# IMPLEMENTATION
# ADVANCE PLANNING DOCUMENT – UPDATE 2
## For
## Florida Medicaid Management Information System

### For

### Florida Enterprise Medicaid System Procurement Strategy and Strategic Enterprise Advisory Services (SEAS) Procurement



### State of Florida
### Agency for Health Care Administration
### Division of Medicaid

### November 2016
### Corrected MBDT 12-15-16

# Table of Contents

# EXECUTIVE SUMMARY

This document is an update to the Implementation Advance Planning Document (IAPD) and IAPD Update 1 (IAPDU) created by the Florida Agency for Health Care Administration (AHCA or Agency) for the procurement of a Strategic Enterprise Advisory Services (SEAS) vendor in order to assist the Agency in the management of the development of the infrastructure required for a loosely coupled, modular system to support the Florida Medicaid program. This project, part of the MES Procurement Strategy, is referred to as the SEAS Project.

IAPD Update 2 (IAPDU-2) is submitted as required in CMS' conditional approval of the October 1 IAPD-U (letter FL-16-001 dated November 20, 2015) to procure separate contracts for fiscal agent (FA) and systems integrator (SI). IAPDU-2 should be considered as a revision of the revised IAPD submitted to the Centers for Medicare & Medicaid Services (CMS) on August 24, 2015, and the IAPDU submitted to CMS on October 1, 2015.

IAPDU-2 provides a description of Florida Medicaid's Enterprise System Procurement Strategy and the initiation of Phase I with the procurement of the SEAS vendor, as well as an update of the Planning and Independent Verification and Validation (IV&V) activities. Subsequent to Phase I procurement activities, AHCA will submit updates to the IAPD to address  the System Integrator, the Enterprise Services Bus (ESB), and the Enterprise Data Warehouse (EDW) projects.

## SECTION 1    FLORIDA MEDICAID ENTERPRISE SYSTEM PROCUREMENT STRATEGY

Executive Summary

The purpose of the Florida Medicaid Enterprise System (MES) Procurement Strategy is to articulate the high-level plans the Florida Agency for Health Care Administration (Agency) has developed to advance the Medicaid Information Technology Architecture (MITA) maturity of the MES. This strategy will be used to communicate Florida's approach with the Centers for Medicare and Medicaid Services (CMS) and stimulate discussion with CMS representatives. Additionally, this strategy will be used as a communication tool with other stakeholders, including the State of Florida Legislature, the healthcare information technology (IT) industry, and other entities that interact with the Agency and are part of the MES.  This strategy is subject to adjustment as further research and planning is completed and additional guidance is released by CMS.

### Current Florida Medicaid Enterprise

The current Medicaid Enterprise includes the business, data, services, technical processes, and systems within the Agency necessary for the administration of the Florida Medicaid program, as well as interconnections and touch points with systems that reside outside the Agency.  The current MES includes both the Florida Medicaid Management Information System (FMMIS), a Decision Support System (DSS) and other systems operated by different vendors.  The systems that make up the MES interface primarily through the exchange of data files, primarily through Secured File Transfer Protocol (SFTP).  These point-to-point interfaces

become more complex and costly as the number of systems and applications increase. Figure 1 is a graphical representation of the Medicaid Enterprise with systems within and outside of the current MES and the Agency and is a graphical representation of the As-Is state of the Florida Medicaid Enterprise System. This graphic is not intended to be a complete schematic of the Medicaid Enterprise, but a representative sample.
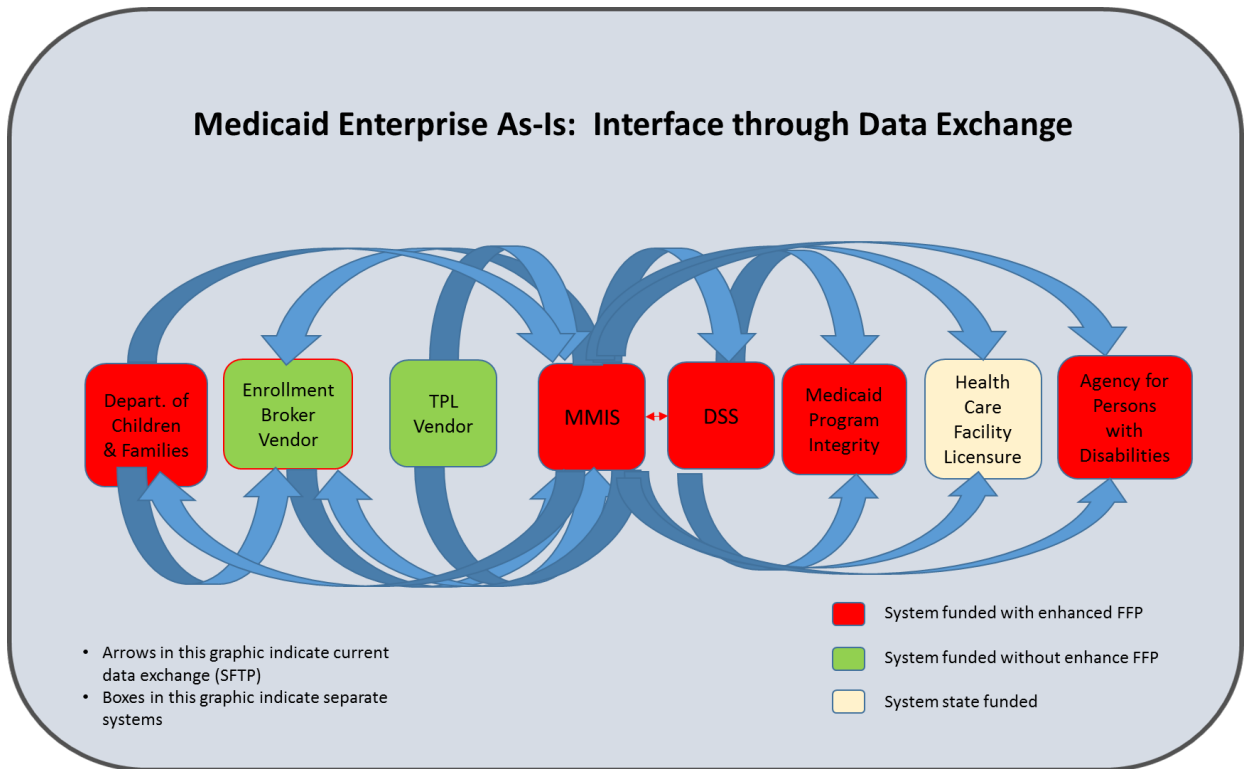


*Figure 1: Current Medicaid Enterprise System*

## Future Florida Medicaid Enterprise

In the future, Florida Medicaid Enterprise integration will allow Florida Medicaid to secure services that can interoperate and communicate without relying on a common platform or technology. The next steps for advancing the MES level of MITA maturity will be connecting services and infrastructures, as well as developing integration standards. When these activities are completed, the Agency will be prepared to introduce new modules into the MES. Florida Medicaid will connect and integrate essential Medicaid Enterprise services and infrastructures regardless of the underlying platforms, software architectures, and network protocols. Integration offers greater functionality and capability over the current data exchange process. Through increased flexibility and interoperability, the Florida Medicaid Enterprise advances in MITA maturity as it moves beyond simple data interfaces between two points. Part of the foundational steps to developing the infrastructure for the Florida MES includes the design and development of an Enterprise Data Warehouse (EDW), which will include historical data, data required for real-time operational data stores, and the analytical tools needed for accessing the data using advanced and predictive data analytics.

## FMMIS/FA/DSS Procurement Project

The Agency has been preparing for the rapidly changing landscape of health care administration and system modernization through multiple IT projects. A critical project in this effort has been the FMMIS/Fiscal Agent (FA)/Decision Support Services (DSS) procurement project (project), initiated in the fall of 2013. This project was intended to enhance business and technical services across the MES over the next several years.

Hewlett-Packard Enterprise (HPE) is the Florida Medicaid fiscal agent for the contract period July 2008 through June 2018. The planning, preparation and eventual transition of the fiscal agent contract is a costly and time intensive project that historically has spanned several years. Due to the complexity of the current health care industry landscape and Florida Medicaid's many initiatives including Statewide Medicaid Managed Care (SMMC), the Agency secured assistance from multiple planning vendors to establish a project management office (PMO), conduct research and planning, and perform independent verification and validation services throughout the life of the project.

The original project timeline was developed with a 24-month period devoted to the Design, Development and Implementation (DDI) of the FMMIS and DSS, starting July 2016 through June 2018. After considerable research, the Agency's Project Governance team approved the takeover of the current FMMIS in the next fiscal agent contract, providing the Agency with more time for planning and procurement, without moving the "go-live" date of July 1, 2018. After CMS concurrence with this strategy in July 2015, the Agency proposed to incorporate systems integrator requirements into the project. By including system integration requirements in the solicitation, the Agency sought to promote MITA maturity through the FMMIS and to truly become the "central information nervous system," supporting the MES through the development of data and interoperability standards for technical services. The Agency envisioned utilizing "best of breed" systems under a prime contract, with the selected FMMIS vendor responsible for ensuring integration between systems through system integrator requirements.

Just prior to the proposed solicitation release in December 2015, CMS issued a Request for Additional Information (RAI) letter requiring a separate solicitation for a systems integrator in order for Florida to obtain enhanced Federal Financial Participation (FFP). This new direction from CMS was a departure from the approved Planning Advance Planning Document (PAPD), Implementation Advance Planning Document (IAPD), and previously held discussions with CMS. CMS issued a conditional approval of Florida's IAPD update consistent with the changes required in the RAI letter. In light of the emerging guidance from CMS, the Agency is revising its original procurement strategy.

## Florida Medicaid Enterprise System Procurement Strategy

The Florida MES procurement strategy is organized into several phases:

| Phase I | Procure Strategic Enterprise Advisory Services vendor to operate an enterprise Project Management Office and provide strategic, |
|---|---|

| | |
|---|---|
| | **programmatic, and technical advisory services to the state regarding system integration** |
| **Phase II** | **Develop MES Infrastructure with the procurement of a System Integrator vendor, an Enterprise Service Bus, and an Enterprise Data Warehouse vendor(s)** |
| **Phase III** | **Enterprise Services Integration** |
| **Phase IV** | **Module Acquisition** |

## Phase I

### Strategic Enterprise Advisory Services

In preparation for the solicitation development, the Agency performed planning and research, including issuing two Requests for Information (RFIs) documents for strategic advisory and systems integrator services, held conference calls with other states, sought input from Agency vendors, and participated in conference calls and discussions with CMS. The Agency gathered a collection of diverse opinions regarding the definition, purpose, and functionality of a systems integrator and suggestions on strategic advisory services. As a result, the Agency has determined that a systems integrator advisor can bring the best value to the Agency and advise the Agency regarding how system integrator services can be leveraged to advance the MITA maturity of the MES. The Systems Integrator procurement will follow the SEAS vendor selection.

The Agency will procure the services of a strategic advisor, also referred to as the Strategic Enterprise Advisory Services (SEAS) vendor in this document. The SEAS vendor will provide the expertise needed to develop the framework for the MES in accordance with the CMS Conditions and Standards, including MITA 3.0, and facilitate the interoperability of business and technical services across the MES.

The Agency is developing procurement documents and intends to **issue an Invitation to Negotiate (ITN) for the Strategic Enterprise Advisory Services (SEAS) vendor** in **December 2016**. The Agency expects the **SEAS contract to begin in July 2017**.

Scope of work requirements for the SEAS vendor include the following enterprise-level activities:

**Table 1 - SEAS Vendor Scope of Work**

| | |
|---|---|
| **Strategic** | • Enterprise Governance Management<br>• Strategic Planning and Direction<br>• Strategic Project Portfolio Management |
| **Programmatic** | • MITA State Self-Assessment Updates and Tracking<br>• Program and Project Management<br>• Procurement Planning and Support, and Funding Management<br>• Medicaid Enterprise Certification Management |
| **Technical Advisory** | • Information Architecture Development<br>• Technical Architecture Development<br>• Monitor the integration of the MES systems<br>• MES Projects Design and Development Management |

- MES Data Security

The critical first deliverable for the SEAS vendor is to develop an enterprise governance and reporting structure for the MES.  Strategic plans, prioritization of objectives and timelines, and enterprise decisions will be formalized through the Enterprise Governance.  This work will provide long-range plans for increasing MITA maturity, including the MITA Roadmap.  The strategic planning will lay the foundation for the design and development of a comprehensive, end-to-end solution for business processes within the MES in accordance with the MITA 3.0 framework.  The SEAS vendor will conduct alternatives and cost-benefit analyses, conduct healthcare IT industry scans for emerging technologies, and identify opportunities for leveraging the use of commercial off-the-shelf (COTS) technologies, cloud platforms, Software as a Service (SaaS), and open application programming interfaces (APIs).

The SEAS vendor will advance the business, information, and technical architecture of the MES in accordance with the MITA 3.0 framework and provide CMS certification support.  This work will address data management strategy (DMS), conceptual data model (CDM), logical data model (LDM), information capability matrix (ICM), technical management strategy, business and technical services for the MES, application architecture (AA), and the technical capability matrix (TCM).  The SEAS vendor will develop the enterprise data and interoperability standards required by the MITA 3.0 framework.

The SEAS vendor will provide technical advice to the Agency regarding integration and interoperability that will elevate the importance of and bring order to the integration points of systems that support the Medicaid program.  The SEAS system integration advisor will work collaboratively with a Systems Integrator vendor and will monitor integration activities in order to ensure that the stakeholders are achieving consistent access to data across the enterprise to meet the data needs of Florida Medicaid and its business processes.

The SEAS vendor will establish and operate an enterprise Project Management Office (PMO).  This work will include comprehensive project management services for oversight in the planning and execution of projects to advance data and MITA maturity of the MES.  The SEAS vendor will also provide program and portfolio management, communications management, and will assist the Agency with procurement development by providing technical expertise to identify business, information, technical requirements and standards, including source selection criteria.  Additionally, the SEAS vendor will provide critical Organizational Change Management services to ensure stakeholders are well informed and equipped to manage their work in the MES.

Figure 2 is a graphical representation of Phase I development of the Florida Medicaid Enterprise System.
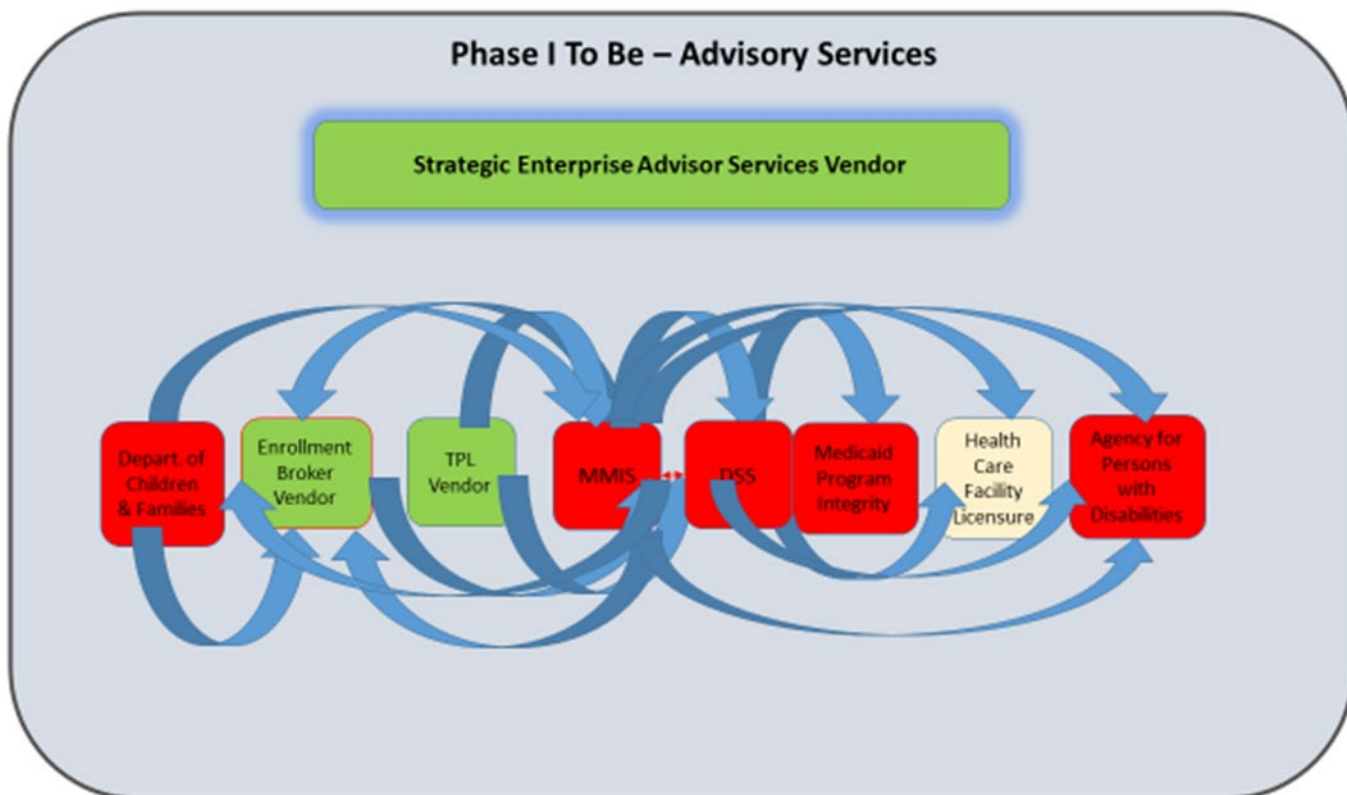
*Figure 2: Phase I of MES Development*

## PHASE II – MES Infrastructure

### System Integrator

Subsequent to procurement of a SEAS vendor, the Agency will procure the services of a Systems Integrator (SI) vendor.  The SI vendor will implement and maintain the foundational architecture platform and provide a central point of integration.  In collaboration with the SEAS vendor, the SI will enforce compliance with the standards developed for MES vendors.  The SI function will ensure that all of the vendors' solutions work together by coordinating data exchange and interoperability between the components of the Medicaid Enterprise Systems. The SI will manage validation and testing of both the integration points, as well as conduct end-to-end testing, as needed.

### Enterprise Service Bus

The current MES consists of many separate systems and packaged functional business processes[1] across the enterprise.  These systems communicate with each other primarily through file based data exchanges, resulting in copies and parts of a given data record being duplicated across modules to support individual business processes. The current MES lacks the service infrastructure necessary to deliver information and application-oriented functions across the various MES systems.  Many individual application-specific interfaces have been

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[1] Language used to define "module" in final rule change for 42 CFR § 433.111 (h) Definitions dated December 4, 2015.

developed between each system, customized to meet specific technology platform requirements.  This has resulted in an exponential growth in the number of application-specific interface connections to communicate with each other, demanding ever more resources to maintain and enhance compliance with evolving Federal and State requirements.

In order to transition to a more mature Service-Oriented Architecture (SOA), which is needed to increase the interoperability and MITA maturity of the MES, the Agency plans to acquire an Enterprise Service Bus (ESB) platform to develop a seamless and integrated software architecture model used for designing and implementing the interaction and communication between mutually interacting software applications in a SOA environment. The service integration and interoperability achieved through the ESB and related components will provide connectivity to promote an environment of flexibility, adaptability, and rapid response to changes in programs and technology.

As referenced in the MITA 3.0 framework, an ESB is a standards-based integration platform that combines messaging, Web services, data transformation, and intelligent routing to reliably connect and coordinate the interaction of significant numbers of diverse applications across extended enterprises with transactional integrity.  The ESB will enable a common information exchange process to eliminate, point-to-point communication between individual systems.  If a new module needs to be added or replaced to meet business needs, the architectural model will promote asynchronous message oriented design for sharing information and services across the enterprise utilizing common semantics, syntax and mechanisms to communicate through the ESB and fundamental infrastructure components.  All business logic associated with interacting across the enterprise will be routed and managed by the ESB to integrate services across disparate systems and allow services to remain platform and technology independent.

**Enterprise Data Warehouse**

With the Agency's implementation of the SMMC program, it is critically important to have a Decision Support System/Data Warehouse (DSS/DW) solution that allows the Agency to conduct complex analysis of program data for many aspects of Medicaid, from health outcome measurements to managed care rate setting.  The DSS within the current FMMIS/FA/DSS contract was not designed to meet the data analysis needs of the managed care environment. The Agency initially envisioned a replacement DSS as part of its proposed FMMIS/FA/DSS procurement project. The Agency intended to leverage the flexibility of the ITN procurement method to secure a "best in breed" data repository and data analytic tools. The Agency will procure a separate Enterprise Data Warehouse (EDW) and remove the DSS scope of work from the current FMMIS/FA/DSS contract.

The EDW will provide data warehousing and data integration capabilities for data to be shared across system boundaries. Data integration tools will also enable many types of data services through data integration capabilities within a SOA. In addition to integrated data structures optimized to perform fast retrievals of relatively large volumes of data for analytic processing, the EDW will support transaction processing across operational systems involving relatively small volumes of data routed as transactions through the ESB between operational MES applications. The Agency is particularly interested in solutions that provide operational data

store (ODS) and hybrid transactional/analytical processing (HTAP) capabilities to perform both online transaction processing (OLTP) and online analytical processing (OLAP) through the EDW information management infrastructure.  All of these structures and tools must function with robust role-based security that complies with HIPAA, Federal and State Medicaid law, and other industry and government standards.

The Agency needs a comprehensive EDW solution that is designed to provide greater information sharing, broader and easier access, enhanced data integration, increased security and privacy and strengthened query and analytic capability by building a unified data repository for reporting and analytics. An EDW solution capable of storing all data required for the administration and operation of the Medicaid program is necessary for the successful implementation of the Florida Medicaid vision of a modular MMIS, achieving advanced MITA maturity.  The EDW solution must scale to meet the progressive data needs of the MES, preserving an ever-growing history of information from disparate data sources. The EDW will enable a storage architecture designed to hold and combine data extracted from MES systems and external sources into a coherent, organized data model. As part of the MES infrastructure, the EDW will be vital for managing disparate data sets across the MES, and providing the architectural solution for decision-makers to access data for enterprise-wide data analysis and reporting. The Agency has been aggressively working on implementing COTS business intelligence and data analytics tools, such as Tableau Software™ and 3M™ solutions for population health and payment reform, to enhance the Agency's organizational decision-making activities and fraud, waste, and abuse detection and prevention.  The Agency will continue its current efforts with the goal that the new EDW vendor will provide additional high quality reporting and analytic capabilities that leverage an industry-leading suite of reporting and business intelligence tools.

**System Integrator, Enterprise Service Bus, and Enterprise Data Warehouse Procurement**

The Agency intends to **issue an Invitation to Negotiate (ITN) for procuring a System Integrator, an Enterprise Service Bus, and an Enterprise Data Warehouse** for a contract execution in **July 2018**.  The Agency determined that combining infrastructure components, to include the ESB and EDW, into a single procurement provides fiscal and programmatic advantages.  This infrastructure is vital to building an architecture framework aligned with the core principle that business processes inform and drive the implementation of business, information, and technical services under MITA 3.0.  The Agency will utilize the SEAS vendor to develop the information strategy, architecture, and data model requirements, as well as oversee the system development activities for technology and data infrastructure necessary to meet the changing business needs of the Medicaid Enterprise.

Figure 3 is a graphical representation of Phase II development of the Florida Medicaid Enterprise System.
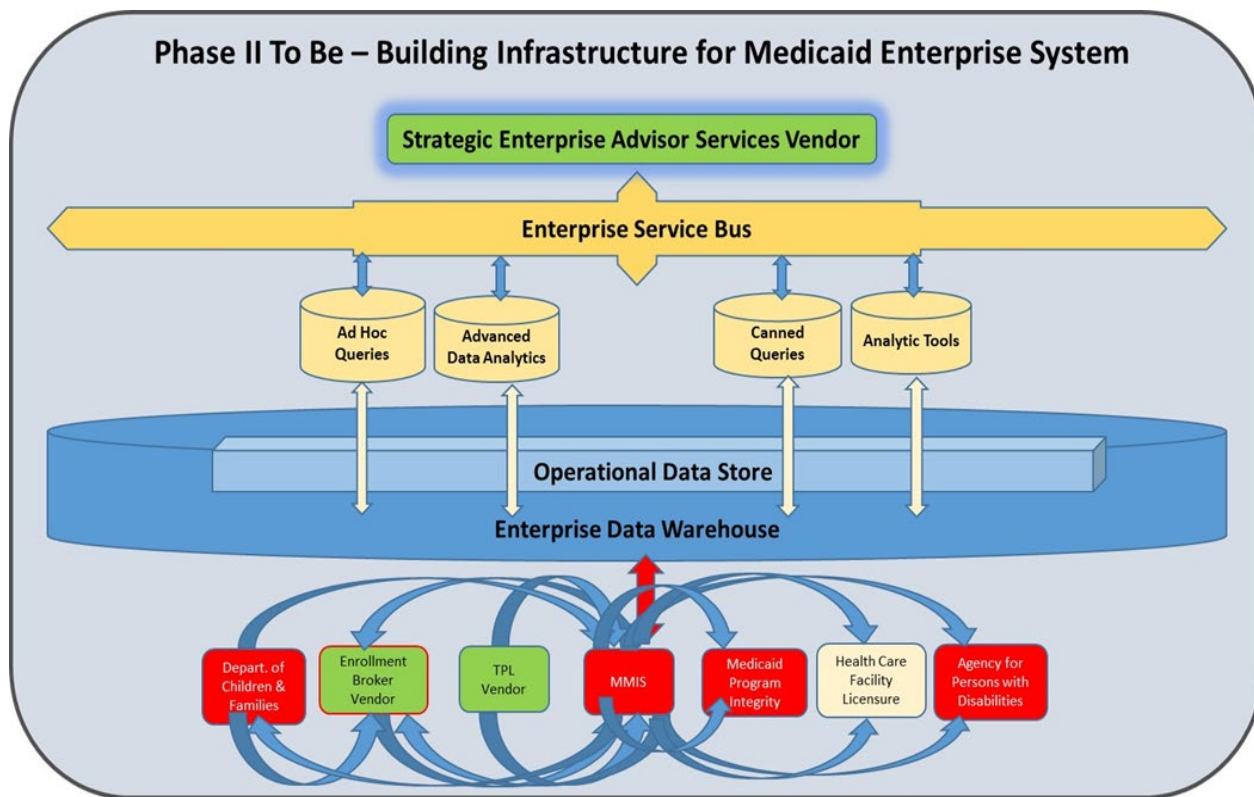
Figure 3: Phase II of MES Development

**Fiscal Agent Contract Extension**

The new direction from CMS has created the need for the Agency to reconsider the parameters of its current fiscal agent contract. Because Florida must ensure a fully functional FMMIS, fiscal agent, and DSS to support operations at all times, this procurement strategy must also clearly account for the continual operation of the FMMIS/FA/DSS during the transition period. With the approval of the state legislature and CMS, the Agency proposes to extend the HPE contract beyond the current contract end date of June 30, 2018, for up to three years. The contract extension would include a scope reduction following the implementation of the EDW and other services. At that point, the DSS/DW, including operations and technical support, will no longer be needed in the current fiscal agent contract.

## Phase III - Enterprise Services Integration

Integrated business and IT transformation, through leveraging SOA, informed by the SEAS vendor, will be Phase III of the MES transition. Integrating existing functionality and technology infrastructure in the current Medicaid Enterprise will also require significant effort and resources. The purpose of this phase will be to integrate business and technical services and data from various functions in the Medicaid Enterprise. The completion of this phase will leverage the new architecture that enables the reengineering of critical Medicaid business processes, particularly those focused on managed care eligibility and enrollment under SMMC. Leveraging a shared data model and data normalization standards, the SOA will assist in the elimination of complex interfaces prone to data redundancy, information delays, and data incompatibility issues. New services infrastructure completed in the previous phase will allow

the Agency to achieve true plug-and-play capabilities of services and interoperability that will drive improved services to stakeholders, and provide for further modular development.

The Agency has identified the following initial functions in the MES as candidates for integration:

**Enrollment Broker**

The Agency's enrollment broker vendor performs managed care plan enrollment services for the SMMC program.  The enrollment broker is responsible for enrolling eligible recipients into contracted managed care plans and for carrying out policies, procedures, and business rules for recipient enrollment and managed care plan assignment. The current enrollment broker system interfaces with the current FMMIS through the transfer of data files in order to exchange recipient and case information, updates to recipient eligibility and demographics, third-party liability information, and managed care plan enrollment spans.

Recipient eligibility is not only required for determining covered services and claims payment, but is also critical to managed care eligibility and enrollment.  In order to accurately and efficiently administer the Florida Medicaid program and advance the MITA maturity for managed care eligibility and enrollment across all business areas, recipient eligibility and demographic information must be effectively integrated within the MES.  This includes use of the ESB and ODS structures within the EDW for improved transactional processing across MES systems and other external sources. Business partner relationships between intrastate agencies are crucial for identification of the types of information exchanged and promoting greater interoperability. Sources of recipient eligibility information include, but are not limited to the following:

- The Florida Department of Children and Families (DCF) determines Medicaid eligibility for low-income children and families, aged persons, persons with disabilities, and persons seeking institutional care;
- Florida Healthy Kids Corporation determines eligibility for the Children's Health Insurance Program (CHIP);
- The Agency for Persons with Disabilities (APD) determines eligibility for home and community-based services for persons with developmental disabilities;
- The Department of Health (DOH) determines eligibility for the Family Planning Medicaid waiver program and the Children's Medical Services program for children with special health care needs; and
- The Department of Elder Affairs (DOEA) determines medical eligibility for the Medicaid Institutional Care Program (ICP) and most Medicaid waivers that provide community-based services.

The Agency envisions leveraging the ESB and ODS structures within the EDW as a conduit of information exchange across the MES to focus on the operational requirements of a particular business function (in this case, managed care enrollment).  Connecting the enrollment broker functions to the service infrastructure of the future MES will advance the Eligibility and Enrollment Management MITA business area maturity through decreased processing times, elimination of redundant processes, and increased data accuracy.

**Third-Party Liability**

Third-Party Liability (TPL) recovery services are performed by a contracted vendor.  The TPL vendor is responsible for identifying, managing and recovering funds for claims paid by Florida

Medicaid for which a third party was liable, such as Medicare and other insurance companies, casualty settlements, recipient estates, and trust and annuity recovery. The TPL vendor's system interfaces with the FMMIS through data files in order to submit TPL information. Integration of TPL information into the MES through the ESB and ODS structures within the EDW will provide timely transaction processing in order to efficiently identify recipients with valid third-party coverage in order to determine the appropriate managed care enrollment. Integration will enhance prevention of overpayments and duplicate payments, as well as assist the Agency with Fraud and Abuse activities such as provider audits and overutilization reviews. Further development of this area, in collaboration with the SEAS vendor, will advance the Financial Management MITA business area maturity.

**Utilization Management**

The Agency contracts with multiple vendors to perform prior authorization, utilization review, and quality improvement services for recipients receiving fee-for-service covered services. The prior authorization vendors' systems interface with the current FMMIS through data files. The Agency will also explore integration of the prior authorization vendor data through the ESB and ODS structures within the EDW as needed for timely transaction processing relative to this small subset of the Medicaid population. Further development, in collaboration with the SEAS vendor, will address MITA Utilization and Quality Management business functions.

Figure 4 is a graphical representation of Phase III of the development of the Florida Medicaid Enterprise System.
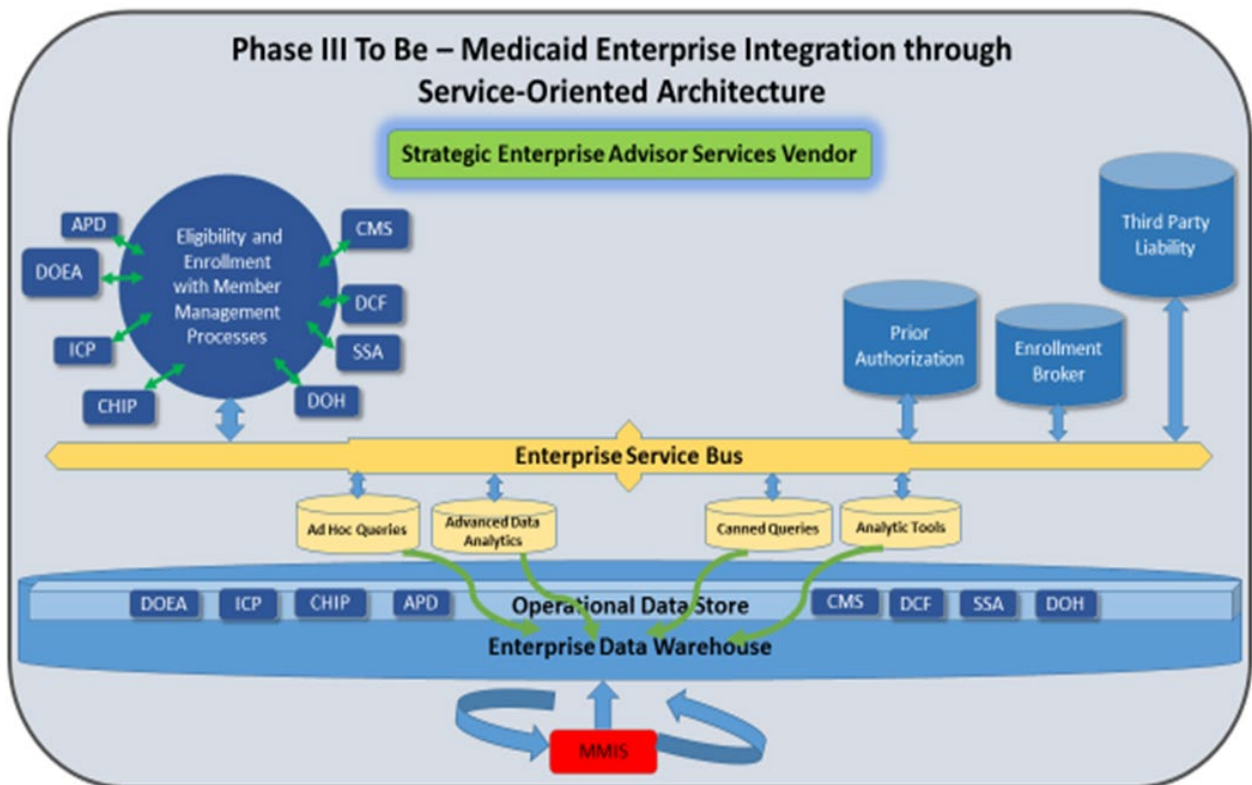


*Figure 4: Phase III of MES Development*

## Phase IV - Module Acquisition

This phase includes the acquisition of the modular components needed to support the MES in collaboration with the SEAS vendor. It is subject to adjustments as future federal mandates and guidance are provided.  The term "module" has been defined by CMS to mean a packaged, functional business process or set of processes implemented through software, data, and interoperable interfaces that are enabled through design principles in which functions of a complex system are partitioned into discrete, scalable, reusable components.  Any proposed IT functionality can reside in any physical location and is a functional grouping of capabilities that can be implemented, tested, and certified as a single group of capabilities based on the final guidance from CMS.

The MMIS modules procured by the Agency will connect through the ESB and EDW to ensure interoperability and data integration.  They represent services that can be replaced individually or in logical groups at lower risk, cost, and duration.  The Agency will initially procure MMIS modules based on the priority developed in strategic planning with the SEAS vendor. Acquisition of the modules are subject to healthcare IT industry availability.  The MMIS modules given priority are the components of the MES for which improvements are most needed in order to support decision making and components that provide the Agency with strategic advantages if they are procured as modules.

**Potential projects for Phase IV include:**

**Enterprise Infrastructure Tools**

Standard enterprise infrastructure tools are needed to provide uniformity across the MES and reduce duplication.  The Agency will work with the SEAS vendor to identify COTS, cloud based, and SaaS products that may replace functionality currently provided under the current FMMIS. All of the following products are currently used for the FMMIS, but not leveraged across the broader Medicaid enterprise:

- Security: The current technical component is Medicaid Enterprise User Provisioning System (MEUPS), currently subcontracted through Tirion Solutions.
- Workflow Management: Currently, workflow management is an Oracle BPEL system in the WorkFlow Management system.
- Automated Letter Generator: Automatic letter generation is currently performed via HPE interChange$^{TM}$ Letter Generator Release 2.0.
- Document Imaging: Document imaging and data entry is performed through SunGard Form Works.
- Report and Image Repository: Currently performed through the HyLand OnBase product.
- Web-based Survey Tools: Florida Medicaid currently uses Raosoft EZSurvey for the internet.

The Agency has initiated the development of an enterprise-wide customer relationship management (CRM) solution, leveraging its Microsoft Enterprise License to implement Microsoft Dynamics CRM solution for more comprehensive and integrated provider interaction documentation.

**Provider Enrollment and Management**

With the increased emphasis on provider enrollment and management resulting from the Affordable Care Act (ACA) and the Agency's implementation of SMMC, the Agency has a need to increase the MITA maturity of the Provider Management business process. The Agency recently developed a Provider Data Management System (PDMS) to establish a single record of Agency provider information based on FMMIS and Health Care Facility Licensure (Versa Regulation). The extract, transform, and load (ETL) process ingests source data provided by these systems to generate matched data records available for output. System alerts regarding the process will be published via web services. The output of the system's matching process are National Information Exchange Model (NIEM)-compliant Extensible Markup Language (XML) files containing thousands of Medicaid provider records suitable for automated consumption directly by FMMIS and Versa Regulation. The Agency will leverage new PDMS and CRM capabilities to build the foundation of normalized provider information and increase data quality in business areas across the MES that rely on the same provider data. The Agency envisions that a provider enrollment and management module will integrate with other systems that use provider data, such as the Florida Department of Health practitioner licensure system, Care Provider Background Screening Clearinghouse, Versa Regulation, and Encounter Data Processing systems.

## Encounter Data Processing

The Agency initiated a project to analyze the current encounter processing business rules in the FMMIS and enhance encounter processing functionality in order to improve the Agency's ability to perform comprehensive data analytics, capitation rate setting, clinical monitoring and utilization review, support decision making, and increase managed care oversight using encounter data. Encounter data is critical for managed care plan oversight in order to measure and monitor compliance with encounter data submission and timeliness requirements, provider network standards, quality requirements, managed care plan financial reporting, and fraud prevention and control. In addition, the Agency is procuring a compliance module for managed care plan oversight management which is envisioned to integrate with encounter data. The integration of encounter data through a separate module with the managed care plan oversight module will advance MITA maturity in multiple business processes including Operations, Performance, Financial, Plan, and Provider Management.

## Medicaid Functionality and Fiscal Agent (FA) Services Procurement(s)

The Agency expects to replace other functions of the FMMIS with stand-alone modules. Additionally, the Fiscal Agent contract provides many professional services that are required to support the business requirements of the Medicaid program. These professional services include, at a minimum, call centers, mail room services, document imaging/management, and training. Future procurement(s) may be necessary for needed Medicaid system functionality and Fiscal Agent professional services beyond the negotiated HPE contract extension and in accordance with state procurement law. The specific business processes for procurements are dependent upon the extent of modular implementation at the point in time that the HPE contract ends. These future procurements and schedules would be developed as recommended in consultation with the SEAS vendor.

Figure 5 is a graphical representation of the Phase IV MES under this procurement strategy.
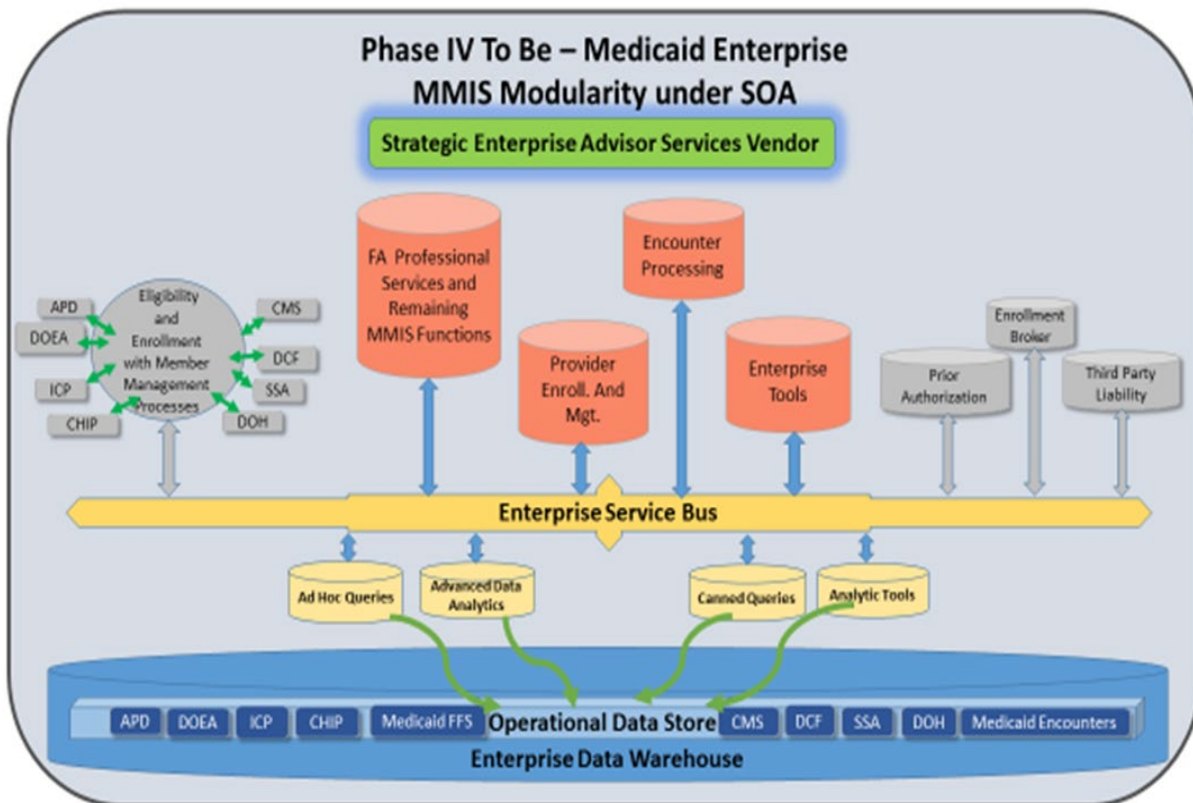
Figure 5: Phase IV of MES Development

## Next Steps

The Agency will use this procurement strategy as a communication tool with other stakeholders including the state legislature and the healthcare IT industry.  The Agency will communicate with the state legislature to obtain approval and budget support for the procurement strategy.

## SECTION 2    UPDATE OF SUMMARY OF PLANNING AND IV&V ACTIVITIES

This Section 2 replaces entirely IAPDU-1 Section 2.  In conjunction with the change in the MMIS procurement strategy, the Agency renegotiated the current planning contracts and the Independent Validation and Verification (IV&V) contract.  The contracts were paused until a new procurement strategy could be articulated by the Agency.  This action required a change to the project timeline in order to allow the Agency to further refine the procurement options and strategy.  Subsequently, the Agency concluded that the MMIS replacement project envisioned in these contracts was no longer viable and it was in the best interest of the state close the original MMIS replacement project until the SEAS vendor can be procured.  The sections below describe these modifications, and provide a current project status.

## 2.1  PLANNING PHASE BUDGET AND EXPENDITURES

By adopting the new MES procurement strategy, the planning budget needs for the project have changed for both FY 2015-2016 and FY 2016-2017.  The budget changes for the project are reflected in the tables below.  The Agency adjusted the requested budget amounts due to the changes in the project schedule and approach, including modifications for the deliverables and due dates for the Research and Planning vendor, the PMO vendor, and the IV&V vendor, and elimination of the User Acceptance Testing (UAT), Organizational Change Management (OCM), and Subject Matter Expert (SME) Leads vendors.  Tasks for the OCM vendor will be included in the SEAS vendor contract and UAT vendor will be included in the SEAS vendor contract and the System Integrator contract.

**Exhibit 2-1A: Planning Budget and Expenditures To Date** shows a comparison of the current CMS approved funding by vendor with the revised budget requested in IAPDU-2, as well as the expenditures through September 2016.

| RESOURCE | PLANNING BUDGET REQUEST | | EXPENDITURES TO DATE (September 2016) |
| --- | --- | --- | --- |
| | IAPD-U APPROVED (FFY 2014-2017, Q1) | IAPD-U2 REQUEST (FFY 2014-2016, Q) | |
| Research and Planning | $3,046,311 | $2,535,729 | $2,535,729 |
| PMO/DDI Support | $5,156,437 | $4,531,514 | $4,107,794 |
| IV&V | $1,450,365 | $1,414,017 | $1,414,017 |
| Contracted SME Leads | $1,372,328 | 0 | 0 |
| State staff increased FFP | $410,937 | 0 | 0 |
| State staff travel | $40,000 | 0 | 0 |
| State legal costs | $250,000 | $250,000 | 0 |
| Overhead (Communications) | $91,693 | $0 | 0 |
| Overhead (Facilities) | $353,626 | $318,599 | $318,599 |
| **TOTAL** | **$12,171,697** | **$9,049,859** | **$8,376,139** |

**Exhibit 2-1A: Planning Budget and Expenditures To Date**

## 2.2  PROGRESS OF PLANNING ACTIVITIES

The following subsections summarize the status and progress of activities conducted in the planning phase of the project and funded through the approved PAPD and subsequent IAPD.

"Revised Milestones" in the following exhibits refer to those milestones that have been updated or changed since their inclusion in the approved IAPD to better align with the updated project schedule and the MES Procurement Strategy.

### 2.2.1  RESEARCH AND PLANNING

| RESEARCH AND PLANNING VENDOR MILESTONE/DELIVERABLE | APPROVED DATE | REVISED DATE | COMPLETION STATUS |
|---|---|---|---|
| Contract Start Up | July 1, 2014 | August 28, 2014 | 100% |
| Develop Draft Work Plan | July 30, 2014 | September 17, 2014 | 100% |
| Comprehensive Review Of The Current MITA SS-A | July 18, 2014 | September 29, 2014 | 100% |
| Updated MITA SS-A and Roadmap | November 26, 2014 | November 21, 2014 | 100% |
| Conduct Needs Assessment And Complete Gap Analysis Based On SS-A | November 26, 2014 | November 21, 2014 | 100% |
| Research of MMIS and DSS technologies and operations throughout the nation | November 26, 2014 | November 18, 2014 | 100% |
| Recommend Solutions For Enhancement, Replacement, Or Modifications To FMMIS And DSS Based On Gap Analysis | December 12, 2014 | December 12, 2014 | 100% |
| Develop Draft FMMIS, Fiscal Agent And DSS solicitation Technical Requirements | April 3, 2015 | June 15, 2015 | 100% |
| Produce Major Enhancements Technical Requirements | July 1, 2015 | n/a | 100% |
| Crosswalk of Enhancement Requirements to Medicaid Enterprise Certification Toolkit (MECT) | September 24, 2015 | n/a | 100% |
| Financial Analysis for IAPD | April 27, 2015 | n/a | 100% |
| Develop Evaluation Criteria for MMIS/DSS Solicitation | April 15 – August 31, 2015 | June 15, 2015 | 100% |
| Develop Evaluation Manual | September 11, 2015 | n/a | 100% |
| Create Electronic Evaluation Tool | August 11, 2015 | n/a | 100% |
| Research on Other States Procurement Strategies | NEW | July 21, 2016 | 100% |
| Process for Vendors Solicitation Questions/Answers | NEW | July 21, 2016 | 100% |
| Lessons Learned and Research Phase Close Out | July 11, 2016 | June 25, 2016 | 100% |

| REVISED MILESTONE | RATIONALE |
|---|---|
| Electronic Evaluation Tool Training Report (May 20, 2016) | Deleted as no longer needed due to revised Agency procurement strategy and timeline |
| Vendor Conference Support for Technical Requirements and Addenda Report (Feb. 5, 2016) | |

**Exhibit 2-2A: Research and Planning Milestones and Deliverables**

### 2.2.2   PROJECT MANAGEMENT AND OVERSIGHT

The contract with the PMO vendor, North Highland, for professional and comprehensive project management services, was modified to end on September 2, 2016, instead of December 2018 as there are no active projects to manage until the SEAS vendor begins MES procurement planning.  Future project management services will be provided by the SEAS vendor.

| PMO Vendor Milestone/Deliverable | Approved Date | Revised Date | Completion Status |
|---|---|---|---|
| Contract Start Up | December 17, 2014 | n/a | 100% |
| Establish PMO | January 26, 2015 | n/a | 100% |
| Provide Office Space and Electronic Repository And Training | January 26, 2015 | n/a | 100% |
| Final Make or Buy Analysis Report* | February 9, 2015 | n/a | 100% |
| Develop federally required components of the Implementing Advance Planning Document(IAPD) | May 22, 2015 | n/a | 100% |
| Finalize non-technical requirements and liquidated damages of the SI/FMMIS/FA/DSS solicitation | June 15, 2015 | n/a | 100% |
| Manage completion of SI/FMMIS/FA/DSS Solicitation | August 28, 2015 | n/a | 100% |
| Comprehensive Monthly Report | February 2015 – November 2018 | February 2015 – August 2016 | 100% |
| Contract/Procurement Management Plan | November 7, 2016 | February 2016 | 100% |
| Revise Planning and PMO Documents | work product | July 29, 2016 | 100% |
| Lessons Learned Report | September 30, 2018 | August 12, 2016 | 100% |
| Project Closeout Report | December 15, 2018 | August 12, 2016 | 100% |
| **REVISED MILESTONE** | **RATIONALE** | | |
| SI/FMMIS/FA/DSS Vendor conference support, Vendor non-technical solicitation requirement question research and prepare amendments written report. (Feb. 5, 2016) | Deleted as no longer needed due to revised Agency procurement strategy and timeline | | |
| Coordinate System and Operations Performance Standards (June 1, 2018) | | | |
| Turnover and Post Implementation reporting (July 2017-December 2018) | | | |
| Report to Summarize All CMS Certification/State Oversight Activities | | | |

**Exhibit 2-3A: Project Management Office Milestones and Deliverables**

## 2.2.3   INDEPENDENT VERIFICATION AND VALIDATION (IV&V)

IV&V needs have been reassessed in light of the MES Procurement Strategy and the general plan for MES projects to begin after the SEAS vendor contract is place.  Moreover, the Florida State Term Contract for the current IV&V vendor contract ended on September 2016, and the contract must be reprocured under the new State Term Contract. The current IV&V vendor contract was amended to end on August 31, 2016.

The Agency plans to issue a Request for Quote (RFQ) under the new State Term Contract that will address IV&V scope changes needed to support the MES Procurement Strategy and

comply with federal IV&V requirements. The Agency requests an exception as provided for in 45 CFR Part 95 State Systems Advance Planning Document (APD) Process, section 95.626 Independent Verification and Validation, regarding the recent CMS interpretation that the IV&V contractor must not report to the same agency or department that oversees the Medicaid program. The Agency's rationale for continuing to place the IV&V contract in AHCA is outlined below:

1. <u>Interpretation of 45 CFR 95.625 that IV&V "efforts must be conducted by an entity that is independent from the State".</u>  The recent CMS interpretation in the Medicaid Enterprise Certification Toolkit (MECT) 2.0 is a significant departure from long-standing interpretation that "independent from the State" means an external contractor instead of Medicaid agency staff. The Agency believes that the long-standing interpretation currently being used by the states is further supported in 45 CFR 95.626(c) that states

   "The acquisition document and contract for selecting the IV&V provider (**or** similar documents **if** IV&V services are provided by other State agencies)…"

   This statement supports the Agency's position that provision of IV&V services by other State agencies is an *option*, not a requirement.

2. <u>The Agency's assurance of the independence of the IV&V contractor.</u>  The Agency's current management of the IV&V contractor ensures absolute independence using the following process:
   - Approval of all IV&V contract deliverable documents is based solely on conformance with the mutually agreed-upon Deliverable Expectation Document (DED) and correction of any factual error. The Agency does not edit the documents in any way. Any required response to IV&V findings is made through a formal written communication process that is separate from vendor deliverable and invoice approval.
   - In order to ensure IV&V contractor documents are not edited by the Agency, the documents are provided simultaneously not only to the Agency and the CMS Region IV Office, but also to the State Legislature and the State Agency for State Technology (AST). These other oversight bodies provide additional assurance that the Agency is not modifying IV&V work products.

3. <u>Adverse impact of CMS change in interpretation of 45 CFR 95.</u>  The recent change that now requires the procurement and placement of the IV&V contract in another agency will cause undue hardship to Florida. Moreover, as expressed in national conference calls, many other states are experiencing similar issues that may not have been considered by CMS. For Florida, these include:

   - Identification of an appropriate agency - requires discussions with the proposed agency and the legislature. AHCA does not have the authority to compel another agency to designate staff to the effort. It is unknown if the legislature would be willing to create statutory authority for this.
   - Lack of Medicaid program and systems knowledge outside the Medicaid agency needed for quality oversight of IV&V deliverables and reports – this includes lack of knowledge to create IV&V solicitation and contract language. There would be no real investment in the MES project outcomes.

- Additional workload to address resource issues beyond the management of the contract for the proposed agency – creating state Legislative Budget Request (LBR) for and the related Schedule IV-B Information Technology Project which includes the following significant work:

  > The Cover Sheet and Agency Project Approval
  > Business Case – Strategic Needs Assessment
  > Success Criteria
  > Benefits Realization and Cost-Benefit Analysis
  > Major Project Risk Assessment
  > Technology Planning
  > Project Management Planning

  The LBR would require inclusion of not only the IV&V contract costs but staff postions to manage the contract and consultant expertise to produce the solicitation, the end result of which would be to increase IV&V costs.

- It is unclear how funding would flow. AHCA is the designated single state Medicaid agency and as such, submits expenditures on the CMS 64 Report and draws down approved federal funds. A process for how this would work for expenditures in another agency would need to be developed. It would also require development and approval by both agencies of a formal interagency agreement to govern this process.

| IV&V VENDOR MILESTONE/DELIVERABLE | APPROVED DATE | REVISED DATE | COMPLETION STATUS |
|---|---|---|---|
| Contract Start Up | August 2015 | n/a | 100% |
| Develop IV&V Management Plan | September 21, 2015 | n/a | 100% |
| Comprehensive Monthly Reporting | October 2015 and ongoing | October 2015 – July 2016 | 100% |
| Report on the SI/FMMIS/FA/DSS Procurement Solicitation Document(s) | October 16, 2015 | n/a | 100% |
| Assessment and summary report of the SEAS and ESB technical analysis to align solicitations with the procurement strategy | NEW | June 3, 2016 | 100% |
| Assessment and Summary Report of the SEAS Procurement Solicitation Document(s) | NEW | August 5, 2016 | 100% |
| Lessons Learned Report | September 30, 2018 | August 19, 2016 | 100% |
| Project Closeout Report | January 31, 2019 | August 19, 2016 | 100% |
| Contract End | January 31, 2019 | August 31, 2016 | 100% |
| **REVISED MILESTONE** | **RATIONALE** | | |
| Report on SI/FMMIS/FA/DSS Vendors' Proposed Technical Solutions – 4/29/16 | Deleted – solicitation is no longer active | | |

| IV&V VENDOR MILESTONE/DELIVERABLE | APPROVED DATE | REVISED DATE | COMPLETION STATUS |
|---|---|---|---|
| Solicitation Compliance and Traceability Monitoring Methodology | | | |
| Implementation Planning Assessment | | | |
| System Testing Validation | | | |
| Assess Operational Readiness | | | |

**Exhibit 2-4A: IV&V Milestones and Deliverables**

### 2.2.4 PROCUREMENT AND SOLICITATION ACTIVITIES

The Agency will solicit via Invitation to Negotiate (ITN) a vendor or vendors to provide strategic enterprise advisory services. ITNs meet Florida's procurement regulations and are similar to a Request for Proposals (RFP), but allow the state to negotiate certain terms of the contract in order to receive the best products for the best price.

| AGENCY PROJECT TEAM MILESTONE/DELIVERABLE | APPROVED DATE | REVISED DATE | COMPLETION STATUS |
|---|---|---|---|
| Submit PAPD to CMS | November 22, 2013 | November 22, 2013 | 100% |
| Develop SOW for Consultant Contracts | February 28, 2014 | February 28, 2014 | 100% |
| Issue Research Solicitation | March 21, 2014 | May 23, 2014 | 100% |
| Award Research Contract | June 2, 2014 | July 10, 2014 | 100% |
| Issue PMO Solicitation | March 21, 2014 | July 22, 2014 | 100% |
| Research Contract Start Up | July 1, 2014 | August 27, 2014 | 100% |
| Award PMO Contract | June 2, 2014 | October 10, 2014 | 100% |
| PMO Contract Start Up | July 1, 2014 | December 4, 2014 | 100% |
| Submit PAPD Update to CMS | November 21, 2014 | November 21, 2014 | 100% |
| Issue IV&V Solicitation | February 24, 2015 | February 24, 2015 | 100% |
| Award IV&V Contract | August 2015 | August 2015 | 100% |
| IV&V Contractor Start Up | August 2015 | August 2015 | 100% |
| Submit IAPD to CMS | June 2015 | June 2015 | 100% |
| Develop SOW For The FMMIS/DSS/FA Operations solicitation & Submit For Agency Review | January-July 2015 | January-July 2015 | 100% |
| Submit Solicitation Documents for CMS review | April 2015 | October 2015 | 100% |
| CMS Approval of Solicitation Documents | June 1, 2015 | December 2015 | Not approved |
| Issue FMMIS/DSS/FA Operations Solicitation | July 2015 | December 2015 | Solicitation Inactive |

| AGENCY PROJECT TEAM MILESTONE/DELIVERABLE | APPROVED DATE | REVISED DATE | COMPLETION STATUS |
|---|---|---|---|
| Agency Governance approval of Florida Medicaid Enterprise System (MES) Procurement Strategy | NEW | May 2016 | 100% |
| Development and Agency approval of IAPD-U 2 | NEW | August-September 2016 | 100% |
| Submit IAPD-U2 to CMS | NEW | October 2016 | 100% |
| Revise and Execute Planning, Research and IV&V Vendors' contracts | NEW | June 2016 | 100% |
| Terminate Planning, Research and IV&V Vendors' contracts | NEW | August-September 2016 | 100% |
| Develop SEAS Vendor Solicitation and Obtain Agency Approval | NEW | April-November-2016 | 90% |
| Submit SEAS Solicitation Documents for CMS Review | NEW | November 2016 | n/a |
| CMS Approval of IAPD-U2 | NEW | Early December 2016 | n/a |
| CMS Approval of SEAS Solicitation Documents | NEW | December 2016 | n/a |
| Issue SEAS Vendor Solicitation | NEW | Early December 2016 | n/a |
| SEAS Solicitation Vendor Bids Due | NEW | Early March 2017 | n/a |
| SEAS Solicitation Evaluation and Negotiations | NEW | March-May 2017 | n/a |
| Award SEAS Contract | NEW | June 2017 | n/a |
| SEAS Contract Start | NEW | July 2017 | n/a |
| SEAS Contract End | NEW | June 2022 | n/a |
| **REVISED MILESTONE** | **RATIONALE** | | |
| Receive Responses (April 2016) | | | |
| Evaluate Responses (April-May 2016) | These milestones are associated with the MMIS/DSS/SI/Fiscal Agent procurement which was not approved by CMS. They have been deleted and replaced with new milestones to reflect the Agency's revised procurement strategy and to comply with CMS requirements. | | |
| Negotiations (May-June 2016)) | | | |
| Award Contract (July 2016) | | | |
| DDI Startup (August 2016 if no protest; January 2017 with protest) | | | |
| Oversee Project (Ongoing throughout life of the project) | | | |
| Day One of Operations (July 1, 2018) | | | |
| Lessons Learned (September 30, 2018) | | | |
| Project Closeout -end of warranty period (July 1, 2019) | | | |

**Exhibit 2-5A: Agency Solicitation Schedule**

# SECTION 3 UPDATE OF STATEMENT OF NEEDS AND OBJECTIVES

## 3.1 UPDATE OF STATEMENT OF NEED

The Florida Agency for Health Care Administration (Agency) is preparing for the changing landscape of health care administration and increased use of the CMS Medicaid Information Technology Architecture (MITA) to improve the administration and operation of the Florida Medicaid Enterprise.  The future goal of the Florida Medicaid Enterprise integration is to allow Florida Medicaid to secure services that can interoperate and communicate without relying on a common platform or technology.  Connecting services and infrastructures, and developing integration standards are the next steps for advancing the MES level of MITA maturity and system modularity modernization.

In accordance with Phase I of the updated Florida MES Procurement Strategy v.3, the Agency, through a competitive solicitation process, will procure a Strategic Enterprise Advisory Services (SEAS) vendor to serve as an effective advisor and partner to the Agency and provide ongoing strategic, programmatic and technical advisory services.  The SEAS vendor will provide the expertise needed to develop the framework for the Florida MES in accordance with the CMS Conditions and Standards, including MITA 3.0, and will propose solutions that meet current and future business needs in an incremental and efficient way. The SEAS vendor, working closely with the Systems Integrator, will provide technical expertise to establishstrategies and set data and technical standards necessary to facilitate the interoperability of business and technical services across the MES.

Subsequent to the initiation of the SEAS contract, the Agency will procure the services of a Systems Integrator (SI) vendor, as outlined in the updated MES Procurement Strategy v.3. The SI will provide the technical expertise to ensure the integrity and interoperability of the MES by performing technical systems integration in coordination with multiple vendors providing the technology solutions.  The SI will document MES vendor compliance with the Agency-approved Data and Technical Standards and architecture requirements.  The SI also will assess and identify barriers to connection and work with the MES vendors to resolve, coordinating any necessary escalation with the SEAS vendor.

The SEAS Vendor shall be barred from competing for contract award of the SI Vendor, FMMIS modules, and MITA business-aligned modules.  Potential FMMIS modules and MITA business-aligned modules are documented in the CMS State Medicaid Director (SMD) letter no. 16-010.

## 3.2 AGENCY PROGRAMS AND SERVICES ENVIRONMENT – NO CHANGE

## 3.3 AGENCY TECHNICAL AND OPERATIONAL ENVIRONMENT – REFER TO SECTION 1

## 3.4 AGENCY GOALS AND OBJECTIVES – NO CHANGE

## 3.5 UPDATE OF STATEMENT OF OBJECTIVES FOR SEAS

The following Medicaid Enterprise Strategic Objectives replace the objectives for Enhanced FMMIS and Replacement DSS, and provide the overall framework and intent for the SEAS

procurement.  The SEAS vendor will be encouraged to include cost-effective solutions that best support the Medicaid Enterprise Strategic Objectives, even where such solutions are not specifically articulated in the SEAS ITN Scope of Services requirements.  The Agency will consider these vendor solutions and evaluate their ability to support these objectives where appropriate and cost justified to provide best value to the Agency.

1) **Strategic Objective #1: Enterprise Services Integration**

Create a Single Source of Truth (SSOT) across the Medicaid Enterprise through data normalization, elimination of complex interfaces prone to data redundancy, information delays, and data incompatibility issues, and establish the required architecture and standards for further modular development.  Improve data integrity, security, analytics, accessibility, and reporting.

2) **Strategic Objective #2: Agility in Processes, Organization, and Systems**

   a) Improve transparency and communications for both major projects and change requests.
   b) Develop the Medicaid Enterprise System (MES) governance structure and prioritization procedures, based on cost benefit analyses and strategic alignment.
   c) Develop an enhanced testing capability to support system agility and accelerate the ability to turn around both major projects and change requests, in accordance with the Agency's Division of Information Technology (IT) standards and change control processes.
   d) Develop an enterprise-level, integrated change management process.
   e) Provide enhanced system documentation tools and ongoing maintenance of system documentation to support system agility.

3) **Strategic Objective #3: Medicaid Budget Optimization**

   a) Optimize Federal Financial Participation (FFP) to maximize impact of State of Florida funding through Federal match.  This applies to projects, operations, and health care cost containment.
   b) Determine and document options for meeting the strategic goals of the MES within cost constraints.

4) **Strategic Objective #4: Integrated Eligibility and Enrollment**

Recipient eligibility is not only required for determining covered services and claims payment, but is also critical to managed care eligibility and enrollment.   In order to accurately and efficiently administer the Florida Medicaid program and advance the MITA maturity across for managed care eligibility and enrollment, recipient eligibility and demographic information must be effectively integrated within the MES.  This includes use of an Enterprise Service Bus (ESB) and Enterprise Data Warehouse (EDW) for improved transactional processing across MES systems and other external sources.  Business partner relationships between federal and intrastate agencies are crucial for

identification of the types of information exchanged and promoting greater interoperability.

As the Agency intends to request enhanced FFP to help fund its MES Procurement Strategy and SEAS efforts, the systems are being planned to comply with the Conditions and Standards as outlined by CMS.

These Conditions and Standards played a major role in the alternatives assessment to evaluate viable MES solutions, as well as in the development of the Statement of Objectives.

# SECTION 4      UPDATE OF REQUIREMENTS FOR SEAS

This Section 4 replaces entirely IAPDU-1 Section 4.

## 4.1   STRATEGIC ENTERPRISE INTEGRATION AND ADVISORY REQUIREMENTS

The scope of work for the SEAS vendor includes strategic and programmatic as well as technical advisory activities. Strategic and programmatic activities include the development and facilitation of an enterprise governance structure, formalization of Agency strategic planning and concept of operations, establishing and managing a project management office, and developing procurement strategies to build the MES technical infrastructure.

The SEAS vendor will be encouraged to propose best practice and innovative, cost-effective solutions and options for strategic enterprise advisory services, and the Agency may authorize additional services that relate to the ITN scope of service as task orders that (a) are not redundant to traditional Independent Verification & Validation (IV&V) services or other MES services that are covered under separate Agency contracts or procurements, and (b) would be useful to the Agency in completing the strategic enterprise advisory services.

### 4.1.2   STRATEGIC SERVICES

The SEAS vendor will provide strategic advisory services to manage an enterprise governance and reporting structure for the Medicaid enterprise and develop a decision-making framework for identifying, selecting and prioritizing the intersecting business and IT needs of the single state Medicaid agency.   The vendor will provide strategic planning training for stakeholders, develop an Enterprise Systems Strategic Plan which will serve as the Agency's MITA Concept of Operations, support management of the Agency' project portfolio, and initiate Federal and State funding requests for prioritized objectives.  The SEAS vendor will perform periodic tasks, as needed and directed by the Agency, regarding enterprise governance management, planning support, and strategic project portfolio management.

### 4.1.3   PROGRAMMATIC SERVICES

The SEAS vendor will provide programmatic advisory services for the planning and execution of projects to develop the MES.  The vendor will recommend to MES Governance projects for

initiation upon completion of an analysis of proposed MES projects that includes alternatives and cost-benefit analyses; high-level schedule, resource, and risk assessments; interoperability impact; marketplace scan; and feasibility analysis for the collaboration with other states, technology reuse, and flexibility of services. The SEAS vendor will develop MITA assessments, and evaluate MES projects in accordance with the current MITA State Self-Assessment Roadmap.

The vendor will establish MES project management standards and a Project Management Office (PMO) in order to provide a uniform, enterprise approach to MES projects and MES vendor projects, and also will develop requirements for initiated MES projects, develop solicitation documents for MES vendor projects, and manage the CMS certification process. The SEAS vendor will create a comprehensive, integrated master project work plan that identifies the total project scope of work, combining separate work plans for other MES vendors, and will also include integrated risk, action item, issue, and decision tracking; integrated change management; integrated cost management; and integrated organizational change management.

The SEAS vendor will provide project management oversight for MES projects through the Integration, Test, and Implementation phase, and will develop policies and procedures for assessing and reporting on the project performance of MES projects, including performance metrics and escalation procedures. The SEAS vendor will assess MES project performance, recommend corrective action, and report on the status and results at enterprise governance.

The SEAS vendor will, at the direction of the Agency, conduct tasks related to program strategy alignment, program benefits management, program stakeholder engagement, and program governance throughout the program lifecycle. The SEAS vendor will perform periodic tasks, as needed and directed by the Agency, regarding MITA assessment and planning, project and program management, and other programmatic support.

### 4.1.4  TECHNICAL ADVISORY SERVICES

The SEAS vendor will provide technical advisory services for the purposes of guiding the transformation of the MES to a Service-Oriented Architecture (SOA) design, increasing interoperability of services, standardizing data exchange, and achieving the objectives in the Enterprise Systems Strategic Plan. The vendor will develop the Information Architecture to include master data management strategy, models, and standards and will develop the Technical Architecture to include technical management strategy, standards, and business, technical, and application components. The SEAS vendor will provide oversight and management for MES projects to assure compliance with systems architecture and standards for interoperability. In providing systems integration advisory services, the SEAS vendor will work with the System Integrator vendor to develop the information and technical architectures and to address barriers to integration, escalating though the governance process as appropriate.

The SEAS vendor will utilize the Data and Technical Management Strategies, and the MES information and technical architecture in the development of MES project proposals as a part of strategic project portfolio management, including the identification of opportunities to maximize modularity, reusability, web services, and service oriented architecture (SOA), and for

leveraging or resue of cloud-based platforms, open matrix programming interfaces (APIs), commercial off-the-shelf (COTS) technologies, and Software as a Service (SaaS). The vendor will also develop and maintain the Enterprise Data Security Plan and develop and maintain the Design and Implementation standards for MES projects  The SEAS vendor will perform periodic tasks, as needed and directed by the Agency, regarding information architecture development, technical architecture development, design and implementation management, enterprise data security, and other technical advisory support.

Section 5.1.1 provides additional detail for the SEAS project.

## 4.2   SOLUTION CHOICE AND POTENTIAL ADVANTAGES

As presented in Section 1 Florida Medicaid Enterprise Procurement Strategy, the Agency has reorganized its MMIS and DSS systems modernization effort to meet the demands of a continually evolving healthcare industry and Florida's specific needs.  Instead of a takeover of the current FMMIS, in Phase I the Agency will pursue the procurement of a strategic enterprise advisory services (SEAS) vendor and in Phase II the Agency will procure a system integrator vendor, an Enterprise Service Bus, and an Enterprise Data Warehouse.

Potential benefits and advantages of this approach include:

- Enhance system flexibility
- Expand opportunities to leverage COTS products and other Medicaid state programs' applications for reuse
- Reduce risks relative to overall return on investment
- Allow the Agency to take advantage of current and future technological innovations in a budget constrained environment

The advantages of the procurement solution chosen by the Agency will be expanded upon in subsequent IAPD Updates.

# SECTION 5   UPDATE OF PROJECT MANAGEMENT PLAN

This Section 5 updates or replaces entirely IAPDU-1 Section 5.

## 5.1   PROJECT SCOPE

Section 5.1 is replaced entirely.  As described in the Florida MES Procurement Strategy, the purpose of the Phase I SEAS services addressed in IAPDU-2 include the following activities:

- Procurement of a strategic enterprise advisory services (SEAS) vendor to assist the Agency to plan, implement, and manage future MES projects (July 2016-July 2017)
- SEAS strategic planning, governance development and operations, and MITA documentation
- SEAS architecture and technical standards development

- SEAS program/project management process development and project management of the MES Strategy Phase II MES Infrastructure project, and
- SEAS technical advisory services and enterprise PMO activities for MES Strategy Phases III and IV projects

### 5.1.1   STRATEGIC ENTERPRISE ADVISORY SERIVCES (SEAS)

The Scope of Work requirements for the SEAS vendor includes the enterprise-level tasks and activities summarized in Exhibit 5-1, SEAS vendor Scope of Work, below.

| Domain | Initial Deliverable Name And Number | Planned Date From Contract Execution |
|---|---|---|
| SEAS Organization | SEAS Management Plan | 30 days |
| Strategic | Enterprise Systems Governance Plan: No. S-1 | 90 days |
| | Enterprise Systems Strategic Planning Training Program: No. S-2 | 30 days |
| | Enterprise Systems Strategic Plan: No. S-3 | 4 months |
| | Strategic Project Portfolio Management Plan:  No. S-4 | 6 months |
| Programmatic | Revised MITA State Self-Assessment and Update Process: No. P-1 | 60 days |
| | MES Project Management Standards: No. P-2 | 5 months |
| | MES Project Management Toolkit: No. P-3 | 5 months |
| | Medicaid Enterprise Certification Management Plan: No. P-4 | 56 months |
| | Data Management Strategy:  No. T-1 | 7 months |
| Technical | Information Architecture Documentation:  No. T-2 | 7 months |
| | Data Standards:  No. T-3 | 8 months |
| | Technical Management Strategy:  No. T-4 | 7 months |
| | Technology Architecture Documentation: No. T-5 | 8 months |
| | Technology Standards:  No. T-6 | 8 months |
| | Design & Implementation Management Standards:  No. T-7 | 9 months |
| | Enterprise Data Security Plan:  No. T-8 | 10 months |

**Exhibit 5-1:  SEAS Vendor Scope of Work**

### 5.1.1.1   ORGANIZATION OF SERVICES

During the term of the contract, the SEAS vendor will develop and document initial deliverables and  perform variable and intermittent MES project-related or ongoing services, referred to as task orders.  The Initial Deliverables and service task orders are organized by knowledge areas, referred to as domains. The SEAS requirements are organized into the following domains:

a. Strategic Advisory Services;
b. Programmatic Advisory Services; and
c. Technical Advisory Services.

Initial deliverables and services shall be developed and provided in accordance with the current edition of the Project Management Institute's (PMI) Standard for Portfolio Management, Standard for Program Management, Project Management Body of Knowledge (PMBOK® Guide), and the Agency for State Technology (AST) requirements including the Florida Information Technology Project Management and Oversight Standards described in Florida Administrative Rule 74-1.001 through 74-1.009, Florida Administrative Code (F.A.C.).

Initial Deliverables:  Initial Deliverables, listed in Exhibit 5-1, will be completed in accordance with the specified target delivery dates and an Agency-approved Deliverable Expectation Document, and will receive payment upon Agency approval of an initial deliverable and completed invoice.  Unless otherwise stated, the SEAS vendor will assess completed initial deliverables on at least an annual basis or as notified by the Agency, in order to identify required revisions to such deliverables.  Proposed revisions to completed initial deliverables will be authorized as task orders.

Task Orders:  The vendor will provide services which will be authorized as task orders. The vendor's work will be managed by the Agency Contract Manager who will issue written authorization to work in the form of individual task orders. Each task order will include:
- project or service requirements (scope of services),
- vendor activities and activities the vendor expects the Agency to perform,
- timelines,
- staffing plan,
- total allowable project costs, and hourly rate and hours breakdown for staff positions authorized to perform work on the task, and
- specific deliverables.

Task orders will be paid at an hourly rate and will not exceed the hourly rate and number of hours authorized on the task order approved by the Agency.  The format and processes associated with task orders will be developed during contract initiation activities.

Quarterly Documentation:  The SEAS vendor will submit detailed Quarterly Documentation which will include:
- Identification number and description of task order(s) completed by the Vendor during the prior quarter, and at the Agency's discretion, partially completed task orders by the vendor during the prior quarter;
- Electronic report using an automated tool, and in a format agreed upon with the Agency during contract initiation for each Vendor staff person that includes name, total hours performed towards the completion of each approved task order, task order identification number and name, and hourly rate for all approved task orders completed and partially completed by the Vendor during the prior quarter. The electronic report shall also include a summary of total hours for each approved task order; and
- Summary of task orders completed, and task orders partially completed with percent complete during the prior quarter.

The SEAS vendor also will assess and document lessons learned and recommendations on a quarterly basis throughout the contract term.

The vendor will submit quarterly documentation with a completed invoice that documents services performed during the previous quarter in the performance of approved task orders.

### 5.1.1.2   SEAS MANAGEMENT AND QUALITY ASSURANCE

The SEAS vendor will develop and document the SEAS Management Plan its approach to managing the requirements of the contract including, at a minimum, perrforming professional project; maintaining independence and objectivity, and adhering to conflict of interest requirements described in 48 CFR 9.505, and s. 287.057(17), F.S.; complying with the State's IV&V vendor's requirements and addressing the findings and recommendations within the State's IV&V Vendor's monthly Program Executive Status Report; and assessing and documenting lessons learned and recommendations on a scheduled basis throughout the contract term.

The SEAS vendor will establish, maintain and submit to the Agency for approval, a written internal Quality Assurance (QA) Plan for meeting the service and deliverable requirements specified in the contract.  The vendor's QA Plan will incorporate quality review procedures that document QA review steps completed prior to delivery documents to the Agency, escalation procedures for risks and issues, and performance improvement processes.

The SEAS vendor will develop a Turnover Plan to transition SEAS responsibilities to a new vendor or other designated entity at the end of the contract term.  The SEAS will implement the approved Turnover Plan to include documentation inventory and migration, maintenance of staffing requirements through the end of the contract, identification of skillsets and training needs for transitioning resources, financial reconciliation of the contract, including liquidated damages, if applicable, and development of a project plan and activity list for the turnover.

### 5.1.1.3   REPORTING

The  SEAS vendor must prepare and submit to the Agency the following reports.

1) Monthly SEAS Status Report to include the following:
   a. Reporting period;
   b. Summary of the current progress of all active task orders, including completed activities and planned activities;
   c. Summary and status of any change requests;
   d. Summary and status of any pending task order requests;
   e. Project management performance data including scope, schedule, and cost management;
   f. Issues and possible solutions;
   g. Risk status with emphasis on changes in risks, risk triggers, or the occurrence of risk items; and
   h. Human resource and staff management including staff organization chart; roles, responsibilities, and authority for all staff; staff acquisition and release dates; resource calendars; and identification of any staffing level deficiencies and the status of the actions taken to resolve the deficiency/ies.

2) Project Lessons Learned Report.  At the end of the contract, the vendor will develop, document, and submit a summary lessons learned and observations report that could be used to improve performance on future projects.
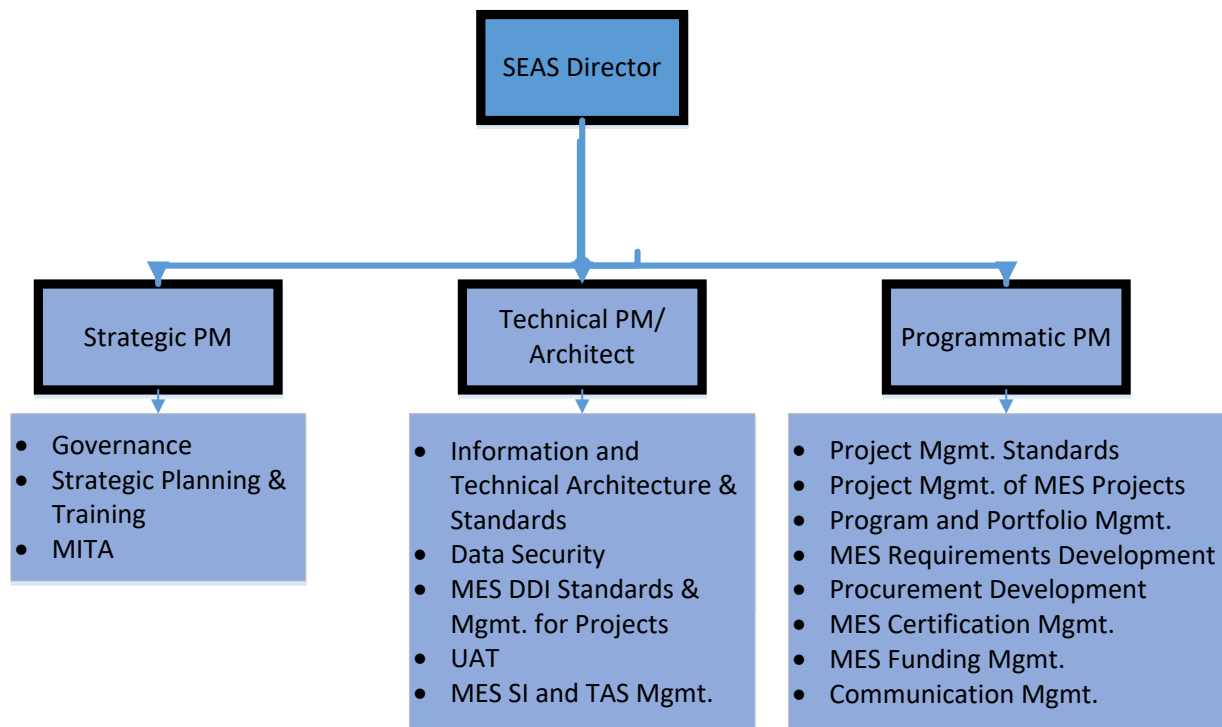
### 5.1.1.4 SEAS VENDOR STAFFING AND ORGANIZATION CHART

The SEAS vendor will maintain the key staff depicted in Exhibit 5-2 SEAS Vendor Organization Chart, to complete the services and meet the requirements specified in the contract.  The vendor must provide additional staff in sufficient quantity and skill sets, as needed, to enable the vendor to provide consistent and high quality deliverables and supporting work products, even during periods in which work on multiple projects is underway.  The vendor will develop a Human Resource and Staff Management Plan for Agency review and approval within thirty (30) calendar days of execution of the contract, and must update the plan as required.

In the event the Agency determines the vendor's staff or staffing levels are not sufficient to complete the services specified in the contract, it may advise the vendor in writing and the vendor will have ten (10) business days to remedy the identified staffing deficiency(ies) to the satisfaction of the Agency.  All staff are subject to Agency approval and must have completed the required background screening.

### 5.1.1.4.1 KEY STAFF AND ORGANIZATION CHART

The following planning organizational chart is included for clarification of the Key Staff functions in the SEAS contract.  The Agency reserves the right to approve the candidates for the Key Staff positions.  The Vendor must not replace or reassign key staff without prior Agency written approval, which shall not be unreasonably withheld.  Key staff and additional staff identified by the Vendor shall be available to meet with the Agency in person and perform the resulting Contract requirements that require an on-site presence as described in this ITN, at the Agency's headquarter location in Tallahassee, Florida, as often as needed.

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                         ┌─────────────────┐
                         │  SEAS Director  │
                         └────────┬────────┘
          ┌───────────────────────┼───────────────────────┐
          ▼                       ▼                       ▼
   ┌──────────────┐      ┌─────────────────┐      ┌─────────────────┐
   │ Strategic PM │      │ Technical PM/   │      │ Programmatic PM │
   │              │      │ Architect       │      │                 │
   └──────┬───────┘      └────────┬────────┘      └────────┬────────┘
          ▼                       ▼                        ▼
```

| | | |
|---|---|---|
| • Governance<br>• Strategic Planning & Training<br>• MITA | • Information and Technical Architecture & Standards<br>• Data Security<br>• MES DDI Standards & Mgmt. for Projects<br>• UAT<br>• MES SI and TAS Mgmt. | • Project Mgmt. Standards<br>• Project Mgmt. of MES Projects<br>• Program and Portfolio Mgmt.<br>• MES Requirements Development<br>• Procurement Development<br>• MES Certification Mgmt.<br>• MES Funding Mgmt.<br>• Communication Mgmt. |

**Exhibit 5-2: SEAS Vendor Organizational Chart**

### 5.1.1.5 VENDOR CONTRACTED WORK AND COLLABORATION

The SEAS vendor will cooperate and work with other vendors as required, including, but not limited to Independent Validation and Verification (IV&V) vendor, System Integration vendor, and other MES vendors. The vendor will comply with the State's IV&V vendor's requirements including providing the vendor's deliverables and work products to the State's IV&V Vendor for review.

The SEAS vendor will develop documentation and comply with the Agency for State Technology (AST) requirements including the Florida Information Technology Project Management and Oversight Standards described in Florida Administrative Rule 74-1.001 through 74-1.009, Florida Administrative Code (F.A.C.), and for applicable MES projects.

The vendor will maintain independence and objectivity throughout the contract term. The SEAS vendor is barred from competing for contract award of the System Integration vendor, FMMIS modules, and MITA business-aligned modules, and may be barred from competing for award of other Florida MES related procurements under Federal and State conflict of interest laws.

## 5.2 UPDATES OF PROJECT ORGANIZATION CHART, GOVERNANCE STRUCTURE, AND AGENCY EXECUTIVE STRUCTURE

### 5.2.1 UPDATE OF PROJECT ORGANIZATION CHART

Exhibit 5-3: SI/FMMIS/FA/DSS Project Organization Chart has been revised to Exhibit 5-3A: SEAS Vendor Management Organization Chart, to align with the Agency's MES Strategy for the SEAS vendor.
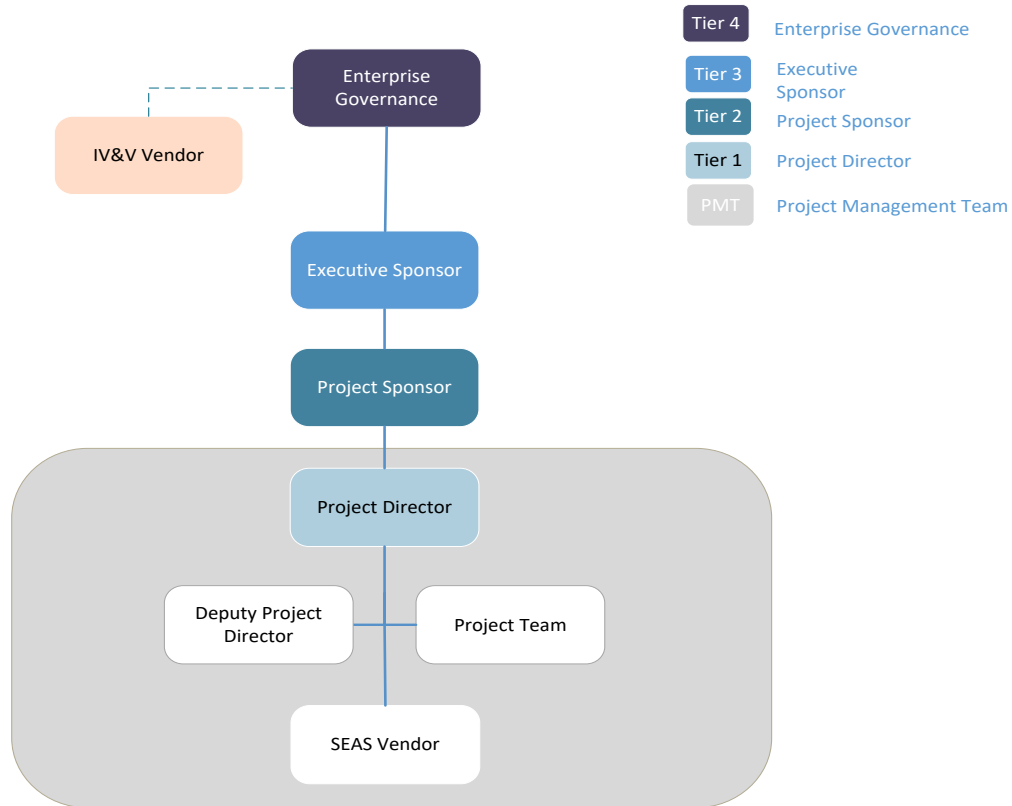


**Exhibit 5-3A: SEAS Vendor Management Organization Chart**

### 5.2.1.1 UPDATE OF PROJECT GOVERNANCE STRUCTURE

The SEAS vendor will assess and propose a governance structure that will effectively support future Medicaid Enterprise Systems needs.  In the interim the current structure has been updated to remove the AHCA MES Steering Committee and to move those tasks to the Executive Sponsor.

There are four tiers of governance with distinct decision making authority and resulting escalation path. This enables the team to move issues though the governance framework

without jeopardizing scope, schedule, budget or quality of the overall project. The project governance organization structure has five decision-making tiers:

- Tier 1 – Project Management Team (PMT), comprised of the Project Director, Deputy Director and State Management and contractors' team leads, including PMO, IV&V, and SMEs
- Tier 2 – Project Sponsor
- Tier 3 – Executive Sponsor
- Tier 4 – Enterprise Governance Committee

The roles and responsibilities for the governance structure are as follows:

- **Tier 1 - Project Management Team (PMT):** Comprised of the MMIS Project Director, Deputy Director, and contractor Team Leads. The PMT will work throughout the term of the project to monitor and control project performance and will coordinate, as needed, with other Agency staff, state agencies, the legislature, and federal Medicaid administrators to provide input to decision making, contribute to project work products, and perform departmental planning, management, and coordination with regard to this project.

  ➢ **Escalation:** The Project Director will have authority for Tier 1 decision making. The Project Director will work with the PMT for Low priority/impact items. **Low** priority refers to items that do not impact critical path items, key deliverables, scope, functionality or budget.

- **Tier 2 - Project Sponsor:** The Project Sponsor has project ownership and provides guidance on the project activities throughout the duration of the project. The Project Sponsor keeps abreast of major project activities, and is a decision-maker for the project. The Project Sponsor will also resolve major issues, problems, and policy questions, and review major deliverables.

  ➢ **Escalation:** Project Sponsor with guidance from the PMT for **Medium** priority/impact items. Medium priority refers to items that do not materially impact major issues, problems, and policy questions.

- **Tier 3 – Executive Sponsor:** The Executive Sponsor will provide leadership and guidance on the overall strategic direction of the project and has overall programmatic responsibility for the successful development and implementation of the project. The Executive Sponsor also provides overall guidance and direction to ensure the project achieves the business objectives for scope, time and budget and decides when issues and decisions require escalation to the Enterprise Governance Committee with a recommended approach for resolution. The Executive Sponsor is ultimately responsible for securing spending authority and resources for the project.

  ➢ **Escalation:** Executive Sponsor for **High** priority/impact items. High priority items impact critical path, key deliverables, scope, functionality, or budget. Executive Sponsor items regarding schedule, scope, or budget that necessitates a contractual change and, contingent upon these, for determining whether to proceed with any major project deliverable.

- **Tier 4 – AHCA Enterprise Governance Committee:** The Agency's Enterprise Governance Committee will provide visionary and policy guidance to ensure project alignment with Agency-wide strategic policy and program initiatives. It has the authority to reset the direction of the project if deemed appropriate.

    - **Escalation:** Enterprise Governance Committee for **High** priority/impact items regarding Federal, State and Agency legislation, policy and procedure that necessitate a change and or impact the critical path, key deliverables, scope, functionality or budget.

Timing for decision making is:

- Tier 1 escalations should be addressed at the working team level as a course of the normal day-to-day activities.
- Tier 2 escalations should be addressed during the weekly project status meetings or as appropriate.
- Tier 3 escalations require action at the Executive Sponsor level, either immediately or as appropriate.
- Tier 4 escalations require action at the Enterprise Governance Committee level as needed.

These tiers are further illustrated in Exhibit 5-4: Enterprise Governance Structure below.
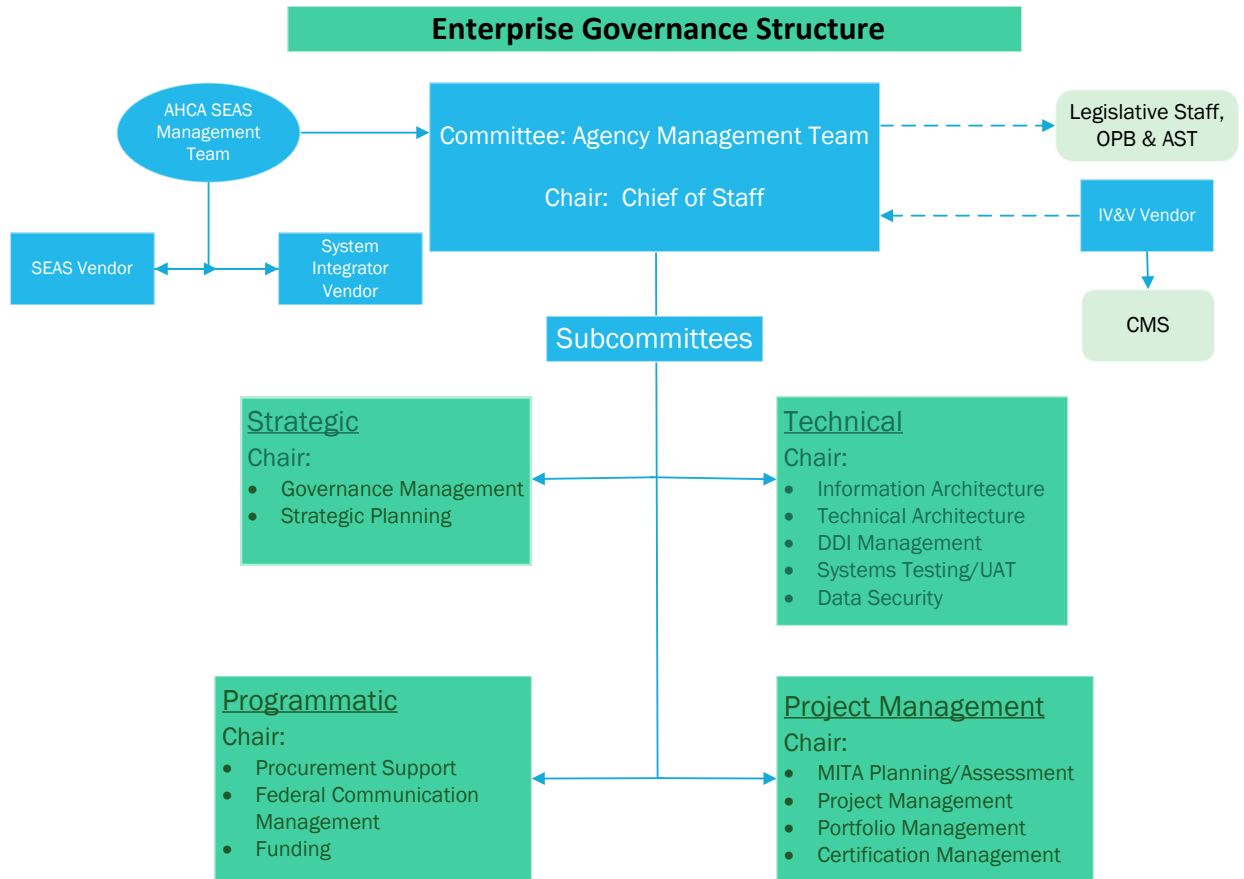
**Exhibit 5-4: Enterprise Governance Structure**

### 5.2.2   UPDATE OF ROLES AND RESPONSIBILITIES OF KEY PROJECT GOVERNANCE ENTITIES

Exhibit 5-5:  Project Governance Roles and Responsibilities has been updated to remove the AHCA MES Steering Committee and move those tasks to the Executive Sponsor, and to update the Project Management Team staff.

| Role | Responsibility | Assigned Staff |
|---|---|---|
| Enterprise Governance Committee | • Provides visionary and policy guidance to ensure project alignment with agency-wide strategic policy and program initiatives<br>• Has the authority to reset the direction of the project if deemed appropriate<br>• Includes four subcommittees:<br>   o Strategic<br>   o Technical<br>   o Programmatic<br>   o Project Management | *Agency Management Team:*<br>• Secretary, Agency for Health Care Administration<br>• Chair - Chief of Staff, Agency for Health Care Administration<br>• Project Management Subcommittee Chair - Deputy Secretary, Division of Medicaid<br>• Strategic Subcommittee Chair - Deputy Secretary, Division of Health Quality Assurance<br>• Technical Subcommittee Chair - Director, Division of Information Technology<br>• Programmatic Subcommittee Chair - Deputy Secretary, Division of Operations<br>• General Counsel, General Counsel's Office<br>• Inspector General, Inspector General's Office<br>• Assistant Deputy Secretary for Medicaid Policy and Quality<br>• Assistant Deputy Secretary for Medicaid Operations<br>• Assistant Deputy Secretary for Medicaid Finance and Analytics<br>*Other Members:*<br>• Chief, Bureau of Medicaid Fiscal Agent Operations<br>• Project Director, MES Procurements |

| Role | Responsibility | Assigned Staff |
|---|---|---|
| Executive Sponsor | • Ensures the project meets the business objectives<br>• Provides management direction and support to the Project Management Team (PMT)<br>• Reviews and approves any changes to the project's scope, schedule and budget<br>• Reviews, approves and determines whether to proceed based on regular reporting<br>• Recommends project suspension or termination if it is determined the project will not meet its objectives<br>• Appoints the Project Management Team<br>• Provides overall project leadership and guidance in support of the overall strategic direction of the project<br>• Has compliance review and programmatic responsibility for successful development and implementation of the system<br>• Oversees budget and resources for the project<br>• Champions the project and legitimizes the project's goals and objectives<br>• Oversees major project activities, risks, and issues, and is final approver of all scope changes before MES Steering Committee review<br>• Secures spending authority and resources for the project | Assistant Deputy Secretary for Medicaid Operations |
| Project Sponsor | • Oversees all key areas of the project including but not limited to: budget, staffing, work assignments, vendor management, risk identification, and mitigation<br>• Resolves major issues, problems, and policy<br>• Approves scope changes for escalation | Chief, Bureau of Medicaid Fiscal Agent Operations |

| Role | Responsibility | Assigned Staff |
|---|---|---|
| Project Management Team | • Project oversight and management<br>• Coordinates day-to-day project activities with the project team<br>• Deliverable reviews and approval recommendation<br>• Process and procedure knowledge sharing.<br>• Stakeholder coordination<br>• Risk and issue management, escalation, and resolution/mitigation<br>• Provides policy expertise<br>• Oversees project management processes, including:<br>• Time/schedule management<br>• Scope and requirements management<br>• Performance management<br>• Deliverable management<br>• Integration management<br>• Communications management<br>• Scope Change management<br>• Configuration management<br>• Document Management<br>• Status management and reporting | • Project Director<br>• Project Deputy Director/IV&V Coordinator<br>• Project Manager, Project Management Office Team<br>• Project Manager, SEAS Procurement and Project Mangement Services<br>• Lead, SEAS Strategic Services<br>• Lead, SEAS Technical Advisory Services<br>• Project Advisors |

**Exhibit 5-5: Project Governance Roles And Responsibilities**

### 5.2.3   UPDATE OF INTERNAL AND EXTERNAL STAKEHOLDERS

Exhibit 5-6: Agency Executive Structure has been updated to reflect the current Agency executive organization.

**Exhibit 5-6: Agency Executive Structure**

### 5.2.4 UPDATE OF PERSONNEL RESOURCE STATEMENT

The budget presented in Section 6 Update of Proposed Budget and Cost Allocation is intended to provide SEAS vendor funding needed for the entire contract period, July 2017 through June 2022. The budget presented in Section 6.1 Remaining Planning Period Budget, provides for contracted services support including the PMO, Research, and IV&V vendors through the revised contract termination dates, and for State legal costs related to the SEAS procurement.

## 5.3    UPDATE OF PROJECT SCHEDULE

**Exhibit 5-7: Project Timeline and Milestones** has been updated for Phase I of the Florida Medicaid Procurement Strategy.

# SECTION 6 UPDATE OF PROPOSED BUDGET AND COST ALLOCATION

## 6.1 REMAINING PLANNING PERIOD BUDGET

### Remaining Planning Period Budget

| | Total | SFY Q1 2014-15 / FFY Q4 2013-14 | SFY Q2 2014-15 / FFY Q1 2014-15 | SFY Q3 2014-15 / FFY Q2 2014-15 | SFY Q4 2014-15 / FFY Q3 2014-15 | SFY Q1 2015-16 / FFY Q4 2014-15 | SFY Q2 2015-16 / FFY Q1 2015-16 | SFY Q3 2015-16 / FFY Q2 2015-16 | SFY Q4 2015-16 / FFY Q3 2015-16 | SFY Q1 2016-17 / FFY Q4 2015-16 | SFY Q2 2016-17 / FFY Q1 2016-17 | SFY Q3 2016-17 / FFY Q2 2016-17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Staff Costs** | | | | | | | | | | | | |
| Agency Staff | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | |
| Legal | $250,000 | | | | | | | | $0 | $125,000 | | $125,000 |
| Travel | $0 | | | | | | | | $0 | | | |
| Subtotal Staff Costs | $250,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $125,000 | $0 | $125,000 |
| | | | | | | | | | | | | |
| **Project Overhead (50% FFP)** | | | | | | | | | | | | |
| Communication Lines | $0 | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | Contract End |
| Facilities | $318,599 | | | $16,926 | $181,546 | $8,463 | $33,852 | $25,624 | $34,792 | $17,396 | $0 | Contract End |
| Subtotal Project Overhead | $318,599 | $0 | $0 | $16,926 | $181,546 | $8,463 | $33,852 | $25,624 | $34,792 | $17,396 | $0 | $0 |
| | | | | | | | | | | | | |
| **Planning Contracts** | | | | | | | | | | | | |
| Research Vendor | $2,535,729 | $152,320 | $731,112 | $0 | $737,448 | $508,445 | $240,052 | $0 | $0 | $166,352 | Contract End | |
| PMO Vendor | $4,531,514 | | | $292,846 | $696,354 | $315,340 | $1,007,889 | $473,009 | $622,550 | $699,806 | $423,720 | Contract End |
| IV&V Vendor | $1,414,018 | | | | | $182,221 | $335,598 | $203,960 | $269,779 | $422,460 | Contract End | |
| SME Lead Support | $0 | | | | | | | | $0 | $0 | $0 | |
| Subtotal Planning Contracts | $8,481,261 | $0 | $731,112 | $292,846 | $1,433,802 | $1,006,006 | $1,583,539 | $676,969 | $892,329 | $1,288,618 | $423,720 | $0 |
| | | | | | | | | | | | | |
| **Total** | **$9,049,860** | $152,320 | $731,112 | $309,772 | $1,615,348 | $1,014,469 | $1,617,391 | $702,593 | $927,121 | $1,431,014 | $423,720 | $125,000 |
| Expenditures as of FFY 2015 Q4: | $8,376,139 | | | | | | | | | | | |
| **Remaining Planning Budget:** | **$673,721** | | | | | | | | | | | |

## 6.2 PROPOSED SEAS VENDOR BUDGET

The SEAS vendor contract will be a combination fixed price (unit cost) and time and materials contract.  The Agency anticipates the total value of the contract will not exceed the annual State appropriation and is subject to the availability of funds.  The actual amount to be paid to the vendor per deliverable will be calculated based on the vendor's response to the competitive solicitation.

It is the Agency's planned approach to develop annual State and Federal funding requests to support the specific MES projects proposed by the SEAS vendor and approved by the Agency for the respective fiscal year.  The SEAS vendor's contract will be amended prior to each state fiscal year to include the approved funding and deliverable schedule for these specific MES projects, if additional resources are required.  At a minimum, Contract Year One (SFY 2017-18) will include strategic and governance services, technical advisory services, and establishing an enterprise PMO for subsequent procurement phases described in IAPDU-2 **Section 1, Florida Medicaid Enterprise System Procurement Strategy.**

## Strategic Enterprise Advisory Services (SEAS) - 2016-17 through 2018-19

| | Total | State FY<br>Federal FY | Q1 2017-18<br>Q4 2016-17 | Q2 2017-18<br>Q1 2017-18 | Q3 2017-18<br>Q2 2017-18 | Q4 2017-18<br>Q3 2017-18 | Q1 2018-19<br>Q4 2017-18 | Q2 2018-19<br>Q1 2018-19 | Q3 2018-19<br>Q2 2018-19 | Q4 2018-19<br>Q3 2018-19 | Q1 2019-20<br>Q4 2018-19 | Q2 2019-20<br>Q1 2019-20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Initial Deliverables and Task Orders** | | | | | | | | | | | | |
| SEAS Organization and Plan | $712,500 | | $312,500 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| Strategic Advisory Services Domain | $2,712,500 | | $312,500 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 |
| Programmatic Advisory Services Domain | $3,512,500 | | $312,500 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 |
| Technical Advisory Services Domain | $4,312,500 | | $312,500 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 |
| Federal Quarter Totals | | | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 |
| Federal Fiscal Year Totals | | | $1,250,000 | | | | $5,000,000 | | | | $5,000,000 | |
| **Total SEAS – Through 2018-19** | **$11,250,000** | | | | | | | | | | | |

## Strategic Enterprise Advisory Services (SEAS) – 2019-20 through 2021-22

| | Total | State FY<br>Federal FY | Q3 2019-20<br>Q2 2019-20 | Q4 2019-20<br>Q3 2019-20 | Q1 2020-21<br>Q4 2019-20 | Q2 2020-21<br>Q1 2020-21 | Q3 2020-21<br>Q2 2020-21 | Q4 2020-21<br>Q3 2020-21 | Q1 2021-22<br>Q4 2020-21 | Q2 2021-22<br>Q1 2021-22 | Q3 2021-22<br>Q2 2021-22 | Q4 2021-22<br>Q3 2021-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Initial Deliverables and Task Orders** | | | | | | | | | | | | |
| SEAS Organization and Plan | $550,000 | | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| Strategic Services Domain | $3,300,000 | | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 | $300,000 |
| Programmatic Advisory Services Domain | $4,400,000 | | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 | $400,000 |
| Technical Advisory Services Domain | $5,500,000 | | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 | $500,000 |
| Federal Quarter Totals | | | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 |
| Federal Fiscal Year Totals | | | | $5,000,000 | | | | $5,000,000 | | | | $3,750,000 |
| **Total SEAS – Through 2021-22** | **$13,750,000** | | $1,750,000 | $1,750,000 | $750,000 | $750,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | $1,250,000 | |

## TOTAL SEAS – 5 YEARS    $25,000,000

## 6.3 UPDATE OF PROPOSED PLANNING AND SEAS COST ALLOCATION

| Benfiting Category | Share Amount ($) | Match Rate | Federal Share ($) FFP | State Share ($) |
|---|---|---|---|---|
| **Planning** | | | | |
| Legal Costs (for SEAS Vendor protest) | $250,000 | 50% | $125,000 | $125,000 |
| Planning Phase Overhead (Communications and Facilities) | $318,599 | 50% | $159,300 | $159,300 |
| Research and Planning Vendor Contract | $2,535,729 | 90% | $2,282,156 | $253,573 |
| PMO Support Contract | $4,531,514 | 90% | $4,078,363 | $453,151 |
| IV&V Vendor Contract | $1,414,018 | 90% | $1,272,616 | $141,402 |
| SME Support Contract | $0 | 90% | $0 | $0 |
| **Total Planning Phase** | **$9,049,860** | | **$7,917,434** | **$1,132,426** |
| **Strategic Enterprise Advisory Services Vendor (SEAS)** | | | | |
| SEAS Organization Domain | $1,262,500 | 90% | $1,136,250 | $126,250 |
| Strategic Services Domain | $6,012,500 | 90% | $5,411,250 | $601,250 |
| Technical Advisory Services Domain | $7,912,500 | 90% | $7,121,250 | $791,250 |
| Programmatic Services Domain | $9,812,500 | 90% | $8,831,250 | $981,250 |
| **Total Strategic Enterprise Advisor Services Vendor (SEAS)** | **$25,000,000** | | **$22,500,000** | **$2,500,000** |
| **TOTAL SHARED COSTS** | **$34,049,860** | | **$30,417,434** | **$3,632,426** |

## 6.4 MMIS DETAILED BUDGET TABLE (MDBT) FOR PLANNING PERIOD AND SEAS VENDOR

This sub-section presents the cost allocation methodology in the CMS-required MDBT format, by federal federal year, FFP rate, and Medicaid Budget and Expenditure System (MBES) line item. The table has been updated with current planning period needs and the SEAS vendor funding request.

| Approved through DDI APD | MMIS CMS Share (90% FFP) | State Share -10% | MMIS CMS Share (75% FFP) | State Share -25% | MMIS CMS Share (50% FFP) | State Share -50% | MMIS FUNDING FFP Total | State Share Total |
|---|---|---|---|---|---|---|---|---|
| | 2B† | | 2B† | | 2B† | | 2B | |
| FFY 2014 | $137,088 | $15,232 | | | | | $137,088 | $15,232 |
| FFY 2015 | $3,117,389 | $346,377 | | | $103,468 | $103,468 | $3,220,857 | $449,844 |
| FFY 2016 | $3,997,309 | $444,145 | | | $55,832 | $55,832 | $4,053,141 | $499,978 |
| FFY 2017 | $1,506,348 | $167,372 | | | | | $1,506,348 | $167,372 |
| FFY 2018 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 |
| FFY 2019 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 |
| FFY 2020 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 |
| FFY 2021 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 |
| FFY 2022 | $3,375,000 | $375,000 | | | | | $3,375,000 | $375,000 |
| Total | $30,133,134 | $3,348,126 | $0 | $0 | $159,300 | $159,300 | $30,292,434 | $3,507,426 |

| Approved through DDI APD | MMIS CMS Share (90% FFP) | State Share 10% | MMIS CMS Share (75% FFP) | State Share 25% | MMIS CMS Share (50% FFP) | State Share 50% | MMIS FUNDING FFP Total | State Share Total |
|---|---|---|---|---|---|---|---|---|
| | **2A†** | | -- | | **2A†** | | **2A** | |
| FFY 2014 | | | | | | | | |
| FFY 2015 | | | | | | | $0 | $0 |
| FFY 2016 | | | | | $62,500 | $62,500 | $62,500 | $62,500 |
| FFY 2017 | | | | | $62,500 | $62,500 | $62,500 | $62,500 |
| FFY 2018 | | | | | | | $0 | $0 |
| FFY 2019 | | | | | | | $0 | $0 |
| FFY 2020 | | | | | | | | |
| FFY 2021 | | | | | | | | |
| FFY 2022 | | | | | | | | |
| Total | $0 | $0 | $0 | $0 | $125,000 | $125,000 | $125,000 | $125,000 |

| Approved through DDI APD | MMIS CMS Share | State Share | MMIS CMS Share | State Share | MMIS CMS Share | State Share | TOTAL FFP | STATE SHARE TOTAL | APD TOTAL (TOTAL COMPUTABLE) |
|---|---|---|---|---|---|---|---|---|---|
| | 2A&B† | -- | 4A&B† | -- | 5A,B&C† | -- | | | |
| FFY 2014 | $137,088 | $15,232 | | | | | $137,088 | $15,232 | **$152,320** |
| FFY 2015 | $3,220,857 | $449,844 | | | | | $3,220,857 | $449,844 | **$3,670,701** |
| FFY 2016 | $4,115,641 | $562,478 | | | | | $4,115,641 | $562,478 | **$4,678,119** |
| FFY 2017 | $1,568,848 | $229,872 | | | | | $1,568,848 | $229,872 | **$1,798,720** |
| FFY 2018 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 | **$5,000,000** |
| FFY 2019 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 | **$5,000,000** |
| FFY 2020 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 | **$5,000,000** |
| FFY 2021 | $4,500,000 | $500,000 | | | | | $4,500,000 | $500,000 | **$5,000,000** |
| FFY 2022 | $3,375,000 | $375,000 | | | | | $3,375,000 | $375,000 | **$3,750,000** |
| TOTAL FFY 2014-2019 | $30,417,434 | $3,632,426 | | | | | $30,280,346 | $3,617,194 | **$34,049,860** |

# SECTION 7 STATEMENT OF SECURITY/INTERFACE AND DISASTER RECOVERY REQUIREMENTS AND CMS REQUIRED ASSURANCES

This IAPD is providing evidence of declaration, indicated by the checked boxes below, that Florida Medicaid will meet these requirements.

## 7.1 Security/Interface and Disaster Recovery/Business Continuity Requirements Statement.

☑ The State Agency will implement and/or maintain an existing comprehensive ADP security and interface program for ADP systems and installations involved in the administration of the Medicaid program.

☑ The State Agency will have disaster recovery plans and procedures available.

Specifically, the Agency will comply with the following Federal Regulations:

☑ 42 CFR 431, Subpart F (Safeguarding Information on Applicants and Beneficiaries)

☑ 42 CFR 435.960 (Standardized formats for furnishing and obtaining information to verifying income and eligibility)

☑ 45 CFR 95.617 (Software and Ownership Rights in Specific Conditions for FFP);

☑ 45 CFR 95.601 (Scope and Applicability)

☑ 45 CFR 205.50 (Safeguarding Information for the Financial Assistance Programs)

☑ 45 CFR 303.21 (Safeguarding and disclosure of Confidential Information)

## 7.2. Required assurances of compliance with cited Code of Federal Regulations (CFR) and CMS MITA Conditions and Standards attestation.

In its Medicaid IT supplement *(MITS-11-01-v1.0) Enhanced Funding Requirements: Seven Conditions and Standards* and final rule, "Mechanized Claims Processing and Information Retrieval Systems (90/10), CMS issued conditions and standards to be met by states to be eligible for enhanced match funding. As indicated in Exhibit 7-1: CMS MITA Conditions and Standards Compliance Matrix below, the State of Florida Agency for Health Care Administration attests that the project will comply with the CMS MITA Conditions and Standards.

| # | MITA Condition Name and Description | Compliance | |
|---|---|---|---|
| | | Yes | No |
| 1 | Modularity Standard<br><br>Use a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces (API); the separation of business rules from core programming; and the availability of business rules in both human and machine-readable formats. | X | |
| 2 | MITA Condition<br><br>Align to and advance increasingly in MITA maturity for business, architecture, and data. Complete and continue to make measurable progress in implementing MITA roadmaps. | X | |
| 3 | Industry Standards Condition<br><br>Ensure alignment with, and incorporation of, industry standards: the Health Insurance Portability and Accountability Act of 1996 (HIPAA) security, privacy, and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with federal civil rights law; standards adopted by the Secretary under section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act. | X | |
| 4 | Leverage Condition<br><br>Promote sharing, leverage, and reuse of Medicaid technologies and systems within and among states. | X | |
| 5 | Business Results Condition<br><br>Support accurate and timely processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public. | X | |
| 6 | Reporting Condition<br><br>Produce transaction data, reports, and performance information that would contribute to program evaluation, continuous improvement in business operations, and transparency and accountability. | X | |
| 7 | Interoperability Condition<br><br>Ensure seamless coordination and integration with the Exchange (whether run by the state or federal government, and allow interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services. | X | |

**Exhibit 7-1: CMS MITA Conditions and Standards Compliance Matrix**

The Agency plans to use open and competitive procurements for all contracted work related to the design, development, and implementation of enhancements to the FMMIS. The procurement process will be in compliance with all applicable federal regulations and provisions as indicated in **Exhibit 7-2A: Procurement Assurances**.

| Procurement Standards | | Compliance | |
|---|---|---|---|
| | | **Yes** | **No** |
| 45 CFR Part 95.613 | Procurement Standards | X | |
| 45 CFR Part 75 | Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments | X | |
| SMM Section 11267 | Required Assurances | X | |
| SMD Letter of 12/04/1995 | Letter to State Medicaid Directors regarding the policy on sole source procurements and prior approval requirements for certain procurements. | X | |
| **Access to Records** | | **Compliance** | |
| | | **Yes** | **No** |
| 45 CFR Part 95.615 | Access to Systems and Records | X | |
| SMM Section 11267 | Required Assurances | X | |
| **Software & Ownership Rights, Federal Licenses, Information Safeguarding, HIPAA Compliance and Progress Reports** | | **Compliance** | |
| | | **Yes** | **No** |
| 42 CFR Part 431 | Safeguarding Information on Applicants and Beneficiaries | X | |
| 42 CFR Part 433.112 (b)(1-22) | FFP for Design, Development, Installation or Enhancement of Mechanized Claims Processing and Information Retrieval Systems | X | |
| 45 CFR Part 95.617 | Software and Ownership Rights | X | |
| 45 CFR Part 164 | Security and Privacy | X | |
| SMM Section 11267 | Required Assurances | X | |
| **IV&V** | | **Compliance** | |
| | | **Yes** | **No** |
| 45 CFR Part 95.626 | Independent Verification and Validation | X | |

**Exhibit 7-2A:  Procurement Assurances**