

EVOLUTION FROM MMIS TO MEDICAID ENTERPRISE SYSTEMS

Background:

The Department of Public Health and Human Services (DPHHS) began its Medicaid systems modernization journey in 2009, seeking and obtaining legislative funding for the Medicaid Management Information System (MMIS) Replacement Project. This project was designed to encompass three primary custom systems.

Figure 1 MMIS Replacement Scope

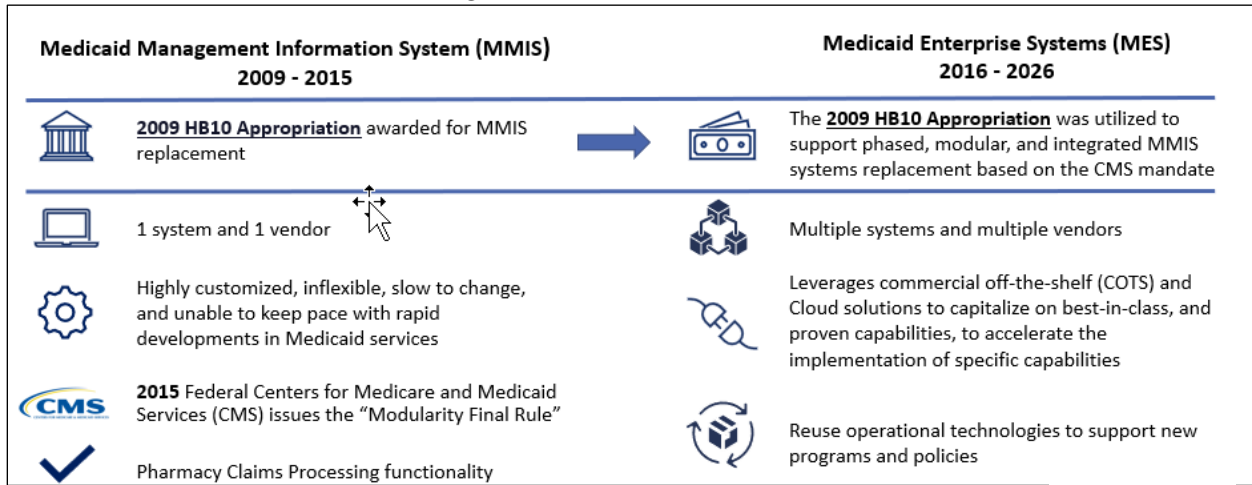
| Medicaid Management Information System | Prescription Drug Card System | Decision Support System |
|---|---|--|
| <ul style="list-style-type: none"> • Processes healthcare claims | <ul style="list-style-type: none"> • Processes pharmacy claims | <ul style="list-style-type: none"> • Data Warehouse to support ad hoc reporting |

The MMIS Replacement project officially began in April 2012 however, by December 2015 after ongoing project deliverable and milestone delays it became apparent that the vendor could not meet all contractual obligations. As a result, the Department opted to proceed with implementing FlexibleRx while terminating the contract for the remaining components of the project.

December 2015 marked a significant shift in the approach to MMIS procurements when the Centers for Medicare and Medicaid Services (CMS) issued the Modularity Final Rule (Part 433). This rule, which fundamentally transformed the landscape, mandated that states seeking 90% federal funding must adopt a modular, multi-vendor strategy that leverages Commercial off-the-shelf (COTS) products and minimizes customizations in procuring MMIS Replacement systems.

In response to the Modularity Final Rule, the Department developed a modularity plan that has served as a roadmap for the project team, guiding them in procuring and implementing new functionalities and demonstrating the Department's adaptability in the face of these regulatory changes. Figure 2 Reflects the changes before and after CMS published the Modularity Final Rule.

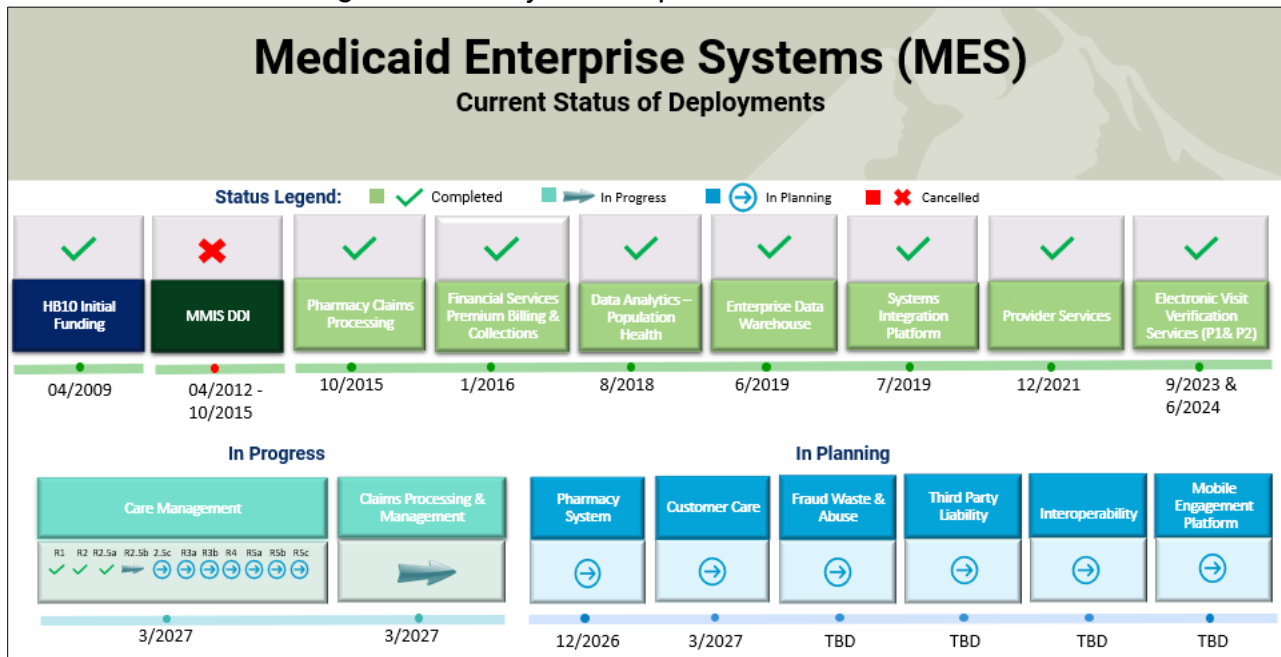
Figure 2 Transition to MES



Medicaid Enterprise Systems (MES):

MES is set to replace the MMIS by leveraging modern, modular, and adaptable commercial off-the-shelf (COTS) solutions that will provide best-in-class capabilities to the Department, providers, stakeholders, and staff. At the end of the MES project, MMIS will be decommissioned. Figure 3 reflects the current status of the Medicaid Enterprise Systems Implementations.

Figure 3 MES System Implementation Status





Reference Information:

- **Medicaid Management Information System (MMIS)** is a 38-year-old legacy mainframe claims processing system. The system is still operational and leveraged to support the build-out of the new Medicaid Enterprise System (MES).
- **Medicaid Enterprise Systems (MES) implementation** will replace the MMIS by leveraging modern, modular, flexible, and adaptable commercial off-the-shelf (COTS) solutions that will provide best-in-class capabilities to the Department, providers, stakeholders and staff.
- **Montana's Program for Automating and Transforming Healthcare (MPATH)** is the team responsible for MMIS operations and the delivery and support of HHS' new Medicaid Enterprise Systems
- [CMS Modularity Directive to State Medicaid Directors](#)