Washington Overhauls Medicaid System

Washington state health officials signed a contract last week with a Rockville, Md.-based information technology company to modernize the state's 1970s era Medicaid system, which processes 24 million claims annually.The Centers for Medicare and Medicaid (CMS), which will pay up to 90 percent of the new system's costs, also approved the contract before it could be signed. Overhauling the MMIS is projected to cost about $180 million, according to documents on the state Department of Social and Health Services' Web site.

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Officials from the state Information Services Board, which reviews and monitors statewide IT policies, plans, among other things, subsequently reviewed and denied the protest. ACS indicated it would not challenge the decision.

Under the contract, testing of the new system will begin in

mid 2006 and full deployment will be completed by June 2007. In the interim, ACS will continue to operate the existing system through a contract extension.The new system will not only handle up to $70 million a week in Medicaid billings and payments, but also automatically identify fraudulent claims to save costs. It will allow greater access through a new Web-based system. Users outside the social and health services department will be able to electronically submit, update and view claims, review information about rates, policies, enrollment options and make address changes online.

The system will also provide better reporting capabilities, enhanced flexibility in data storage and mapping to quickly adapt to changing federal and state policies and procedures.B. Chatterjee, CNSI's president and chief technology officer, said CNSI is 'productizing common components" from state to state. He said his company was the prime contractor for Maine's Medicaid system, which will go into production this week. Some of those best practices and lessons learned will be used in developing Washington's system.Over the next nine months, company and state representatives will conduct a gap analysis, meaning what's there and what's needed, and review how the state does business, he said. The company is also using several subcontractors, including Siebel Systems, for its customer management relationship software, Sun Microsystems hardware, Avaya's interactive voice response mechanism, and GHS Data Management's pharmacy benefits management systems. CNSI is also using a company called Fox Systems, which provides subject matter expertise on Medicaid issues.

The new system's flexibility will allow health officials to implement new programs in a more timely manner. They can also demonstrate to federal officials that money is being spent efficiently. But the new technology could also help them leverage services, such as developing one eligibility determination program for six or seven additional programs, he

said as an example.Chatterjee said 95 percent of state governments have legacy Medicaid systems, but many are looking to modernize them in the next several years.

Adnan Ahmed, CNSI’s chief development officer, said his company follows CMS’ Medicaid Information Technology Architecture (MITA), which provides national policy and technical guidelines for improving Medicaid systems. He said they’ve been seeing several requests for proposals that place a significant emphasis on systems being MITA compliant.