



Medicaid Enterprise System (MES) Market Scan

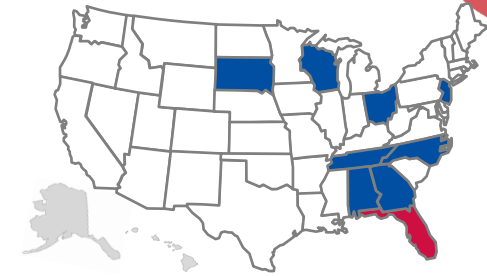
December 2024 – February 2025

8 States Interviewed

Selected based on maturity of MES journey and similar transformation approaches.

A review of State Medicaid modernization efforts shows states are in various stages with their MES transformations. Some states are experiencing longer than anticipated implementation timelines as they incrementally replace legacy systems and others are revising release strategies to align with lessons learned. The table below provides a profile of each state that participated in the market scan.

Florida AHCA reported 4,351,012* enrolled in Medicaid (November 2024)



State Medicaid Profile in Comparison to Florida

	FL*	AL	GA	NJ	NC	OH	SD	TN	WI
POPULATION	22.1M	5.1M	10.7M	9.1M	10.5M	11.5M	889K	7M	5.8M
% of Florida	-	22%	49%	41%	47%	52%	4%	31%	26%
MEDICAID ENROLLMENT	3.8M	1.08M	2M	1.84M	2.8M	2.9M	140K	1.4M	1.2M
% of Florida	-	25%	52%	46%	73%	76%	4%	38%	31%
MEDICAID SPENDING	\$34.6B	\$9.38B	\$16B	\$22.7B	\$19.4B	\$31.9B	\$1.2B	\$12.6B	\$12.1B
% of Florida	-	23%	46%	65%	56%	92%	3%	36%	35%
% MEDICAID Managed Care Organization (MCO)	78%	N/A	73%	95%	61%	86%	N/A	93%**	69%
MES Key Functions/Modules in Implementation	YES	YES	YES	YES	YES	NO	YES	YES	YES
MES Key Functions/Modules Operational	YES	NO	YES	NO	YES	YES	YES	YES	YES

*KFF data may differ from FL AHCA data due to lags or reporting methods.

**TN's comprehensive MCO enrollment is listed as missing in the KFF data. The state reported they are 100% Medicaid managed care.

***NC's comprehensive MCO enrollment is listed as missing in the KFF data. The state reported they are 75% Medicaid managed care.

Data Source: www.kff.org – Using most recent data provided under State Health Facts: Medicaid & CHIP.

- US Population, CY2023
- Medicaid Spending FY2023 (October 1, 2022, through September 30, 2023)
- Monthly Medicaid/CHIP Enrollment, Sept 2024
- Medicaid MCO Enrollment, CY2022



Key Themes From States



Agencies are adopting **incremental modernization strategies** to balance innovation with operational stability as they navigate the complex path of legacy system integration.

Extended timelines and integration challenges persist as states work to implement new modules, focusing on **balancing customization with out-of-the-box functionality**.

Comprehensive, **multi-channel communication strategies** have become essential for effectively conveying the value of modernization efforts to diverse stakeholder groups throughout the project life cycle. Action such as conducting townhalls with providers and targeted trainings and involving all stakeholders in the communication process.

Agencies are utilizing the **National Association of State Procurement Officials (NASPO)**, a multi-state cooperative purchasing agreement, **for procurement** to help streamline processes and focusing on utilizing state universities for staff augmentation on projects.

States are shifting to stronger **data governance and quality management frameworks** driven by increasing complexity in module implementations and utilizing The Open Group Architecture Framework (TOGAF) based Enterprise Architecture.

States are pursuing robust governance structures and vendor management frameworks to coordinate multiple vendors and **ensure system stability into maintenance and operations**.

States recommend **documenting differences in vendor contracts** and having them agree to submit as **no-cost change orders** for agreement to be pragmatic about negotiations.





Considerations for Florida



Legacy Integration and Modernization

Continue adopting a balanced approach by focusing on phased implementation aligned with the Centers for Medicare & Medicaid Services (CMS) guidelines to remain effective, compliant, and beneficial for all stakeholders.



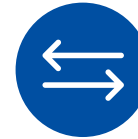
Provider Services Module (PSM) Implementation and Integration

Continue to prioritize robust integration strategies and effective vendor management to overcome common PSM implementation hurdles.



Communicating With Stakeholders

Continue to leverage data-driven messaging to stakeholders to maintain support throughout the complex modernization journey to sustain alignment and engagement.



Managing Operations and Maintenance

Florida has already made significant strides in prioritizing operational efficiency in its Medicaid ecosystem and should continue to focus on knowledge transfer, capability building, and unified incident management to further evolve.



Master Data Management (MDM)

Prioritizing completion of enterprise-wide MDM solutions that address unique identification challenges and enabling real-time data management will be essential for effective system integration.

