

**TESTIMONY BEFORE THE INFORMATION TECHNOLOGY COMMITTEE
MEDICAID SYSTEMS PROJECT UPDATE
OCTOBER 10, 2005**

Chairman Robinson, members of the committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding the Medicaid Systems Project.

During the 2003-05 Biennium, the Department prepared various planning documents for the eventual purpose of replacing its Medicaid Systems, which includes: Medicaid Management Information System (MMIS), Pharmacy Point of Sale (POS) and Decision Support System (DSS). The planning phase of the project will culminate with the selection of the vendor(s) for system replacement.

During the 2005 Legislative Session, the Department was given an appropriation of \$29.2 million to Design, Develop and Implement a new Medicaid Management Information System (MMIS), Pharmacy Point of Sale System (POS), Decision Support System (DSS), and for moving Medicaid eligibility from TECS to Vision. On June 1, 2005, the Department released a Request for Proposal (RFP) for the replacement of our current Medicaid Systems. Proposals were due September 1, 2005 and the Department received proposals for all three components (MMIS, POS, and DSS). Staff members from DHS and ITD have been involved in reviewing the proposals. The proposals are compared to the business and technical requirements established in the RFP while each team member scores the proposals. After the initial scoring, each viable vendor will be invited to Bismarck the end of October and beginning of November to attend an oral presentation. At the presentation, the vendor provides a high level overview of their solution, and state staff are allowed to ask questions to help clarify the information in the proposals.

After the oral presentations, the proposals are scored again. The cost proposals are evaluated and the vendors are asked for a Best and Final Offer. After this, a vendor for each component is selected and contract negotiations begin. We anticipate having a contract in place by the end of December. Until the contracts are released for signature, we are not able to discuss the identity of or the number of vendors who have submitted proposals.

The Design, Development and Implementation Phase work is scheduled to begin January 2006 and is scheduled to last 27 months. We are planning a rollout date in the Spring of 2008. The Department is committed to involving state staff, including ITD, the State Auditors office, the Office of Management and Budget, and the Health Department, in addition to provider groups and other stakeholders.

By the time of your next interim meeting, we should have details about the cost and direction of the Medicaid Systems Project.

I would be happy to respond to any questions you may have. There are also representatives from the Department's Division of Information Technology Services available for questions.