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SOA DHSS
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1. Agency Contract Number	060706
2. ASPS Number	2007-0600-6640
3. Optional Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Years remaining _____
4. Financial Coding	
5. Agency Assigned Encumbrance Number	0682242
6. Amendment Number	Three (3)

STATE OF ALASKA

AMENDMENT TO PROFESSIONAL SERVICES CONTRACT

This agreement is between the State of Alaska,		
7. Department of Health and Social Services Health and Social Services/ Health Care Services		hereafter the State, and
8. Contractor ACS State Healthcare, LLC		hereafter the Contractor
Mailing Address	Street or P.O. Box	City State ZIP Code
9040 Roswell Road, Suite 700		Atlanta Georgia 30350
9. Original period of performance FROM: October 1, 2007 TO: September 30, 2017	10. Amended period of performance FROM: October 1, 2007 TO: September 30, 2017	
11. Previous amount of contract to date: \$ 137,767,560.23	12. Amount of this amendment: \$7,920,498.00	13. This amended contract shall not exceed a total of: \$ 145,688,058.23
14. In accordance with the provisions of the above referenced contract, the parties to that contract agree that the services to be performed by the contractor under the contract are amended as follows: All other terms and conditions of the contract remain in effect. This amendment is to amend appendix F and G. IN WITNESS WHEREOF the parties hereto have executed this amendment. NOTICE! This amendment has no effect until signed by the head of the contracting agency, project director and head contracting agency or designee.		
15. CONTRACTOR		17. CERTIFICATION
Name of Firm ACS State Healthcare, LLC		I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.
Signature of Authorized Representative <i>Will Saunders</i>	Date 10/31/11	
Typed or Printed Name of Authorized Representative Will Saunders		
Title President		
16. CONTRACTING AGENCY		Signature of Head Contracting Agency or Designee <i>[Signature]</i>
Department/Division Health & Social Services / Health Care Services		Date 11/8/11
Signature of Project Director <i>[Signature]</i>	Date 11/31/11	Typed or Printed Name of Authorizing Official Darla Madden
Typed or Printed Name of Project Director Paul Cartland		
Title Project Director		
		Title Chief, Grants and Contracts

**APPENDIX F
PAYMENT PROVISIONS**

Payment for HIPAA ICD-10 Implementation provided under this contract shall not exceed **\$7,920,498.00**. Payment for HIPAA ICD-10 will be based upon fixed rate outlined in the table below.

<u>Project Milestones</u> <u>(SFY12)</u>	<u>Completion</u> <u>Date</u>	<u>Payment</u>
Implementation of EDIFECs tools	6/30/12	\$752,050
EDIFECs SW and Install	11/30/11	\$920,000
Requirements Analysis Complete/Verification	4/30/12	\$1,348,000
State Plan for Payment Methodologies	3/31/12	\$138,000
State Roadmap for ICD-10 Utilization— North Highland Consulting Engagement Complete	3/31/12	\$108,000
Business Design & ICD-10 Artifacts Updates Complete	6/1/12	\$592,050
Milestone payment for SFY 13 is subject to State Legislative approval		
<u>Project Milestones</u> <u>(SFY13)</u>	<u>Completion</u> <u>Date</u>	<u>Payment</u>
Development Complete	12/31/12	\$988,075
Data Conversion Complete	2/1/13	\$990,062
System Testing Complete	2/1/13	\$792,050
Implementation Complete	4/1/13	\$356,112
Provider Training	4/1/13	\$936,100
Total		\$7,920,498

The contractor shall submit invoices and attachments to the address specified below no later than 30 days after the end of each month in which services were performed. Failure to include the required information on the invoice may cause an unavoidable delay to the payment process.

The contractor will submit invoice(s) for services performed in accordance with Appendix G. Each invoice must include:

- Contractor's name and contact information for questions regarding the invoice
- Contract number
- Date (s) of services performed
- Hours worked by individual and task category with the hourly rate

Contractor shall mail the original invoice and attachments:

Department of Health and Social Services
FMS/Grants and Contracts Support Team
Procurement Section
Attn: Lois Blastick
3601 C Street, Suite 578
Anchorage, AK 99503

Notwithstanding any other provision of this contract, it is understood and agreed that the State shall withhold payment at any time the contractor fails to perform work as required under Appendix F and /or G of this contract.

APPENDIX G SCOPE OF WORK

This amendment will add the scope of work as outlined in the ICD-10 Implementation Advance Planning Document (IAPD) dated August 19, 2011.

This amendment between the parties shall cover all ACS effort in order to achieve State goals and compliance with the ICD-10 requirements in accordance with the Health Insurance Portability and Accountability Act (HIPAA) electronic transaction and code set standards involving 45 CFR Part 162—Administrative Requirements which mandated the use of the following code sets:

- Internal Classification of Diseases, 10th Edition, Clinical Modifications (ICD-10-CM) Diagnosis
- Internal Classification of Diseases, 10th Edition, Procedure Coding System (ICD-10-PCS) Inpatient Hospital Procedure Coding System

The scope of the Alaska ICD-10 implementation will be to update the Alaska Enterprise solution to accommodate the ICD-10 codes. Scope will include updating all use cases, user interfaces, reports, system lists/valid values and business rules that require updates due to the implementation of ICD-10 codes. This system will be dual use in that it will handle ICD-9 for Dates of Service (DOS) prior to 10/1/2013 and ICD-10 for DOS after 10/1/2013.

The guiding principles for this implementation are:

- Implementation of required changes by the compliance date of October 1, 2013
- Accommodation of the Provider community as they prepare for, test and implement their changes prior to, or following, the October, 2013 date, and;
- The State being able to process ICD-9-CM transactions when the ICD-10 remediated ACS Enterprise system is implemented for those providers who are not yet ICD-10 compliant as of the October 1, 2013 date.
- The state anticipates that the "Crosswalk" solution, supported by CMS GEMs, a "Reimbursement Map", and a Backward Map" will provide an interim technology platform for transaction management until a) the Enterprise System is fully ICD-10 compliant, b) all providers are submitting ICD-10 transactions, and c) the Enterprise system files and fiscal agent operational staff have sufficient data, experience, knowledge and documentation procedures to warrant discontinuation of those enabling

The project will be comprised of three components:

1. **AK Enterprise Remediation.** This phase will address all changes required for the AK Enterprise application to process ICD-10 codes. Included will be the updates to all use cases, user interfaces, reports, system lists/valid values and business rules that require changes due to the implementation of ICD-10 codes
2. **AK Claims History Enhancement.** In this phase, we will enhance historical claims records in the Data Warehouse that contain ICD-9 codes by adding equivalent ICD-10 codes. In cases where there are one-to-many code relationships, a single ICD-10 code will be designated for each single ICD-9 code.
3. **Long-range Planning.** In this phase we will develop a plan to use ICD-10 for Diagnosis Based pricing strategies. We will also create a roadmap for delivery of ICD-10 benefits beyond the MMIS and how the robust data can be used in conjunction with the States greater HIE strategy.

All terms and conditions of the original contract and all subsequent amendments remain in effect.

Alaska Department of Health and Social Services



ICD-10

Implementation Advance Planning Document (IAPD)

AK MMIS 11-002M

August 19, 2011

Contact Information:

Paul Cartland
MMIS DDI Project Management Officer
Department of Health and Social Services
Division of Health Care Services
State of Alaska

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INTRODUCTION

The Alaska Department of Health and Social Services (DHSS), Division of Health Care Services (DHCS) is preparing for enhancement of the new Alaska Medicaid Management Information System (MMIS), which is currently being developed, to accommodate receipt and processing of International Classification of Diseases (ICD-10) codes by October 1, 2013. This Implementation Advanced Planning Document (IAPD) identifies the efforts and costs associated with accomplishing the implementation of ICD-10 into the new Alaska MMIS.

This document is a product of work performed through the HIPAA 5010 & ICD-10 Planning Advance Planning Document (PAPD) which was approved by CMS. The initial IAPD resulting from the PAPD was for the HIPAA 5010 required modifications, and has been approved by CMS. This second IAPD identifies the efforts and costs associated with accomplishing the implementation of ICD-10.

Statement of Purpose

HIPAA rules mandate the implementation of standards for conducting electronic transactions including: claims (professional, institutional and dental), claims status requests and responses, payment to providers, eligibility requests and responses, referral requests and responses, and coordination of benefits. The legal/regulatory, process and technology aspects to each rule have been carefully evaluated in order to achieve implementation.

The Alaska Department of Health and Social Services (DHSS), Division of Health Care Services (DHCS), through the Design, Development and Implementation (DDI) Project Management Office, provides vendor oversight and project management for the implementation of the MMIS. The new Alaska MMIS and its supporting data systems and enabling processes (translator operations, system operations, administrative support, and other functions) must be modified to meet the Version 5010, National Council for Prescription Drug Programs (NCPDP) D.0, and ICD-10 standards. It is the intention of DHSS Management to assure this effort is completed in a cost effective approach that prevents the interruption of health care delivery payment services.

This Implementation Advance Planning Document (IAPD) will be completed to fund the contract between DHSS/DHCS and Affiliated Computer Services (ACS) State Healthcare, LLC for development of Alaska specific enhancements to the ACS Enterprise system.

The purpose of this IAPD is to request Centers for Medicare and Medicaid Services (CMS) approval of enhanced Federal Financial Participation (FFP) for expenditures related to the requirements analysis; design, development and implementation of the modifications in Alaska's MMIS to comply with the ICD-10 requirements in accordance with the Health Insurance Portability and Accountability Act (HIPAA) electronic transaction and code set standards involving 45 CFR Part 162 – Administrative Requirements which mandated the use of the following code sets:

- Internal Classification of Diseases, 10th Edition, Clinical Modifications (ICD-10-CM) Diagnosis
- Internal Classification of Diseases, 10th Edition, Procedure Coding System (ICD-10-PCS) Inpatient Hospital Procedure Coding System

All estimated budget costs for the proposed activities contained herein are limited to allowable costs defined in the SMM Part 11, including but not limited to planning and development of MMIS system requirements and design specifications, limited training that is specific to staff responsible for operation of an MMIS, system development, testing, and implementation tasks necessary to implement ICD-10.

The guiding principles for this implementation are:

- Implementation of required changes by the required date of October 1, 2013;
- Accommodation of the Provider community as they prepare for, test, and implement their changes by the October 1, 2013 date, and;
- State ability to process ICD-9-CM transactions for dates of service or inpatient discharges prior to October 1, 2013 and to continue processing those transactions until the end of the timely submittal date which is one year.

This IAPD provides coverage for the following:

- Management of the ICD-10 Implementation Project by the Alaska DDI PMO;
- Assistance of the State Medicaid Operations Staff in defining, testing, and implementing the changes;
- Technical oversight of the project by the Technical Assistance Contractor, Qualis Health;
- Identification of patient population, quality, and cost management improvement opportunities possible through use of ICD-10,
- Oversight of Operations changes by the Alaska State Operations Staff; and,
- Implementation of Alaska specific changes to the ACS Enterprise system.

Overview – Nature and Scope of Activities

The Alaska Department of Health and Social Services (DHSS), Division of Health Care Services (DHCS) has performed a thorough review of the ICD-10 requirements. The in-process Alaska MMIS is designed to the previous transaction standard of ICD-9. This document addresses the needs of the State to upgrade the Alaska MMIS so that it is compliant with the ICD-10 regulations. An analysis of the requirements related to the change from ICD-9-CM to ICD-10 codes (both ICD-10-CM and ICD-10-PCS), effective October 1, 2013, has been performed and planning for the project to accommodate the code changes is underway.

The Alaska DDI PMO will provide oversight and management of this project. The work will be performed by a team of assigned State staff and contractors, including:

- DHSS DDI PMO and DHCS staff,
- MMIS Independent Verification & Validation (IV&V) vendor, Qualis Health, known as the Technical Assistance Contractor (TAC),
- Fiscal agent (FA), and MMIS vendor, ACS State Healthcare, LLC, and ACS subcontractors EDIFECS and North Highland Company
- Pharmacy vendor, Magellan Health Services FirstRx

ACS affirms that it is not asking for reimbursement for certain design costs and development effort costs. All design costs and development effort costs for the core ACS Health Enterprise System are borne by the ACS Enterprise development project and are not included in the Alaska ICD-10 quote. Additionally, the ACS Health Enterprise MMIS product will have native ICD-10 capability at the rule and logic levels. No tools will need to be integrated within Health Enterprise because of the native processing capabilities. The ACS quote is specific to adapt the Alaska changes to an ICD-10 compliant core.

The State also expects the EDIFECS software solution, acquired for 5010 processing, to provide an on-going technology platform for Electronic Data Interchange (EDI) functionality in the MMIS transaction management. EDIFECS is developing support within its toolset for ICD-10 implementation and on-going translation support. The State has evaluated the EDIFECS solution for utilization with ICD-10 and it will leverage, and extend, the licenses obtained for the 5010 Project with software and consulting that is ICD-10 specific.

To help ensure that the State and its providers can adequately test the changes to their systems prior to the implementation date, the team will leverage a “Crosswalk” solution, supported by the CMS GEMs to:

- Provide bi-directional ICD code translation that will support incoming transactions which contain a mix of ICD-9 or ICD-10 codes
- Facilitate dual support for ICD-9 and ICD-10 code sets during and after the transition period
- Support reporting, provider contract revision, rewrite of ICD-9 based medical policies, test systems and analytics (“what if” scenarios/ predictive modeling etc.).

Additionally, ACS’ subcontractor, North Highland will conduct an assessment of the State’s current use of ICD-9 codes to identify future program improvement opportunities that will be available to the State through use of ICD-10. A roadmap will be produced to direct the State on the implementation if identified improvement initiatives.

CMS rules for inpatient services spanning the project implementation date will be taken into consideration during the design phase. ACS will leverage the analysis tools and inputs of the EDIFECS Impact Analytics to drive the order of code review. These Alaska-specific ICD-10 crosswalks and the supporting justification for each crosswalk will be delivered for State review and approval. ACS will monitor CMS publications and websites to identify all ICD-10 code set updates issued by CMS throughout the life of the

project. These code set updates will be incorporated into the project work effort to identify and implement business rule impacts.

Summary of Objectives

Detailed objectives of ICD-10 implementation are:

- Implement the changes necessary to fully accommodate ICD-10-CM and ICD-10-PCS transactions sets as of October 1, 2013.
- Implement a bi-directional “Crosswalk” solution, supported by the CMS General Equivalency Mappings (GEMs) files that aid in data mapping and the creation of crosswalks which include proposed generally equivalent mapping of ICD-9-CM and ICD-10 diagnosis and inpatient hospital procedure codes.
- Implement a “Reimbursement Map” solution, which provides a temporary mechanism for converting records containing ICD-10 diagnosis and procedure codes into “reimbursement equivalents” containing ICD-9-CM diagnosis and procedure codes.
- Provide a “Backward map” and a “Forward map” between the ICD-9-CM and ICD-10 code sets.
- Integrate the necessary testing to validate that the solution will ultimately provide HIPAA ICD-10 compliant transaction handling.
- Enhance historical claims recorded in the Data Warehouse that contain ICD-9 codes by adding equivalent ICD-10 codes.
- Provide the State consulting on a plan for the utilization of ICD-10 for selected payment methodologies and support the State in determining necessary steps to achieve the implementation of the methodologies.
- Provide the State a roadmap for utilization of ICD-10 as a tool for patient population utilization management, quality, and cost management.
- Provide for the definition of educational and training materials, and provider outreach to promote the changes that ICD-10 will bring about for billing of health care and related services and the issuance of authorizations.

New or Changed Program Requirements

In regard to previously described “Electronic Transaction Standards” and “Code Sets,” covered entities (health care providers, health plans and health care clearinghouses) must comply with the X12N 5010 transaction standards for any transactions and code sets submitted as of January 1, 2012 and the new ICD-10 code set regulations for dates of service (dates of discharge for inpatient claims) on and after October 1, 2013.

The changes to the ASC X12N 5010 electronic transactions, which will enable the use of ICD-10 codes, will be in place for well over a year before the ICD-10 codes will be required for use.

Problems or Deficiencies in the Existing System

The estimated implementation date of the new AK MMIS is October 12, 2012. The problem, or deficiency, of the currently designed Enterprise system is that it cannot process the ICD-10 transactions that will be required for payment and processing by October 1, 2013. The Alaska DHSS has until that time to plan, implement, and test changes to assure the system will comply with the law.

ACS will have financial responsibility for the modifications of the core Health Enterprise product. This IAPD addresses modifications of the Alaska-specific changes and new development of the Alaska MMIS.

The table below identifies the MMIS sections that must be assessed. This IAPD and associated funding will address all of these areas:

System	Purpose or Function
ACS Enterprise	The Alaska (AK) specific portion of the MMIS and networked hardware that adjudicates claims and processes payments for the AK Medicaid program. It must accommodate ICD-10 codes to process claims.
Magellan Pharmacy System	Applications and networked hardware that accepts NCPDP transactions, processes pharmacy claims, performs prospective and retrospective drug utilization reviews and transmits adjudicated claims to the ACS Enterprise for payment.
Other Supporting Systems	Interfaces to systems external to the MMIS which are impacted by the migration from the ICD-9-CM to ICD-10-CM and ICD-10-PCS transaction code set.
Network	Various connections through Alaska Enterprise Technology Service to assure system communications. No ICD-10 related work is expected for this supporting system.
Hardware	Various servers, workstations, and other devices that support the functioning of the MMIS. Operation of hardware is not expected to be impacted by ICD-10 changes.
System Operations	Specific operations processes that govern operation of the MMIS consistent with applicable laws or policies. These may be affected based on findings from the assessment.

Functional Requirements

The objective of this effort is to reengineer the Alaska-specific portion of the ACS Health Enterprise product to become compliant with the administrative simplification provision of the Health Insurance Portability and Accountability Act. Specifically, the Alaska MMIS design must be remediated and fully compliant with the mandated modifications of related to ICD-10 by October 1, 2013, and support both ICD-9-CM and ICD-10 transactions until ICD-9-CM transactions are discontinued.

Challenges

ICD-10 introduces significant code mapping challenges, such as:

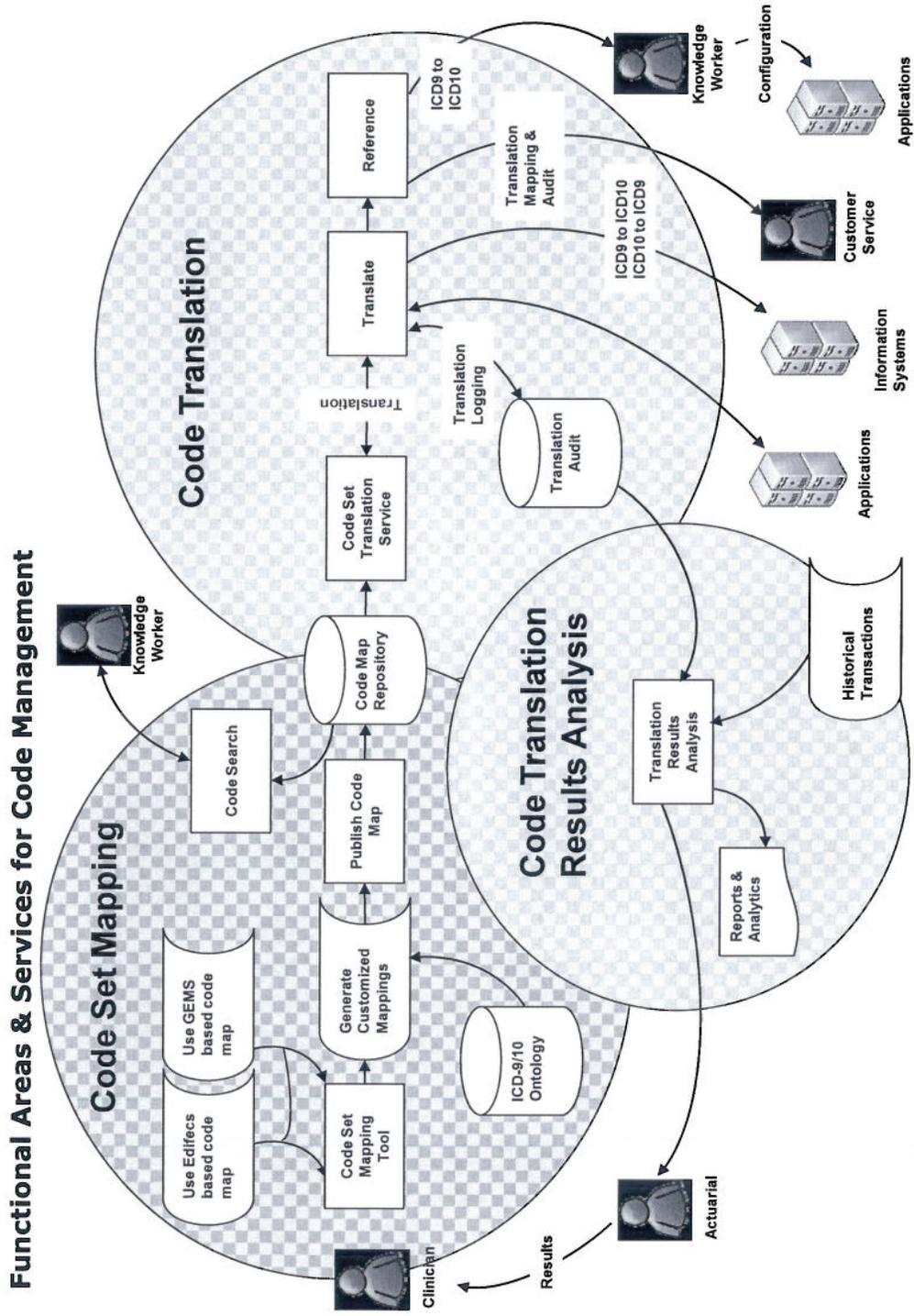
- Complex mappings
- ICD-9 comparison to ICD-10 diagnosis codes
- Definition and terminology changes
- GEMs do not meet the total need:
 - Forward/Backward mapping
 - Reimbursement mapping
 - Incomplete mappings and usage variances are a concern
- 5% of all ICD-10 codes will map accurately to ICD-9 codes
- 26% of all ICD-9 codes will map accurately to ICD-10 codes
- All other codes will either lose information or make assumptions
- Imperfect mapping will impact revenue, costs, risks and relationships.
- No complete “approved” mapping is available – everyone is “on their own.”

In examining various approaches, the State of Alaska focused on solutions which would minimize risk and disruption for both the State and for the Provider population.

EDIFECS Solution Support

The State of Alaska, through its contract with ACS, is utilizing the EDIFECS 5010 Step-Up/Step-Down solution for implementing the X12N 5010 transaction set changes. The State and ACS have evaluated the EDIFECS Tool Set extensions and services related to implementing an ICD-10 compliant functionality. This tool set and the related services will be utilized in providing the new compliant solution. A schematic of the EDIFECS ICD-10 Solution is presented below.

The EDIFICS ICD-10 Solution



The EDIFECS Solution imports ICD-9 and ICD-10 code sets as well as GEMs Map Files (Clinical and Reimbursement). Code map creation is based on:

- EDIFECS medical concept ontology*,
 - Concept to ICD code weightings*,
 - Business rules*, and,
 - Ontology-based matching logic
- *Custom maps are generated by modifying these items

Additionally, the Edifecs Solution generates Multiple Bi-Directional Maps:

- EDIFECS base code maps,
- Custom code maps based on EDIFECS,
- GEMs code maps, and,
- Custom code maps based on GEMs.

On, and after, October 1, 2013, providers are required to submit ICD-10 compliant transactions for all outpatient services and inpatient discharges. Any claims for dates of services and discharges prior to October 1, 2013 must be submitted with ICD-9 compliant transactions. The State of Alaska allows up to one year for timely submission of claims. Therefore, it will be necessary to implement a crosswalk solution during the period when both ICD-9 and ICD-10 transactions will be received. To that end, the Enterprise system must:

- Receive ICD-9-CM, ICD-10-CM and ICD-10-PCS transactions;
- Retain full ICD-9-CM, ICD-10-CM and ICD-10-PCS transaction information;
- Utilize the crosswalk to convert ICD-9-CM formatted transaction and values to ICD-10-CM or ICD-10-PCS compliant transaction format (step up);
- Process in the ICD-10 compliant system as if submitted as a ICD-10 transaction;
- Prepare return transaction in ICD-10 format;
- For outbound ICD-9-CM formatted transactions, use the crosswalk to convert format and values from the ICD-10 format to the ICD-9-CM compliant transaction format, using retained data from originally submitted ICD-9-CM transaction, where necessary (step down)

In the interest of stable operations and lowest risk, the above processes require the following system solution:

- Alaska MMIS
- Pharmacy NCPDP D.0

Required Alaska MMIS Solution (Post 5010 compliance)

- Receive ICD-9-CM, ICD-10-CM and ICD-10-PCS transactions;
- Receive and return ICD-9 formatted transactions without change to the Alaska MMIS ICD-10 compliant system;
- Utilize the crosswalk tables for the ICD-10 compliant system when ICD-9-CM format transactions are received;
- Utilize the crosswalk tables for the ICD-10 compliant system when ICD-9-CM format transactions must be returned.

The ability for the fully ICD-10 compliant Alaska MMIS to accept ICD-9-CM transactions will become inactive when DHSS and the provider community are in position to process ICD-10 transactions only.

Required Pharmacy NCPDP D.0 Solution

Magellan Health Services, the PBM for Alaska Medicaid, is modifying their FirstRX applications to support the NCPDP D.0 format. Both the current NCPDP v. 5.1 and new D.0 formats support ICD-10 and ICD-9 codes. ICD codes are used only in DUR and clinical editing. The claims interface file from the PBM to the ACS Health Enterprise product will require modification to support the ICD-10 code.

The Alaska MMIS that will be initially implemented in April 2012 will be modified to accept the new FirstRx interface format.

The table below provides a snapshot view of the crosswalk processing and the impact to the system by including Pharmacy D.0 transaction information.

Crosswalk Processing

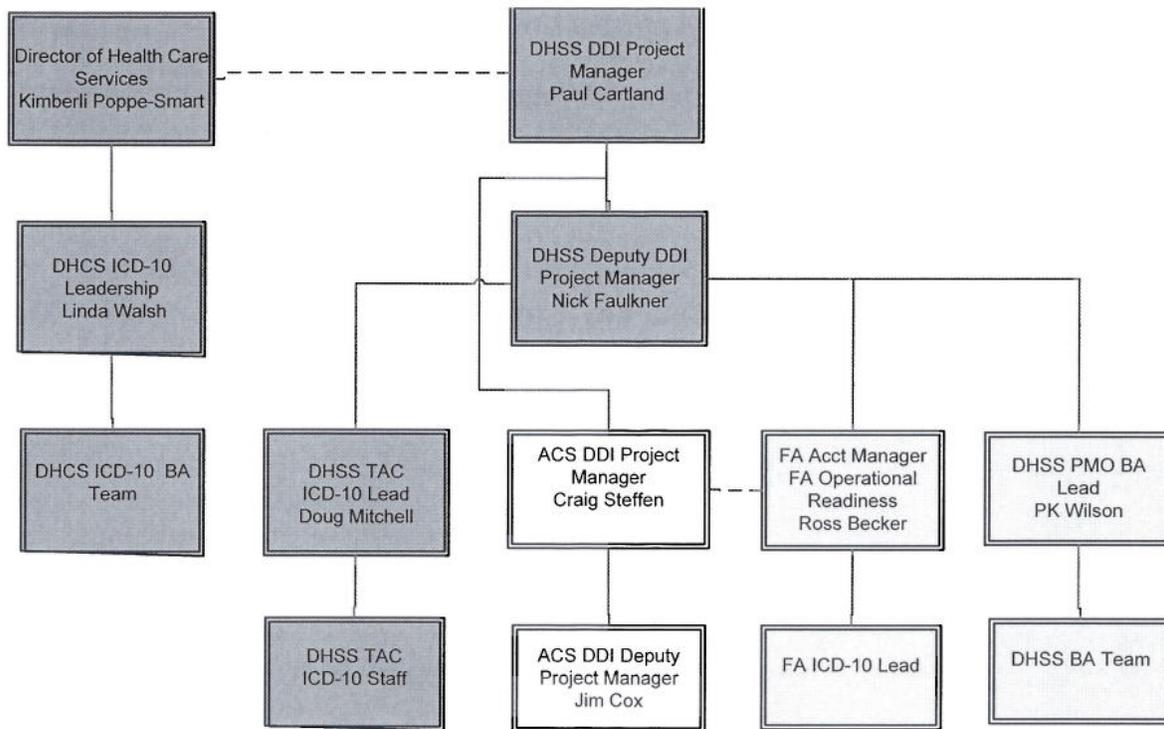
Enterprise System Version	Primary Processed Transaction Type	Use of Crosswalk	Pharmacy D.0 Impact
Enterprise System – After Full ICD-10 Compliance	Transaction containing one or more ICD-9 or ICD-10 codes	Convert inbound ICD-9-CM to ICD-10; For those same transactions, convert outbound ICD-10 to ICD-9-CM	The NCPDP D.0 format and includes a “qualifier” indicator to recognize ICD-9 or ICD-10 codes when present

Project Management Plan

Implementation Project Organization - Chart

The Planning Project Organization includes State, TAC and ACS contractor staff, responsibilities, and relationships. The State will claim FFP at the appropriate 75%, or 90% level based on the tasks performed by the staff represented below. The guidelines for the FFP will be consistent with tasks defined in the State Medicaid Manual and no duplicate claim for FFP will be included. Consistent with the requirements of the IAPD letter to State Medicaid Directors, the following is a one-page chart describing the staff, title, and relationships responsible or accountable for this effort.

Alaska ICD-10 Implementation Organizational Chart



Implementation Project Organization - Narrative

The above organization chart clarifies the relationships of DHSS staff responsible for the implementation effort. The DHSS DDI State Project Manager is responsible for managing the planning efforts of the State Business Analysts, the MMIS DDI Business Analysts, the TAC, the ACS DDI Alaska Analysts, and the ACS Fiscal Agent Analysts.

The staffing required is listed as follows:

Position	Responsibility
Health Care Services Director	Responsible for Health Care Services ICD-10 project.
Health Care Services ICD-10 Lead	Conduct operations research related to the processing and functions of ICD-10. Responsible for review of ICD-10 deliverables, testing and quality.
DHSS DDI State Project Manager	Responsible for overall project oversight.
TAC ICD-10 Lead	Responsible for oversight of ICD-10 deliverables, testing and quality.
DHCS & TAC ICD-10 Staff	Conduct operations research related to the processing and functions of ICD-10. Responsible for review of ICD-10 deliverables, testing and quality.
ACS DDI Project Manager	Responsible for overall ACS project oversight, including responsibility for deliverables, schedule management, budget management, and adherence to scope of work. <i>All ACS responsibilities and costs include EDI and Magellan Pharmacy.</i>
ACS DDI Deputy Project Manager	Responsible for deliverables, schedule management, budget management, and adherence to scope of work.
ACS ICD-10 Project Manager	Responsible for deliverables, schedule management, and adherence to scope of work.
ACS Fiscal Agent Account Manager – FA Operations Readiness	Responsible for fiscal agent operational readiness.
Fiscal Agent ICD-10 Lead	Conduct operations research related to the processing and functions of ICD-10. Responsible for testing of ICD-10 deliverables.

Planning Phases, Milestones and Target Dates

The following table describes the key milestones related to this IAPD:

Phase	Implementation Milestone	Target Date
Alaska Enterprise Remediation and Implementation	Implementation of EDIFECS Tools	August 31, 2011
	Requirements Analysis Complete	December 31, 2011
	ICD-10 Artifact Updates Complete	June 1, 2012
	Edifecs Decision Support	October 1, 2013
	Development Complete	July 1, 2013
	System Testing Complete	August 1, 2013
	Implementation Complete	October 1, 2013
Alaska Claims History Enhancement	Conversion for DSS Complete	July 1, 2013
ICD-10 Utilization Preparation	North Highland Consulting - State Roadmap for ICD-10 Utilization for patient population utilization management, quality, and cost management	February 29, 2012
	Payment Methodologies Group Engagement Complete	February 29, 2012

State and Contractor Needs

The approach of this implementation is based on DHSS contracting with its MMIS DDI vendor, the MMIS Fiscal Agent, and the TAC. The vendors have been tasked to procure proper subject matter experts and internal staff to complete the implementation. DHSS has committed internal staff for oversight.

Planning Project Procurement Activities and Schedule

Alaska is progressing through the DDI for the new Alaska MMIS. The system is in the Development phase for the Alaska-specific changes. As the code is currently undergoing changes and testing, it is not feasible to procure other vendors to apply the changes necessary for ICD-10 compliance. Therefore, the State will extend the contract with the current DDI vendor, ACS, to encompass the necessary changes. Likewise, the current Technical Assistance Contractor (TAC), Qualis Health, has been contracted for technical assistance related to the DDI and it is not feasible, nor cost effective to procure the services of a second TAC vendor.

The Version 5010 project is being performed as extensions of the contract between the Alaska Department of Health and Social Services and ACS for development of enhancements and maintenance of the new MMIS and the contract with Qualis Health for TAC Services. CMS approved the contract with ACS on September 26, 2007. CMS approved the contract with Qualis Health on December 10, 2007. At the time the contracts were negotiated and executed, the Version 5010 and ICD-10 requirements had not been released. Therefore, the IAPD Update #1 did not include the associated tasks, necessitating revision to the contracts to include the 5010 and ICD-10 tasks required for compliance. Subsequently the IAPD for 5010 was submitted to CMS for approval. It is

the purpose of this IAPD to justify the contract revisions necessary for the remediation of the Alaska MMIS to be ICD-10 compliant.

The estimated overall schedule is detailed in the chart below.

Estimated Overall Schedule		
Date	Activities	Organization(s)
January 2011 to April 2011	Develop scope document for DHSS to determine the work required to modify the AK MMIS to meet ICD-10 rules.	DHSS ACS TAC
August 2011	Develop Implementation Advanced Planning Document to request Federal Funding Match by CMS.	DHSS ACS TAC
August 2011 to September 2011	CMS Reviews Planning IAPD and determines approval.	CMS
August 2011 to December 2011	Requirements Verification	DHSS ACS TAC
August 2011 to February 2012	Create State Plan for utilization of alternative payment methodologies	DHSS ACS TAC
August 2011 to February 2012	Create State Roadmap for utilization of ICD-10 as a tool for patient population utilization management, quality and cost management	DHSS ACS TAC
September 2011 To June 2012	Business Design	DHSS ACS TAC
October 2011 to April 2012	Alaska ICD-10 artifacts update	DHSS ACS TAC
March 2012 To April 2012	Design Review Verification Sessions	DHSS ACS TAC
June 2012 to February 2013	Development	ACS
August 2011 To July 2013	Data Conversion Activities	ACS
June 2012 To February 2013	Test Case Creation and Test Case Setup	DHSS ACS TAC
February 2013 To August 2013	Testing	DHSS ACS TAC
February 2013 To August 2013	Documentation Updates	DHSS ACS TAC
June 2012 To August 2013	Training Materials Development and Training Execution	DHSS ACS TAC
October 2013	Implementation	DHSS ACS TAC

Costs

Cost Benefit Analysis

Federal agencies are directed to assess all costs and benefits of available regulatory alternatives and to select approaches that maximize net benefits. The Alaska DHSS has examined the impacts of these HIPAA changes for the Medicaid program in proposed Federal rules and, as stated above, has determined that there is no viable option except implementation of the proposed changes. It will be critical during the design phase to develop an approach that is thorough and nets value for the cost. Impact analysis includes impact on State government programs. No further cost-benefit analysis has been performed.

State management, professional, and systems staff will be drawn from current DHSS and DHCS positions. Staff costs will be distributed according to the time personnel devote to this project. Alaska has in place an approved time accounting system to credit work to the appropriate accounts, which will be reported under the federally approved cost allocation plan.

The contractor resources needed for this project are from ACS, EDIFECS, Magellan Pharmacy, North Highland, and Qualis Health (Technical Assistance Contractor).

Implementation Project Budget

The tables below, "Project Cost by Category," and "Project Cost by Phase by Organization," identify estimated costs for the completion of this planning project.

Project Cost by Category

Project Cost by Category (Totals by FFP Percentage)				
Category	Total Requested	Federal Share	State Share	FFP
ACS Contracted Costs				
Labor				
BA/SME Implementation	2,126,213.00	\$1,913,591.70	\$212,621.30	90%
Technical	2,802,959.00	\$2,522,663.10	\$280,295.90	90%
BA/SME Provider Training	936,100.00	\$468,050.00	\$468,050.00	50%
Total Labor	5,865,272.00	\$4,904,304.80	\$960,967.20	
Consulting				
EDIFECS	752,000.00	\$676,800.00	\$75,200.00	90%
North Highland Consulting	108,000.00	\$97,200.00	\$10,800.00	90%
ACS Payment Methodologies Group	138,000.00	\$124,200.00	\$13,800.00	90%
EDIFECS Infrastructure	2,080.00	\$1,872.00	\$208.00	90%
Total Consulting	1,000,080.00	\$900,072.00	\$100,008.00	
Software, Hardware and Expenses				
EDIFECS Software	880,000.00	\$660,000.00	\$220,000.00	75%
EDIFECS Software Set Up	40,000.00	\$30,000.00	\$10,000.00	75%
EDIFECS Server Hardware	70,482.00	\$63,433.80	\$7,048.20	90%
Travel	63,724.00	\$57,351.60	\$6,372.40	90%
Office Supplies/Misc	940.00	\$846.00	\$94.00	90%
Total Software, Hardware and Expenses	1,055,146.00	\$811,631.40	\$243,514.60	
ACS Total Contracted Costs	7,920,498.00	\$6,616,008.20	\$1,304,489.80	
State Labor	880,066.00	\$792,059.40	\$88,006.60	90%
Technical Assistance Contractor	914,148.00	\$822,733.20	\$91,414.80	90%
Total IAPD Costs 90% FFP	7,858,612.00	\$7,072,750.80	\$785,861.20	90%
Total IAPD Costs 75% FFP	920,000.00	\$690,000.00	\$230,000.00	75%
Total IAPD Costs 50% FFP	936,100.00	\$468,050.00	\$468,050.00	50%
Total IAPD Costs	9,714,712.00	\$8,230,800.80	\$1,483,911.20	

Project Cost by Phase by Organization

Project Cost by Phase by Organization					
Tasks	Date End	Organization	Costs	Federal Share	State Share
Implementation of EDIFECS Tools	8/31/2011	ACS	\$752,050	\$676,845	\$75,205
EDIFECS SW and Install	10/5/2011	ACS	\$920,000	\$690,000	\$230,000
Requirements Verification	12/31/2011	ACS	\$1,348,000	\$1,213,200	\$134,800
		DHSS	\$117,083	\$105,375	\$11,708
		TAC	\$118,584	\$106,726	\$11,858
State Plan for Payment Methodologies	2/29/2012	ACS	\$138,000	\$124,200	\$13,800
		DHSS	\$12,894	\$11,605	\$1,289
		TAC	\$12,500	\$11,250	\$1,250
State Roadmap for ICD-10 Utilization	2/29/2012	ACS	\$108,000	\$97,200	\$10,800
		DHSS	\$12,894	\$11,605	\$1,289
		TAC	\$12,500	\$11,250	\$1,250
Business Design & Artifacts Updates Complete	6/1/2012	ACS	\$592,050	\$532,845	\$59,205
		DHSS	\$183,775	\$165,398	\$18,378
		TAC	\$171,800	\$154,620	\$17,180
Development	7/1/2013	ACS	\$988,075	\$889,268	\$98,808
		DHSS	\$35,789	\$32,210	\$3,579
		TAC	\$26,520	\$23,868	\$2,652
Data Conversion	7/1/2013	ACS	\$990,062	\$891,056	\$99,006
		DHSS	\$67,436	\$60,692	\$6,744
		TAC	\$75,036	\$67,532	\$7,504
System Testing	8/1/2013	ACS	\$792,050	\$712,845	\$79,205
		DHSS	\$366,828	\$330,145	\$36,683
		TAC	\$415,560	\$374,004	\$41,556
Implementation	10/1/2013	ACS	\$356,112	\$320,501	\$35,611
		DHSS	\$83,366	\$75,029	\$8,337
		TAC	\$81,648	\$73,483	\$8,165
Provider Training	10/1/2013	ACS	\$936,100	\$468,050	\$468,050
ICD-10 Project Total			\$ 9,714,712.00	\$8,230,800.80	\$1,483,911.20

Note 1 –Software Costs reimbursed at 75% FFP

Note 2 –Provider Training reimbursed at 50% FFP.

Project Cost for State Staff Only

The two tables below itemize the estimate of hours and cost of each State resource that will be assigned to the ICD-10 project. The first table lists State personnel from the Department of Health Care Services (DHCS) and the second table lists State personnel from the Department of Social Services (DHSS) PMO team.

Alaska ICD-10 DHCS Implementation Team Implementation Estimates

Alaska ICD-10 Implementation Estimate						
Role	Dedicated	Hourly Rate	Hours	Total Cost	FFP Amount (90%)	State Contribution (10%)
Health Pgm Mgr IV	N	\$ 77.86	729	\$ 56,759.94	\$ 51,083.95	\$ 5,675.99
Health Pgm Mgr IV	N	\$ 75.33	673	\$ 50,659.43	\$ 45,593.48	\$ 5,065.94
Health Pgm Mgr II	N	\$ 64.58	673	\$ 43,430.05	\$ 39,087.05	\$ 4,343.01
Medical Assistance Administrator IV	N	\$ 55.86	728	\$ 40,666.08	\$ 36,599.47	\$ 4,066.61
Medical Assistance Administrator III	N	\$ 52.25	728	\$ 38,038.00	\$ 34,234.20	\$ 3,803.80
Medical Assistance Administrator III	N	\$ 55.31	1,339	\$ 74,060.09	\$ 66,654.08	\$ 7,406.01
Medical Assistance Administrator III	N	\$ 52.84	1,339	\$ 70,752.76	\$ 63,677.48	\$ 7,075.28
Medical Assistance Administrator III	N	\$ 51.92	1,339	\$ 69,520.88	\$ 62,568.79	\$ 6,952.09
Medical Assistance Administrator II	N	\$ 57.50	1,339	\$ 76,992.50	\$ 69,293.25	\$ 7,699.25
Research Analyst II	N	\$ 41.26	728	\$ 30,037.28	\$ 27,033.55	\$ 3,003.73
Medical Assistance Administrator II	N	\$ 57.74	728	\$ 42,034.72	\$ 37,831.25	\$ 4,203.47
			Total Hours	10,342.00		
			Total Cost	\$ 592,951.73	\$ 533,656.55	\$ 59,295.17

Alaska ICD-10 DHSS PMO Implementation Team Implementation Estimates

Alaska ICD-10 Implementation Estimate						
Role	Dedicated	Hourly Rate	Hours	Total Cost	FFP Amount (90%)	State Contribution (10%)
Deputy Project Manager	N	\$ 76.76	390	\$ 29,936.40	\$ 26,942.76	\$ 2,993.64
Business Manager	N	\$ 81.98	390	\$ 31,972.20	\$ 28,774.98	\$ 3,197.22
Transition Manager	N	\$ 72.96	390	\$ 28,454.40	\$ 25,608.96	\$ 2,845.44
Business Analyst	N	\$ 64.21	390	\$ 25,041.90	\$ 22,537.71	\$ 2,504.19
Business Analyst	N	\$ 68.01	390	\$ 26,523.90	\$ 23,871.51	\$ 2,652.39
Business Analyst	N	\$ 64.21	390	\$ 25,041.90	\$ 22,537.71	\$ 2,504.19
Business Analyst	N	\$ 65.92	390	\$ 25,708.80	\$ 23,137.92	\$ 2,570.88
Business Analyst	N	\$ 62.21	390	\$ 24,261.90	\$ 21,835.71	\$ 2,426.19
Business Analyst	N	\$ 72.96	390	\$ 28,454.40	\$ 25,608.96	\$ 2,845.44
Business Analyst	N	\$ 62.11	390	\$ 24,222.90	\$ 21,800.61	\$ 2,422.29
Project Assistant	N	\$ 44.86	390	\$ 17,495.40	\$ 15,745.86	\$ 1,749.54
			Total Hours	4,290		
			Total Cost	\$ 287,114.10	\$ 258,402.69	\$ 28,711.41

Prospective Cost Distribution

Section 11276.2 provides that 90% FFP is available for the costs directly attributable to the Medicaid program for the design, development, installation and enhancement of MMIS and information retrieval systems, software costs are available at 75% FFP, and provider training costs at 50%.

The above tables list costs that are directly associated with the remediation of the Alaska MMIS for ICD-10 compliance and will be claimed at the 90% FFP, 75% FFP (Software), and 50% FFP for provider training in accordance with Sections 11276.2.

Risks

The initial ICD-10 risks which have been identified are summarized below.

Title	Description	Discussion	Mitigation	Contingency
State Availability of Knowledgeable Resources	If sufficient knowledgeable State operations resources are not available to perform analysis, any resulting ICD-10 remediation plan will likely be invalid.	<ol style="list-style-type: none"> 1. Project implementation delay 2. Insufficient and/or low quality analysis 	Evaluate alternative resources	Identify potential DDI BA resources
Quality of Code Matching	If a robust, automated code matching assistance methodology is not employed, the quality of code matching will start and remain low for a longer period of time than if an automated solution is applied from the beginning.	<p>Due to the significant differences between ICD-9 versus ICD-10-CM & ICD-10-PCS codes, a simple one-to-one matching is not possible for all codes, even when utilizing crosswalks:</p> <ol style="list-style-type: none"> 1. 5% of all ICD-10 codes will map accurately to ICD-9 codes 2. 26% of all ICD-9 codes will map accurately to ICD-10 codes 3. All other codes will either lose information or make assumptions 4. Imperfect mapping will impact revenue, costs, risks and relationships 5. No “approved” mapping is available; “everyone is on their own” 6. Lack of comprehensive clinical information 7. Imperfect code translation leaves room for clinical questioning 	Evaluate alternative and/or combined methodologies (crosswalks, GEMs, reimbursement maps)	Establish and maintain work-around solutions while systems and staff accumulate more history and experience

Title	Description	Discussion	Mitigation	Contingency
Converting or Correlating Historical Data Sets	If ICD-9 codes are initially not converted to ICD-10 codes accurately and to the maximum extent possible, then business, clinical and financial operations will be negatively impacted.	<p>1. Skewed results when analyzing the newly mapped data</p> <p>2. Inability to make comparisons to previously generated statistical data</p>	<p>1. Evaluate options, tools and vendors for analyzing historical data, such as those being developed by WEDI</p> <p>2. Initiate conversion testing very early in order to have the time and opportunity to resolve the most common problems</p>	Establish and maintain work-around solutions while systems and staff accumulate more history and experience
Limitations of GEMs	If GEMs, which require human intervention to complete translations, are used, then additional data and assumptions will be required.	Codes can be altered to accomplish any goal, rather than representing facts about the patient's health	<p>1. Establish a timeline for meeting "data accuracy thresholds"</p> <p>2. Set an intentional plan for moving away from GEMs and cross-walks as soon as certain data accuracy thresholds have been achieved</p>	Establish and maintain work-around solutions while systems and staff accumulate more history and experience
Limitations of Crosswalks	If crosswalks are used, they may pose significant issues with data integrity.	<p>1. Some critical detailed information included in the ICD-10 codes may be lost through cross-walking</p> <p>2. The lack of exact matches between ICD-9 and ICD-10 codes could lead to incorrect decisions</p> <p>3. The GEMs will not be maintained by CMS indefinitely</p>	<p>1. Establish effective governance and decision-making practices & protocols</p> <p>1. Establish effective cross-walk maintenance processes to address terminology changes and regular updates</p> <p>2. Set intentional plan for moving away from GEMs and cross-walks as soon as certain data accuracy thresholds have been achieved</p>	Establish and maintain work-around solutions while systems and staff accumulate more history and experience

Title	Description	Discussion	Mitigation	Contingency
Impact on Claims Processing and Payment Timeliness	If GEMs and/or crosswalks are used, they may pose significant issues with claims processing and payment timeliness, as it relates to provider satisfaction and possible fiscal agent penalties and liquidated damages.	<ol style="list-style-type: none"> 1. Increased number of claims which suspend for review, approval, or denial 2. Increased number of provider inquiries and complaints 3. Increased costs to state and fiscal agent for review of suspended claims 	<ol style="list-style-type: none"> 1. Establish effective governance and decision-making practices & protocols 2. Prepare action plan to triage an initial, temporary spike in suspended claims upon implementing ICD-10 3. Prepare the provider community for the likelihood of initially higher level of suspended claims and slower payments 	Establish and maintain work-around solutions while systems and staff accumulate more history and experience
Impact on Business Operations	Even if careful governance and planning is exercised, the implementation of ICD-10 presents significant challenges, throughout the Medicaid enterprise	<ol style="list-style-type: none"> 1. Clinical history 2. Medical policy and clinical guidelines 3. Benefit designs 4. Actuarial & financial risk 5. Contracting scope and pricing 6. Population health 7. Comparative effectiveness research 	<ol style="list-style-type: none"> 1. Establish effective governance and decision-making practices & protocols 2. Prepare area-by-area action plans and transitional operating procedures, well in advance of implementing ICD-10 3. Prepare the provider community for the scope and magnitude of change, well in advance of implementing ICD-10 	Establish and maintain work-around solutions while systems and staff accumulate more history and experience
Provider Testing Plan	If the plan for full rollout does not allow providers to test prior to compliance date, then the provider community will not be able to validate their ICD-10 changes.	<ol style="list-style-type: none"> 1. Project implementation delay 2. Loss of provider confidence 3. Loss of provider participation 	Plan for ICD-10 validation functionality to be implemented prior to remediation	Establish parameters for a work-around
AK Enterprise Unable to Process Claims Properly	If the Alaska-specific Enterprise system is not ICD-10 compliant and there is no contingency plan, then the system will fail to process claims correctly.	<ol style="list-style-type: none"> 1. Project implementation delay 2. Loss of provider confidence 3. Loss of provider participation 4. Providers revert to paper claims 5. Impact to COB, TPL and Medicare Crossover claims 	Determine alternative solutions	Select and implement an alternative solution

Title	Description	Discussion	Mitigation	Contingency
ACS Resource Conflicts with Assessment, Development and Testing	If the ACS resources needed for the Alaska-specific Enterprise ICD-10 impact assessment are the same resources needed for the Alaska-specific Enterprise development and testing, then the Alaska-specific assessment cannot be completed on time.	Project implementation delay	Determine alternative solutions	Select and implement an alternative solution
State Up and Downstream Systems Not Remediated	If State downstream and upstream systems are not remediated for ICD-10, then the MMIS system will not be able to consistently apply HIPAA rules.	1. Project implementation delay 2. FFP reimbursement delay	Determine if State downstream and upstream systems are remediated for ICD-10	Update ICD-10 project plan to include interface modifications
AK Enterprise (ICD-10) Certification by CMS	If the Alaska Enterprise system is not ICD-10 compliant by October 1, 2013, then the State risks loss of system certification by CMS.	Reduced FFP	Evaluate compliance alternatives	Prepare plan for external ICD-10 compliance
Business Transformation	If the Business Transformation team does not incorporate changes which reflect ICD-10 systems changes, then the new processes will not be correct.	1. Impact to IG companion guides, billing manuals and call center desk operating procedures 2. Inappropriate processing and/or payment of claims 3. Loss of provider confidence 4. Loss of providers participation	Monitor Business Transformation Plan	Identify all artifacts in Business Transformation plan that are impacted by ICD-10
Underestimation of Core Changes	If the HIPAA core analysis team underestimates the magnitude of the ICD-10 changes, then the system will not be ICD-10 compliant in timely manner.	Will delay final internal remediation	Determine if the HIPAA analysis team has underestimated the magnitude of the changes	Remove core schedule from Alaska critical path

Title	Description	Discussion	Mitigation	Contingency
External Communications	If external ICD-10 communication is not provided, then the trading partners will not have adequate information for testing, pilots, and compliance roll-out.	<ol style="list-style-type: none"> 3. Impact to IG companion guides, billing manuals and call center desk operating procedures 4. Inappropriate processing and/or payment of claims 5. Loss of provider confidence 6. Loss of providers participation 	Monitor Business Transition Plan	Identify all artifacts in Business Transition plan that are impacted by ICD-10
ACS Sub-contractors ICD-10 Compliance Status	If ACS sub-contractors are not ICD-10 compliant by go-live, then claim audits, reporting and pharmacy processing may be incorrect.	Would require significant manual intervention	Monitor Sub-contractors' plans	Escalate to Sub-contractors' management
ACS Funding	If there is not adequate funding by ACS, then the project will fail.	Project implementation delay or failure	Escalate to State and ACS Executive management	

Contingency Planning

The Department will develop a comprehensive contingency plan to address as many possible scenarios that may arise in relation to HIPAA implementation. At a minimum, the Department will allow providers to continue, in some instances, the submission of claims with ICD-9 Codes for a limited period of time.

In short, the Department wants to ensure that providers receive client eligibility information, continue to provide uninterrupted service to our client population, be able to submit claims for reimbursement and to receive reimbursement for the services that they have provided.

Assurances

Consistent with the requirements outlined for this IAPD, the following compliance assurances are included.

Procurement Standards (Competition/Sole Source)

Document: Title 45 Code of Federal Regulations, Part 95.613

Sec. 95.613 Procurement Standards. (a) Procurements of ADP equipment and services are subject to the procurement standards prescribed by Subpart P of 45 CFR Part 74 regardless of any conditions for prior approval. Those standards include a requirement for maximum practical open and free competition regardless of whether the procurement is formally advertised or negotiated. (b) Those standards, as well as the requirement for prior approval, apply to ADP services and equipment acquired by a state or local agency, and the ADP services and equipment acquired by a state or local Central Data Processing facility primarily to support the Social Security Act programs covered by this subpart. Service agreements are exempt from these procurement standards.

Document: State Medicaid Manual Part 11267

Section 11267 REQUIRED ASSURANCES 2. For 90-percent, as well as for 75-percent funding, and 50-percent FFP where the threshold amounts found at 95.611(a) are exceeded, give CMS, with respect to each RFP and/or contract entered into for a system, assurance that:

Procurements of ADP services and/or equipment for mechanized medical claims processing and information retrieval systems meet the provisions of 45 CFR 74, Administration of Grants;

Fair competition and public advertising are within Federal and state procurement standards. The Federal procurement standards are in 45 CFR 74, Subpart P and the December 4, 1995 State Medicaid Director letter.

Access To Records

Document: Title 45 Code of Federal Regulations, Part 95

Sec. 95.615 Access to systems and records. In accordance with 45 CFR part 74, the state agency must allow the Department access to the system in all of its aspects, including design developments, operation, and cost records of contractors and subcontractors at such intervals as are deemed necessary by the Department to determine whether the conditions for approval are being met, and to determine the efficiency, economy and effectiveness of the system.

Document: State Medicaid Manual Part 11

Section 11267 REQUIRED ASSURANCES

For 90-percent, as well as for 75-percent funding, and 50-percent FFP where the threshold amounts found at 95.611(a) are exceeded, give CMS, with respect to each RFP and/or contract entered into for a system, assurance that:

All deliverables, interim reports, data collection forms, questionnaires, and other working papers that support the final system acceptance will be made available on request to CMS. This applies to the prime contractor, any subcontractors, and other state or local agencies supplying services.

Software Ownership, Federal Licenses and Information Safeguarding

Document: Title 42 Code of Federal Regulations, Part 433

Sec. 433.112(b) (5) – (9) (5) The state owns any software that is designed, developed, installed or improved with 90-percent FFP. (6) The Department has a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, for Federal Government purposes, software, modifications to software, and documentation that is designed, developed, installed or enhanced with 90-percent FFP. (7) The costs of the system are determined in accordance with 45 CFR 74.171. (8) The Medicaid agency agrees in writing to use the system for the period of time specified in the APD approved by CMS, or for any shorter period of time that CMS determines justifies the Federal funds invested. (9) The agency agrees in writing that the information in the system will be safeguarded in accordance with subpart F, part 431 of this subchapter.

Progress Reports

Document: State Medicaid Manual Part 11

Section 11267 REQUIRED ASSURANCES For 90-percent, as well as for 75-percent funding and 50-percent FFP where the threshold amounts found at 95.611(a) are exceeded, give CMS, with respect to each RFP and/or contract entered into for a system, assurance that:

Copies of progress reports, as requested, will be delivered to CMS.

In addition to the four sections of the Implementation APD described above, there is an additional provision at 45 CFR § 95.605(vi), which requires a commitment to define the state's functional requirements for the purpose of evaluating the transfer of an existing system, including the transfer of another state's General Systems Design (GSD), which the state may adapt to meet state specific requirements.

System Evaluation List

The following descriptions correspond to the Alaska MMIS and related systems that will be modified in this implementation effort.

Alaska MMIS System

The Alaska MMIS is a set of applications and data analytics that support the administration of the overall Medicaid enterprise, such as member and provider management, waivers, benefit packages, disease management, eligibility, claims processing, and third party liability. It is comprised of a Web-based suite of component technologies that integrate to perform required MMIS functions, as well as grant prompt and advanced system access to all users, including the provider and recipient community. The Alaska MMIS is a MITA aligned system, based on a Service Oriented Architecture (SOA), and provides the capabilities required to receive federal certification.

Web Functionality

The new Alaska MMIS web site will be an abundant resource for Medicaid-related information. Public content includes ACS points of contact, HIPAA information, Alaska Medicaid policy manuals, and newsletters. Users will be able to determine eligibility, obtain claim status, submit Service Authorization Requests, and submit HIPAA compliant claims on line.

Pharmacy Benefits Management (PBM)

Pharmacy Benefit Management is processed through a stand-alone point-of-sale (POS) pharmacy claim system, which includes real-time Prospective Drug Utilization Review (DUR). Pharmacy providers may submit claims either via direct internet access or through any of the State of Alaska's current telecommunication switch vendors. Additionally, providers may submit paper pharmacy claims to the fiscal agent or in batch mode through an electronic claims capture interface. The POS system processes all pharmacy claims through identical adjudication processes, regardless of their media type or submission method. The POS system transmits adjudicated pharmacy claims files nightly to the Alaska MMIS for inclusion in the claims payment processing cycle.

Internal Interfaces

Internal Interface functions support legacy subsystem data that interface with the MMIS. These interfaces enable more efficient and accurate transfers of data between data tables and subsystems. The types of data they process include client data, provider data, reference data, paid claims, encounter data, and TPL information.