

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 05, 2014

FL-13-014

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 Planning Advance Planning Document (PAPD) submitted by Florida to the Centers for Medicare & Medicaid Services (CMS) on December 17, 2013, and in revised form on December 31, 2013, is approved effective on the date of this letter. The PAPD was submitted by Florida to request enhanced federal funding for planning activities pertinent to replacement or enhancement of the state's Medicaid Management Information System (MMIS) by June 30, 2018, as well as for preparations to procure a new fiscal agent once the state's current contract with Hewlett Packard Enterprise Services (HPES) expires on June 30, 2018. By that date, Florida will have used HPES's interChange MMIS for ten years.

CMS approves the PAPD in accordance with Section 1903(a)(3) of the Social Security Act, as well as 42 CFR § 433, subpart C, 45 CFR § 95, subpart F, and Part 11 of the State Medicaid Manual (SMM). As requested in the PAPD, CMS approves funding in the amount of \$16,781,529 for MMIS project planning activities through federal fiscal year (FFY) 2018, with federal financial participation (FFP) in the amount of \$15,115,762. Funding approval will expire on September 30, 2018, and is contingent upon the state meeting conditions for project progress specified below. Table 1 provides a summary of approved project expenses by FFY, while Appendix A provides additional details about the activities for which CMS is approving federal matching funds.

As specified in 42 CFR § 433.112, Florida must ensure that MMIS development incorporates the Seven Conditions and Standards for enhanced funding for Medicaid IT projects. The Seven Conditions and Standards include requirements for MMIS project alignment with the Medicaid Information Technology Architecture (MITA) 3.0 framework for business, technical, and information standards and services, as well as the MITA Maturity Model for measuring business process improvement.

Consistent with these requirements, CMS will collaborate with Florida to guide the state towards open-source and modular MMIS solutions, and away from monolithic, proprietary systems. A modular, flexible approach to MMIS development will allow Florida to decouple its Medicaid program from legacy systems and processes, and implement reusable, interoperable system

components that more readily address the evolving business needs of the Medicaid program and its stakeholders.

Table 1: Florida MMIS Procurement Planning Activities by FFY

FLORIDA MMIS PROCUREMENT PLANNING ACTIVITIES	FFY 2014		FFY 2015		FFY 2016		FFY 2017		FFY 2018		PAPD Total
	FFP 90%	State 10%	FFP 90%	State 10%	FFP 90%	State 10%	FFP 90%	State 10%	FFP 90%	State 10%	
90% FFP Tasks											
Project Management Office	\$166,605	\$18,512	\$666,419	\$74,047	\$666,419	\$74,047	\$666,419	\$74,047	\$666,419	\$74,047	\$3,146,979
Research	\$715,090	\$79,454	\$838,328	\$93,148							\$1,726,020
Solicitation			\$789,345	\$87,705	\$191,252	\$21,250					\$1,089,552
IV&V			\$672,347	\$74,705	\$962,190	\$106,910	\$962,189	\$106,910	\$962,189	\$106,910	\$3,954,350
Implementation/Testing Oversight					\$1,411,773	\$156,864	\$1,849,500	\$205,500	\$2,003,625	\$222,625	\$5,849,887
50% FFP Tasks											
Building Space Rental	\$11,136	\$11,136	\$44,544	\$44,544	\$33,408	\$33,408					\$178,176
Additional 40% FFP for existing FTEs currently at 50% FFP (shifting State match from 50% down to 10%)	FFP 40%		FFP 40%		FFP 40%		FFP 40%		FFP 40%		
State Agency Staff	\$49,210		\$196,838		\$196,838		\$196,838		\$196,838		\$836,563
PAPD Total	\$942,041	\$109,102	\$3,207,821	\$374,148	\$3,461,880	\$392,478	\$3,674,947	\$386,456	\$3,829,072	\$403,582	\$16,781,529

An example of modular MMIS development is the shared services solution for provider screening and enrollment that the Minnesota Department of Human Services has developed in collaboration with CMS and other partners. CMS anticipates that this open-source solution will significantly reduce state and federal development costs for provider enrollment functionality in the MMIS, as well as time required for implementation and launching. Artifacts from this project are available on CMS' Collaborative Application Lifecycle Management Tool (CALT) repository. These artifacts must be evaluated for leverage and reuse in Florida's MMIS project.

In the Implementation Advance Planning Document (IAPD) that will be a product of activities described in the PAPD, Florida must provide the status of all approved planning activities and expenditures. If planning activities detailed in the PAPD have been completed, the state must verify this in the IAPD, as well as final planning costs. Unexpended PAPD funds must be either closed out or included as line items within the IAPD budget. The state can have only one APD open at a time.

At the close of FFY 2014, Florida must report to CMS on the state's progress in completing project tasks and milestones documented in the PAPD. Florida's progress on FFY 2014 planning activities will figure into CMS's determination regarding the continued availability of federal funding for the MMIS development project. The FFY 2014 progress report should include updates on the following:

- Development of the IAPD, including the requirements analysis, alternatives analysis, cost benefits analysis, and project management plan;
- All contracts awarded for project activities and each contractor's scope of work, as well as contract deliverables to date;

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- State-specific performance measures for the MMIS replacement/enhancement project, apart from federal milestones (benchmarks required by the Florida IT Policy Coordinator, for example); and
- An overall status update for meeting the project schedule and timeline described in the PAPD.

CMS will continue to work closely with Florida as the state advances this critically important MMIS project. Project updates will be included as standing agenda items during the regular monthly MMIS calls between CMS and the state. Additionally, CMS would like to schedule a call between senior state and CMS leadership to discuss our mutual expectations for this project. Finally, CMS and the state can also discuss options for a future site visit by federal staff to further benefit federal and state project stakeholders.

Florida is also reminded that onsite reviews will be conducted to determine whether or not the objectives for which FFP was approved are being accomplished, and whether or not the automatic data processing (ADP) equipment or services are being efficiently and effectively utilized in support of approved programs or projects as provided for at 45 CFR Part 95 § 621 and the SMM. As provided by the SMM, Section 11200 and by 45 CFR § 95.611, all subsequent revisions and amendments to the APD 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.

If there are any questions concerning this information, please contact L. David Hinson at (404) 562-7411 or via e-mail at Lawrence.Hinson@cms.hhs.gov.

Sincerely,



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

Attachments: A

Appendix A

FLORIDA MMIS PROCUREMENT PLANNING ACTIVITIES	FFY 2014		FFY 2015		FFY 2016		FFY 2017		FFY 2018		PAPD Total
	FFP 90%	State 10%	FFP 90%	State 10%	FFP 90%	State 10%	FFP 90%	State 10%	FFP 90%	State 10%	
Project Management Office Tasks											
Establish PMO; PMO Activities and Reporting	\$166,605	\$18,512	\$666,419	\$74,047	\$666,419	\$74,047	\$666,419	\$74,047	\$666,419	\$74,047	\$3,146,979
Research Tasks											
Needs Assessment & Gap Analysis; Research Solutions for Enhancement or Replacement of FMMIS and DSS; Cost/Benefit Analysis	\$715,090	\$79,454	\$838,328	\$93,148							\$1,726,020
Solicitation Tasks											
Develop Draft FMMIS & DSS Requirements; Develop Evaluation Criteria and Tools; RFP Vendor Conference Support; Evaluation Oversight and Protest Support			\$789,345	\$87,705	\$191,252	\$21,250					\$1,089,552
IV&V Tasks											
Assessment of Project Management, Stakeholder Involvement, and Technical Solution; Analysis of RFP Responses; Implementation Evaluation, Risk Management Assessment; Certification Compliance			\$672,347	\$74,705	\$962,190	\$106,910	\$962,189	\$106,910	\$962,189	\$106,910	\$3,954,350
Implementation/Testing Oversight Tasks											
Review Fiscal Agent's Proposal; Monitor MMIS/DSS Contractor Tasks and Evaluate Technical Compliance; Develop Operation System Performance Standards; Testing Oversight; Assess Operational Readiness and Monitor Turnover; Monitor Implementation and Post-Implementation					\$1,411,773	\$156,864	\$1,849,500	\$205,500	\$2,003,625	\$222,625	\$5,849,887
Building Space Rental	FFP 50%	State 50%	FFP 50%	State 50%	FFP 50%	State 50%					
	\$11,136	\$11,136	\$44,544	\$44,544	\$33,408	\$33,408					\$178,176
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Additional 40% FFP for existing FTEs currently at 50% FFP (shifting previous State 50% match to 10% match)	\$49,210		\$196,838		\$196,838		\$196,838		\$196,838		\$836,563
PAPD Total	\$942,041	\$109,102	\$3,207,821	\$374,148	\$3,461,880	\$392,478	\$3,674,947	\$386,456	\$3,829,072	\$403,582	\$16,781,529