FY 06 - 07
Department Information Technology Plan (DITP)

Colorado Department of
Health Care Policy and Financing

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HEALTH CARE POLICY AND FINANCING INFORMATION TECHNOLOGY

The mission of the Department of Health Care Policy and Financing is to purchase cost-effective health care for qualified low-income Coloradoans. The Department has built a strategic plan to accomplish this mission. As the dependency of the Medicaid program on welfare requirements diminishes, the way the program operates needs to change. The Department has evaluated the many programs that make up the medical services offered and finds that it must operate more as an insurance company that purchases and supplies quality health insurance for these clients than in the past. The Child Health Plan Plus' (CHP+) 39,297[1] clients and Medicaid 402,802[1] clients generate approximately 19 million health care claims a year. The Department therefore relies heavily on information technology systems, data, and infrastructure. The cost of providing health care is growing at a rate that exceeds the State budget growth. The ability to manage and analyze the data gathered and made available through the information technology systems is a must if the State is to support cost efficient programs and to control increasing costs.

INFORMATION TECHNOLOGY VISION

Guide the development of enterprise architecture for the Department and its stakeholders that provides accurate, timely, useful, and cost-effective service to clients and providers.

HOW DOES THE DEPARTMENT ACCOMPLISH THIS

The Department's information technology design and activities advance our strategic vision, and are responsive to the context, guidance and realities in which we live. Three of the Department's main goals require some form of information technology support. Examples include maintaining cost control mechanisms, conducting cost/value analysis, analyzing data to achieve cost effectiveness, improving oversight of contractors, evaluating client health information, evaluating programs, and streamlining administration of program operations. To support its strategic goals, a substantial percentage of the workload of the Department depends upon its information technology systems and the data produced by those systems. Whether the Department is:
- ✓ gathering eligibility information,
- ✓ processing claims data,
- ✓ conducting ongoing operations

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[1] Per 6/05 Medicaid Expenditure and Caseload Report, 11 month average

- ✓ evaluating the benefit of its many programs,
- ✓ determining if a program is reaching the intended clients,
- ✓ paying medical providers, or
- ✓ auditing and searching for fraud.

The information technology systems and infrastructure are necessary to the Department's success. If our infrastructure or systems are ineffectual, slow, or not operational, the Department's administrative and program costs increase. The following description takes a look at the Department's approach to selecting (planning), controlling (architecture) and evaluating (portfolio management) its investment in communication and information technology.
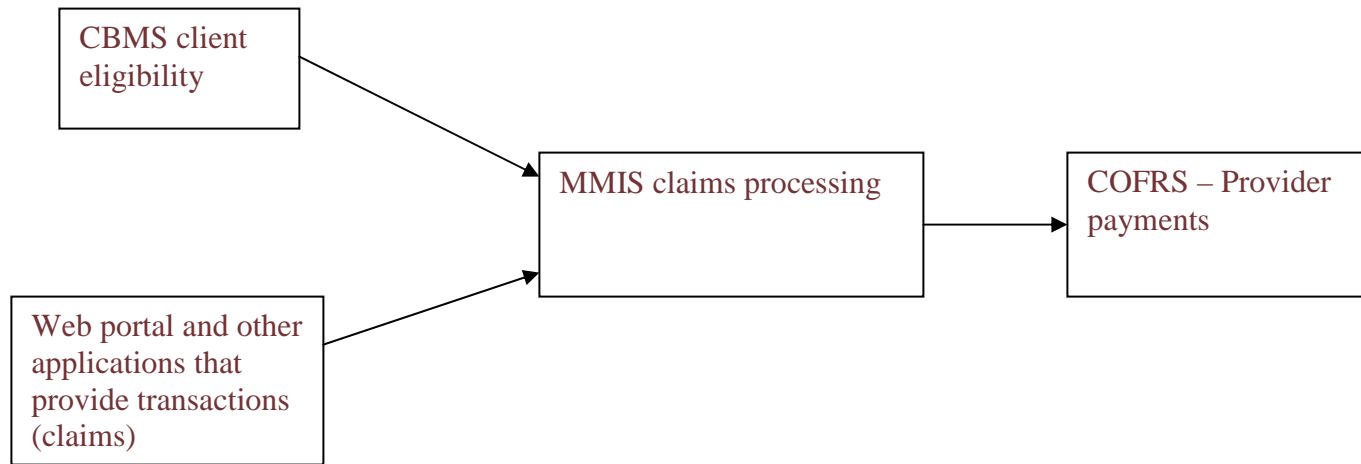
A. Policy (planning/governance)

For FY 05-06, which includes staff authorized through new special legislation, the Department has 213.4 FTE to manage a $3.33 billion budget. Outsourcing has been the primary approach the Department has used to develop, maintain and operate required applications. State information technology staffs in the roles of systems analysts and business analysts work closely with program policy individuals and budget personnel. This ensures the systems are built and operated within the definitions of policy requirements and budget constraints. The Department's infrastructure staff supports and maintains the LAN services and user support for the Department as well as maintaining connectivity to contractors. The major contracts include Affiliated Computer Systems State Healthcare (Child Health Plan Plus information), Affiliated Computer Systems State Healthcare (Medical fiscal agent), the Office of Colorado Benefits Management System (CBMS), and Electronic Data Systems for the medical client eligibility, and CGI-AMS for the Department's web portal. Other Department managers use a variety of other contractors to perform work such as auditing, recoveries from providers related to misbillings, benefit coordination, rate setting, client enrolments, and health care management. All these vendors have and use IT systems to accomplish their tasks.

B. Enterprise Architecture

The architecture of the major systems are by design open. The main business processes have been created to be non-duplicative as the following diagram indicates. Specifically the Colorado Benefits Management System (CBMS) eligibility system feeds eligible client information to the Medicaid Management Information System (MMIS). The providers use a variety of tools including the Department's web portal to submit transactions for processing in the MMIS. The MMIS processes the transactions and prepares provider payments which get sent to COFRS. These processes and systems communicate via files so each vendor's architecture by definition can be unique. The ancillary vendors which perform very specific activities for the

agency generally obtain information from the Department's decision support system to perform analysis and return results. These vendors also have the freedom to utilize customized systems to most efficiently perform their work.

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┌──────────────────┐
│ CBMS client      │──────────┐
│ eligibility      │          │
└──────────────────┘          ▼
                        ┌──────────────────────────┐      ┌──────────────────┐
                        │ MMIS claims processing   │─────▶│ COFRS – Provider │
                        │                          │      │ payments         │
┌──────────────────┐    └──────────────────────────┘      └──────────────────┘
│ Web portal and other │      ▲
│ applications that    │──────┘
│ provide transactions │
│ (claims)             │
└──────────────────────┘
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The Statewide Internet Portal has the potential to offer services of which the Department can take advantage. The direction of the portal authority at this time is citizen services. The Department does not have specific citizen (client) applications either existing or planned at this time. With the contract awarded to CGI, the Department has a hosting vendor. However, when that contract is up for renewal the Department would definitely evaluate the Statewide Portal as a potential vendor solution.

C. Portfolio Management
The Department balances the need to upgrade technology through the procurement of outsourced contracts. As a part of the contracting process vendors continually upgrade solutions and or build solutions to remain competitive in the marketplace. By controlling the length of the contracts this assures ongoing opportunities to remain current with advancing technology. This cost is thus imbedded into the price of the operational costs of these contracts. Internally the Department utilizes its limited operating budgets to plan and migrate to newer technology a little at a time. New legislation and state appropriations to implement federal legislation, along with substantial federal matching funds, also play a part in that financing. As part of the current internal IT environment status, the Department has been able to replace equipment older that 2001. This allows the

older equipment to be available as backup or to address any short-term needs. The agency expects to upgrade LAN switches to increase their speed in FY 05-06. The web portal equipment and outsourced operations is more recent. CBMS equipment and infrastructure are managed by the Department of Human Services which is relatively current. The MMIS contract is up for reprocurement which the Department will be beginning this year with the expectation of a new contract by July 2007. Though the Department will be upgrading functionality within CBMS and the MMIS this year, there are no major changes to the technology behind CBMS, MMIS or their decision support systems planned. At this point in time the agency has no major IT functionality that is not planned or budgeted for.

The IT staffing is based along the product team lines. Eligibility systems analysts support the eligibility functions and provide backup and support to each team member. The MMIS system team supports the MMIS functions and provides backup and support to each team member. The other similarly based teams range from a small group of two people to as large as ten staff. Each manager is knowledgeable about the work of staff to be able to fill in when necessary.   The IT Division incorporates between 85-95% of the Department's IT staff. The largest of the IT contracts also are managed through the IT Division. There is however a large number of operational contracts in which the IT components run through the policy side of the agency. As the Department acquires new vendors with new technology generally the staff has to be trained to work efficiently with the new vendor. Where new technology can be obtained through outsourcing this is also acquired. The IT Division has been relatively stable over the last several years; however there are a number of staff that will be retiring in the next several years for which succession plans will be developed either through promotional opportunities or through replacement.

ROLES AND RESPONSIBILITIES

The Information Technology Office is made up of several units that work together to execute the information technology vision in support of the Department's overall Strategic Plan. They are:

- Information Technology Support team – This team provides Department LAN infrastructure and connections to the state capital complex MNT for the agency's 200+ employees. A customer service function is provided to staff related hardware and base application products. The staff also provides user application support including one-on-one problem solving and training. This team implements security management and is constantly vigilant towards possible security intrusions.

- Information Systems team – This team provides business and systems analysts to assist staff in the maintenance and enhancement of the Medicaid Management Information System. The Medicaid Management Information System (MMIS) processes over 19 million claims a year for both Medicaid and Child Health Plan Plus. The team also provides operational

technical support for Medical identification cards, Colorado Benefits Management System (medical clients), TRAILS (foster care clients), and Colorado Financial Reporting System interfaces. The MMIS Decision Support System is supported by this group and provides a single point of contact for training end users on the analysis tools.

- Eligibility Systems team – This team provides business and systems analysts to assist the Governor's Office of CBMS staff in the maintenance and enhancement of the Colorado Benefits Management System. CBMS processes eligibility for over 440,000 clients for both Medicaid and Child Health Plan Plus. The team provides operational technical support for the variety of interfaces such as: Medical identification cards, TRAILS which provides foster care clients, Medicaid Management Information System, and federal interfaces. The CBMS Decision Support System is supported by this group and provides a single point for training end users on the analysis tools. The CBMS system went into production 9/1/2004 and in June 2005 the Governor created the Office of CBMS to provide access to the system and enhance the system for the two agencies that are dependent on the system. Those agencies are Department of Health Care Policy and Financing and the Department of Human Services.

- IT Contracts and Monitoring team – IT Contract Monitoring team is responsible for the contract and operations monitoring for the Medicaid Management Information System Fiscal Agent, the largest of the IT contracts, as well as other IT contracts. These include Integrated Printing Service for the Medical ID cards and CGI-AMS for the Web Portal. The multimillion dollar Fiscal Agent contract has approximately 100 contracted staff performing a variety of work for the Department to process medical claims. This team supports the providers and users of the web portal and resolves escalated operational issues from the Fiscal Agent. This team also manages the development of the Department's web portal and assesses impacts of new HIPAA rules on the IT systems.

- Privacy and Security Officer – The Department's privacy and security officer reports to the Chief Information Officer. The Department is directly impacted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as the two major programs of Medicaid and the Child Health Plan Plus are defined as covered entities. This puts a tremendous responsibility for the agency to assure its privacy and security compliance is at a state of minimum risk. Keeping the agency constantly alert and aware of what is allowed and what is not, training of new employees every 60 days, and monitoring the security protocols is the main efforts here.