



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

December 21, 2016

FL-17-003

Ms. Beth Kidder
Interim Deputy Secretary for Medicaid
State of Florida, Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 8
Tallahassee, FL 32308

Dear Ms. Kidder:

The Centers for Medicare & Medicaid Services (CMS) approves the Implementation Advance Planning Document-Update (IAPD-U) submitted by the Florida Agency for Health Care Administration (AHCA) on November 22, 2016. Florida submitted the IAPD-U to request federal funding for a Strategic Enterprise Advisory Services (SEAS) contractor to support the state's Medicaid Enterprise System (MES) replacement project. The selected SEAS contractor will provide strategic, technical, and programmatic advisory services for the MES project, including project management services.

The IAPD-U also modifies AHCA's procurement strategy for the MES project. In response to Florida's previous IAPD-U for this project, CMS released a conditional approval letter dated November 24, 2015 (FL-16-001), requiring changes to AHCA's acquisition plan to align with federal modularity requirements, including procurement of a Systems Integrator separate from the state's fiscal agent.

The current IAPD-U describes Phase I of AHCA's modular acquisition strategy, including the SEAS vendor procurement and updates to planning and Independent Verification and Validation (IV&V) activities. The IAPD-U identifies at a high level additional phases of the MES project, which will run concurrent to the SEAS contract. To provide additional details about procurement activities after Phase I, Florida will submit another IAPD-U specifying the state's plans to develop the MES infrastructure, including acquisition of a System Integrator, Enterprise Service Bus (ESB), Enterprise Data Warehouse (EDW), and other modular solutions.

Florida's IAPD-U updating the state's MES project strategy, including SEAS vendor procurement, is approved by CMS in accordance with Section 1903(a)(3) of the Social Security Act, 42 CFR Part 433, subpart C, 45 CFR Part 95, subpart F, and the State Medicaid Manual, Part 11. With the revised procurement plan and focus on Phase I activities, previously-approved project funding is reduced to \$34,049,860 through federal fiscal year (FFY) 2022, with \$30,280,194 in federal financial participation (FFP), as recorded in Appendix A.

The amounts shown in Appendix A cannot be reallocated to other federal fiscal years without the submission and approval of another IAPD-U. Funding authority under this IAPD-U will expire on

Ms. Beth Kidder
Page 2

September 30, 2022. This approval letter supersedes CMS's previous IAPD-U approval letter (FL-16-001) for the MES project.

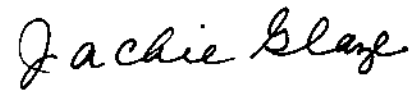
Onsite reviews may be conducted to assure that the intentions for which FFP was approved are being accomplished. Specifically, the objective is to validate that automated data processing (ADP) equipment or services are being efficiently and effectively utilized to support the approved programs or projects as provided under 45 CFR § 95.621 and the State Medicaid Manual. As provided by the State Medicaid Manual Section 11200 and by 45 CFR § 95.611, all subsequent revisions and amendments to the IAPD-U will require CMS prior written approval to qualify for FFP.

In accordance with 45 CFR § 95.623, state acquisition of ADP equipment and services without prior approval could result in disallowance of FFP. Only actual costs incurred are reimbursable. The state must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails.

As described in regulation at 45 CFR § 95.611 and the State Medicaid Manual Section 11200, Invitations to Negotiate (ITNs), Requests for Proposals (RFPs), or contracts supported by funding from the IAPD-U must be approved by CMS prior to release of the ITN or RFP, or prior to execution of the contract. Failure to comply with prior approval requirements may result in either ineligibility for the enhanced federal match or disallowance for those activities.

If there are any questions concerning this information, please contact John Allison at (828) 513-1323 or via e-mail at John.Allison@cms.hhs.gov.

Sincerely,



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

Enclosure

Appendix A:

MMIS Detailed Budget Table

Covers FFYs 2014 through 2022, ending September 30, 2022

Note: The amounts provided for FFYs 2014 through 2016 reflect state-reported expenditures, and are for informational purposes only.

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 2A	State Share Total
	2A†	--	2A†	--	2A†	--		
FFY 2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2016	\$0	\$0	\$0	\$0	\$62,500	\$62,500	\$62,500	\$62,500
FFY 2017	\$0	\$0	\$0	\$0	\$62,500	\$62,500	\$62,500	\$62,500
FFY 2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL for FFYs 2014 – 2022	\$0	\$0	\$0	\$0	\$125,000	\$125,000	\$125,000	\$125,000

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 2B	State Share Total
	2B†	--	2B†	--	2B†	--		
FFY 2014	\$137,088	\$15,232	\$0	\$0	\$0	\$0	\$137,088	\$15,232
FFY 2015	\$3,117,389	\$346,377	\$0	\$0	\$103,468	\$103,468	\$3,220,857	\$449,844
FFY 2016	\$3,997,309	\$444,145	\$0	\$0	\$55,832	\$55,832	\$4,053,141	\$499,978
FFY 2017	\$1,506,348	\$167,372	\$0	\$0	\$0	\$0	\$1,506,348	\$167,372
FFY 2018	\$4,500,000	\$500,000	\$0	\$0	\$0	\$0	\$4,500,000	\$500,000
FFY 2019	\$4,500,000	\$500,000	\$0	\$0	\$0	\$0	\$4,500,000	\$500,000
FFY 2020	\$4,500,000	\$500,000	\$0	\$0	\$0	\$0	\$4,500,000	\$500,000
FFY 2021	\$4,500,000	\$500,000	\$0	\$0	\$0	\$0	\$4,500,000	\$500,000
FFY 2022	\$3,375,000	\$375,000	\$0	\$0	\$0	\$0	\$3,375,000	\$375,000
TOTAL for FFYs 2014 – 2022	\$29,996,046	\$3,332,894	\$0	\$0	\$159,300	\$159,300	\$30,292,434	\$3,507,426

M&O	MMIS CMS Share (75% FFP)	State Share (25%)	MMIS CMS Share (75% FFP)	State Share (25%)	MMIS ENHANCED FUNDING 75% FFP Total	State Share Total
	4A†	--	4B†	--		
FFY 2014	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2015	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2016	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2017	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2018	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2019	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2020	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2021	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2022	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL for FFYs 2014 - 2022	\$0	\$0	\$0	\$0	\$0	\$0

	MMIS CMS Share	State Share	MMIS CMS Share	State Share	TOTAL FFP	STATE SHARE TOTAL	APD TOTAL (TOTAL COMPUTABLE)
	2A&B†	--	4A&B†	--			
FFY 2014	\$137,088	\$15,232	\$0	\$0	\$137,088	\$15,232	\$152,320
FFY 2015	\$3,220,857	\$449,844	\$0	\$0	\$3,220,857	\$449,844	\$3,670,701
FFY 2016	\$4,115,641	\$562,478	\$0	\$0	\$4,115,641	\$562,478	\$4,678,119
FFY 2017	\$1,568,848	\$229,872	\$0	\$0	\$1,568,848	\$229,872	\$1,798,720
FFY 2018	\$4,500,000	\$500,000	\$0	\$0	\$4,500,000	\$500,000	\$5,000,000
FFY 2019	\$4,500,000	\$500,000	\$0	\$0	\$4,500,000	\$500,000	\$5,000,000
FFY 2020	\$4,500,000	\$500,000	\$0	\$0	\$4,500,000	\$500,000	\$5,000,000
FFY 2021	\$4,500,000	\$500,000	\$0	\$0	\$4,500,000	\$500,000	\$5,000,000
FFY 2022	\$3,375,000	\$375,000	\$0	\$0	\$3,375,000	\$375,000	\$3,750,000
TOTAL for FFYs 2014 – 2022	\$30,417,434	\$3,632,426	\$0	\$0	\$30,280,346	\$3,617,194	\$34,049,860

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

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