



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Utah Department of Health

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Executive Director

Division of Medicaid and Health Financing

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September 30, 2010

Jonathan Ball, Director
Office of Legislative Fiscal Analyst
State Capitol Complex
House Building, Suite W310
Salt Lake City, UT 84114

Reference: H.B. 2 Medicaid Management Information System
Quarterly Report

Dear Mr. Ball:

House Bill 2 of the 2010 Legislative General Session included intent language for the Utah Department of Health report quarterly to your office on the status of replacing the Medicaid Management Information System (MMIS) beginning September 30, 2010. This letter and its contents constitute the Department's report.

MMIS Replacement Project Status by Component

Pre-Payment Editing System

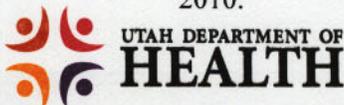
The RFP process has been completed. There were three bidders on the RFP for this component: Bloodhound Technologies, Castlestone Advisors, and HealthCare Insight. The successful bidder was Bloodhound Technologies. The Department is currently working with Bloodhound Technologies to integrate the editing system, validate the edits and test the system. The project is targeted for full implementation by December 20, 2010.

Fraud and Abuse Detection System (FADS)

The Implementation Advanced Planning Document (I-APD) for enhanced funding has been approved by CMS. The RFP for this project was released in the Spring of 2010, but retracted to allow more vendors and a wider array of products to be included for consideration. The Department submitted the new RFP to CMS on August 12, 2010. CMS conducted an initial review of the RFP and provided comments and suggested changes on September 13, 2010. The Department is incorporating the suggested changes and preparing the final draft for submission during the week of October 4, 2010.

Point of Sale (POS) and Drug Rebate System

The Implementation Advanced Planning Document (I-APD) for enhanced funding has been approved by CMS. The RFP is drafted and being circulated among Department of Health staff for final review. The target date for submitting the RFP to CMS for approval is October 28, 2010.



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Data Warehouse Upgrade

The RFP process has been completed. There was only one bidder on the RFP for this component: Ingenix. The Department selected Ingenix and is in the midst of negotiating a contract. The time line for completing the Data Warehouse upgrade is January 2011.

Core MMIS replacement

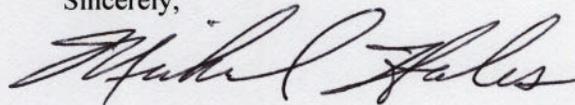
The Department has received \$3 million in general fund of the estimated \$11.3 million needed to replace the entire system. The Department can proceed with the system components mentioned above within the current appropriation, but will not be able to begin the core system replacement. The Department presented the replacement options and the recommended replacement solution to the Executive Appropriations Committee on August 17, 2010.

Specific Accomplishments of the Planning Project

- State Self Assessment completed
- Assessment of State Capabilities completed
- Gap Analysis completed
- Cost/Benefit Analysis completed
- Request for Information (RFI) completed
- Requirement Analysis and Documentation drafted
- Draft I-APD for System Design, Develop, Implement (DDI) completed
- Draft RFP for Core System Development written
- FADS I-APD submitted to CMS Regional Office and approved
- FADS Request for Proposal (RFP) submitted to CMS Regional Office
- Prepay RFP released and contract awarded
- Point of Sale (POS) I-APD approved
- Point of Sale (POS) RFP drafted
- Data Warehouse RFP posted and contract awarded
- FADS I-APD amendment approved by CMS

Please let me know if you have any questions related to this report. You can reach me at (801) 538-6689.

Sincerely,



Michael Hales
Deputy Director, Department of Health
Director, Division of Medicaid and Health Financing