop plans to assist with job transitions as opportunities arise.

Benefits of the new MMIS – DHS will realize cost savings and cost avoidance with the implementation of the new system, making processing claims more efficient and providing better access throughout the state.

- **Cost Savings** - DHS estimates the new system will result in significant savings in Medicaid administrative staff as the result of operating efficiencies through increased automation and fewer manual processes. DHS estimates significant additional cost avoidance to the Oregon Medicaid Program through two means:
 1. Identifying and forwarding claims to the primary insurer before Medicaid, and
 2. Identifying Medicaid claims not eligible for payment.
- **Provider Access** – The new MMIS will provide a self-service web portal for Medicaid providers for the first time in Oregon. This feature will allow for real time eligibility verification, submission of claims, payment tracking, and submission of service authorizations. Enhancements will be able to be made in: program announcements, provider enrollment, communications, on-line training, payment status, and claims submissions.
- **Flexibility to Develop OHP** – The new system will provide flexibility to support federal and state Medicaid policy changes and to support legislative changes in the Oregon Health Plan. For example, the new system will allow policy makers to easily establish new benefit packages to better meet the needs of specific client populations while managing available budgets.
- **HIPAA Compliance** - The new system will support federally required HIPAA regulation for Transaction and Codes, Privacy, Security and National Provider Identifier.
- **Centralized Call Tracking** – The new MMIS will provide centralized call tracking, to improve communications and allow for quicker problem resolution for providers and clients.
- **Decreased Processing Time** – The new system will improve customer service by decreasing the time to process paper claims from backlogs of several days to resolution in several hours. In addition, the system will allow providers to generate and submit claims on-line for immediate adjudication compared with submitting paper claims that may take weeks to process.

Progress -- DHS is on schedule to transition to a new system by Fall 2007.

- DHS awarded the MMIS Quality Assurance Contract services to FOX Systems in March 2005.
- DHS awarded the MMIS Design, Development and Implementation Contract services to EDS in July 2005.
- DHS will be phasing-in MMIS subsystems over a 27 month period ending in October 2007.