

Health & Human Services Enterprise

The path forward for Vermont's Integrated Eligibility
System

March 15, 2016

After The Reset what is different

AHS reset IE and MMIS procurements in response to an Agency self-assessment, three external assessments, and Special IT Committee findings. Here is what we changed:

Consideration	Change	Result
Capacity	Postpone MMIS	Focus capacity on IE
Technical Approach	Oracle System Readiness	Addresses technical pre-requisites for success
Contracting Approach	Fixed Price, Incremental	Reduces risk, enhances time to value
Platform Approach	Component transfer from Hawaii	Proven successful, CMS recommended

SEVEN CRITICAL QUESTIONS

1. Why are you asking for this?
2. What does it do?
3. What will it cost?
4. What is the operating cost?
5. What is the life expectancy?
6. How do you measure success?
7. What is the big picture?

QUESTION 1:

Why are you asking for this?

- Vermont has an antiquated system that needs to be replaced
- With this plan, AHS will progress toward delivering the final system and Agency changes which will make Integrated Eligibility a reality
- This money has been allocated for HSE/IE and does not exist elsewhere

QUESTION 2:

What will it do?

- Make it easier for Vermonters to access health and human service programs all in one place
 - IE = QHP + MAGI + non-MAGI + Human Services Programs
- Meet Federal Mandates by addressing CMS requirements for eligibility and enrollment in all Medicaid programs
- Empower Policymakers (Legislators, Stakeholders and Administrators)
 - Make programmatic changes very easy and fast
 - Achieve efficient, automated delivery that lowers administrative costs and streamlines processes
 - Reduce state employees' need to focus on eligibility-related tasks and shift staff resources to case management

QUESTION 3:

What will it cost?

Estimated Costs Phase 1

- Total Cost Estimate – Next 18 months – \$51M Gross
 - Federal: \$46M
 - State: \$5M
- System Integrator Implementation Fees of \$37M (90/10 match)
 - Federal: \$33.3M
 - State: \$3.7M
 - Includes:
 - Getting the Oracle system ready for IE
 - Transfer of Hawaii components
 - Six-program implementation
- Additional Associated Costs (90/10 match) = \$14.1M
 - Federal: \$12.7M
 - State: \$1.4M
 - Includes: IV&V; Quality Control; State Staff Resources; Contracted Staff Augmentation; ACCESS side development
- Combined total state fund need: $\$3.7M + \$1.42M = \$5.12M$
- Possible balance back to state funds: $\$7.2M - \$5.12M = \$2.08M$

QUESTION 3:

What will it cost?

Integrating Human Services Programs

- Phase 2 involves the integration of remaining health and human service benefit programs into the IE system
 - Includes five major programs and numerous sub-programs
- A-87 exception for human service programs scheduled to end on 12/31/2018
- Estimated costs:
 - Will target a \$12-20M range for system integration
 - Dependent on multiple factors
 - Final estimates are still being developed
- Additional appropriations will be needed

QUESTION 4:

What is the operating cost?

- Current operating costs - \$10.2 million
 - Includes state staffing, annual maintenance agreement, software & licenses
- In the future, we estimate that the new system will operate at a similar cost
 - Once operational, AHS will be able to leverage enhanced federal funding via an Operational Advanced Planning Document (OAPD)

QUESTION 5:

What is the life expectancy?

- The life expectancy of a new Integrated Eligibility system is open ended, since it will support benefit programs which have no statutory end date (such as Medicaid, SNAP, TANF, etc.)
- Given that, we project a life expectancy of 20 years as a reasonable starting point

QUESTION 6:

How do you
measure
success?

- Project success will be guided by incremental milestones, with Legislative oversight
- IV&V reports that provide supporting evidence that the product does satisfy client requirements
- Implementation of the six programs in Phase 1

QUESTION 7:

Big Picture – IE in Context

- The Agency of Human Services has been investing for the past seven years in a transformational Health & Human Services Enterprise spanning two Administrations
- Estimated seven-year investment as of 6/30/16 of \$350M, averaging \$50M per annum, yielding modernized and enhanced services
 - Federal share = \$326.3M
 - State share = \$23.5M
- Integrated Eligibility is a key pillar of the Health & Human Services Enterprise

QUESTION 7:

Big Picture – What has been delivered?

- Agency Programs
 - Pharmacy Benefit Management
 - Care
 - QHP
 - Vermont Premium Assistance
 - MAGI Medicaid
 - Dr. Dynasaur
- Platform
 - System Infrastructure
 - System Development/Implementation
 - Staffing Resources and Services
 - Business Systems

QUESTION 7:

Big Picture – History of One-time Appropriations

Source of State Funds	Supporting appropriations - original amounts	CMS-E&E (IE) - State Amount Spent or Anticipated Spent
Capital - Act # 43 2009-2010	\$1.7M	\$1.7M
Capital - Act # 161 2009-2010	\$1.4M	\$1.4M
General Fund - Act # 3 2011-2012	\$3.6M	\$3.6M
AHS GF Act # 63 2011-2012	\$3.6M	\$1.7M
Total State Share through 6/30/16	\$10.4M	\$8.5M
IE Match Funds remaining As of 6/30/16		\$1.9M
Capital - Act #26 Sec. 3(c) 2015-2016		\$5.5M
Less Reallocation for IT Consultant		-\$0.1M
Total State Funds as of 7/1/2016		\$7.2M
Estimate Need in FY 2017		\$5.1M
BALANCE REMAINING		\$2.1M

QUESTION 7:

Big Picture – HSE Lifetime Spend (7 years)

Description	Total Cost Projected Through 6/30/16	Enhanced Medicaid Sources 90% Federal/10% State			Exchange 100% Fed	Other Sources
		CMS-MMIS (MMIS)	CMS-E&E (IE) ¹	CMS-HITECH (HIE/SMHP)	CCIIO Grants (VHC) ²	GC Waiver & HIT Fund Fair Share
Pre-HSE IAPD costs through 6/30/12	\$14.2M	\$11.3M	\$.1M	\$1.9M	\$1.0M	
HSE: Through 12/31/2015	\$263.6M	\$19.2M	\$52.2M	\$11.6M	\$170.8M	\$9.8M
Estimates 1/1/16-6/30/2016	\$72.0M	\$11.1M	\$32.7M	\$2.8M	\$23.5M	\$1.9M
Total Program Projected Costs thru SFY16	\$349.8M	\$41.5M	\$85.0M	\$16.3M	\$195.3M	\$11.7M
Project Costs Projected through 6/30/16 by Federal/State						
Federal Share	\$326.3M	\$37.3M	\$76.4M	\$14.7M	\$195.3M	\$2.5M
State Share	\$23.5M	\$4.1M	\$8.6M	\$1.6M	\$.0M	\$9.2M
Total	\$349.8M	\$41.5M	\$85.0M	\$16.3M	\$195.3M	\$11.7M

QUESTION 7:

Big Picture – Understanding the IE Cost Allocation

How are the federal and state monies allocated?

- Per the federal government, project costs are required to be allocated between funding sources to the benefitting programs
 - Initially – population based statistic
 - On 10/1/14, required to move to enrollment based statistic
 - Currently allocated:
 - 34.5% to CCIIO (100% federal)
 - 65.5% E&E IAPD (90% federal/10% state)
 - Allocations are updated on a quarterly basis