

**TESTIMONY BEFORE THE BUDGET COMMITTEE ON HUMAN SERVICES
MEDICAID STUDY AND REPORTS
SEPTEMBER 13, 2006**

Chairman Dever, 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 on the status of the Prescription Drug Monitoring Program Workgroup and the status of the Medicaid Systems Project.

PRESCRIPTION DRUG MONITORING PROGRAM

On August 31, 2006, the Department was notified of the award of the grant (\$372,315) from the Department of Justice for the implementation of a Prescription Drug Monitoring Program. A Request for Proposal (RFP) is being released by the Department of Human Services and the Board of Pharmacy. The purpose of the RFP is to secure a vendor to develop and operate the necessary computer and data services for the program. As decided by the Prescription Drug Monitoring Program Workgroup, the program will be operated through the Board of Pharmacy.

MEDICAID SYSTEMS PROJECT UPDATE

A motion relating to the Medicaid Systems Project passed during the March 8, 2006 meeting of the Budget Section. This motion directed the Department to begin work on Phase I of the project. Current efforts are focused on scheduling the Requirement Document Meetings and completing the visioning process for future business capabilities (MITA – Medicaid IT Architecture – A business-driven enterprise transformation). The State Information Technology Department (ITD) has also begun Phase I work, which includes data

conversion analysis, design of system edits and audits, and design work for the recipient hub.

The March 2006 motion also recommended that the Department hire a consultant to provide an independent analysis of five options to consider during the 2007 Legislative Session. Those five options were: (1) Accept the current ACS Bid, (2) Rebid the MMIS, (3) Partner with another state, (4) Fiscal Agent, and (5) Outsourcing the billing and payment activities. The motion recommended that the information from the analysis be available by January 8, 2007. The Department has hired MTG Management Consultants, L.L.C to complete the analysis. The Department anticipates no problems meeting the January 8, 2007 deadline.

The Department has established a Medicaid Systems Project Stakeholder Committee. The purposes of the Committee are to secure input from various stakeholders regarding the vision, design and implementation of a new MMIS, and to create a communication process with the stakeholders regarding the design and operations of the eventual system. This group will meet again on October 5, 2006 and will continue to meet regularly throughout the project.

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