

CA - PMM

Project Name: Health Care Benefits Exchange (Federal Health Care Reform)

OCIO Project #:

Department: Department of Health Care Services

Revision Date: 9/15/10

Concept Statement

Description

Brief description of the proposed project:

Implementation of the federal Health Care Reform law (HCR) that includes changes to the Medi-Cal Eligibility Data System (MEDS) and related systems to interface with and support the Health Care Benefits Exchange component of HCR (Exchange).

Need Statement

High Level Functional Requirements:

Preliminary planning for the Exchange is pending the issuance of federal guidance for HCR. It is uncertain whether a central system or existing county-based systems will be used. Assuming that the existing Medi-Cal eligibility determination infrastructure will be maintained (county-based for most clients), substantial changes will be needed to MEDS and associated automated systems operated by DHCS. At this time, the major changes appear to be:

1. A two-way interface between automated systems, including MEDS, and the Exchange, sufficient to handle a high volume of statewide data traffic. This includes accepting Medi-Cal referrals from the Exchange as well as referring non Medi-Cal eligibles to the Exchange.
2. Additional capacity in MEDS to support an estimated 1-2 million additional Medi-Cal beneficiaries who will be added within several years after HCR is implemented (January 1, 2014).
3. Ability for MEDS to provide data matching services for the Exchange. HCR requires states to utilize data matches and automated eligibility processes to the maximum extent possible.

What is Driving This Need?

Health Care Reform is mandated under the federal Patient Protection and Affordable Care Act of 2010. The effective date for major components of this law, such as the Exchange and expanded Medi-Cal eligibility, is January 1, 2014. However, states are required to affirm their decisions to operate a state Exchange by January 1, 2013. In order for California to operate its own Exchange, the state must be ready or substantially making progress toward this goal by January 1, 2013. The Health Care Benefits Exchange component of this act is also authorized by state legislation, AB 1602 and SB 900 (Statutes of 2010).

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Risk to the Organization if This Work is Not Done:

Non-implementation of the HCR and its Exchange component would be a violation of federal law and result in sanctions and penalties, including the loss of federal financial participation (FFP) for the Medi-Cal program.

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Benefit Statement

Intangible Benefits

Process Improvements (describe the nature of the process improvement):

One of HCR's goals is a streamlined eligibility determination process for health care benefits that maximizes data matching and automated processes, and minimizes manual or paper-based methods. MEDS already successfully utilizes many of the same data matches and data transfers that could also be used by the Exchange to meet its goals for streamlined eligibility determination.

Other Intangible Benefits:

Integrating MEDS with the Exchange's bi-directional interfaces and touch-points will aid in proactively posturing MEDS for future necessary modernization efforts due to MEDS archaic architecture.

Tangible Benefits

Revenue Generation (describe how revenue will be generated):

There will be substantial fiscal benefits to California as federal CMS will provide 90-100% FFP for the expansion of Medi-Cal to applicants whose income is at or below 133% of the federal poverty level during the first few years of HCR. Afterwards, FFP will be a minimum of 90% FFP for these clients, still far higher than the current FFP for beneficiaries. Compliance with the HCR and supporting the Exchange are prerequisites for obtaining this FFP.

Cost Savings (describe how cost will be reduced):

California will receive FFP for Medi-Cal provided to uninsured Californians who receive Medi-Cal under HCR. This offsets many costs that were previously paid entirely with state and county funds. (For example, indigent persons who were covered under county-paid health care programs and uncompensated care in hospital emergency rooms at public hospitals.)

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Cost Avoidance (describe the cost and how avoided):

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Risk Avoidance (describe the risk and how avoided):

Changes to MEDS to support HCR will help California comply with the federal HCR law and avoid non-compliance sanctions and penalties that may be assessed by the federal government. Further, establishment of a statewide Exchange component for HCR is required by state legislative statute.

Improved Services:

HCR will provide health care benefits to millions of Californians who currently do not receive health care coverage and/or receive intermittent or inadequate health care because of their lack of health care insurance. Providing adequate Information Technology (IT) support to HCR implementation is crucial to HCR's success.

Consistency

"No" Responses		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

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Impact to Other Entities

Nature of Impact to Other Entities

Entity: County Statewide Automated Welfare Systems (SAWS)
Describe the nature of the impact:
Counties will need to make corresponding changes on SAWS to continue correctly reporting Medi-Cal eligibility to MEDS. SAWS must also make changes to eligibility determination within their systems. This will require coordination and support from ITSD staff within DHCS as well as counties.

Entity: State agency charged with developing and operating the Exchange (TBD)
Describe the nature of the impact:
MEDS and associated systems will need to interface bi-directionally with the Exchange and exchange data on a regular basis. It is not yet known if these interface requirements will be real-time/synchronous or batch driven/asynchronous.

Entity: Federal Social Security Administration
Describe the nature of the impact:
To support the Exchange's need for data matches, MEDS will submit many more SSN validation and Deficit Reduction Act citizenship verifications (SSN data match) requests to the Social Security Administration.

Entity:

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Solution Alternatives

Alternative 1:

Alternatives have yet to be defined. As the Department completes the feasibility study and develops the Feasibility Study Report (FSR) and/ the Advanced Planning Document (APD), alternatives will be defined and a solution will be recommended.

Technical Considerations for Alternative 1:

Solution alternatives are pending the completion of preliminary planning, issuance of federal guidance for HCR implementation, any necessary feasibility study reports.

ROM Cost: _____ to \$9,000,000

Note: high end of range must not exceed 200% of low end of range

Alternative 2:

Technical Considerations for Alternative 2:

ROM Cost: _____ to _____

Note: high end of range must not exceed 200% of low end of range

Alternative 3:

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Technical Considerations for Alternative 3:	
ROM Cost: _____ to _____	Note: high end of range must not exceed 200% of low end of range

Recommendation

Comparison:

Alternative 1	ROM Cost	Risk
	\$0 - \$9,000,000	<i>Alternatives comparison not yet available due to the preliminary nature of the planning process for HCR.</i>
Alternative 2	ROM Cost	
	\$0 - \$0	
Alternative 3	ROM Cost	Risk
	\$0 - \$0	

Conclusions:

1	Conclusions on technical solution alternatives are pending the completion of preliminary planning, issuance of federal guidance for HCR
2	
3	
4	

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Recommendation:

Project Approach *(if known)*

System Complexity:		System Business Hours: <i>(e.g., 24x7, 9am-5pm)</i> : 24x7	
Architecture	<input checked="" type="checkbox"/> Mainframe <input type="checkbox"/> Client Server <input type="checkbox"/> Web Based	Num. of New Databases:	TBD
Technology	<input type="checkbox"/> New <input checked="" type="checkbox"/> New to Staff <input checked="" type="checkbox"/> In-House Experience	Interfaces:	
Implementation	<input type="checkbox"/> Central Site <input type="checkbox"/> Phased Roll-out	Num. of Sites:	
M & O Support	<input type="checkbox"/> Contractor <input type="checkbox"/> Data Center <input type="checkbox"/> Project <input type="checkbox"/> In House		
Procurement Approach: Not known at this time. *Note1: Interfaces TBD, envision multiple bi-directional. *Note2: Should be able to support in house for number of years			Number of Procurements:
Delegated Procurement?			
Scope of Contract	<input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Implementation <input checked="" type="checkbox"/> M & O <input type="checkbox"/> Other:		
Anticipated Length of Contract:	2+ Years /	extensions for	years