

March 26, 2009

Memorandum

To: Senator William Diamond, Chair, Representative Emily Cain, Chair and Members of the Joint Standing Committee on Appropriations and Financial Affairs
Senator Joseph Brannigan, Chair, Representative Anne Perry, Chair and Members of the Joint Standing Committee on Health and Human Services

From: Brenda M. Harvey, Commissioner, DHHS

cc: Richard B. Thompson, CIO; Russ Begin, Deputy Commissioner, Finance ; Tony Marple, Director, Office of MaineCare Services,

Re: **Monthly Legislative MIHMS Report of Activities through March, 2009**

Executive Summary

The project consists of two phases. Phase I requires the full re-enrollment of all Providers. This will allow the State to capture National Provider Identification (NPI) information to comply with federal requirements, as well as minimize data conversion errors in the provider file of the new solution.

Phase II includes the full implementation of MIHMS system. This would ensure that the claims are being processed correctly without any issues. At the end of this phase, the State will have a certifiable system which would be in compliance with national standards.

In the month of March, the Phase I State MIHMS Implementation Team focused on the completion of the Design Specification Document, reviewed and approved by the State. Testing will take place in April and “go-live” for re-enrollment and the provider web portal is June 19. Re-enrollment will take place over three cycles from July through September and provider training will begin in June. Internal staff training will begin in early May.

Communication out to staff and providers related to the project has been ongoing. Updates are given monthly during MIHMS Provider Forums, MaineCare Provider’s Advisory Group and Technical Advisory Group meetings. A section of the MaineCare web site has been established for MIHMS related information and visitor traffic to this has been increasing. Monthly newsletters to providers and staff are designed to communicate out project updates. Bulletins are also distributed to providers as attachments to Remittance Advices. Finally, email addresses have been established for both providers and staff to send questions to the MIHMS team. A project communication team schedules all communication activities and coordinates messages delivered.

For Phase II the overarching goal of the MIHMS project is to implement a federally certifiable claims processing system to maximize federal participation in support of the State Medicaid program. In order to achieve this goal, MaineCare must replace all local codes with nationally recognized (standardized) codes. The team is actively working with the Policy Division to remediate 600+ local codes across 27 various sections of policy. Target completion date for all sections is June 1, 2009.

Due to this project's overall accelerated implementation, the State needs to keep a close watch on June 30, 2009 cut off date for proposing policy changes that need to be supported in the new MIHMS system. It is advised that language is included in budget bills that allows for emergency rule making in order to support the initiatives. The Department is reviewing all LD's to determine whether legislation will pose problems with regard to the June 30, 2009, date.

Federal Funding Update

Through February 19, 2009, the following costs have been incurred for the MIHMS project.

Invoices received from Unisys will be reflected in next month's report.

Funding Summary as of February 19, 2009*											
ITEM	FFP%	PROJECT BUDGET			CURRENT MONTH-FEBRUARY			EXPENDITURES TO DATE <i>(invoiced & paid)</i>			
		Total Computable [†]	Federal Share	State Share	Total Computable [†]	Federal Share	State Share	Total Computable [†]	Federal Share	State Share	
<i>Unisys DDI Grand Total</i>		\$ 35,353,997	\$ 30,834,524	\$ 4,519,473	\$ -	\$ -	\$ -	\$ 4,797,024	\$ 4,287,321	\$ 509,703	
IV&V (BDMP)	90%	\$ 3,759,545	\$ 3,382,914	\$ 376,631	\$ -	\$ -	\$ -	\$ 759,944	\$ 683,949	\$ 75,995	
PROJECT MANAGEMENT											
Deloitte, xwave	90%	\$ 6,577,340	\$ 5,918,422	\$ 658,918	\$ 1,004,409	\$ 903,968	\$ 100,441	\$ 2,508,058	\$ 2,257,251	\$ 250,807	
PCG	90%				\$ 8,992	\$ 6,293	\$ 699	\$ 9,392	\$ 8,453	\$ 939	
State Personnel	90%	\$ 8,882,385	\$ 7,992,548	\$ 889,837	\$ 245,061	\$ 223,277	\$ 21,784	\$ 1,971,060	\$ 1,778,617	\$ 192,443	
State Personnel-Travel	90%	\$ 100,000	\$ 89,982	\$ 10,018	\$ -	\$ -	\$ -	\$ 1,915	\$ 1,724	\$ 191	
<i>Subtotal</i>		\$ 15,559,725	\$ 14,000,952	\$ 1,558,773	\$ 1,256,462	\$ 1,133,538	\$ 122,924	\$ 4,490,425	\$ 4,046,045	\$ 444,380	
<i>DDI PROJECT TOTAL</i>		\$ 54,673,267	\$ 48,218,390	\$ 6,454,877	\$ 1,256,462	\$ 1,133,538	\$ 122,924	\$ 10,047,393	\$ 9,017,315	\$ 1,030,078	

*For this report, the timeframe included for the expenditures to date is March 10, 2008 through February 19, 2009.

†Total Computable costs takes into consideration the net cost of allocation of 0.02%.