

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

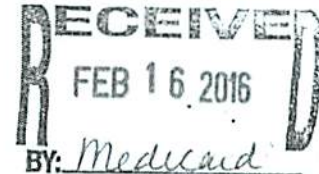


DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

February 9, 2016

FL-16-002

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



Dear Mr. Senior:

The Centers for Medicare & Medicaid Services (CMS) disapproves the Florida Agency for Health Care Administration's (AHCA) Invitation to Negotiate (ITN) #003-15/16, effective on the date of this letter. On October 7, 2015, AHCA submitted the ITN describing Florida's plan to competitively procure a contractor to takeover and enhance the state's Medicaid Management Information System (MMIS), and replace the current Decision Support System (DSS). The selected contractor would perform both fiscal agent and systems integrator duties.

Federal regulations at 45 CFR §95.611(d) provide that if CMS has not provided written approval, disapproval, or a request for information within 60 days of the date of receipt of a state's request, the request will automatically be deemed to have provisionally met prior approval conditions at 45 CFR §95.611(b).

Following a review of the ITN, and in light of additional guidance CMS has developed pertaining to states' procurement strategies for MMIS projects, CMS determined a need for revisions to Florida's acquisition strategy. Importantly, these changes included procurement of separate contractors to fulfill the responsibilities of the fiscal agent and the systems integrator.

On November 30, 2015, CMS issued a formal request for additional information (RAI) to Florida. That letter required AHCA to submit a revised ITN detailing Florida's plan to contract separately with a fiscal agent/takeover vendor, a systems integrator, and potentially more vendors supporting other modules as MMIS subsystems are replaced. The ITN should describe procurement of MMIS modules informed by the interoperability standards established by the systems integrator. The modified acquisition strategy should align to Florida's plans for major enhancement or replacement of the Pharmacy Benefits Manager (PBM), provider enrollment and management, and encounter processing subsystems.

The RAI letter requested that AHCA submit the revised ITN to CMS for review no later than 60 days from the date of the letter. As Florida did not provide a formal response to the RAI letter by January 29, 2016 (60 days from the date of the letter), CMS concludes that the state's

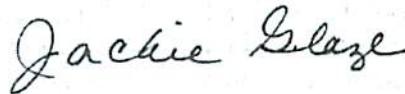
procurement strategy, in present form, is not consistent with all regulatory requirements, including the modularity standard under the Seven Conditions and Standards for enhanced funding for Medicaid technology investments, and therefore we disapprove ITN #003-15/16 in its current form.

As AHCA and CMS continue weekly discussions to delineate the acquisition strategy for Florida's MMIS takeover with enhancements project, we acknowledge that the state will submit a revised ITN in the coming weeks for CMS review. That document should conform to federal guidelines for a "best of breed" MMIS, including alignment with the Seven Conditions and Standards and Medicaid Information Technology Architecture (MITA) 3.0, as well as define an acquisition plan that supports Florida's objectives for the MMIS takeover with enhancements project.

If you have any questions or concerns regarding this letter, please feel free to contact John Allison, at 828-513-1323, or by e-mail at [John.Allison@cms.hhs.gov](mailto:John.Allison@cms.hhs.gov).

Thank you for your attention to this matter.

Sincerely,



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

Cc:

John Allison (CMS)  
Charlie Arnold (CMS)  
Cheryl Brimage (CMS)  
Rita Nimmons (CMS)