

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

|                             |                         |
|-----------------------------|-------------------------|
| TO<br><i>Bowling/Morris</i> | DATE<br><i>10/31/06</i> |
|-----------------------------|-------------------------|

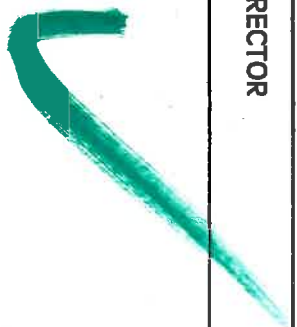
|  |   |
|--|---|
| <b>DIRECTOR'S USE ONLY</b>   | <b>ACTION REQUESTED</b>   |
| 1. LOG NUMBER<br><i>000330</i>                                       | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____                   |
| 2. DATE SIGNED BY DIRECTOR   | <input checked="" type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE <i>11/10/06</i> |
| <i>Per Susan Bowling this log does not to be answered NK 11-9-06</i> |   |
| <input type="checkbox"/> FOIA<br>DATE DUE _____                      |   |
| <input type="checkbox"/> Necessary Action                            |   |

| APPROVALS<br>(Only when prepared for director's signature) | APPROVE | * DISAPPROVE<br>(Note reason for disapproval and return to preparer.) | COMMENT |
|--|---------|---|---------|
| 1.   |         |   |         |
| 2.   |         |   |         |
| 3.   |         |   |         |
| 4.   |         |   |         |

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

|          |          |
|----------|----------|
| TO       | DATE     |
| Boudling | 10/31/06 |

|  |   |
|--|---|
| DIRECTOR'S USE ONLY  | ACTION REQUESTED  |
| 1. LOC NUMBER<br>600330  | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____                   |
| 2. DATE SIGNED BY DIRECTOR<br> | <input checked="" type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE <u>11/10/06</u> |
|  | <input type="checkbox"/> FOIA<br>DATE DUE _____   |
|  | <input type="checkbox"/> Necessary Action   |

| APPROVALS<br>(Only when prepared<br>for director's signature) | APPROVE | * DISAPPROVE<br>(Note reason for<br>disapproval and<br>return to<br>preparer.) | COMMENT |
|---|---------|--|---------|
| 1.  |         |  |         |
| 2.  |         |  |         |
| 3.  |         |  |         |
| 4.  |         |  |         |

**From:** "Gregorio Hunt" <GHunt@aphsa.org>  
**To:** "Gregorio Hunt" <GHunt@aphsa.org>  
**Date:** 10/26/2006 6:17:48 PM  
**Subject:** NASMD Medicaid Management Information Systems (MMIS) Procurement Survey - Responses Requested

\* All NASMD Members blind copied for privacy protection purposes.

Good Afternoon State Medicaid Directors and Medicaid Information Systems TAG (S-TAG) Members:

Most states periodically conduct competitive procurement for a contractor to operate its Medicaid Management Information Systems (MMIS). Consequently, contractual services may be utilized to perform work for design, development, installation, or enhancement of a mechanized claims processing and information retrieval system. We have developed a survey to improve our understanding of how your state utilizes contractors, subcontractors and/or your staff to operate and upgrade your MMIS. We also would like to ascertain your state expenditures regarding your MMIS procurement process. Please note that your responses will be important as we share pertinent information to help states that are now in this process or soon will be in the near future. The results of this survey WILL NOT be shared with the vendor community.

Use the link to access the MMIS procurement survey  
<http://www.surveymonkey.com/s.asp?u=806142785044>.

Please respond by Monday, November 6, 2006. S-TAG members please circulate this survey to your state systems contacts in your region.

If you have any questions regarding the survey, please do not hesitate to contact me via e-mail at [ghunt@aphsa.org](mailto:ghunt@aphsa.org) or by phone at (202) 682-0100, x254.

Thank you in advance for your attention to this request.

Greg

Gregorio Hunt, MPA

**RECEIVED**  
OCT 30 2006  
Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Senior Policy Associate

American Public Human Services Association

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CC: "Martha Roherty" <MRoherty@aphsa.org>

## Medicaid Management Information System Procurement Survey

### 1. Background Information

The Medicaid Management Information System (MMIS) is used for claims processing and retrieval of information. Among other things, MMIS is used for Medicaid program administrative costs; service to recipients, providers and inquiries; operations control and computer capabilities; and management reporting for planning and states periodically conduct competitive procurement for a contractor to operate Contractual services may be utilized to perform work for design, development, or enhancement of a mechanized claims processing and information retrieval system. We assure the results of this survey will only benefit states and will NOT be shared with the vendor community. Thank you in advance for your participation!

**\* 1. Please indicate your state and the name and phone number/e-mail address for the person completing this survey.**

**Next >>**

## Medicaid Management Information System Procurement Survey

### 2. Fiscal Agent/State-Run

Responses to the following questions pertain to MMIS operations, not policy.

2. Does your state operate an only state-run system?

- ☐ Yes  
☐ No

3. Does your state operate an only fiscal agent system?

- ☐ Yes  
☐ No

4. Does your state operate with a fiscal agent with some components performed by your state?

- ☐ Yes  
☐ No

5. If yes, please list the components and which entity operates it.

6. Is your state primarily state-run with some components performed by vendor (s)?

- ☐ Yes  
☐ No

7. If yes, please list the components performed by your state and those by vendors.

**8. Who is your state's MMIS fiscal agent?**

**9. When does your current MMIS vendor contract expire? Please list components of your MMIS system and the vendor for each service.**

**10. When does your current MMIS vendor contract expire with an option extension period? Please list components of the MMIS and the vendor for each service.**

**11. Please provide us your state annual expenditure (state and federal) for federal fiscal year 2005 and fiscal year 2006 for your state MMIS contract? Please list the services performed by your state and list the expenditure.**

**<< Prev      Next >>**

## Medicaid Management Information System Procurement Survey

### 3. General Procurement

12. Have you recently (within the last 2-3 years) procured your MMIS?

- ☐ Yes  
☐ No

13. Was the procurement for a new MMIS or for a new vendor to run the MMIS?

- ☐ New MMIS  
☐ New vendor to run the MMIS  
☐ Other (please specify)

If you would, please provide a copy of the RFP and the subsequent contract to Greg Hunt at [ghunt@aphsa.org](mailto:ghunt@aphsa.org)

14. Would you be willing to share your vendor evaluation criteria?

- ☐ Yes  
☐ No

15. If yes, was the procurement for a fiscal intermediary or system support only?

- ☐ Fiscal intermediary  
☐ System support only  
☐ Other (please specify)

16. Does your MMIS agreement contemplate ad-hoc reporting?

- ☐ Yes  
☐ No

17. If so, how are these reports priced/compensated?



If you would, please provide us with an electronic document/link to obtain an understanding of your state's Medicaid program such as number of consumers, their demographics (managed care, waivers, fee for service), and percentage growth per year. This can be sent to Greg Hunt at [ghunt@aphsa.org](mailto:ghunt@aphsa.org)

**18. If you are in the process of procurement, how does MITA and the MITA assessment factor into the procurement planning?**

**19. If you have recently contracted for a new MMIS and the effort is in progress, how does MITA factor into the development process?**

**20. How has MITA impacted your business processes and how you are organized to execute them?**

**<< Prev      Next >>**

## Medicaid Management Information System Procurement Survey

### 4. Pricing/Payment Methodology

**21. Please describe the pricing and payment methodology for the deliverables, tasks, and services that are part of your MMIS agreement. (This could apply to implementation of a new system, for an on-going system enhancements and operations). Please indicate other deliverables, tasks, and services where appropriate. Please estimate the dollar amount for each that applies.**

Maintenance/Modifications  
Project Management  
Claims Processing  
Mailing/Printing Services  
Other  
Help Desk  
Other  
Implementation  
Reporting  
Development

**22. Has your agency used, considered or explored any of the following pricing/payment methodologies for your MMIS contracted services? (This could apply to both provider payments and fiscal agent contractor services). Please respond to all that apply.**

Capitated or Per-Member Per Month  
What happens if the maximum number of transactions is exceeded in that timeframe?  
Other  
Any other alternative/hybrid approaches, (e.g., fixed pricing with consideration for change to members)  
Cost + Award Fee (or other incentive approach)  
#Transactions (claims, encounter, capitation)  
Is there a maximum? If so, what is the timeframe for the maximum?  
Firm Fixed

**23. Have you instituted changes to pricing approaches during a contract term, or from one agreement to another?**

☐ During a contract term  
☐ From one agreement to another  
☐ Other (please specify)

24. If yes, have those changes resulted in measurable economies and efficiencies to pricing received during a competitive procurement process? Please explain.

25. Have desired results been achieved during the lifespan of agreements with these approaches? (This could apply to both provider payments and fiscal agent contractor services). Please explain.

26. Has you agency ever received unique alternative pricing approaches from your contractor (or offerors during a competitive procurement) that were not considered or utilized?

☒ Yes

☐ No

27. If yes, please describe that approach.

[<< Prev](#)      [Next >>](#)

**Medicaid Management Information System Procurement Survey****5. Terms/Condition-Protections**

28. Does your current MMIS agreement include provisions for change control, utilization of hours for tasks, or similar protections? Please indicate and explain for all that apply.

Provisions for change control

Utilization for hours of tasks

Other similar protections

29. Does your MMIS agreement include performance measures, applicable financial/non-financial sanctions, and incentive opportunities for your contractor?

☒ Yes

☐ No

30. If you have a state run system, how do you address performance measures, service level agreements, incentives and penalties within the framework of inter and intra-governmental agreements?

[<< Prev](#)

[Next >>](#)

**Medicaid Management Information System Procurement Survey I****6. Re-procurement/History/Contract Information**

31. Prior to engaging in competitive procurements, have you utilized a "request for information" or other process to solicit contractor input for pricing methods or other procurement suggestions?

- ☒ Yes  
☐ No

32. Did your most recent procurement process afford contractors the opportunity to propose/bid on portions of your services?

- ☒ Yes  
☐ No

33. Based upon outcomes of your most recent MMIS procurement process, have you produced a "lessons learned" document enumerating successes gained and challenges encountered during the procurement process? Specifically, did you encounter or design a "unique" approach to the negotiation process that produced significant/positive outcomes?

If you would, please send any "lessons learned" documents to Greg Hunt at [ghunt@aphsa.org](mailto:ghunt@aphsa.org)

34. Has your MMIS system or MMIS contractor been subject to a recent internal (government) or independent CPA audit or attestation function?

- ☒ Yes  
☐ No

35. If yes, did the engagement(s) result in significant findings?

- ☒ Yes  
☐ No

36. Please explain these findings.

**37. If you engage more than one vendor for MMIS services, have you encountered either positive or negative outcomes in the project management of multiple vendors?**

**38. What has your experiences been if you subcontracted some of your services?**

**39. Do you have any Service Level Agreements (SLAs) with the vendor?**

☐ Yes

☐ No

**40. If yes, would you be willing to share them? If so, please send to Greg Hunt at [ghunt@aphsa.org](mailto:ghunt@aphsa.org)**

☐ Yes

☐ No

**41. How often are the SLAs monitored and what mechanism is used for monitoring?**

42. Did a recent procurement or current negotiation for procurement come under protest?

☒ Yes

☐ No

43. If yes, what was the cause of the protest and how was the issue resolved?

44. Are there lessons learned that states might use to mitigate that risk in future procurements?

[<< Prev](#)      [Done >>](#)