Abstract

The Medicaid program is witnessing unprecedented changes like Medicaid expansion, cost waivers, payment and delivery system reform, opioid abuse, modularity, agile procurement, and rapidly evolving technologies.

An integrated Medicaid Enterprise System (MES) offers an opportunity to address all these changes, and at the same time enhance program efficiency, control cost, and improve outcomes.

But what does a MES system look like and how can it be implemented?
A modular MES

As the name suggests, a modular MES is made of independent and interoperable components or modules. While each State has the flexibility to choose how to define, procure and implement modules, An ideal modular system includes cloud-based or COTS-based components that:

- Can independently support the key business functions or processes
- Are interoperable with other internal and external modules and systems
- Meet existing requirements and can easily pivot to address future requirements
- Comply with the MITA and 7 Conditions and Standards
- Can be quickly implemented at lower cost and risk
- Are less expensive to maintain and operate

![Diagram of a modular MES system](image-url)
Implementing MES

It’s not necessary for States to completely replace their existing Medicaid administration systems. They can retain certain systems, enhance a few functions/capabilities and/or implement new modules. The path to a lower risk, faster deployment is to build on what you know. The following approach can help States pick the right combination.

- MITA self assessment
- Process optimization
- As-is documentation
- To-be state
- Core competencies
- Technology strengths
- Business architecture
- Technical architecture
- Platform decisions
- Value optimization
- Capacity constraints
- Change management
- Program & Project Planning
- ADP & RFP
- Implement from the core to the outside

The first four phases inform the procurement and implementation of the right modules. States that haven't decided on an implementation approach yet can consider the following approach to build their MES system.

- Integration Hub/ Data & Analytics
- External Connections: EDI & Interfaces
- Core Competencies: Claims & Payment
- Stakeholder Services: Enrollment, Provider Management, PBM
- Ready for the World: Consumer & Provider Portals

MES can be implemented from the core to the outside. It will start with the hub to connect all the modules and enable agencies to actionize on the data that they integrate. In the next phase, agencies can create external connections to prevent avoidable errors and ensure seamless exchange of information.

This would be followed by building out the core competencies like claims, payment etc. and then expanding out to key stakeholders – citizens and providers. The final step would be to optimize the end user experience by building rich, intuitive portals.

Of course, the journey doesn't end here. The system will keep evolving to address the changing policy, business, and technology imperatives. This would require States to start the cycle again and that’s why modularity becomes important.
It’s the data

One key decision that should be made early on is the approach to data: do you manage data and data integration up front or do you work to integrate applications? Quick wins with enhanced business functionality can happen when you initially focus on integrating new modules and applications. These can be critical to getting all stakeholders on board and enthusiastic for change. It can also help with any compliance issues you may be facing. The issue you may face with this path is that rationalizing the data relationships and minimizing data duplication becomes more challenging if you need to harmonize the data later.

The alternative is to build your data integration first. This implies the implementation of a unified data model, master data technologies, and an operational data store. The appeal of this approach is the old “measure twice, cut once” saying: your modules have a standard to meet and if they integrate right the first time, then you aren’t fixing anything later. Unfortunately, this will delay any new business functionality and even the “best laid plans” sometimes don’t work perfectly and you need to adjust your data model to accommodate specific module choices.

In the end

The modularity approach taken should reflect the needs of the state, both IT and Business. If you haven’t started planning, consider it now. Modularity is not just the preference of CMS; it is the way the world will use technology. To avoid pouring money into maintenance of proprietary, monolithic systems that don’t match the technology and market resource abilities, start the process now.