

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

December 24, 2014

FL-15-001

Mr. Justin N. Senior  
Deputy Secretary for Medicaid  
Agency for Health Care Administration  
2727 Mahan Drive, Mail Stop 8  
Tallahassee, FL 32308

Dear Mr. Senior:

The Centers for Medicare & Medicaid Services (CMS) approves the Planning Advance Planning Document-Update (PAPD-U) submitted by the Florida Agency for Health Care Administration (AHCA) on November 21, 2014, and in revised form on December 3 and 8, 2014. Florida submitted the PAPD-U to update the schedule, budget, proposed contracts, and list of deliverables for the state's project to replace or enhance the Medicaid Management Information System (MMIS) and Decision Support System (DSS), and to obtain a new fiscal agent.

On February 5, 2014, CMS approved Florida's PAPD requesting federal funding for planning activities pertinent to replacement or enhancement of the state's MMIS by June 30, 2018, as well as preparations to procure a new fiscal agent once the state's current contract with Hewlett Packard Enterprise Services (HPES) expires on June 30, 2018. By that date, Florida will have used HPES's interChange MMIS for ten years. As requested in the PAPD, CMS approved \$16,781,529 for project activities through federal fiscal year (FFY) 2018, with federal financial participation (FFP) in the amount of \$15,115,762.

In the PAPD-U, Florida requests additional funding to expand the scopes of work for the Project Management Office/Design, Development, and Implementation (PMO/DDI) contractor and the Independent Verification and Validation (IV&V) contractor to include robust user acceptance testing, organizational change management, fiscal agent compliance and traceability monitoring, and Implementation Advance Planning Document (IAPD) development. Additionally, Florida adds to the MMIS replacement project a new contracted staffing approach to support limited state resources. Finally, the PAPD-U removes the planned Implementation and Testing contractor, as these activities will now be addressed by the PMO and IV&V contractors.

Florida's PAPD-U for the state's MMIS replacement project is approved by CMS in accordance with Section 1903(a)(3) of the Social Security Act, as well as 42 CFR § 433, subpart C, 45 CFR § 95, subpart F, and Part 11 of the State Medicaid Manual (SMM). As requested in the PAPD-U, CMS approves an additional \$11,707,877 (\$10,435,131 in FFP), resulting in a total project budget of \$28,489,407, with FFP of \$25,539,761. Funding authorization has been extended through September 30, 2019.

Ms. Justin N. Senior

Page 2

The amounts allocated in Appendix A cannot be reallocated between federal fiscal years, even within the period of this letter's approval, without submission and approval of another APD-U. This approval letter supersedes the previous PAPD approval letter issued by CMS for Florida's MMIS replacement project.

Florida is reminded that onsite reviews will be conducted to determine whether or not the objectives for which FFP was approved are being accomplished, and whether or not the automatic data processing (ADP) equipment or services are being efficiently and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95 § 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR § 95.611, all subsequent revisions and amendments to the PAPD-U will require CMS prior written approval to qualify for FFP. In accordance with 45 CFR § 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP.

Any changes to previously approved contracts for this effort require CMS prior approval pursuant to 45 CFR § 95.611. Allowable costs are determined by 42 CFR § 433.116, 45 CFR § 92, 45 CFR § 95, subpart F, and the SMM, Part 11. Only actual costs incurred are reimbursable. The state must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails.

If there are any questions concerning this information, please contact John Allison at (404) 562-7412 or via e-mail at [John.Allison@cms.hhs.gov](mailto:John.Allison@cms.hhs.gov).

Sincerely,



Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

## Appendix A:

### MMIS Detailed Budget Table

Covers federal fiscal years 2014 through 2019 (ending September 30, 2019)

Note: The amounts provided for FFY 2014 reflect state-reported expenditures, and are for informational purposes only.

Approved through DDI APD	MMIS CMS Share (90% FFP) 2A†	State Share (0%)*	MMIS CMS Share (75% FFP) 2A†	State Share (25%)	MMIS CMS Share (50% FFP) 2A†	State Share (50%)	MMIS FUNDING FFP Total 2A	State Share Total
FFY 2014	\$123,281	\$0	\$0	\$0	\$0	\$0	\$123,281	\$0
FFY 2015	\$164,375	\$0	\$0	\$0	\$141,409	\$141,409	\$305,784	\$141,409
FFY 2016	\$164,375	\$0	\$0	\$0	\$87,209	\$87,209	\$251,584	\$87,209
FFY 2017	\$164,375	\$0	\$0	\$0	\$0	\$0	\$164,375	\$0
FFY 2018	\$164,375	\$0	\$0	\$0	\$0	\$0	\$164,375	\$0
FFY 2019	\$41,094	\$0	\$0	\$0	\$0	\$0	\$41,094	\$0
<b>TOTAL for FFYs 2014-2019</b>	<b>\$821,873</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$228,618</b>	<b>\$228,618</b>	<b>\$1,050,492</b>	<b>\$228,618</b>

\*Florida is already claiming 50% administrative match FFP for the existing state positions assigned to this project. The previously-approved PAPP requested a shift of 40% of the current 50% state match to FFP, which brings the total FFP up to 90% for these positions for this project.

Approved through DDI APD	MMIS CMS Share (90% FFP) 2B+	State Share (10%)	MMIS CMS Share (75% FFP) 2B+	State Share (25%)	MMIS CMS Share (50% FFP) 2B+	State Share (50%)	MMIS FUNDING FFP Total 2B	State Share Total
FFY 2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2015	\$5,929,211	\$658,801	\$0	\$0	\$0	\$0	\$5,929,211	\$658,801
FFY 2016	\$5,344,972	\$593,886	\$0	\$0	\$0	\$0	\$5,344,972	\$593,886
FFY 2017	\$5,927,545	\$658,616	\$0	\$0	\$0	\$0	\$5,927,545	\$658,616
FFY 2018	\$6,607,229	\$734,137	\$0	\$0	\$0	\$0	\$6,607,229	\$734,137
FFY 2019	\$680,312	\$75,590	\$0	\$0	\$0	\$0	\$680,312	\$75,590
TOTAL for FFYs 2014-2019	\$24,489,267	\$2,721,030	\$0	\$0	\$0	\$0	\$24,489,267	\$2,721,030

	MMIS CMS Share	State Share	MMIS CMS Share	State Share	MMIS CMS Share	State Share	TOTAL FFP	STATE SHARE TOTAL	APPD TOTAL (TOTAL COMPUTABLE)
	2A&B†	--	4A&B†	--	5A,B&C†	--			
FFY 2014	\$123,281	\$0	\$0	\$0	\$0	\$0	\$123,281	\$0	\$123,281
FFY 2015	\$6,234,995	\$800,210	\$0	\$0	\$0	\$0	\$6,234,995	\$800,210	\$7,035,205
FFY 2016	\$5,596,556	\$681,095	\$0	\$0	\$0	\$0	\$5,596,556	\$681,095	\$6,277,651
FFY 2017	\$6,091,920	\$658,616	\$0	\$0	\$0	\$0	\$6,091,920	\$658,616	\$6,750,536
FFY 2018	\$6,771,604	\$734,137	\$0	\$0	\$0	\$0	\$6,771,604	\$734,137	\$7,505,741
FFY 2019	\$721,406	\$75,590	\$0	\$0	\$0	\$0	721,406	\$75,590	\$796,996
TOTAL for FFYs 2014-2019	\$25,539,761	\$2,949,648	\$0	\$0	\$0	\$0	\$25,539,761	\$2,949,648	\$28,489,408

**MMBS Line Item**

2A	MMIS- Design, Development or Installation of MMIS: Cost of In-house Activities
2B	MMIS- Design, Development or Installation of MMIS: Cost of Private Contractors
4A	Operation Approved MMIS – Cost of In-House Activities
4B	Operation Approved MMIS – Private Sector Contractors
5A	Mechanized Systems, Not Approved Under MMIS Procedures – Cost of In-House Activities
5B	Mechanized Systems, Not Approved Under MMIS Procedures – Cost of Private Sector Contractors
5C	Mechanized Systems, Not Approved Under MMIS Procedures- Interagency

FFP rates for specific MMIS activities and costs can be found at the State Medicaid Manual, Chapter 11, available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021927.html>