

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

November 30, 2015

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:

This letter is in response to the Florida Agency for Health Care Administration's (AHCA) submission of Invitation to Negotiate (ITN) #003-15/16 to the Centers for Medicare & Medicaid Services (CMS) on October 7, 2015. Per the ITN, Florida plans 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). In addition to fiscal agent services, the contractor would also fulfill systems integrator duties. On September 23, 2015, CMS approved Florida's Implementation Advance Planning Document (IAPD) for the design, development, and implementation (DDI) phase of this project.

Following a review of the ITN, and in light of additional guidance CMS has developed pertaining to states' procurement strategies for MMIS re-procurement projects, CMS has determined a need for additional clarifying information from the state. 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 of 45 CFR §95.611(b). Based on the date of submission, the 60-day review period for Florida's ITN ends on December 6, 2015.

This formal request for additional information (RAI) will officially stop the 60-day clock for CMS review on the ITN. The 60-day clock will restart at day one once the information requested below is formally submitted to CMS. Your response to this RAI must be submitted to CMS for review no later than 60 days from the date of this letter. If you do not provide CMS with a formal response by that date, we will conclude that the state has not established that the proposed request is consistent with all statutory and regulatory requirements and therefore CMS will initiate a disapproval action on the ITN.

The following describes the additional information or changes required prior to a final decision:

- The ITN must reflect that the fiscal agent and systems integrator will be different contractors. The systems integrator scope of work should be included in a separate

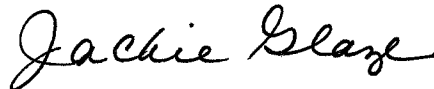
procurement solicitation. We are concerned about the likelihood of the state obtaining a truly modular MMIS, with open application programming interfaces (APIs) between modules and heavy reliance upon commercial off-the-shelf (COTS) technologies, if the takeover contractor/fiscal agent also has the responsibility for systems integration. The potential for a conflict of interest increases if the takeover contractor is also the systems integrator, because there is no business incentive for the takeover contractor to encourage and effectively support competing vendors' solutions over their own.

- In the ITN, please reflect CMS' expectation that Florida will issue Requests for Proposals (RFPs) for MMIS modules, informed by the interoperability standards established by the systems integrator such that there will be a takeover contractor/fiscal agent, a systems integrator, and other vendors supporting particular modules as MMIS subsystems are replaced. One of the systems integrator tasks will be identifying ways to modularize the MMIS and supporting subsystems. Florida is initially planning for major enhancement or replacement of the Pharmacy Benefits Manager (PBM), provider enrollment and management, and encounter processing subsystems, as well as upgrades to or alternative solutions for several MMIS support systems and applications (the Electronic Data Interchange [EDI] translator, document imaging and data entry system, web portal, automated letter generator, etc.).

Please note that in response to this RAI, AHCA should submit the revised ITN(s) to the dedicated mailbox Atlanta_MMIS@cms.hhs.gov. If you have any questions or concerns regarding this letter, please contact John Allison at 828-513-1323, or by e-mail at 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)
Etta Hawkins (CMS)