

Alternative 3 – Outsource the Claims Processing and the Operations of the MMIS (Fiscal Agent)

Advantages	Disadvantages
The solution meets all MMIS requirements through direct functionality or demonstrated functional equivalency	Less flexibility and immediacy in reacting to changes (e.g., legislature, program changes, ability to reallocate/defer staffing)
The perception that operational performance levels will improve	The difficulty in integrating the solution with other external systems and providing a seamless interface to end users
The maturity and provability of the technology, and the likelihood of support over the planned lifecycle (10 years)	Unknown ability to accommodate future/current DHS projects and meet other performance requirements
The ability of the system to maintain user access availability while other processing is being completed, without performance degradation	Limited system integration with other applications through adapters and enterprise integration tools
The ability of the system to support continuous processing requirements (24x7 operations)	Less control of system business rules (configuration)
The system will have durability over time	The project/system could have a considerable impact on DHS operations
	State will have limited control over level of customer service
	Loss of Medicaid business knowledge of North Dakota State employees. DHS would likely lose staff during the 24 months of the project, which will put the current MMIS operations at great risk.
	The degree to which the system is dependent on hardware elements
	The project/system could have a negative effect on State employee morale. Hosting positions off-site may cause a loss of North Dakota jobs.
	DHS would lose ability to make simple table changes in system
	The degree to which the system may not meet DHS and ITD standards
	Complexity of process to prioritize and implement system changes
	Lack of control over potential price escalation

Alternative 5 – Procure a Vendor Certifiable MMIS and Outsource Nothing (Turn Key)

Advantages	Disadvantages
Ability to manage flexibility and immediacy to react to changes (e.g., legislature, program changes, ability to reallocate/defer staffing)	The system and system components lack of fit with the organizational model for DHS
The maturity and provability of the technology, and the likelihood of support over the planned lifecycle (10 years)	The perception that operational performance levels will not improve
The solution meets all MMIS requirements through direct functionality or demonstrated functional equivalency	The degree to which the system is dependent on hardware elements
Ability to implement and support appropriate security	May not attract development personnel or a contractor with a proven track record with MMIS experience
The ability of the system to support continuous processing requirements (24x7 operations)	May require the State to buy new hardware/software in order to support the development activity and the operations of the new system
Ability to implement with the least impact on payments	May require the State to have a level of knowledge and capabilities sufficient to manage such a complex system implementation
The ability of the system to maintain user access availability while other processing is being completed, without performance degradation	Because of price and other factors, may not select the solution that best meets DHS/ITD needs.
The system will have durability over time	
The degree to which the system meets DHS and ITD standards	
Past investment in DHS/ITD staff can be fully used for new system and Medicaid business operations knowledge is maintained	