Health Care Policy & Financing

Quarterly Update and FY 2024/2025 CC-IT-01& CC-IT-02 Joint Technology Committee

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COLORADO
Department of Health Care
Policy & Financing

We cover 1.6m (1 in 4) Coloradans

Administer Medicaid, CHP+ and other Safety Net Programs

Our Mission
Improve health care equity, access and outcomes for the people we serve while saving Coloradans money on health care and driving value for Colorado.

242 Completed MMIS projects since September of 2019

47 MMIS projects in progress

38% of the state's TF ($16.4B)

31% of GF budget ($5B)

Medicaid Enterprise Services (MES) Procurement Quarterly Update

Why do we need to do this?

- State and Federal Regulations are that a contract maximum term is 10 years (including 2 extensions).

The Department executed contracts with core MMIS vendors which expire in 2025:

Gainwell: Medicaid Management Information System (MMIS)

IBM: Business Intelligence Data management (BIDM)

> 24 months prior approval planning from CMS is minimum required for these procurements
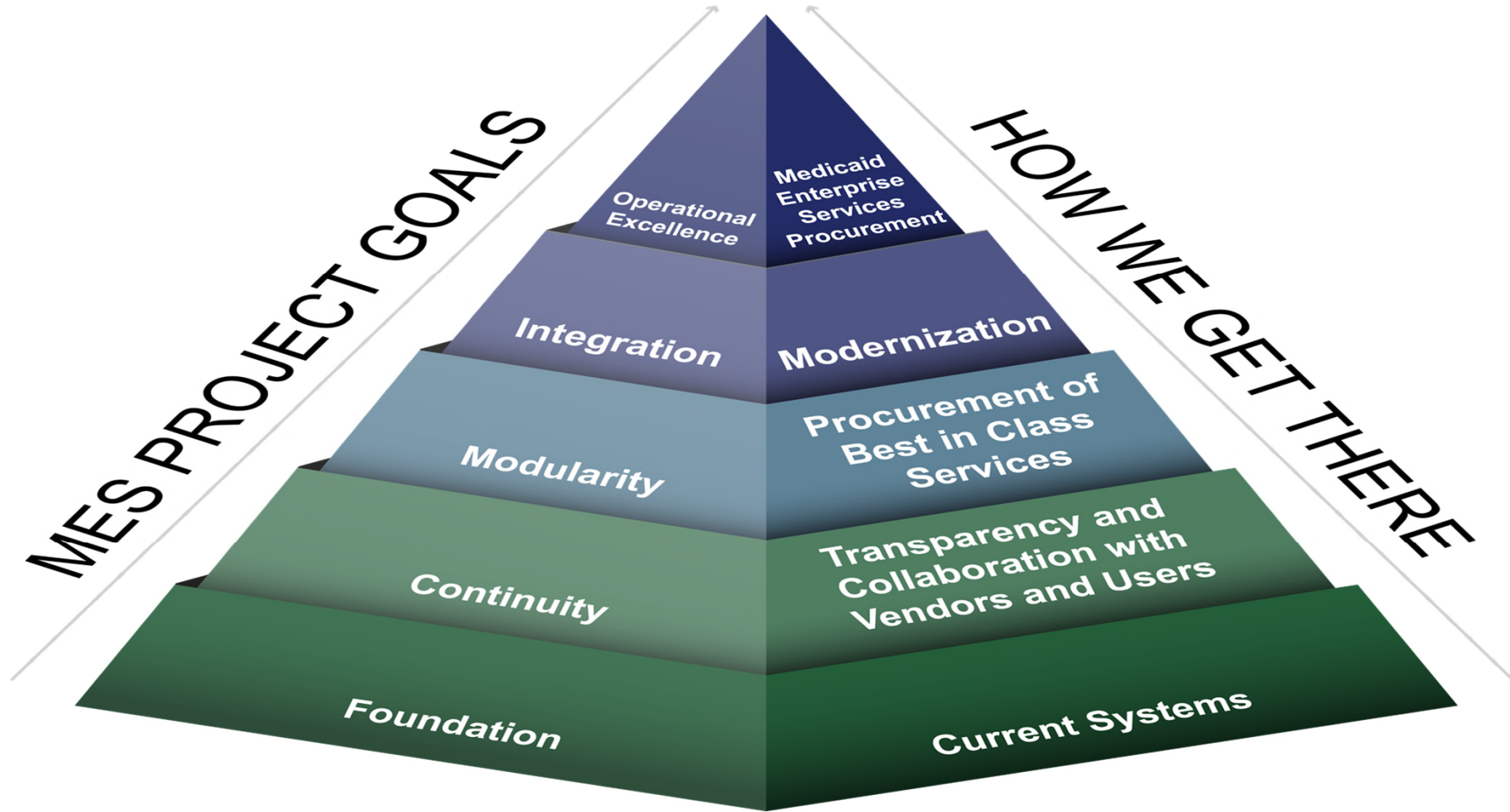
Magellan: Pharmacy Benefits Management System (PBMS)

The Department executed contract with CBMS vendor expires in 2026:

Deloitte: Colorado Benefits Management System (CBMS)

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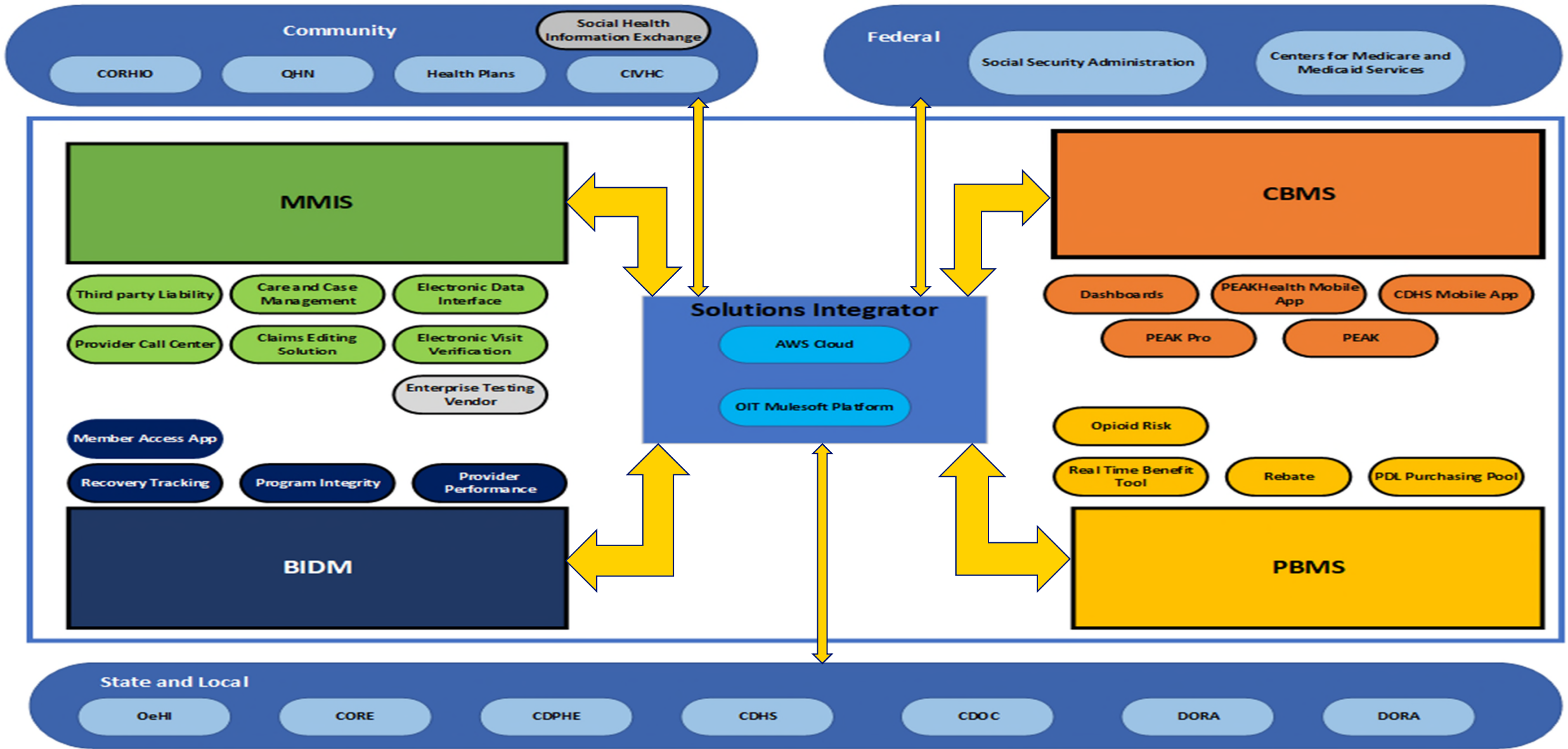Department of Health Care
Policy & Financing

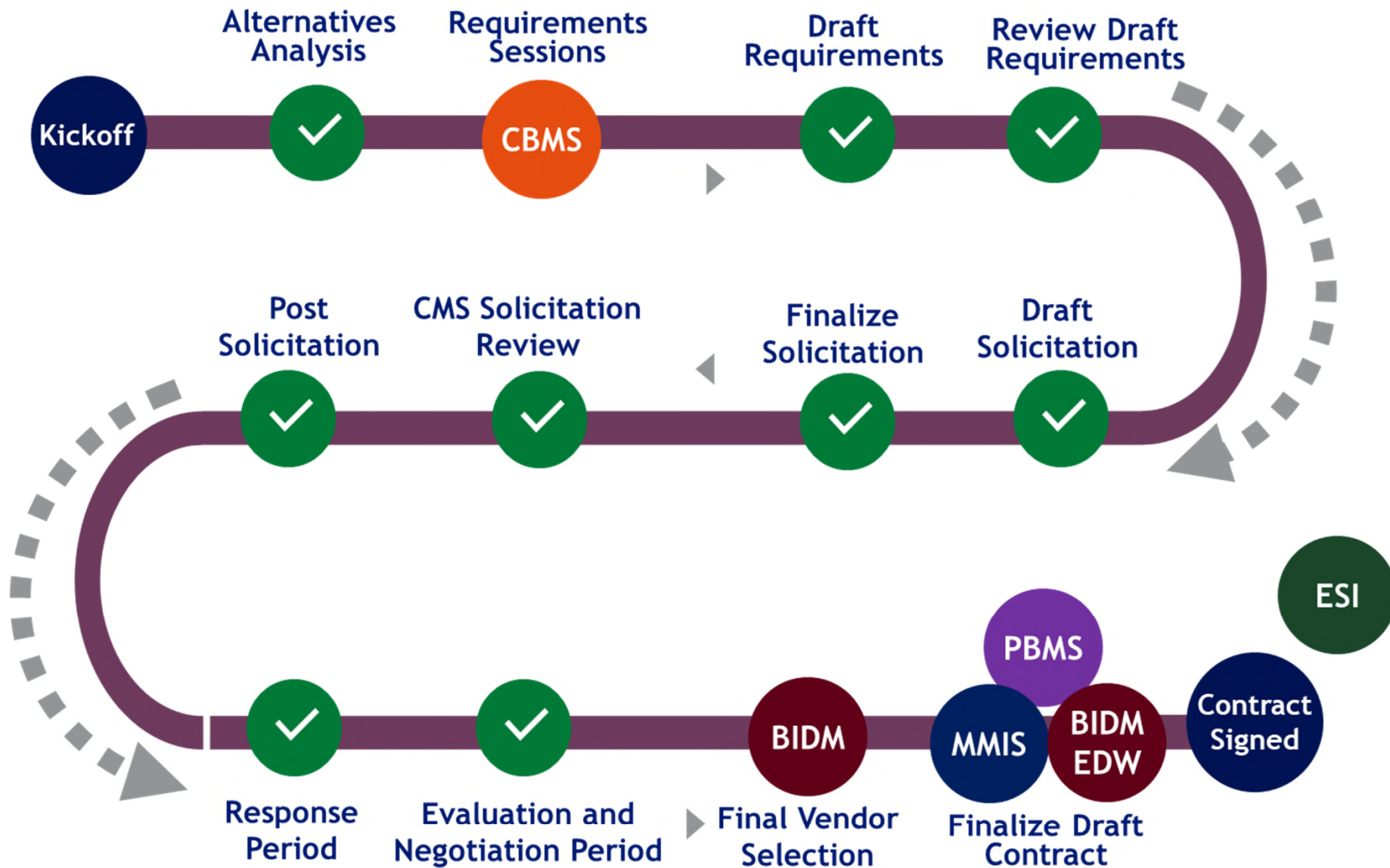# Colorado's Medicaid Enterprise Services (CMES) Procurement Update

- On December 4, 2015, CMS published a final rule at 80 FR 75817-Medicaid Program; Mechanized Claims Processing and Information Retrieval Systems (90/10). This final rule updated the CMS standard and conditions to include the standard and condition for modularity, which requires states to meet in order to receive enhanced federal match for development, maintenance and operations.

- Under the revised rule 42 CFR Part 433, Subpart C - Mechanized Claims Processing and Information Retrieval Systems, CMS requires states to follow a modular approach that supports timely, cost-effective projects.

Colorado's Medicaid Enterprise Solutions (CMES) Procurement Update

Colorado Medicaid Enterprise Solutions (CMES) Ecosystem

Kickoff → Alternatives Analysis ✓ → Requirements Sessions (CBMS) → Draft Requirements ✓ → Review Draft Requirements ✓

Post Solicitation ✓ ← CMS Solicitation Review ✓ ← Finalize Solicitation ✓ ← Draft Solicitation ✓

Response Period ✓ → Evaluation and Negotiation Period ✓ → Final Vendor Selection (BIDM) → Finalize Draft Contract (MMIS, PBMS, BIDM EDW) → Contract Signed → ESI

PBMS Modules
- Core PBMS
- Rebate
- Real-Time Benefit Tool (RTBT)
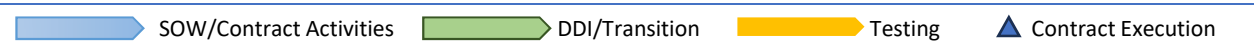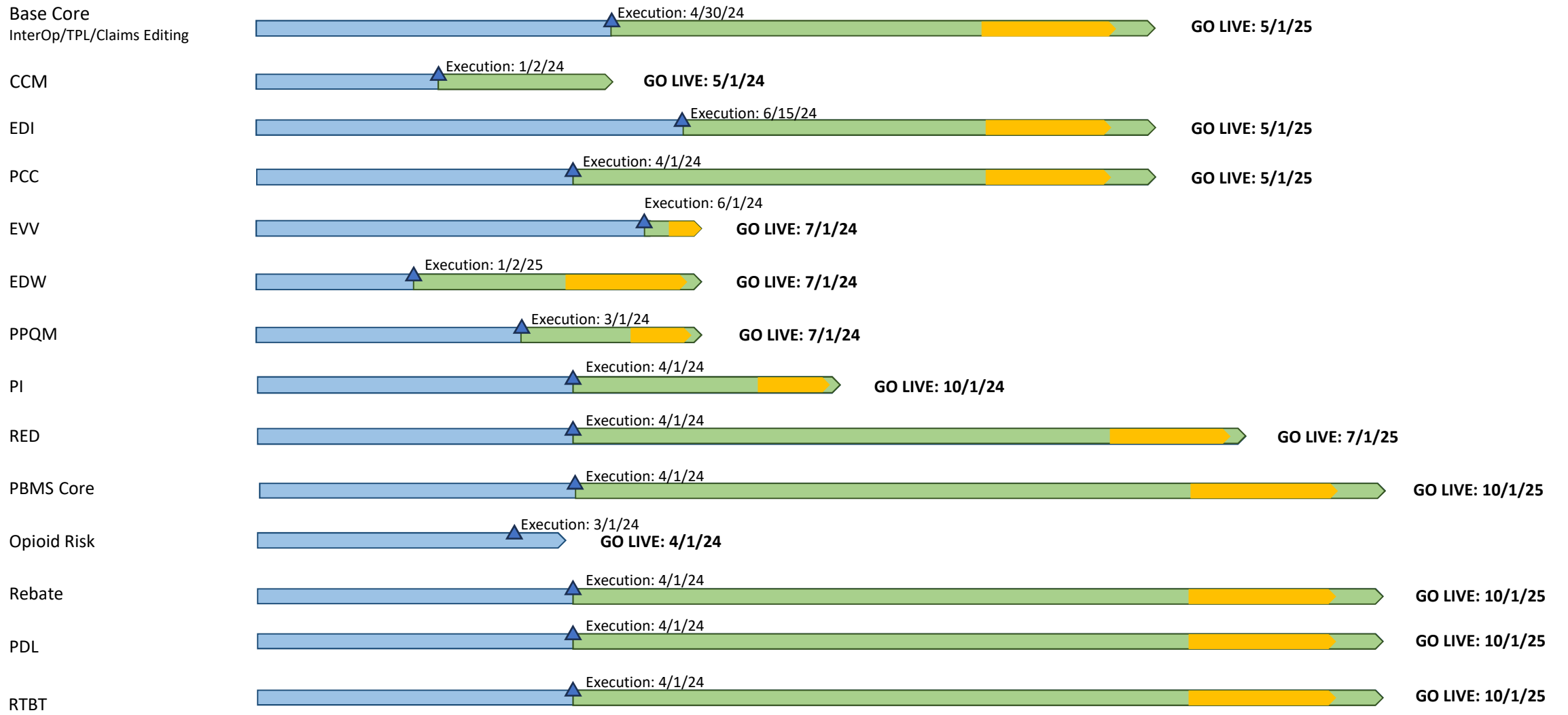- Preferred Drug List (PDL) Purchasing Pool
- Opioid Risk

BIDM Modules
- Enterprise data warehouse (EDW)
- Provider Performance Metrics
- Recovery tracking
- Program Integrity
- Member Access Application

MMIS Modules
- Core MMIS
- Provider Call Center
- Electronic Data Interchange (EDI)
- Third Party Liability (TPL)
- Claims Editing Solution
- Care and Case Management (CCM)
- Electronic Visit Verification (EVV)
- Member Access Application

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Timeline chart with the following quarters marked: Q4 2023, Q1 2024, Q2 2024, Q3 2024, Q4 2024, Q1 2025, Q2 2025, Q3 2025, Q4 2025

Base Core — InterOp/TPL/Claims Editing — Execution: 4/30/24 — GO LIVE: 5/1/25

CCM — Execution: 1/2/24 — GO LIVE: 5/1/24

EDI — Execution: 6/15/24 — GO LIVE: 5/1/25

PCC — Execution: 4/1/24 — GO LIVE: 5/1/25

EVV — Execution: 6/1/24 — GO LIVE: 7/1/24

EDW — Execution: 1/2/25 — GO LIVE: 7/1/24

PPQM — Execution: 3/1/24 — GO LIVE: 7/1/24

PI — Execution: 4/1/24 — GO LIVE: 10/1/24

RED — Execution: 4/1/24 — GO LIVE: 7/1/25

PBMS Core — Execution: 4/1/24 — GO LIVE: 10/1/25

Opioid Risk — Execution: 3/1/24 — GO LIVE: 4/1/24

Rebate — Execution: 4/1/24 — GO LIVE: 10/1/25

PDL — Execution: 4/1/24 — GO LIVE: 10/1/25

RTBT — Execution: 4/1/24 — GO LIVE: 10/1/25

Legend: SOW/Contract Activities | DDI/Transition | Testing | Contract Execution

Quarterly Update
CMES Procurement Year 1

CMES Procurement Year 1 Update
Quarterly Update Questions 1 & 3

- Overall implementation is on schedule.
  o There are no delays the Department did not account for in the timelines for contract award dates and contract finalization.

- In the next quarterly update, the Department expects contracts will be finalized and have been submitted to CMS for approval.

CMES Procurement Year 1 Update
Quarterly Update Question 4

- Reviewed 43 proposals across 17 different modules
- Entered into negotiations with 11 different vendors
- Awarded 13 of the 17 modules and continue negotiations with the remaining 4
- 9 of 13 awarded modules will be transitioning to new vendors
- Finalizing contract scope and price of the 13 awarded modules, anticipating contract executions by June 2024
- Remaining 4 modules expected to be awarded by January 2024
- **Based on current schedules, the Department anticipates that the full project will be complete by June 2025, with some modules anticipated to be completed in 2024.**

CMES Procurement Year 1 Update
Quarterly Update Question 2

State Fiscal Year 2023-24	Obligated (Encumbered)	Expenditure
Medicaid Enterprise Solutions Re-Procurement (CC03)	$1,722,867* *As of 11/29/2023	$622,124* *As of 11/29/2023

*We are on target with our implementation plan

CMES Procurement Year 1 Update
Quarterly Update Question 6

- Refined module scope and cost proposals during module negotiations
- Initiated procurement of Enterprise Testing vendor to assist in testing new modules to ensure all modules perform as required.

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FY 24/25 Capital IT Request

CC-IT-01: Medicaid Enterprise Solutions Procurement

CMES Procurement Year 2

FY 24/25 budget request is a continuation of last year's funded project—this will be the final request.

- **90/10 FFP has been approved by CMS**
- **FY 2024-25 Budget Impact:** $36,865,695 in Total Funds, including $4,239,554 in Capital Construction Fund
- **FY 2025-26 Budget Impact:** $0 in Total Funds, including $0 in Capital Construction Fund

CMES Procurement Year 2

- Continuation of request to implement transition
- Enterprise Testing Vendor
  - ○ Support Department in End to End testing across modules/vendors
  - ○ Automated testing tools
- Additional Resources
  - ○ Term limited FTE to support operations (4)
  - ○ Contracted Technical Resources (28)

FY 24/25 Capital IT Request

CC-IT-02: CBMS Re-Procurement

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Colorado Benefits Management System (CBMS) Procurement

First of a multi-phase request:

- **FY 2024-25 Budget Impact:** $1,705,158 in Total Funds, including $318,028 in Capital Construction Fund
- **FY 2025-26 Budget Impact: TBD, fiscal impact of future phases will be determined in a future budget cycle**

Re-Procurement will be modularized to continue to receive CMS-enhanced matching funds.

CBMS Procurement

- This funding request is for resources to assist the Department in drafting requirements for the ITNs
  - Utilizing lessons learned from CMES procurement current underway.

- Supplementing HCPF staff with contracted resources, due to need for HCPF staff focus on critical priorities such as the Public Health Emergency unwind

Questions?

Thank you!