MEDICAID REFORM AND EXPANSION

Payment System Facts

Claims that Alaska's Medicaid payment system can't handle 42,000 new enrollees simply are not true. See what Alaska health care providers are saying about the state's new payment system:

Defects are nearly all fixed.

The Enterprise MMIS payment system has improved dramatically since June 30, 2014. From the launch of the new Enterprise system until now, more than 17,000 defects have been identified. Today, there are fewer than 100 known defects. Of these, only two are deemed "critical." A system correction to fix the remaining defects is scheduled for deployment April 2015.

The state's Medicaid payment contractor, Xerox, is under a corrective action plan.

The state filed a lawsuit against Xerox in September 2014 for breach of contract. In October, Xerox agreed to a corrective action plan that focused on resolving all major defects related to claims payment by March 2015. A decision on the state's request for liquidated damages is pending. The pressure of the suit and corrective action plan appear to be driving the improved performance cited above.

Performance has greatly improved.

Since January 2015 the automated system has paid 90 percent of new claims correctly. This is better performance than the old legacy system.

Testimony from Alaska health care providors to the House Finance Committee:

"Commissioner Davidson is making good on her word, and we have seen significant improvements in claims processing, timely payments and accuracy. We believe that the new MMIS has progressed to the point where it can readily accommodate the data and management information requirements of Medicaid expansion."
– Dustin Larna, president of the Alaska Association of Homes for Children

"As far as Central Peninsula Hospital is concerned, the MMIS system problems are behind us and it is time to prepare for Medicaid reform and expansion."
- Rick Davis, CEO of Central Peninsula Hospital

"We have seen vast improvements in the MMIS system over the last several months and feel strongly that the MMIS system is not a reason to delay or postpone Medicaid expansion. Moreover, we believe that the current MMIS system can and will manage the Medicaid expansion payments appropriately." – Joshua Gilmore, finance director, Tanana Chiefs Conference, Health Services Administration

"Our experience with the MMIS system is extensive. While there were significant delays in authorization and payment through the system several months ago, these have been largely resolved. I believe the system will be successful in handling any increase in volume caused by Medicaid expansion." – Charles Bill, CEO of Bartlett Regional Hospital

Learn more at: Gov.Alaska.Gov/Medicaid