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**Testimony of Mary Ann Drewry, Assistant Director  
Ohio Department of Job and Family Services  
Before the Joint Legislative Committee on Medicaid Information Technology and Reform  
November 14, 2007**

Good morning Chairwoman Jones, Co-Chair Niehaus and members of the Committee. I am Mary Ann Drewry, Assistant Director for Operations with ODJFS. I am here today to provide you with an update on the development of our Medicaid Information Technology System, MITS. After I conclude my remarks, Heather Burdette, the Chief Financial Officer of the ODJFS Office of Ohio Health Plans will guide you through a summary and status report of the numerous policy and fiscal initiatives enacted in HB 119.

**MITS Update**

MITS is a very exciting project that when implemented will improve the Medicaid business processes and technology that touches sister state agencies, tens of thousands of Medicaid providers, and over two million Medicaid consumers.

As was presented to this committee when Ohio's Medicaid Director Cristal Thomas last appeared before you in October, work on the MITS project has begun and ODJFS and our vendor, Electronic Data Systems (EDS) have completed initial project planning tasks and begun the development work for a new Medicaid Information Technology System (MITS).

MITS will replace our 20 year old legacy system with new state of the art technology and business practices aligned with the Federal Medicaid Information Technology Architecture (MITA). Features such as a web based portal for electronic access to submit claims and access eligibility and benefits information, powerful capabilities for data collection and analysis, MITS will change the way Ohio Medicaid does business and the way our stakeholders do business with us. MITS will provide an environment of collaboration for ODJFS staff, our sister state agencies, and other key stakeholders while maximizing efficiencies and reducing program costs.

**Accomplishments To Date**

Here is a sample of the accomplishments in the design and development of MITS.

- EDS has created the project's development environment. The development environment will be used to build Ohio's new MITS system by configuration and customization of the base transfer system by EDS.
- Over 100 ODJFS staff have attended demonstrations and training sessions conducted by EDS to help prepare for the project work ahead.

- EDS and ODJFS staff have begun to analyze data stored within the current MMIS application so that required data can be converted from MMIS into MITS. A successful data conversion will ensure that MITS contains historical data required for effective and efficient program operation after implementation of MITS.
- Network connections have been established between EDS and the State's computing facilities.
- Hardware procurement planning will be completed in November

In addition to these more technological milestones, ODJFS staff have been working intensively with EDS on planning for the business transformation and cultural changes necessary to ensure that staff and business processes are in synch with the new technology once it is operational. On November 1<sup>st</sup> and 2<sup>nd</sup> the Office of Information Technology assisted ODJFS and EDS staff in an intensive session to develop the content for a comprehensive business transformation plan for MITS.

### **Priority Deliverables**

Several priority functions that are related to MITS will be developed ahead of the 2009 deadline for the broader MITS project. These functions have been chosen to address short term gaps and cost containment measures.

### **Increasing Medicaid Cost Avoidance By Maximizing Third Party Liability (TPL)**

ODJFS has been pursuing a number of strategies to expand our existing TPL cost avoidance capabilities. First, pursuant to House Bill 119, commercial insurance carriers were required to begin submitting their eligibility files to ODJFS to compare against Medicaid eligibility files. Staff have begun to make significant progress in capturing and loading this data. In fact, our year to date TPL reports comparing SFY 2007-2008 show that we have increased our cost avoidance by \$ 61.7 million. We have accomplished this by automating insurance coverage information received from County Departments of Job and Family Services and by uploading a monthly electronic data file from Medicare listing Medicare coverage information for Medicaid recipients. We have begun uploading files of matched recipients from TRICARE, will add similar data from Medical Mutual of Ohio by the end of November and we anticipate that by March 2008, we will have completed similar arrangements with nine other major insurance carriers.

Additionally, as you may remember from previous conversations, ODJFS released a request for letterhead bids for a vendor to complement our current TPL processes and prepare us for MITS. These bids are due by 4:00 pm today 11/14/2007. The evaluation of bids will conclude with a decision of whether to award a contract or continue with our own internal TPL development efforts. The goal of this decision is to pursue the most effective ways to maximize our TPL cost avoidance as quickly and cost effectively as possible. We are developing these TPL functions ahead of the MITS implementation and those improvements will dovetail with TPL functions within MITS once it is up and running.

### **Clinical Claims Editor**

ODJFS is also pursuing the addition of “clinical claims editor” functions into the scope of the MITS project. These functions will review Medicaid claims for inconsistencies and questionable charges and pull some claims for further review before they are processed. ODJFS is preparing an Implementation Advance Planning Document Update (IAPDU) for submission to CMS in hopes of obtaining enhanced Federal matching funds for the development of this technology. The clinical claims editor functions will be installed with MITS and, depending on the results of a cost benefits analysis that has yet to be completed, may also be integrated into the current MMIS system prior to MITS going live. We expect the submission and approval process to take up to 90 days. Upon receiving CMS approval ODJFS will pursue an amended contract and timeline with EDS to implement the clinical claims editor functions.

### **Case Management**

The third priority deliverable that ODJFS is pursuing is a case management system that will allow for tracking Medicaid consumers and their services and funding streams across sister agencies. Currently this ability is lumbering at best because of the diverse and disconnected IT systems that serve the portions of Ohio Medicaid within five state agencies. Implementing this system will allow for case management of Home Choice recipients enrolled in Ohio’s Money Follows the Person project. ODJFS staff are also developing an Implementation Advance Planning Document for submission to CMS for this project. We will be requesting that CMS approve an increase in budget and a contract change with EDS to implement the Case Management Components of the MITS system and integrate those capabilities with the current MMIS system. Integration with MMIS is an expansion to the current scope of the MITS contract, but making this change will allow Ohio to realize early delivery of case management functions within the scope of the MITS contract.

### **Pursuit of MITS Implementation ASAP**

In response to concerns raised that Ohio needs the capabilities of MITS as soon as possible, ODJFS and other members of the MITS Executive Steering Committee (consisting of OBM, OIT, and ODJFS) have instructed EDS to deliver MITS functions in less than the two year timeframe established by the MITS RFP. Inherent in this instruction is minimizing the risks of failure.

EDS responded to this instruction by presenting an option which was considered but ultimately judged unacceptable because it required prior approval from CMS and contained too much uncertainty in meeting the revised timeline. EDS and the MITS project management team are currently collaborating on an alternative that may still permit early delivery of MITS functions without requiring prior approval by CMS. Prerequisites to completing this plan include CMS approving of the Case Management and Clinical Claims Editor changes and completing the Requirements Validation and prioritization tasks that are currently ongoing as part of the MITS project.

We have some aggressive timelines and challenging tasks ahead of us. But the work is also exciting because it offers the opportunity to completely transform our business – not just software and hardware, but people and business processes as well. As was determined in our 2004 study of the return on investment for MITS development, a new Medicaid Information

Technology System is definitely worth the investment. It will bring tremendous improvements in Ohio's Medicaid program, demonstrated by improved efficiency for our business partners and better outcomes for Medicaid consumers. We look for the ongoing interest and support of this body as we continue to move forward with implementing MITS and all of its related functionalities.

Thank you for the opportunity to testify. I would be happy to respond to questions.