

Commonwealth of Massachusetts
Executive Office of Health and Human Services



CMS Quarterly Update

5/10/2017

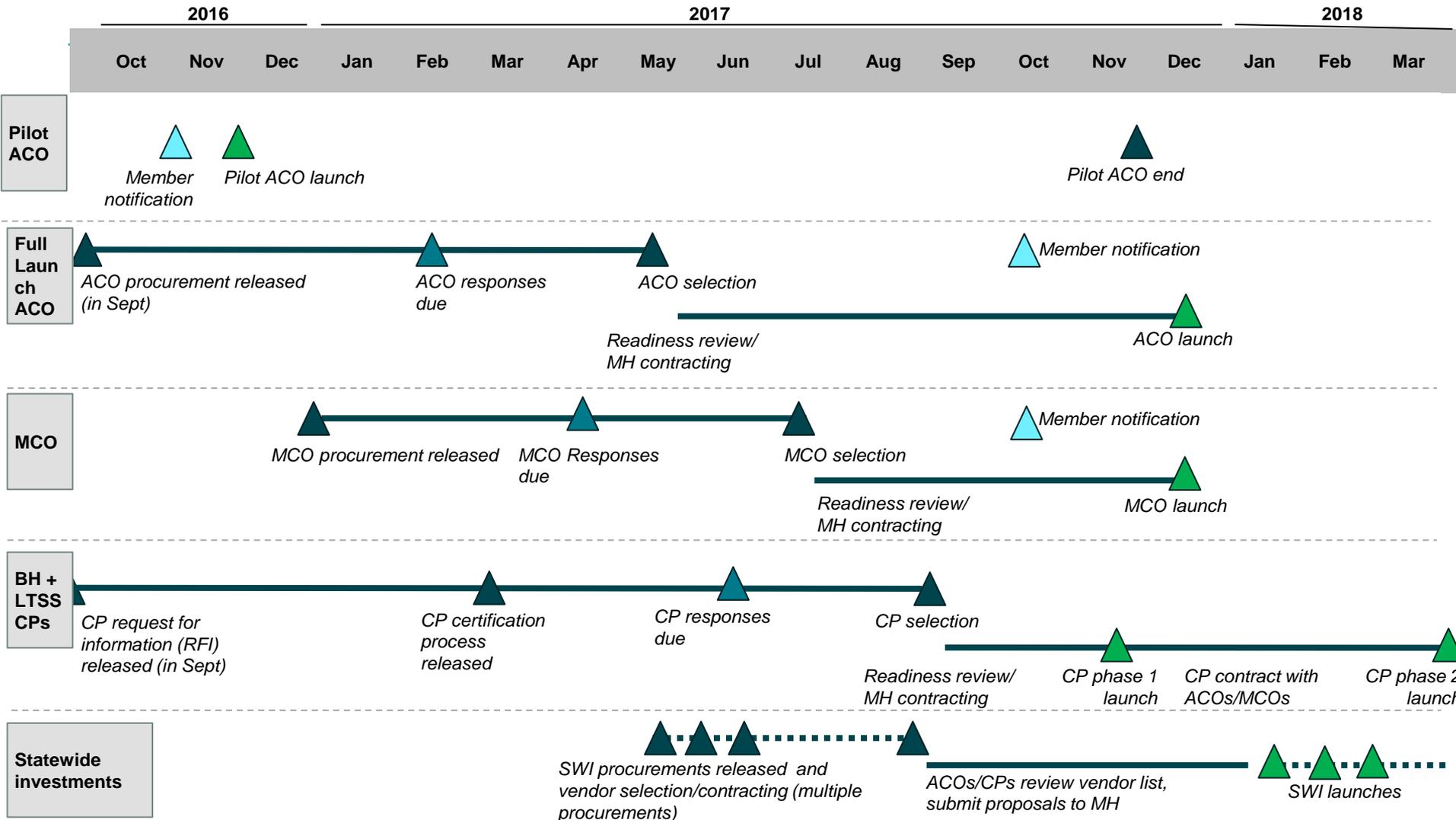
Agenda



- **APD Updates and Overview**
 - MassHealth Enhanced Analytics Project
 - Enhanced Analytics Update
 - PGAV Update
 - MassHealth Payment Reform Implementation Project
 - APD Request Review
- **T-MSIS Project**
 - Current Status
 - Encounter Data
 - Timeline for Phase 2
- **MMIS Modernization Project**
 - Objectives
 - Initiatives
 - Context Diagram
- **Medicaid Enterprise System Environment**
 - Current Portfolio
 - Future Portfolio Approach

IAPD Update and Overview

MassHealth restructuring: overall timeline



IAPD Update and Overview: MassHealth will be submitting 2 APDs



Enhanced Analytics APDU

Summary

- A previously considered COTS data mart will not meet our programmatic needs, MassHealth is procuring an Analytic Vendor to implement the measurement and reporting of financial accountability for TCOC, quality of care, integration of services, reconciliation payments

Updated APD will support:

- Analytics Vendor to intake data, conduct complex analyses, and generate reporting to support ACOs, CPs/CSA, and DSRIP programs
- Actuarial Vendor as a key support for the Analytics Vendor, including development of a normalized data set
- Internal staff to direct, build, and maintain the internal capabilities to support this program
- Project Management of overall production grade analytic strategy between MassHealth, the Analytic Vendor, and the Actuary

Submission Date: May 15, 2017

Target Approval Date: June 30, 2017

Payment Reform Implementation IAPD

Summary

- MassHealth must operationally implement payment reform by standing up the systems functionality outlined in the MMIS Modernization IAPD. It was determined that the operational implementation must be outlined in a separate, corresponding IAPD

This new IAPD will support:

- Inclusion of key contracts (*PM & Customer services vendors*) and acquisition of a contract mgmt. tool to support health plan readiness
- State-wide member & provider education, communication, and notification of new health plan assignments/options to 1.3M members
- Alignment & enrollment of members and providers to health plans and community partners
- Development and modification of member resource tools (existing/new provider directory)
- Development & execution of Implementation plans and critical stabilization activities

Target Submission Date: June 16, 2017

Target Approval Date: August 16, 2017

MassHealth Enhanced Analytics

Production Grade Analytics Vendor Enhanced Analytics APDu



Overview

The scope of the original ACO Enhanced Analytics data mart submission has changed since approval of the original IAPD in November of 2016. A determination was made that no COTS data mart solutions are capable of handling the complex analytics and reporting needed, nor could they meet our deadlines. Hence, we are procuring a production-grade analytic vendor who will be tasked with the measurement and reporting of financial accountability for TCOC, quality of care, integration of services, and payment streams.

A bottoms-up data flow analysis revealed the need for a consistent dataset, including consistent normalizations and transformations, between MassHealth's Actuary and Analytics Vendor. Without data consistency between rate setting, reporting, and payment the program would be at risk of providing misleading reports or payment. As such, the DW will provide the same, "mega extract" to the Actuary and Analytics Vendors. Initially, the Actuary will own all the data normalization and transformation processes, which will be gradually shifted to the Analytics vendor – and eventually MassHealth.

Current Activities

- DW provider ID mapping and special assignment analysis and mapping
- Analytic vendor solicitation and review

Future Activities

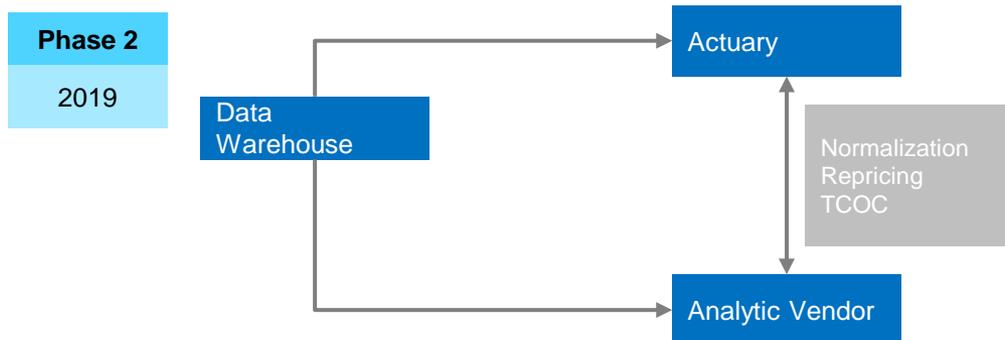
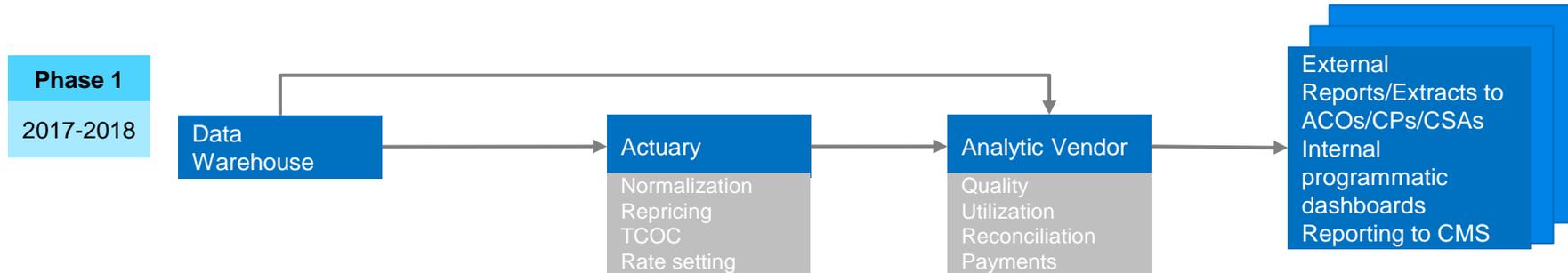
- Test data provided to vendors in May
- Integrated testing with vendor to enhancement "mega-extract" as needed

Enhanced Analytics Strategy



Analytic vendor's data normalization responsibility will increase in a phased approach

- **Phase 1: Creation of a single extract to MassHealth's actuary and analytic vendor**
 - Actuary conducts all data transformations necessary to standardize the data to be used for the actuary's rate setting and TCOC benchmarking as well as analytics and reporting conducted by the analytic vendor
- **Phase 2: Production grade analytic vendor documents and replicates the actuary's data transformation processes**
 - Actuary will provide documentation and training to aid the analytic vendor in the data transformation replication, two vendors will run parallel testing to assure the process is replicated correctly

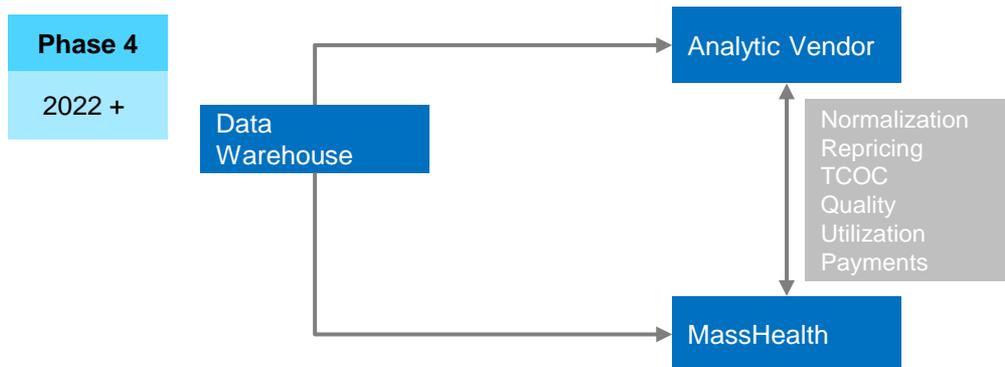
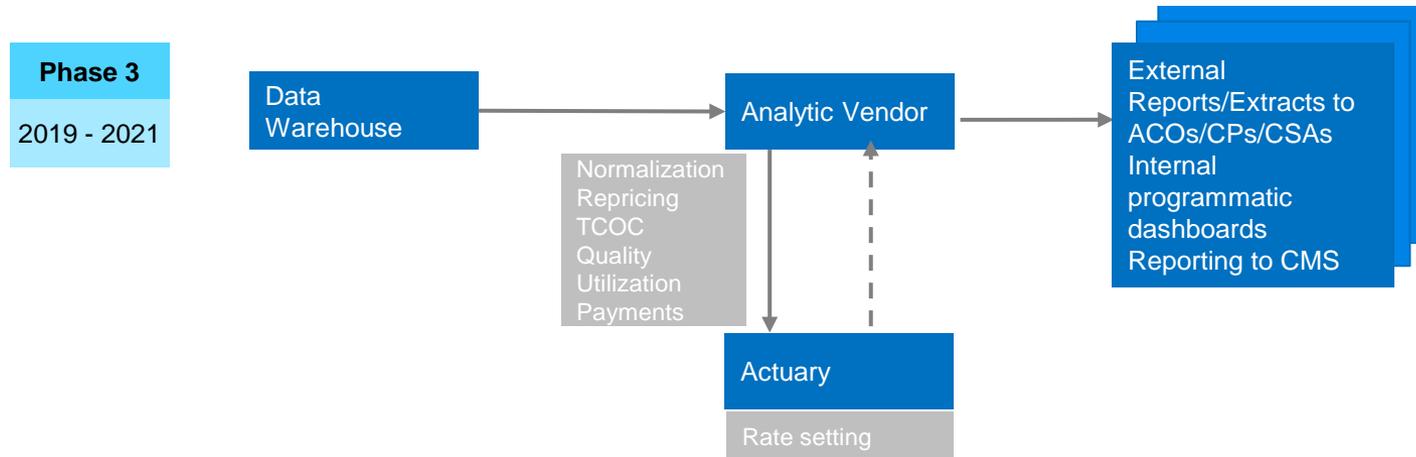


Enhanced Analytics Strategy



Analytic vendor' will transfer all normalization, analytics, and reporting to MassHealth for ongoing operations

- **Phase 3: Analytic vendor conducts all transformations for rate setting, TCOC benchmarking, analytics, reporting**
 - Secondary extract of transformed data goes from production grade analytic vendor is sent to the actuarial vendor to perform rate setting and benchmark development
- **Phase 4: Analytics vendor transfers all normalization, analytics, and reporting to MassHealth for ongoing operations**
 - Including detailed business requirements, technical specifications, and data dictionaries describing all data elements, codes, calculations and algorithms along with training for MassHealth staff



Enhanced Analytics to Support Pilot ACO



Overview

The Pilot ACO program successfully launched on 12/1/2016 with 6 Pilot ACOs; this program will run through 11/30/2017. The data warehouse is supporting the ACO Pilot by maintaining the five areas of changes occurring in the MMIS system that impacted the Data Warehouse, including: (1) ACO entities, (2) ACO provider affiliations and referral circles, (3) member attribution to ACO providers, (4) ACO claims and (5) referral processing.

In order to support ACO reporting needs for the ACO Pilot and beyond, the Data Warehouse has created individual data views for ACO claims, providers, members and user authorizations.

Ongoing Activities

- Providing monthly ACO-specific Claims Extracts
- Providing monthly ACO Member Rosters
- Providing summary-level reporting on excluded substance-abuse claims
- Providing quarterly data extract to MassHealth Pilot analytic vendor for use in ACO summary reports
- Continued report enhancements as requested
- Creation/enhancement of provider directory

Enhanced Analytics MCO Data Integrity



Managed Care Organizations (MCOs) submit Encounter Claims data to the data warehouse in a Customized File Format. Historically, there has been format and specifications in place that have not been rigorously enforced resulting in missing and/or erroneous data. MassHealth business and the MH Data Warehouse worked with MCOs to resolve their data quality issues. Starting in August of 2016, MCOs submitted raw claims data and summary data which was analyzed and compared to the data residing in the data warehouse. All discrepancies were flagged, and new data were resubmitted by MCOs as needed. The project concluded in January 2017.

To ensure ongoing MCO encounter data quality, the DW has set up ongoing data screening processes and continues to work closely with MCOs to ensure the data submitted are accurate and properly included in the DW.

Also, from October 2015 through September 2017, the MCOs will receive a data performance incentive if all currently defined benchmarks have been met for the specified data requirements. If an MCO has not met all the benchmarks, EOHHS has created a detail listing for the MCO to correct their data and re-submit. We are in Quarter 7 of the MCO data quality initiative.

MassHealth Payment Reform Implementation Project

MassHealth is conducting a mid-course funding alignment

- Seek guidance from CMS on the inclusion of critical contracts & procurements
 - Maximus – Customer Service Vendor (*Provider directory/ PCPM*)
 - Deloitte Consulting – Project Management (*base contract & amendments*)
 - *Provide PM support for enhanced analytics activity*
 - *Integrate, align & manage Operations and programmatic plans*
- Contract Management Tool

Payment Reform Initiative (1 of 4)

- The existing MMIS modernization IAPD only outlines the system modifications and technical resources required to develop and implement Payment Reform: ACOs, CPs, and Cost Sharing
- This IAPD does not include the critical business changes and resources to operationally implement the system modifications

ACO

- Launch: 12/18/17
- Accountable care Organization
 - Accountable Care Partnership Plan
 - Primary Care ACO
 - MCO administered ACO

CP

- Launch: 4/1/18
- Community Partners Program
 - Behavioral Health
 - Long Term Services & Support

Cost Sharing

- Launch: 6/30/18
- Member Co-pay
 - Apply across plans
 - ACO
 - MCO
 - PCC Plan

Payment Reform Initiative (2 of 4)

The technical modifications outlined in the MMIS Modernization IAPD cannot be fully implemented independent of the critical business based activities outlined below:

Members

- Educate members state-wide on plan options & timelines (in person, WebEx, fairs, etc.)
- Notify 1.3M members of special assignment
- Notify members of cost sharing requirements & when cap is met
- Enroll members into health plans, CP program, and modify enrollment upon member request
- Develop & issue enrollment guides to 700,000+ households

Providers

- Educate and train providers on new plan structure, member options, and timelines
- Educate and train providers on cost sharing requirements and timeline
- Enroll community partners in MassHealth
- Enroll providers into the new health plan structures & affiliate providers where applicable
- Acquire a provider directory to aid members in plan & PCP selection

Internal

- Define business requirements, validate systems design and support testing as required
- Educate and train agency staff and vendors on plan structures, policies and system mods
- Acquire contract management tool to support ACO coordination & contract compliance
- Create reports, and develop and implement plans (contingency, operational readiness, implementation & stabilization)

Payment Reform Initiative (3 of 4)

MMIS Modernization IAPD

Section 3 – Project Scope

1. **Select and setup Business Rules Engine**
 - Procure rules engine software.
 - Setup Business Rules Engine.
 - Train staff on rules engine if required.
2. **Load PCP information into the MMIS and establish ACO/MCO networks**
 - Enroll ACO/MCO Providers.
 - New Interface with ACO/MCO for PCP/Member Assignment.
3. **Potential Enrollment Workflow Enhancements**
 - Design/Configure initial member evaluation rules within Business Rules Engine
 - New workflow within Oracle SOA Suite for Potential Workflow.
4. **Increase Member Self-Service Capabilities**
 - Self Service Portal for Plan/PCP selection.
 - New workflow within Oracle SOA Suite for Review/Approval Selection.
5. **Establish Lock-In Capabilities**
 - Design/Configure lock-in rules within Business Rules Engine by Plan.
 - New workflow within Oracle SOA Suite for Lock-in.
6. **Establish Try-Out Periods**
 - Design/Configure Try-out rules within Business Rules Engine by Plan.
 - New workflow within Oracle SOA Suite for Try-out.
7. **Assign a Member to a Plan**
 - Analyze/Design/Configure Assignment rules within Business Rules Engine.
 - New workflow within Oracle SOA Suite for member attribution/assignment
8. **Assign a Member to a PCP**
 - Analyze/Design/Configure assignment rules within Business Rules Engine.
 - New Workflow within Oracle SOA Suite for Member PCP Selection.
9. **Launch Process**
 - New workflow within Oracle SOA Suite for program launch
10. **Build ACO Plan(s) into the MMIS**
 - Build ACO Plan(s) into the MMIS.
11. **Changing Benefit Plans – ACO Rollout, Define & Configure Services**
 - Define & Configure Services covered amongst PCC, FFS, MCOs and ACOs leveraging current MMIS capabilities where possible.
12. **Configuration Management Modernization Project**
 - Create reusable capabilities to define services within the assignment plan that are covered.
13. **Claims Edits Rules – Modernization Project**
 - Define & Configure services covered amongst PCC, MCO, FFS and ACOs leveraging current MMIS capabilities – Aligns with Changing Benefit Plans.
 - Enhance the MMIS to leverage an external module for claim policy rules.
14. **Allow Programs to Increase Utilization of Referrals**
 - Define & Configure services requiring a referral – Aligns with Changing Benefit Plans.
 - Add a configurable framework within the MMIS to designate those situations under which the referral requirement is bypassed.
24. **Proof of Concept – Implementation of ACO models, POC Population Based Payments**
 - Model B to have population based payments (per member per month capitation payment) and a downgrade in Fee Schedule for that Plan.
25. **Implementation of ACO models, Configure Payment Structures**
 - Configure capitation and FFS payment structures to support ACO model(s).
26. **Implementation of ACO models, Network Framework**
 - Build framework for provider Affiliation (provider network) in the MMIS to include in/out of network payment capabilities.

The Payment Reform Operations implementation activities align with, and are critical to, the overall facilitation and implementation of the functionality outlined in the federally approved MMIS Modernization IAPD

Payment Reform Operations Implementation Activity

SMEs: Business staff will define systems and reporting requirements, validate systems design, participate in UAT, operationally implement the new MMIS modernization functionality; develop & issue member & provider communications to educate members on the ACO & MCO plans, CPs, and plan selection functionality, develop and implement processes to map ACO & MCO providers & members to facilitate ACO provider enrollment into the new ACO structures developed in MMIS; coordinate with ACOs and MCOs to operationally implement the new ACO structures; design, develop and implement business and other operational processes to facilitate the implementation

Implementation Support Vendor: provide critical project management support to facilitate the implementation of the functionality developed & configured in MMIS (ACO & MCO plans, member plan selection, CP, etc.); lead x-functional operations workgroups to ensure all functional activities are defined, completed and payment reform is implemented across MassHealth

Customer Services Vendor: Assist members with plan selection; explain options and enroll members into the newly constructed ACO & MCO plans and CP; implement a provider directory that will enable members to identify plans in their area, find a PCC and inform their selection options; training and education of members and educate providers to facilitate the implementation of payment reform

Member outreach & education: MassHealth will coordinate with the CSC, Connector, and other agency affiliates to educate members on the new ACO plan structures and member plan selection options developed in MMIS; develop enrollment guides and other related materials to explain options and assist members with the new plan selections; advertise and conduct education forums across the state to ensure members are informed and prepared for the changes

Software/COTs: Acquire/procure a contract management tool to facilitate the implementation of the new ACO structures; enables MassHealth to manage the myriad of ACO compliance requirements that will facilitate the operational readiness of the agency and the ACOs & MCOs
Provider directory - *see CSC above*

Fund Lectora software license for training module tool to develop and supplement internal user and member training materials

Payment Reform Initiative (4 of 4)

MMIS Modernization IAPD

Payment Reform Operations Implementation Activity

Section 3 – Project Scope Continued...

- 16. **Proof of Concept – Changing Cost-Sharing, proof of Concept (POC)**
 - Develop a proof of concept to confirm current MMIS copay capabilities may be leveraged beyond current in-patient claim usage.
- 17. **Change Cost-Sharing, Family and Cost Share Max**
 - Build capability to import Family Unit and Income/Cost-Share max information from the eight eligibility interfaces.
- 18. **Change Cost-Sharing, Modify ETLs**
 - Modify ETLs transferring family and copay max data to Data Warehouse.
- 19. **Change Cost-Sharing, Real-time Copay Maintenance Service (Inbound / Outbound)**
 - Build Real-time copay maintenance service for use with MCOs, ACOs & POPS (inbound/outbound). Replaces current inbound batch interfaces.
- 20. **Change Cost-Sharing, Member Correspondence**
 - Configure member correspondence notifying members of copay status.
- 21. **Change Cost-Sharing, Configure Copays**
 - Configure copays for different services.
- 22. **Change Cost-Sharing, Differentiate in-network from out-of-network**
 - Build copay rule flexibility to differentiate in-network and out-of-network copays.



SME/Functional – coordinate with MMIS, other sister agency representatives, customer service and other key stakeholders to define business requirements, validate the systems design, support UAT as required, and design, develop and implement business and other operational processes to facilitate the implementation of cost sharing across MassHealth; this includes member and provider communication, education and training.

T-MSIS Project

TMSIS Phase I

- 11/15/2016 : Final T-MSIS Phase I PORT/ORT testing completed
- 11/29/2016 : Files created and forwarded to CMS for review
- 12/23/2016 : T-MSIS Phase I Go-Live authorization received from CMS
- 03/15/2017 : Completed transmission of all TMSIS catch-up files (10/2014 to 3/2017)
- 03/20/2017 : Completed DirectConnect connectivity with CMS.
- 03/30/2017 : Completed release of HPE T-MSIS Common Solution V2.0.02 to align CMS rule changes

TMSIS Phase II

- 12/09/2016 : T-MSIS Phase II IAPD approved by CMS
- 02/28/2017 : 837 Encounter Gap Analysis drafted and submitted for SME review
- 04/29/2017 : Short Term Fix ETL @ 90% complete
- 05/02/2017 : Completed 6 JAD sessions for 837 Encounter Gap Analysis

T-MSIS – Next Steps (Encounter Data)



EOHHS Data Warehouse (DW) receives **encounter data** from various organizations such as Managed Care Organizations (MCOs), Massachusetts Behavioral Health Partnership (MBHP), Senior Care Organizations (SCO) and One Care Plans (ICO) on monthly basis. All plans are required to report encounters that each participating health plan's providers have with the Mass Health recipients enrolled with them.

Historically, encounter data has been submitted to EOHHS DW using a proprietary format. But proprietary format has its limitations where it captures only 203 data elements compared to 837 industry standards which has ability to capture any number of required data fields in a standard format. In addition the Commonwealth discovered significant Encounter Claims data issues in the legacy format submissions. The Commonwealth reviewed several options and it was determined that the best solution was to **exclude Encounter Claims Data for the T-MSIS Project and cover this in Addendum B**. If the encounter data had been included in the TMSIS testing process it is estimated that it would triple the number of errors that will need to be triaged and documented. This would have overwhelmed the testing process and lead to unnecessary delays.

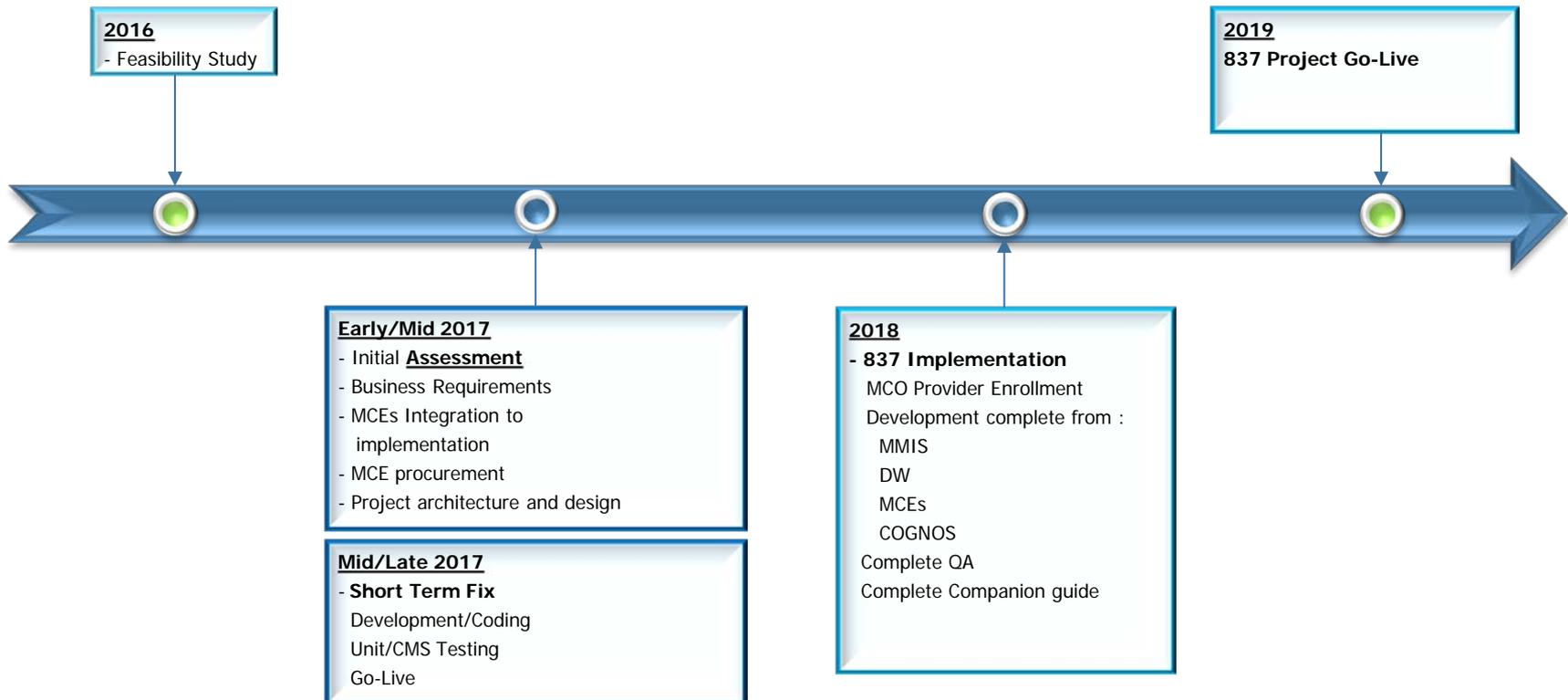
EOHHS **came into compliance with TMSIS as of December 2016** on all of non-managed care business and all files (including enrollment and caps) for managed care, excluding encounter claims data. The Commonwealth will now take the opportunity to **undertake Phase 2** and move from the proprietary format to the EDI 837 format. This will provide clean standardized encounter data that meets business and federal reporting needs. The standardized encounter data can be reliably used for rate setting, performance and quality measurements and to evaluate programs like ACO in terms of total cost of care (TCOC) and utilization. We estimate **initial submission will begin in May 2019**, with further details outlined throughout this document.

837 Encounter Data - Timeline



Submitting the 'short-term' Encounter data to CMS will allow EOHHS time for the full design, development and testing of the 837 Encounter data solution, and the ability to deploy the 837 solution in phases, rather than all at once. With this phased approach, some more accurate and detailed 837 Encounter data may be available sooner, to replace that provided by current Encounter data.

The proposed timeline for this implementation is provided below:

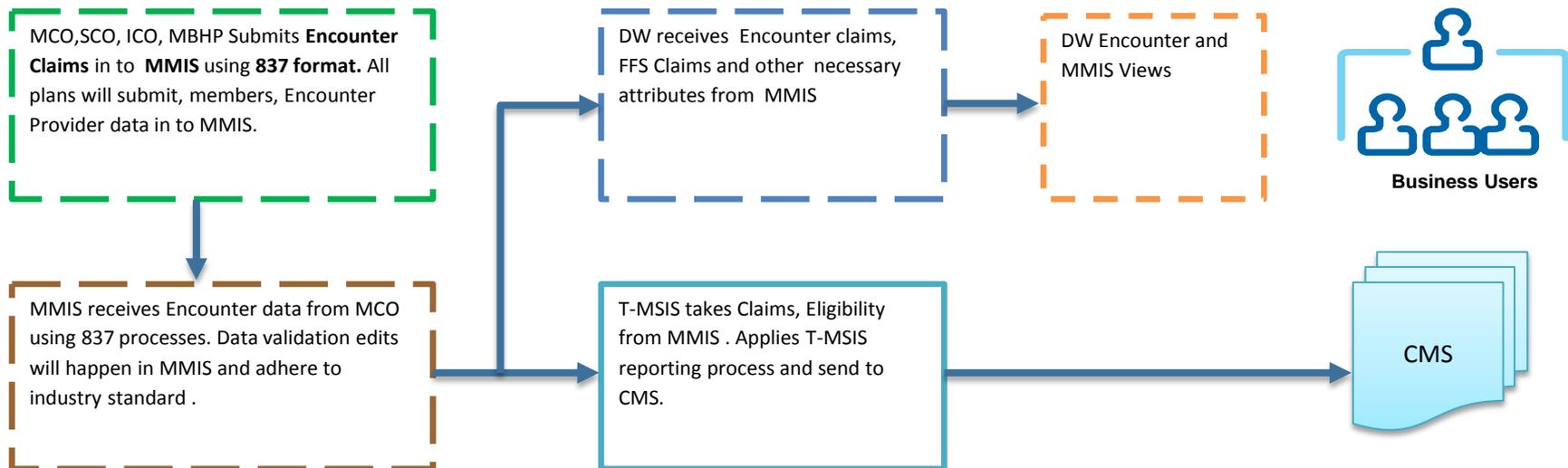


837 Encounter Data – Future State



To standardize encounter data as required under the HIPAA regulations and as specified in the 837 Implementation Guides, this would involve changing the format of encounter claims data submitted by Managed Care Organizations from the current process of flat files in proprietary format to the healthcare industry standard EDI/837 format. MCEs will be submitting encounter data using industry standard interface through MMIS. EOHHS DW will get the encounter data from MMIS through weekly replication process. T-MSIS will gather claims, eligibility, encounter claims, other necessary fields and report to CMS.

Proposed Process after Encounter claims after 837 Implementation



Encounter Data - Short-Term Solution



The initiative was scheduled to be fully implemented by mid-2018, and with the implementation Massachusetts expects to greatly increase the quantity and quality of the encounter data. However, a potential serious and recognized issue related to this project is that it is not anticipated that MCOs will be able to submit historical encounter data in the gap between the decommissioning of MSIS (effective with September 2014 data) and completion of the 837 Encounter data inclusion initiative. Therefore, CMS would have almost a **four-year gap** (October 2014 to mid-2018) **in Encounter data** from Massachusetts.

The Commonwealth currently receives Encounter data, however, this data is recognized as having several limitations:

- ❑ Only approximately 200 data elements are being collected across all claim types (for example, in the CRX file, preliminary analysis has revealed that over 60 T-MSIS data elements would not be available for submission, this number jumps to over 100 for the Claim Inpatient file).
- ❑ The providers associated to the claims are not traceable to MassHealth through the Provider IDs that are submitted in the T-MSIS Provider file. This is true for all providers in all claims files.
- ❑ The Encounter data has not been subjected to stringent editing; so (as noted previously) there will be some issues regarding data quality and completeness.

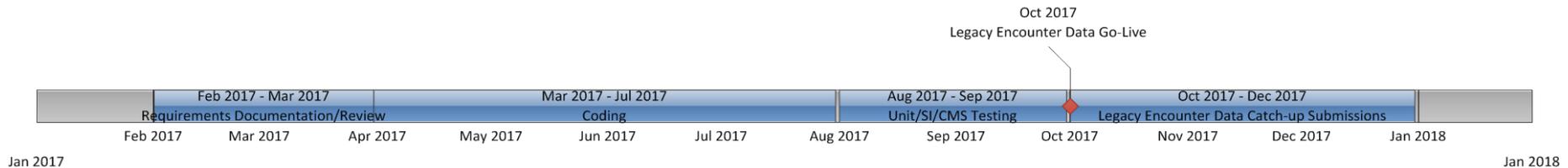
While the solution for rolling out Encounter Data submission via 837 file format is being developed, the encounter data currently being received by the state could be used to alleviate this issue. While this Encounter data is limited in terms of scope, quality and detail (as noted above), it is available, and can serve to bridge that anticipated four-year data gap.

Plan for Short-Term Legacy Encounter Data



Providing this legacy (limited) Encounter data to CMS in a useable format will require development of processes to extract, transform, and submit this data as per T-MSIS requirements. It is expected that each claim type (Pharmacy, Long Term Care, Inpatient, etc.) will require development of its own separate programs/processes to make their related data useable.

The timeline for this effort is provided below:

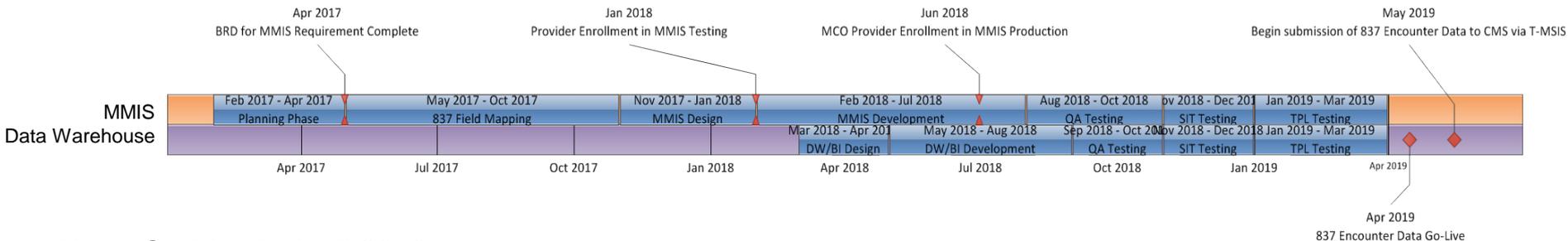


Upon Go-Live of the portion of this project in September 2017, T-MSIS will begin submitting historical legacy Encounter data by quarter to CMS, beginning with the Oct – Dec 2014 period, and will continue submitting this “catch-up” Encounter information until the current time period is reached, an effort estimated to take approximately three (3) months. After Catch-Up is complete, this data will be forwarded to from T-MSIS to CMS every month, until the 837 Encounter effort goes live.

Plan for 837 Encounter Data



The 837 Encounter data development/implementation work will occur concurrently with legacy Encounter data efforts detailed on the previous slide. The timeline for 837 Encounter implementation is as follows:



Upon Go-Live in April 2019:

- Legacy file format no longer submitted by MCE.
- MCEs begin submitting 837 Encounter data to MMIS.
- Commonwealth submits T-MSIS files to CMS using data collect via 837 Encounter format.

Initial submission of 837 Encounter Data to CMS will occur in May 2019.

Criteria for Success:

1. The readiness and ability of MCEs to send claims in both 837 and NCPDP formats
2. Adherence to/acceptance of project timelines by all MCEs
3. Dependency with Provider Enrollment project timelines. Provider enrollment and data will be maintained with this project in MMIS
4. The 837 format will lead to improved responsiveness from all MCEs related to Encounter data testing and correction issues.

MMIS Modernization Project

MMIS Modernization Objectives



- Modularity
 - Design components as distinct functional services
 - Platform components on COTS solutions wherever possible
 - Design open, standardized interfaces and integration processes across platforms
 - Design components to work and grow across the Medicaid Enterprise
- Flexibility
 - Enhance end user capacity to modify components
 - Remove dependencies on 'big bang' releases and hard wired program logic
- Re-usability
 - Extend components to similar functional
 - Stand up products with ability to scale for growth
 - Utilize industry standards (e.g. HIPAA formats, 508 ADA compliance standards)
- Sustainability
 - Deploy user maintainable components wherever possible
 - Enhance testing methods to include
 - SME based updates
 - Full end-to-end performance testing

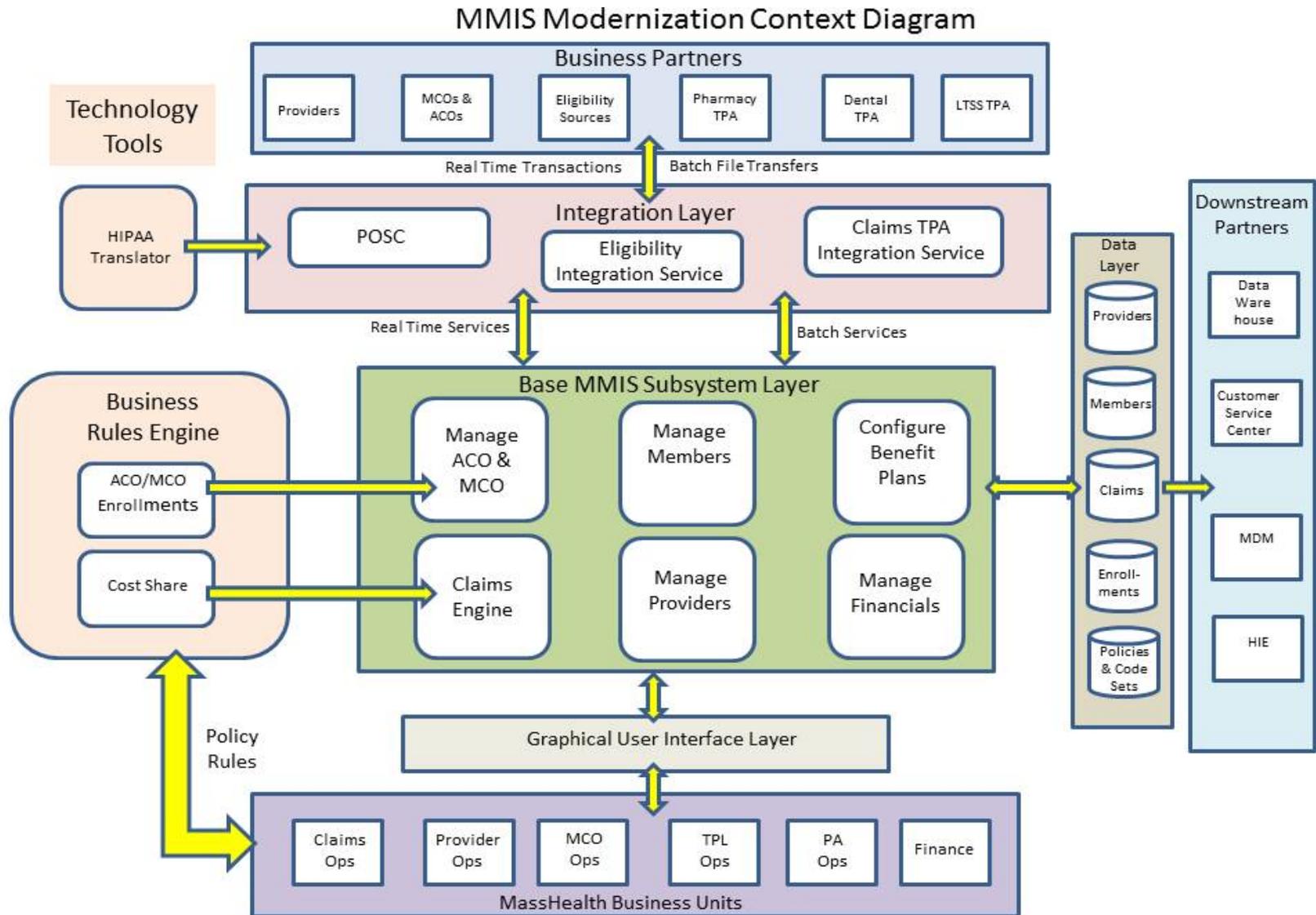
- Deploy a Business Rules Engine (BRE) Service & Implement the ACO Program
 - Integrate an industry standard Business Rules Engine (BRE) into the Massachusetts Medicaid Enterprise System.
 - The BRE will serve as the repository of existing and emerging Massachusetts Medicaid policy.
 - SME's will control the development and deployment process by
 - Defining the ACO business policy logic directly into the BRE
 - Approving production releases independent of the Base MMIS

- Extend the BRE as a service & Implement Cost Sharing
 - Stand up the processing rules for cost sharing on the BRE
 - Manage cost sharing thresholds for members and families
 - Utilize scalable and extensible MMIS integration services to communicate the member's cost share at the point of service

- Extend MMIS Web Integration Services & Integrate Long Term Services & Supports (LTSS) TPA vendor
 - Two MassHealth program service programs outsourced today serve as a re-usable platform for future claims TPA outsourcing:
 - Pharmacy TPA and
 - Dental TPA
 - The Claims Integration Service includes providing Member and Provider data to the TPA, receiving adjudicated claims, paying the approved claims, and Data Warehouse claims replication

- Extend MMIS EDI Services & Accept MCO encounters as 837's
 - The HIPAA EDI Translator is a COTS product integrated with the MMIS
 - Extend the MMIS' EDI translator to accept, validate, and transform the MCO encounters into the MMIS claims engine
 - And by replication processes, into the Data warehouse

MMIS Modernization Context Diagram



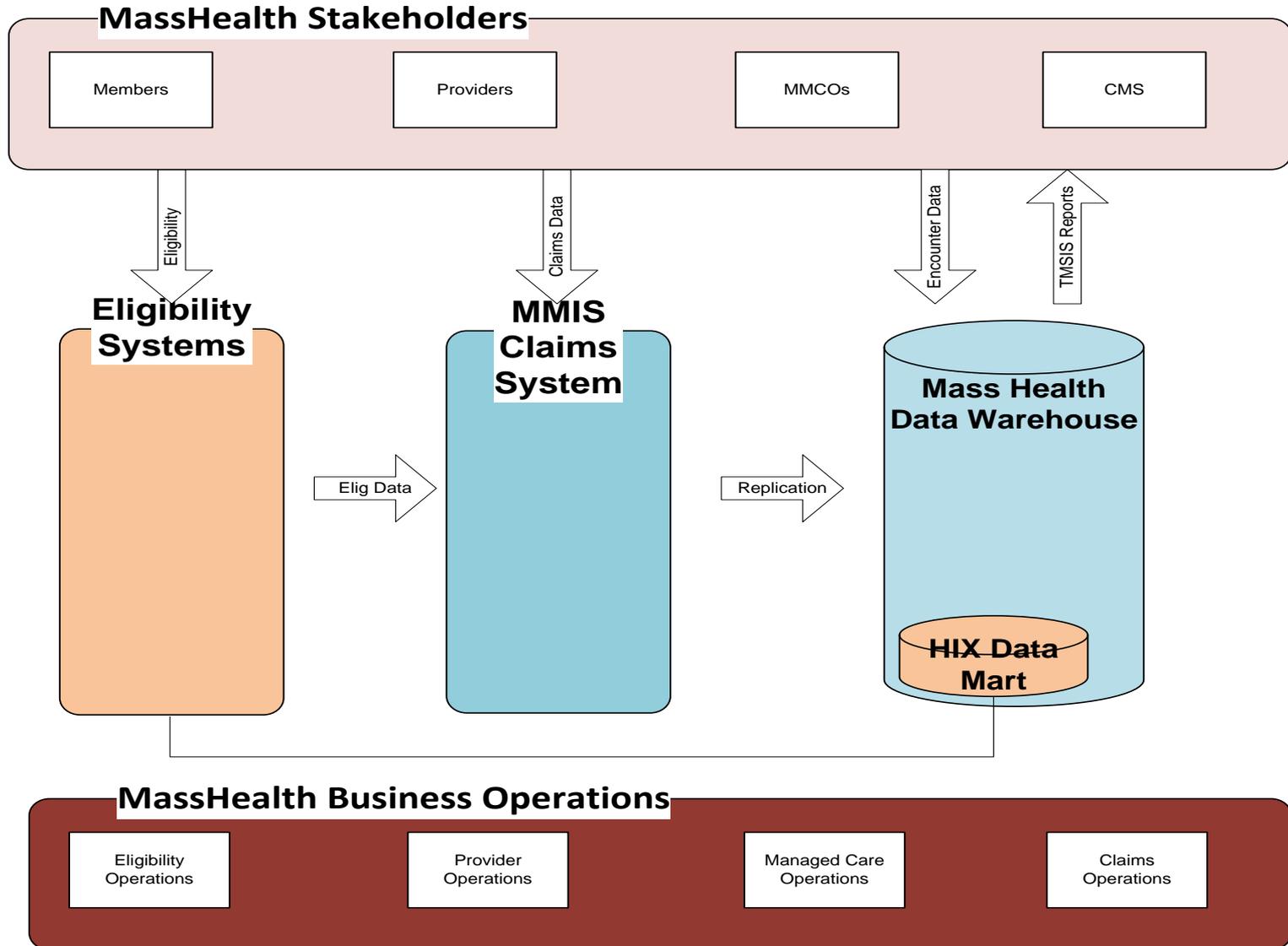
Medicaid Enterprise System

Medicaid Enterprise System and Transformation

The Commonwealth is preparing to embark on a bold effort to reshape our delivery system through value-based payment models that hold providers accountable for members' overall health and the quality and total cost of care. The launch of the ACO is a central component of MassHealth's strategy to achieve a person-centered, high quality, integrated, sustainable delivery system and is being achieved, in part, through the Implementation Roadmap projects. Several projects ensure the ease of configuration of benefit plans, claim edit rules, and referral/prior authorization utilization.

New flexibility is being added to the Medicaid Enterprise System to more easily manage benefit plans and claim edit rules through the use of a configuration tool that leverages a "building block" approach. This allows modules within the systems to be re-used, not coded separately for each new functional requirement. The success of those efforts depends, in large part, on enhancing and improving the Medicaid Enterprise Systems infrastructure, including improving performance of existing functionality and accelerating the development/build process to meet payment and care delivery reform milestones.

Medicaid Enterprise System - Current



Medicaid Enterprise System – Portfolio Approach

