TESTIMONY BEFORE THE BUDGET SECTION
MEDICAID SYSTEMS PROJECT UPDATE
JUNE 14, 2006

Chairman Svedjan, members of Budget Section, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information on the status of the Medicaid Management Information System project (MMIS).

At the March 8, 2006 meeting of the Budget Section, a motion passed that encouraged the Department of Human Services to begin preliminary work on the Medicaid Systems Project. The preliminary work was to include deliverables that would be required, regardless of the option selected during the 2007 Legislative Session.

In addition, the motion encouraged the Department to contract for an independent analysis of the following options:

1. **Acceptance of the current ACS Bid**
2. **Rebidding of the MMIS project**
3. **Joint development with another state**
4. **Use of a fiscal agent**
5. **Outsourcing the billing and payment components**

In March, the Department submitted the proposed MMIS contract to the Centers for Medicare and Medicaid Services (CMS) for approval. We expect to sign a contract within the next several weeks.

The Department has requested competitive bids for an independent analysis and anticipates selecting a contractor by the end of this month. The project team

plans to explore joint development with nearby states, and has drafted a Request For Information (RFI) to solicit interest in outsourcing the billing and payment components.

As we have reported previously, the state Information Technology Department (ITD) will assist with the development of the new MMIS. Based on the March 8, 2006 motion, ITD is also engaged in preliminary work to ensure the project moves forward. ITD has submitted a draft Project Plan and Schedule, outlining all the major work components to be completed as part of the Phase I efforts.

Finally, the Department is developing the budget for the 07-09 Biennium and once the budget is submitted to OMB, the expected MMIS project budget information would be available.

I would be happy to answer any questions you may have.