

**Schedule 13**

**Department of Health Care Policy and Financing**

**Funding Request for The FY 2019-20 Budget Cycle**

Request Title

**R-12 Medicaid Enterprise Operations**

Dept. Approval By:		<u>11/11/18</u>	_____	Supplemental FY 2018-19
OSPB Approval By:		_____	_____	Budget Amendment FY 2019-20
			X	Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$7,751,315,769</b>	<b>\$0</b>	<b>\$7,612,941,221</b>	<b>\$26,407,927</b>	<b>\$32,972,940</b>
FTE		465.8	0.0	471.3	1.8	2.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$2,145,392,870	\$0	\$2,101,042,249	\$654,663	\$3,054,516
	CF	\$950,254,962	\$0	\$947,461,382	\$1,828,468	\$2,342,492
	RF	\$79,881,391	\$0	\$79,827,198	\$0	\$0
	FF	\$4,575,786,546	\$0	\$4,484,610,392	\$23,924,796	\$27,575,932

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$34,785,923</b>	<b>\$0</b>	<b>\$36,413,166</b>	<b>\$184,342</b>	<b>\$201,116</b>
FTE		465.8	0.0	471.3	1.8	2.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Personal Services	GF	\$11,935,474	\$0	\$12,577,193	\$54,142	\$59,068
	CF	\$3,129,300	\$0	\$3,273,826	\$32,072	\$37,534
	RF	\$2,242,657	\$0	\$2,274,826	\$0	\$0
	FF	\$17,478,492	\$0	\$18,287,321	\$98,128	\$104,514

<b>Total</b>		<b>\$4,647,883</b>	<b>\$0</b>	<b>\$4,655,713</b>	<b>\$15,854</b>	<b>\$15,854</b>
FTE		0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1) General Administration - Health, Life, and Dental	GF	\$1,575,324	\$0	\$1,651,283	\$4,654	\$4,654
	CF	\$399,501	\$0	\$409,280	\$2,760	\$2,960
	RF	\$135,355	\$0	\$123,276	\$0	\$0
	FF	\$2,537,703	\$0	\$2,471,874	\$8,440	\$8,240

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$60,727</b>	<b>\$0</b>	<b>\$66,035</b>	<b>\$314</b>	<b>\$342</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$21,043	\$0	\$24,054	\$94	\$100
General Administration - Short-term Disability	CF	\$5,213	\$0	\$5,306	\$54	\$64
	RF	\$1,484	\$0	\$1,522	\$0	\$0
	FF	\$32,987	\$0	\$35,153	\$166	\$178
	<b>Total</b>	<b>\$1,855,596</b>	<b>\$0</b>	<b>\$1,985,443</b>	<b>\$8,240</b>	<b>\$8,990</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$642,806	\$0	\$723,280	\$2,420	\$2,640
General Administration - Amortization	CF	\$159,439	\$0	\$159,516	\$1,434	\$1,678
Equalization	RF	\$45,371	\$0	\$45,699	\$0	\$0
Disbursement	FF	\$1,007,980	\$0	\$1,056,948	\$4,386	\$4,672
	<b>Total</b>	<b>\$1,855,596</b>	<b>\$0</b>	<b>\$1,985,443</b>	<b>\$8,240</b>	<b>\$8,990</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$642,806	\$0	\$723,280	\$2,420	\$2,640
General Administration - Supplemental	CF	\$159,439	\$0	\$159,516	\$1,434	\$1,678
Amortization	RF	\$45,371	\$0	\$45,699	\$0	\$0
Equalization	RF	\$45,371	\$0	\$45,699	\$0	\$0
Disbursement	FF	\$1,007,980	\$0	\$1,056,948	\$4,386	\$4,672
	<b>Total</b>	<b>\$2,450,635</b>	<b>\$0</b>	<b>\$2,245,370</b>	<b>\$11,306</b>	<b>\$1,900</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$961,623	\$0	\$889,835	\$3,320	\$560
General Administration - Operating Expenses	CF	\$239,823	\$0	\$210,072	\$1,968	\$354
	RF	\$13,297	\$0	\$13,297	\$0	\$0
	FF	\$1,235,892	\$0	\$1,132,166	\$6,018	\$986
	<b>Total</b>	<b>\$5,548,321</b>	<b>\$0</b>	<b>\$5,601,487</b>	<b>\$1,189,470</b>	<b>\$360,361</b>
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director's Office, (A) General Administration, (1)	GF	\$2,296,450	\$0	\$2,301,685	\$397,891	\$152,442
General Administration - Payments to OIT	CF	\$477,711	\$0	\$499,059	\$164,934	\$23,955
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$2,774,160	\$0	\$2,800,743	\$626,645	\$183,964

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$48,224,470</b>	<b>\$0</b>	<b>\$47,821,099</b>	<b>\$26,105,161</b>	<b>\$32,490,387</b>
01. Executive Director's Office, (C) Information Technology Contracts and Projects, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Information Technology Contracts and Projects - MMIS Maintenance and Projects	GF	\$6,862,226	\$0	\$7,210,717	\$2,575,920	\$3,664,810
	CF	\$4,521,956	\$0	\$4,688,767	\$1,674,512	\$2,274,269
	RF	\$12,182	\$0	\$12,204	\$0	\$0
	FF	\$36,828,106	\$0	\$35,909,411	\$21,854,729	\$26,551,308
	<b>Total</b>	<b>\$115,000</b>	<b>\$0</b>	<b>\$115,000</b>	<b>(\$115,000)</b>	<b>(\$115,000)</b>
01. Executive Director's Office, (C) Information Technology Contracts and Projects, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Information Technology Contracts and Projects - Fraud Detection Software Contract	GF	\$28,345	\$0	\$28,345	(\$28,345)	(\$28,345)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$86,655	\$0	\$86,655	(\$86,655)	(\$86,655)
	<b>Total</b>	<b>\$20,291,689</b>	<b>\$0</b>	<b>\$21,753,943</b>	<b>\$0</b>	<b>\$0</b>
01. Executive Director's Office, (E) Utilization and Quality Review Contracts, (1) Utilization and Quality Review Contracts - Professional Service Contracts	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,246,451	\$0	\$5,513,119	(\$2,084,053)	(\$804,053)
	CF	\$1,449,885	\$0	\$1,570,570	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$12,595,353	\$0	\$14,670,254	\$2,084,053	\$804,053
	<b>Total</b>	<b>\$7,631,479,929</b>	<b>\$0</b>	<b>\$7,490,298,522</b>	<b>(\$1,000,000)</b>	<b>\$0</b>
02. Medical Services Premiums, (A) Medical Services Premiums, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Medical Services Premiums - Medical Services Premiums	GF	\$2,114,180,322	\$0	\$2,069,399,458	(\$273,800)	\$0
	CF	\$939,712,695	\$0	\$936,485,470	(\$50,700)	\$0
	RF	\$77,385,674	\$0	\$77,310,675	\$0	\$0
	FF	\$4,500,201,238	\$0	\$4,407,102,919	(\$675,500)	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Health Care Policy and Financing Prioritized Request	Interagency Approval or Related Schedule 13s:	Requires OIT Approval



### ***Cost and FTE***

- This request is for \$26,407,927 total funds, including \$654,663 General Fund, \$1,828,468 cash funds, \$23,924,796 federal funds, and 1.8 FTE in FY 2019-20; \$32,972,940 total funds, including \$3,054,516 General Fund, \$2,342,492 cash funds, \$27,575,932 federal funds, and 2.0 FTE in FY 2020-21; and \$29,916,864 total funds, including \$2,833,455 General Fund, \$2,237,398 cash funds, \$24,846,011 federal funds, and 2.0 FTE in FY 2021-22, and ongoing, to address operational and compliance issues that impact the Department's Medicaid Enterprise, including related contracted services.

### ***Current Program***

- The Medicaid Enterprise currently consists of four primary services provided through separate contractors. These services include the Medicaid Management Information System (MMIS), which is commonly known as the Colorado interChange, supporting the core MMIS functions (e.g., claims processing) and Fiscal Agent services; the Business Intelligence and Data Management (BIDM), which provides data analytics services; the Pharmacy Benefit Management System (PBMS), which provides pharmaceutical management services; and the Colorado Benefits Management System (CBMS), which provides eligibility determination services.

### ***Problem or Opportunity***

- The current funding is insufficient to maintain adequate Department and Fiscal Agent staffing levels; sustain necessary program and claims processing changes; provide additional contract and project management staff to work on the Centers for Medicare and Medicaid Services (CMS) required implementation of modular procurements; and improve the overall member and provider experience.

### ***Consequences of Problem***

- The Department risks the loss of enhanced federal financial participation (FFP) related to requirements on functionality if the services are unable to become fully certified which would result in a significant increase to the General Fund obligations to support the service. The enhanced funding is tied back to the implementation of the new services on March 1, 2017 of the Colorado interChange, Fiscal Agent, BIDM, and PBMS services (commonly referred to as the COMMIT Project).
- The Department contracted for additional resources to mitigate problems after implementation that impacted the ability to pay some providers timely. If this request is not approved, these resources cannot be continued and timely payment of providers is at risk, negatively impacting providers, and ultimately members.
- CMS requires States to procure their Medicaid Enterprise utilizing a modular procurement process. A modular approach allows a discrete service or vendor to fulfill the needs of the Medicaid business area without significantly impacting other services or other vendors. Without funding, the Department would not be able to implement the required modular procurements without difficulties, such as those experienced during the COMMIT Project launch. Staffing levels and vendor resources are insufficient to implement and support the new modular services; to provide necessary provider and member experience management to ensure Medicaid providers and the member community are not negatively impacted by changes; or to meet the stringent federal standards and conditions risking loss of federal funds.

### ***Proposed Solution***

- The request addresses three strategic components of the Medicaid Enterprise: obtaining CMS certification to enable the Department to claim enhanced federal funding; maintaining adequate member and provider experience; and, developing and implementing new standards and conditions for procuring future services.



# COLORADO

Department of Health Care  
Policy & Financing

FY 2019-20 Funding Request | November 1, 2018

John W. Hickenlooper  
Governor

Kim Bimestefer  
Executive Director

**Department Priority:** R-12

**Request Detail:** Medicaid Enterprise Operations

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Medicaid Enterprise Operations	\$26,407,927	\$654,663

**Problem or Opportunity:**

The Department does not have sufficient resources to address operational and compliance issues that impact the Department’s Medicaid Enterprise.

The Medicaid Enterprise currently consists of four primary services provided through separate contractors. These services include the Medicaid Management Information System (MMIS) or Colorado interChange, supporting the core MMIS functions (e.g., claims processing) and Fiscal Agent services; the Business Intelligence and Data Management (BIDM) system, which provides data analytics services; and the Pharmacy Benefit Management System (PBMS), which provides pharmacy pharmaceutical management services; and the Colorado Benefits Management System (CBMS), which provides eligibility determination services. The current funding for the Medicaid Enterprise must be increased to maintain adequate staffing levels at the Fiscal Agent; sustain necessary program and claims processing changes; provide additional contract and project management staff to work on the Centers for Medicare and Medicaid Services (CMS) required implementation of future modular procurements; and funding for enhancements to improve the overall member and provider experience.

**Proposed Solution:**

The Department requests \$26,407,927 total funds, including \$654,663 General Fund, \$1,828,468 cash funds, \$23,924,796 federal funds, and 1.8 FTE in FY 2019-20; \$32,972,940 total funds, including \$3,054,516 General Fund, \$2,342,492 cash funds, \$27,575,932 federal funds, and 2.0 FTE in FY 2020-21; and \$29,916,864 total funds, including \$2,833,455 General Fund, \$2,237,398 cash funds, \$24,846,011 federal funds, and 2.0 FTE in FY 2021-22, and ongoing, to address operational and compliance issues that impact the Medicaid Enterprise.

Additionally, the Department is including a request for supplemental funding of \$9,477,289 total funds, including a \$433,424 General Fund, \$433,713 cash funds, \$8,610,152 federal funds in FY 2018-19.

Part of the funds requested will be reappropriated funds from the Department to OIT, including \$3,300 total funds in FY 2018-19; \$1,189,470 total funds in FY 2019-20; \$360,361 total funds in FY 2020-21; and \$360,361 total funds in FY 2021-22.

### **Legislative Requirements on Services Functionality**

The Department requests \$5,999,604 total funds, including a reduction of \$1,510,423 General Fund in FY 2019-20, and \$4,912,672 total funds, including a reduction of \$398,221 General Fund in FY 2020-21 to fund several initiatives within the Medicaid Enterprise that are tied to state or federal legislative requirements. Detailed explanations can be found below and expenditure breakouts can be found in rows A through L of tables 2.1 through 2.4.

#### Medicaid Enterprise

On December 4, 2015, CMS published a final rule at 80 FR 75817, “Federal Funding for Medicaid Eligibility Determination and Enrollment Activities.” This final rule provided for an enhancement to the federal financial participation (FFP) rate to support the design, development, and installation (DDI) and maintenance and operations (M&O) of Medicaid Eligibility and Enrollment services that are streamlined and interoperable with other services and that provide a consumer-friendly experience. To further integrated services, the final rule modified the definition of Claims Processing and Information Retrieval Systems at 42 CFR 433.111(b) to permanently include Medicaid Eligibility and Enrollment services. The broadened definition was also refined to support an enterprise approach where individual modules and services are interoperable and work together seamlessly to support a unified Medicaid Enterprise<sup>1</sup>. A module is a packaged, functional business process or set of processes that are partitioned into discrete, scalable, reusable components. Modular projects may leverage the use of commercial off-the-shelf (COTS) products or Software-as-a-Service (SaaS) solutions as well as other modular approaches.

In Colorado, the Medicaid Enterprise includes a variety of modules and services provided by vendors. For example, under CMS’ definition, Colorado module for Eligibility and Enrollment services includes CBMS, County Partners, and Medical Assistance Sites that process Medicaid enrollment applications, as well as change in circumstance updates and renewals. As another example, the Colorado interChange and Fiscal Agent services is a module used to process claims for Medicaid payment from providers of medical care and services furnished to beneficiaries under the medical assistance program, including review of managed care encounter data, and to perform other functions necessary for economic and efficient operations, management, monitoring, and administration of the Medicaid program. Other services provided through different vendors such as BIDM, PBMS, Utilization Management, Benefits Coordination (or Third-Party Liability), Enrollment Broker, and Electronic Visit Verification are also considered modules under the broad CMS definition. To receive enhanced federal matching funding for these services, they must meet all applicable standards and conditions, including modularity, along with associated provisions such as the role of Independent Verification and Validation (IV&V). For example, it is now a requirement that IV&V be performed on Electronic Visit Verification services that will be implemented in FY 2018-19 and FY 2019-20 as it is considered a module and CMS must certify that module prior to providing enhanced federal funding for ongoing operations.

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<sup>1</sup> <https://www.medicaid.gov/federal-policy-guidance/downloads/smd16010.pdf>

Under the revised federal rule, CMS requires states to follow a modular approach that supports timely, cost-effective projects. CMS believes that a modular approach to the Medicaid Enterprise provides the most efficient and cost-effective long-term solution for meeting states' business needs. States will be able to leverage the modular approach to optimize project design for agility, interoperability, and other desirable attributes as well as associated acquisition approaches to avoid prolonged implementation efforts and vendor lock-in. The modular approach can support all Medicaid service delivery models, including managed care, fee-for-service, and use of an administrative services organization.

The Department is not requesting funding to implement any specific module in this request. Instead, the request is focused on obtaining the fundamental services or framework that is necessary to implement the required modular approach. The Department requires the funding for the Enterprise Independent Verification & Validation, Medicaid Information Technology Architecture Self-Assessment, Solicitation Writer, Medicaid Enterprise Project Management Office, and Services Integrator vendors starting in FY 2019-20. Without these foundational components, the Department risks repeating the difficult launch of the COMMIT Project. Colorado was the last state for which CMS approved a "big bang" implementation approach. This has provided opportunity for the Department identify best practices from other states who have already begun implementing the new modular procurement approach. The Department's planned approach to modularity is similar to other states such as California, Wisconsin, South Carolina, Montana, and Wyoming who have already issued RFPs or begun implementation of the services provided in this request.

The Department's current working timeline allows two years to develop the RFP and issue the contract, and another two years for transition of the vendors in providing services. As an example, the Department needs to begin working in FY 2019-20 on the procurement for the Colorado interChange and Fiscal Agent services as that contract ends in 2023. The 10-year contract cannot be extended under state and federal regulations, so the RFP must be developed in FY 2019-20 and the Solicitation Writer, Medicaid Enterprise Project Management Office, and Services Integrator vendors are necessary to develop the RFP (e.g., defining the business requirements, providing the governance model that the vendors will follow, and how the vendor will exchange data with other vendors). To provide for a successful transition, those vendors must be fully operational once the vendor transition for the Colorado interChange and Fiscal Agent services begins.

The Governor's Office of Information Technology (OIT) works as a partner with the Department to implement modular services under the Medicaid Enterprise. When the Department issues procurements and contracts for these types of services, it follows the standards and guidance established by OIT. This is necessary since the vendors develop and utilize commercial off the shelf tools that contain and exchange data that includes personally identifiable information (PII) and protected health information (PHI). OIT performs an important role to perform an annual review of the vendors' compliance with the Colorado OIT Cyber Security policies, which are contained in Colorado Information Security Policies (CISP). When a new vendor begins work, OIT performs a complete system security review. Vendors are required to perform security scans and provide system diagrams to provide documentation to OIT to support compliance. If any issues are identified, the vendor is required to provide a plan to resolve security issues. This complete Gate System Security Package must be reviewed, approved, and on file with OIT demonstrating compliance during implementation, including any remediation required with the authority to operation granted by OIT. In addition, vendors provide third party audit documents to assure that Colorado State Security Compliance is

met ongoing through assessments (e.g., SOC 1 Type 2, SOC 2 Type 2 reports) at data centers, site locations and for various systems used by the vendor.

The Department works to align its Medicaid Enterprise with the Health IT Roadmap established by the Governor's Office of eHealth Innovation (OeHI). The Department serves as the fiscal agent for OeHI, and leverages Medicaid enhanced funding for the office's initiatives. In addition, the Department is partnering with OeHI to further refine how health information exchange is leveraged by Medicaid and health providers to provide better care at a lower cost. The Department is a partner in OeHI's governance structure to support statewide health information sharing and use. Specific to this request, the Department will leverage the existing OeHI contractor for the Solicitation Writer and for the Medicaid Enterprise Project Management Office described in this request. The Department will issue a solicitation for the Services Integrator, which can then be leveraged by the OeHI since the office received funding for similar services starting in FY 2018-19. The Department's approach to modularity aligns with OeHI's approach for services they will provide on a statewide basis, and the Department will be a principle partner that will use the Master Patient Index and Master Provider Directory services funded through OeHI.

#### CMS Certification Support

The Department requests \$1,216,800 total funds, including \$77,778 General Fund in FY 2018-19 to contract with a vendor to provide support to the Department through CMS certification of the MMIS. Detailed calculations can be found in Table 3.1.

Currently, the Department's functionality under the Medicaid Enterprise is uncertified by the CMS. For the Department's Medicaid Enterprise to qualify for enhanced federal funds, CMS must certify that the MMIS, Fiscal Agent, BIDM, and PBMS meet federal requirements of 42 CFR § 433 Subpart C and 45 CFR § 95.61 and the services satisfy the objectives that the Department described in its federally approved Advance Planning Document (APD). Without certification, the State cannot receive enhanced federal matching funds to operate the Medicaid Enterprise.<sup>2</sup> CMS determines the date the services are certified to meet federal requirements and can provide that certification back to the official operations go-live date (March 1, 2017 for the COMMIT Project).

Beginning in FY 2018-19, CMS will conduct onsite inspection of the new services implemented under the COMMIT Project to review the functionalities and operations, and to ensure the services meet the standards and conditions set forth in the toolkits. The CMS examination is focused on the multiple business areas impacted by the new services, the functionality and operations of those services to meet the needs of the business areas as defined by Medicaid Information Technology Architecture (MITA), and that the services meets current needs for interoperability, reuse, and enhancements. CMS has developed the Medicaid Enterprise Certification Toolkit (MECT) and Medicaid Eligibility and Enrollment Toolkit (MEET) to assist states to plan, develop, test, and implement their Medicaid Enterprise; these documents are available on CMS' website.<sup>3</sup>

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<sup>2</sup> States may receive 90% federal financial participation (FFP) for design, development, or installation of these services, and 75% FFP for operation of a fully certified Medicaid Enterprise.

<sup>3</sup> <https://www.medicaid.gov/medicaid/data-and-systems/mect/index.html>

To ensure the system is certified timely, the Department requests funding to hire a vendor to provide a team of six contracted project managers to integrate the protocols and procedures in the multiple business areas with the new services and implement a State Certification Readiness Assessment Protocol and Certification Review Protocol with all the business areas and change management plan. To validate that the services meet the CMS toolkit checklist requirements, the project managers facilitate joint collaboration sessions as the business areas have multiple subject matter experts that must confer in multiple meetings that the systems and services are performing as designed. The joint collaboration sessions must be organized and managed effectively and efficiently over the course of multiple months to validate the certification checklists. Contractor resources bring the required CMS, Medicaid Enterprise, and certification experience to manage and lead the collaboration session. The project managers are required to lead the CMS certification meetings when CMS is onsite which is anticipated to occur in FY 2018-19 (CMS is anticipated to perform onsite reviews in March 2019) and last about six months to ensure the Medicaid Enterprise is ready for certification and all federally required procedures are followed. The Department is striving to achieve full certification at the optimal time to secure the enhanced federal matching funds potentially back to the go-live date of the new system of March 1, 2017 and avoid further General Fund obligations. Only when the services are certified would the Department be eligible for the enhanced 75% federal fund match rate for maintenance and operations costs.

#### Enterprise Independent Verification & Validation

The Department requests \$3,000,000 total funds, including \$300,000 General Fund in FY 2019-20 and ongoing to contract with a contractor to provide Independent Verification and Validation (IV&V) services.

The Department also requests \$409,600 total funds, including \$40,960 General Fund in FY 2018-19 for IV&V services during the implementation of three modules. The Department was unaware that the implementation of the new care and case management system, electronic visit verification system, and claims editing software would require IV&V and after consultation with CMS, it was determined that these services would be required. The Department expects to implement these three modules between April and June of 2019. Beginning in FY 2019-20, all IV&V services for these modules will move under the Enterprise IV&V. Details can be found in table 6.1, row A.

Pursuant to federal regulations at 45 CFR § 95.626, IV&V is required for any major Medicaid Enterprise development, implementation or change to an existing service. The IV&V contractor provides an independent and unbiased perspective on the progress and the integrity and functionality of the Medicaid Enterprise. Funding for IV&V for the COMMIT Project ended on June 30, 2018. The Department is reallocating existing resources to contract with an IV&V contractor for FY 2018-19 but is unable to sustain this contract without additional funding. As a result, the Department needs ongoing funding beginning in FY 2019-20 for continued services. Currently, there is \$200,000 appropriated in the CBMS budget that is reappropriated to the Governor's Office of Information Technology (OIT) to conduct IV&V related to CBMS services. This request proposes to consolidate funding for the IV&V contracts into one budget line item to create an enterprise IV&V contract. The Medicaid Enterprise IV&V requirements are CMS requirements only, and therefore, neither OIT or the Department of Human Services would share in the cost as is currently funded. Further, it is now a CMS requirement that the IV&V contractor contract manager has independence from the contract managers of the Medicaid Enterprise, so OIT can no longer directly procure or manage the

IV&V contractor. The Department has negotiated with CMS that the Department's Chief Financial Officer is independent from the Medicaid Enterprise and therefore would have the authority to manage the IV&V contract on behalf of CMS.

The scope of the IV&V contractor responsibilities is detailed in the MECT and MEET to include evaluation of project management and performance, project development and testing processes, and technical reviews of the Medicaid Enterprise modules. The IV&V contractor must also verify that adequate regression testing has been performed to confirm that the replaced or enhanced modules do not adversely impact the functionality and operation of the Medicaid Enterprise services or other related components of the state's Medicaid Enterprise. The cost was determined based on information received through communications with other states that had similarly sized services and contractors. Each quarter, based on the current state of the IV&V efforts, the contractor would create preliminary quarterly work plans for Medicaid Enterprise work describing the anticipated IV&V efforts that would take place that quarter, along with a proposed cost schedule based on the completion of milestones and deliverables.

#### Care and Case Management Tool

The Department is requesting a reduction of \$3,381,434 total funds including a reduction of \$178,685 General fund in FY 2018-19 and \$636,624 total funds, including a reduction of \$2,043,360 General Fund in FY 2019-20 to refinance funding associated with SB 16-192 "Single Assessment Tool for Individuals with Intellectual and Developmental Disabilities" and to develop and implement a new care and case management tool in FY 2019-20. Details can be found in table 3.2 and 3.3.

The Department requests to refinance some of the activities associated with SB 16-192 because of the availability of 90% federal funds participation (FFP). In the initial appropriation, the Department requested 50% FFP on most activities, but later learned that some of those activities would qualify for a 90% match through negotiations with CMS. Because the new assessment tool being developed would be automated and incorporated into the Department's MMIS and CBMS, any activities associated with design, development or implementation of the tool, such as the contractor funding related to developing the new tool or training for case managers to implement, would be eligible for enhanced funding. The Department included the request for a 90% match in its June 2018 APD submission and received federal approval in August 2018. With the approved refinancing, the Department would generate enough General Fund savings from the higher FFP to fully fund the care and case management tool essential to manage many long-term services and supports that the Department provides.

A care and case management tool is required to centralize member data collection and generate state-level reports as mandated by CMS. It is also the central point for case managers across agencies to manage clients' information, service plans, and authorizations and member status. The Department currently utilizes two antiquated legacy systems to manage this information, the Business Utilization System (BUS) and Developmentally Disabled Web System (DDWeb). They are currently managed by OIT on behalf of the Department. These two systems are outdated and require many manual and inefficient processes to meet the needs of clients and the Department's reporting requirements. For example, the two systems do not exchange information which means that case managers for persons with intellectual and developmental disabilities enter information into two systems which is time consuming and more susceptible to data entry error.

Additionally, these systems do not share data with the MMIS or CBMS which makes connecting information about clients difficult for both the Department and case managers trying to ensure their clients receive the appropriate level of care.

As the Department procured its new MMIS contractor, requirements were originally designed to provide a care and case management tool to replace the existing legacy systems. However, based on new CMS regulations and requirements under SB 16-192 the Department needs to contract with a new subcontractor and purchase a new tool that meets the new CMS requirements, and integrate it into the MMIS and CBMS. This new tool would replace the BUS and DDweb which would eliminate duplicate data entry and consolidate reporting. Additionally, the new tool would create interoperable efficiencies not possible in the legacy BUS and DDWeb systems such as messaging services, which would allow case managers, Medicaid members, and any other care team members to communicate real time based on text, e-mail, or voice communication. The new tool would automate functional eligibility determination for the Department's long-term services and supports and individuals with developmental disabilities programs as well as case management functions for assessment, support planning, authorization of services and monitoring of member status and services. Once operational, the Department would pay for licenses in three-year agreements for Department staff, providers, and other care team members. Further, the subcontractor would provide various operational services to support the tool and case managers.

#### BUS Migration & Operational Support

The Department requests \$947,188 total funds, including \$278,189 General Fund in FY 2019-20 to continue to fund the Benefits Utilization System (BUS), which is set to expire on June 30, 2019, until the new care and case management tool is operational. Details can be found in table 3.4.

This funding would assist with transitioning and migrating data to the new care and case management tool while also providing funding to store historical data that would not be migrated to the new tool. The historical data would be stored in a database, managed by OIT for seven years. All the functions of the BUS are set to be replaced by the new tool. The BUS is a database application maintained by OIT used to input and store client assessments that determine eligibility for LTSS programs. The BUS is also used to create and update client service plans that document client needs and are subsequently used to determine authorization of Medicaid payments. Service plans must be updated timely to ensure a client's authorized services match his or her changing needs. Finally, BUS data fulfills a federal records retention requirement, pursuant to 45 CFR § 164.316(b)(2), by CMS to demonstrate proper claiming of federal funding for the Department's home and community-based services (HCBS) waivers.

The Department would be maintaining the BUS in partnership with OIT to store data for at least six years that would not be transitioned to the new tool. The historical data is being maintained in the BUS due to the high cost of migrating historical data that would require reformatting to ensure only clean data is migrated from the BUS to the new tool. This cost includes continuation of the funding appropriated in FY 2018-19 for 1.0 FTE, an OIT Database Administrator, for at least six years, who would be responsible for both maintaining the current database environments as well as supporting the data migration of three years of data to the new tool, and several contractor positions for FY 2019-20 to assist in the migration to the new tool. As requested by OIT, those positions include a Project Manager which is required by HB 12-1288

“Administration of IT Projects in State Government” for all major IT projects, a Business Analyst to help complete a formal business requirements document as well as help to document the data fields types that would need to transition to the new tool, an Integrations Analyst to build out the integration plan once defined by the Business Analyst, two Identity and Access Management Analysts to manage all provisioning, de-provisioning, account management and auditing for the BUS, both during operations and post transition, a part-time Security Operations Analyst to manage firewall configuration changes needed to get the new contractors connected to the legacy environments, and an Integrations Developer to deploy the State’s enterprise service infrastructure and for any legacy system development needed.

#### Cost Containment Bill Implementation

The Department requests \$558,289 total funds, including \$56,054 General Fund in FY 2018-19 and \$1,049,629 total funds, including \$39,584 General Fund in FY 2019-20 to fully implement the directives in SB 18-266 “Controlling Medicaid Costs”.

Specifically, the Department was appropriated funding to implement a new claim editing software that would enable the Department to improve the accuracy of claims payments and streamline the adjudication process. The Department worked with current vendors to estimate the costs of implementation and operations, which were the basis of the initially appropriation. Once the legislation passed, the Department further worked with those vendors to finalize estimates and execute a contract to begin work. As the vendors assessed the costs required, it was determined that the actual costs to implement and operate would be greater than originally estimated. As such, the Department is requesting an increase to the appropriation so that this component of SB 18-266 can begin implementation in FY 2018-19 as intended. Reference table 3.5 for details.

#### Medicaid Information Technology Architecture Self-Assessment

The Department requests \$125,000 total funds, including \$12,500 General Fund in FY 2019-20 and ongoing to conduct annual self- assessment audits as required by CMS. CMS regulations require compliance with seven standards and conditions to qualify for enhanced federal funding.<sup>4</sup> The seven standards and conditions include the Medicaid Information Technology Architecture (MITA) framework; MITA includes a self-assessment for states to use to assess the current capabilities of their Medicaid business areas, determine what they would like to achieve in the future, and document the gap between the two. The self-assessment is a prerequisite to securing enhanced federal funding. States must complete a self-assessment on an annual basis, and CMS has requested that the self-assessment be included as an attachment to any APD. This request includes funding for a contractor to conduct the self-assessment annually to meet the federal regulations and secure enhanced federal matching funds for the Medicaid Enterprise services. Reference table 6.1 for details.

#### **Improvements to Member & Provider Experience**

The Department requests \$13,312,176 total funds, including \$1,528,602 General Fund and 0.9 FTE in FY 2019-20, and \$12,663,985 total funds, including \$1,493,294 General Fund and 1.0 FTE in FY 2020-21 to support initiatives that would improve the member and provider experience. These initiatives, found in

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<sup>4</sup> <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Downloads/EFR-Seven-Conditions-and-Standards.pdf>

rows N through X, of tables 2.1 through 2.4, support the Department's contracts. These contracts include the MMIS, BIDM, and PBMS contracts. Detailed explanations of the initiatives are explained below.

### Colorado MMIS Contract Support

The Department requests \$3,170,026 total funds in FY 2018-19 and \$8,857,713 total funds in FY 2019-20 for costs associated with maintaining normal operations with the Colorado interChange and Fiscal Agent. Prior to implementation, the Department expected that due to advanced functionality of the MMIS provider portal, several positions working for the Colorado interChange contractor would no longer be necessary. After implementation, the Department determined that providers needed human resources to provide training on topics other than functionality. The Department is requesting funding to maintain several types of operational staff and improve operations, as described below.

#### *Field Agents*

To calm frustration from providers, eight Field Agents were added to the Fiscal Agent contractor operations team in the fall of 2017. These Field Agents still play a critical role in educating the provider community on interChange functionality, helping providers with claims payment difficulties, handling escalated provider issues and are used to disseminate information on service changes. The funding for the Field Agents expired on June 30, 2018, but it is imperative that the Department retain this staff for the foreseeable future. The Department plans to keep the Field Agents under contract through June 30, 2021. Because the Field Agents are considered by the Department to be vital in mitigating issues resulting from the implementation of the Colorado interChange and Fiscal Agent services, the Department is redirecting funding intended for other purposes to avoid any gap in the functions these positions serve. However, if this request is not funded, the Department would be faced with making tough choices in cutting funding needed elsewhere.

#### *Call Center*

Similarly, due to complexities in the functionality and operations of the Colorado interChange and Fiscal Agent at implementation, a significant increase in provider call volume was experienced by the contractor. Due to the nature and complexity of the calls being fielded, the average talk time of an agent more than tripled causing the average speed of answering calls to consistently exceed three hours. This caused an undue burden on the provider community. To remedy the situation, contractor hired 24 agents at no cost to the Department while the Department also funded an additional 24 agents to ensure providers received appropriate and timely customer service. Although the average talk time has been reduced and the call center is typically at an appropriate average answer speed, the current staffing levels are still needed to maintain this standard. The contractor is in the process of implementing new Call Center Agent software, Knowledge Base, and an experienced section manager, and modified web panels to simplify research, all of which would reduce talk time and allow the current FTE count to be reduced over time, starting with the Department funded agents. The contractor funded positions also expired on June 30, 2018 and the Department requests to fund them through June 30, 2021. Similarly, to the staff mentioned above, the Department is currently redirecting funding to avoid any gap in functions these positions serve.

#### *Provider Enrollments*

The contractor staffs operations clerks that handle provider enrollments (seven full-time positions) and claims resolution (eight full-time positions). The Department originally expected that shortly after implementation, the need for these staff members would no longer be necessary and the contract for these positions would

end on June 30, 2018. Since then, these positions have become central to solving provider enrollment and claim billing issues. There are currently suspended claim volume of about 30,000 claims and the Department's expectation is to keep that volume below 30,000 on a consistent basis. Each suspended claim must be manually processed. The contractor also receives about 900 new enrollment applications and updates each week on average. Without maintaining the current staffing levels, the length of time claims stay in suspense and applications remain under review would increase significantly, which could ultimately impact members ability to access care. The Department requests to fund these positions through June 30, 2021.

#### *Clinical Review of Manually Priced Codes*

There are currently 140 active unlisted Healthcare Common Procedure Coding System (HCPCS) Codes. The codes receive no manual review by the Department, but instead, the codes are priced at a percent of charge. An unlisted HCPCS code represents an item, service, or procedure for which there is no specific Current Procedural Terminology (CPT) or Level II alphanumeric HCPCS code. Funding for a part-time nurse reviewer is needed to review unlisted HCPCS codes submitted on institutional and professional claims. The nurse reviewer would be responsible for determining the appropriate level of reimbursement of the code by reviewing provider submitted documentation and that the procedure warrants the use of an unlisted code. If there is a more appropriate listed code the claim line item would be denied so the provider can resubmit the claim with the appropriate listed code. The Department procures a contractor to review Prior Authorization Requests (PARs) for medical necessity but does not have sufficient funds to contract for the review of suspended claims. The contractor currently reviews claims with Unlisted HCPCS Codes processed in their MMIS for other state Medicaid programs, so they already have the expertise in-house to provide this service at a lesser cost than the PAR contractor. The volume of claim is relatively small, at about 60 per week, and only requires about 10 hours per week, but the additional oversight has the potential to save the Department on improper billing of unlisted HCPCS codes.

#### *Helpdesk*

The contractor staffs a technical helpdesk full-time employee that provides user access services, password reset services, and technical assistance related to other application support. This position also aids the systems team during outages and events that require testing after failure and restoration of services. The technician also provides documentation and assistance to the Department and Fiscal Agent's Security Officer during audits. In addition, this position would support the Care and Case Management Tool, that once fully implemented would support about 3,500 users.

#### *User Experience and User Interface*

By using multiple vendors to implement and operate the new Medicaid Enterprise, the Department has encountered usability issues that often require rework once the services are operational and functioning together. This is the result of many designers working individually to design each of the services, without consultation to the other contractors. This would be addressed with user experience (UX) and user interface (UI) designers working to streamline the integration between both internal and external facing systems. When systems have limited usability, call volume for customer support teams increases, impacting average answer times. Better design and integration between services would reduce rework and decrease unnecessary call volume. The UX designer is responsible for making sure the systems components provided by the contractors (Colorado interChange, Member Portals, Provider Portals, etc.) are easy to use while improving the quality of interaction between users of the Medicaid Enterprise. The UI designer is responsible for

integrating and improving the performance for multiple portals. Many systems share data, but there are inconsistencies in the data across systems. For example, the Medicaid provider directory is available in three different systems. In one system, the data is current, but the system is unusable and the other two systems have a site that is usable, but data is outdated. The UI position would integrate the provider directory within the three different systems.

The Department has more than 130 open projects with the contractor that would require developers and other technical staff to implement. The open projects are either required for policy changes to the Medicaid program or to optimize the system to create a more positive experience with the members, providers, and other users of the Medicaid Enterprise. The Department is requesting to increase the number of pool hours for MMIS enhancement projects to work through the backlog of projects as well as handle the billing configuration changes that occur throughout the year. The Department currently has a base of 26,000 hours for enhancement projects and routinely exhausts all funding. Based on the estimated backlog of projects and configuration changes that would need to occur, the Department expects to need about 60,000 hours annually. In FY 2018-19, to begin work on the backlog of projects, the Department is requesting 7,950 hours so that work can begin prior to July 1, 2019.

Some of the enhancement projects include:

- Integrating the Children's Basic Health Plan (CHP+) and Medicaid dental managed care program. Integrating the dental program would reduce the duplication of work. Currently, two different companies manage the CHP+ and Medicaid Dental program.
- Enhance the Colorado interChange that allows the system to prevent incorrect payments for clients that are enrolled in the Department of Human Services Office of Behavioral Health program.
- Modifying the provider enrollment and revalidation process to reduce incorrect information being added to the Colorado interChange.

The field agent, call center, helpdesk, and nurse reviewer positions mentioned above currently had funding either expire on June 30, 2018 or would at some point in the first half of FY 2018-19. The Department understands the critical nature of the positions and has chosen to reallocate funding, specifically from discretionary funding pools in the contract, to keep the positions on board. The Department can sustain these positions through December 2018 through the reallocation of resources, but beyond that, the Department would be faced with tough choices on where funding should be allocated. This would likely lead to a larger backlog of projects and enhancements to the MMIS which would negatively impact members, providers, and the Department. Therefore, the Department requests funding for the second half FY 2018-19 through FY 2020-21 to continue the positions.

#### BIDM Contract Support

The Department requests \$1,600,500 total funds, including \$102,303 General Fund in FY 2019-20 and ongoing to support the Business Intelligence and Data Management (BIDM) solution, the primary source of Medicaid reporting for state staff, federal partners, and other contracted entities. As the Department evolves to accommodate new policy mandates, cost containment initiatives, and new service delivery models, the BIDM contractor must engage in continuous development efforts to keep BIDM reporting and analytics up

to date and relevant. With the service now in operations, the Department has identified areas where additional resources are imperative to ongoing sustainability. Detailed calculations can be found in table 4.3.

The Department requests an additional 10,000 pool hours ongoing, beginning in FY 2019-20, to be used to address backlogged projects that have gone unworked because of unavailable resources. The Department currently has a base of 38,000 pool hours that are routinely exhausted. The BIDM contractor is responsible for performance measurement for the Accountable Care Collaborative (ACC). New provider reporting, introduced in FY 2018-19 to support new ACC program requirements, has yet to be developed by the BIDM contractor to ensure transparency to Medicaid providers. Similarly, the BIDM contractor must develop provider reporting infrastructure to support the Alternative Payment Methodology (APM). By January 2020, the Department is required to comply with a federal mandate to store only the Medicare beneficiary ID in all enterprise services (in lieu of Social Security Number). That information must be integrated within the existing data infrastructure. This additional workload was unanticipated and cannot be absorbed within existing resources. Without additional funding, these changes would require the Department to prioritize some critical projects over others, having a direct effect on the ability of Medicaid program staff to advance their goal of transparency with the Medicaid provider community.

#### BIDM Software, Licensing, and Assessments

The Department requests \$1,471,774 total funds, including \$216,131 General Fund in FY 2019-20 to fund a variety of licensing agreements, software purchases, and assessments. The purchases associated with this component would be made through vendors. These initiatives can be found in rows G through L of table 6.1. Detailed explanations of components are listed below.

The Department request \$116,000 in FY 2019-20 and \$33,850 in FY 2020-21 and ongoing to purchase 50 additional licenses each for TOAD Data Point and Tableau Desktop. As enhancements take place and the BIDM's business intelligence capability continues to grow, Department users require additional software licenses to make full use of the service. The Department currently has 75 licenses for TOAD Data Point and 50 for Tableau Desktop and all are allocated to current staff. Additionally, the Department maintains a backlog of about 25 users that have signed-up for access for which there are no software licenses. This is leading to staff that had access at one time, no longer having access even though there is a business need. The additional license request would allow all users to have a current license that needs one with additional licenses as the Department grows in staff that perform data analysis. The Department requests to increase the number of Tableau Desktop and TOAD Data Point licenses by 50 licenses each, which would allow for additional users as the Department grows and for program managers to use to track and analyze their programs at their discretion.

The Department requests \$240,000 in FY 2019-20 and \$175,000 in FY 2020-21 and ongoing to enhance its provider performance measurement tools by purchasing the BIDM contractor's off-the-shelf software, CareAnalyzer. When configured with Department data, CareAnalyzer would enable the Department to accurately and regularly measure providers on a distinct set of nationally-recognized clinical and administrative performance measures, similar to those used by private sector health plans. Specifically, this offering would automate the calculation of the Healthcare Effectiveness Data and Information Set (HEDIS) for the Department. This offering would allow the Department to assess performance at a significant discount

to hiring a contractor to complete the work. This software would further the Department's goal of paying providers based on the quality of their outcomes rather than quantity.

The Department requests \$850,000 in FY 2019-20 to purchase a Fraud, Waste & Abuse (FWA) Assessment service from the BIDM contractor. The Department has made a concerted effort to identify and recover overpayments made to providers that were later deemed inappropriate. Currently, the Department's recovery contractors run targeted projects of narrow scope to identify and recover funds in specific pre-defined areas. By contrast, the FWA Assessment tool can scan the Department's entire data warehouse looking for recoverable overpayments and cost-avoidance opportunities that have never been identified by recovery contractors. The current BIDM contractor offers an FWA Assessment service, which reviews Department data and uses an algorithm to identify recoverable payments. This service is offered in two phases. Phase 1, costs \$500,000 and is backed with a guarantee to recover a minimum of \$1,000,000. If those recoveries are not met, the contractor would make up the difference between the total recoveries and the guarantee. For example, if the recoveries yield \$800,000, the contractor would pay the Department \$200,000. Phase 2 would further expand on the analysis already completed to examine cost-containment opportunities in managed care services, and will add greater emphasis on future cost avoidance. This phase would take place in the second half of FY 2019-20 and costs an additional \$350,000. The assessments would inform the Department on claims edits that can be created, enacted, or improved to prevent some of the overpayments in the first place.

The Department requests \$180,000 in FY 2019-20 and ongoing to purchase Watson Policy Insights from the BIDM contractor to assist in research performed by the Department. Department staff spend a considerable amount of time researching specific policy details to make accurate decisions about recovery cases, adverse actions, investigation referrals, and other compliance responsibilities. When assessing a case, staff spend significant time researching Department policy documents, provider bulletins, CMS rules documents, etc. to ensure that their work product is accurate, appropriate, and aligns with current rules and regulations. Policy Insights is a cognitive tool that enables a program investigator to search current and past state and federal policy documents and copy selected content to support their investigation. Having access to these documents, collected in one place, indexed, and searchable, would streamline research and save time, while also improving the quality and accuracy of policy interpretation.

The Department requests \$85,774 in FY 2018-19 and \$175,287 in FY 2019-20, increased by 2.18% each year ongoing to contract renew a vendor contract to utilize drug reference and other pharmaceutical relevant products for processing related claims. The licensed data assists in preventing overpayments and paying for drugs that are approved for the Medicaid client. The current funding for this contract expires on December 31, 2018 and continuation funding was not previously requested in an oversight. The Department operated with the assumption that the contract would end in June 2018 and the Department would then ask for continuation funding beginning in FY 2019-20. Because the funding ends on a calendar year, the Department is requesting funding to close the gap between January 2019 and June 2019. This product is not essential to processing and paying claims, but it instrumental in helping the Department to avoid overpayment of drug claims. If the request is not approved, the Department may see an increase in pharmaceutical expenditure. The Department requests to extend the agreement indefinitely.

### PBMS Contract Support

The Department requests \$737,840 total funds including \$61,911 General Fund in FY 2018-19 to support two additional positions with the PBMS vendor and to pay for a system implementation quality maintenance payment. Beginning in FY 2019-20, the Department requests to fund the two positions indefinitely. Detailed calculations of these initiatives can be found in row I of table 4.2 and row F of table 6.1.

The Department requests \$177,840 total funds, including \$26,116 General Fund in FY 2018-19 and \$363,459 total funds, including \$53,374 General Fund in FY 2019-20, increased by 2.18% annually to support work performed by the Department's PBMS contractor on an ongoing basis. The Department seeks to add two positions through the PBMS contract that would help to alleviate a backlog of work and updates that the contractor is unable to complete now due to capacity issues. The Department seeks to add a full-time Business Analyst and Pharmacist to the contract. The Department has requested the contractor make changes, but work is currently on hold because there is no staff that can manage these projects. The additional Business Analyst would enable the contractor to begin work on currently backlogged projects by providing the developmental and operational support required. The contractor is currently staffing two pharmacists, who are working at capacity and unable to take on new tasks. The Department has identified additional work that the contractor could do that would likely result in cost savings, such as, when new drugs are released to market the contractor reviews key pipeline drugs and assesses whether they should be added to the Department's Preferred Drug List (PDL). With the current pharmacists at capacity, the contractor is unable to keep up with the latest drugs and may be missing opportunities to add drugs that would result in savings to the Department. Additionally, the new pharmacist would also be charged with reviewing and implementing claims edits to reduce unnecessary costs and improve program efficiencies. Details can be found in table 4.2.

The Department requests \$560,000 total funds in FY 2018-19 for a one-time payment of an implementation deliverable in the PBMS contract. During the implementation phase of the PBMS contract, the Department had two quality maintenance payments (QMPs) for the complete implementation. The Department expects that the PBMS contractor would now complete those activities in FY 2018-19 and would require payment. The Department does not have funding for all of the QMPs due to delays in meeting all requirements of the deliverable in previous fiscal years. Details can be found in Table 6.1, row F

### Data and Client Protection Enhancements

The Department requests \$904,582 total funds, including \$217,234 General Fund in FY 2019-20 to assist the Department with maintaining the privacy and security for personally identifiable information (PII) and protected health information (PHI). The Department plans to contract with a vendor to provide assistance with the security services and contract with OIT to hire 2.0 FTE that will focus on the security service. Details can be found in table 4.4 and table 4.5.

PII is sensitive personal information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context. Often, the loss of PII could result in identity theft. In addition, the improper disclosures of PII can result in sanctions provided under Colorado law. PHI is individually identifiable health information, which may contain PII, but is specific to covered entities and gives patients an array of rights with respect to that information under HIPAA. The loss of PHI is a violation

under HIPAA and results in disclosures and possible sanctions under federal law. The Department is responsible for protecting and maintaining the confidentiality of both PII and PHI, and that includes understanding and enforcing that contractors have both the proper privacy and security protocols and standards.

There is an urgent need to immediately identify gaps and needed remediation for contractor contracts that are not necessarily associated with critical systems but do pose a significant threat profile for the agency. To manage the health care of members, the Department shares various information with its contractors. Client detailed information, including their health care claims, are shared with managed care entities that serve the ACC members and CHP+ members. In addition, the Department contracts out a variety of services to assist with the care coordination and claims processing (e.g., utilization management contractors, transportation brokers, and pharmacy benefits management). Further, the Department contracts with contractors to help with the recovery of overpayments to providers and when a member's care should be covered through a third party, other than Medicaid or CHP+. These contractors are required to have security standards and protocols to protect PII and PHI, but the Department and OIT does not have the resources to properly verify these standards and protocols.

To ensure that all Department systems receive the needed review, additional resources are needed. The Department maintains security controls through its relationship with OIT, which serves as the Department's Information Security Officer and reviews the security protocols and architectural documents provided by the Department's contractors. This will allow OIT to continue to build out additional resources and support for risk and compliance activities related to critical and essential systems. Due to the vast number of systems and vendors working for the state, OIT does not have the resources to ensure that all systems and contracts have been assessed. OIT partners with the Department to review the implementation of services provided by contractors as they are gated through OIT's project lifecycle process. As vendors transition to operations there is a critical need for additional oversight. Existing resources focus on the state's most critical applications, leaving significant gaps in assessing and managing systems that host protected data types. As federal audits have begun to expand to reach further into both subcontractors and vendors, it is essential that specific focus be given to ensuring compliance with privacy and security requirements.

For the first service, the Department seeks funding to hire a contractor to help verify that the privacy standards and protocols have been properly established by contractors. This would include identifying and mapping all the PII and PHI shared with every contractor, which would be used to identify the areas of greatest risk to the Department and its members if the proper standards and protocols were not established and followed by contractors. Following the mapping, the contractor would help the Department review and enforce standards and protocols related to privacy in its vendor contracts involving the transfer of PHI and PII, and when deficiencies were identified provide direction on what actions the contractor should take to make the proper corrections. Further, the contractor would help review contracts to suggest language that would strengthen the contractual obligation to protect the privacy of members' PII and PHI.

For the second service, the Department seeks funding for OIT to hire 2.0 FTE to assist with the review and verification of the security standards and protocols established by contractors. This would include identifying and mapping out every contractor on the security requirements that they need to maintain relative

to the PII and PHI data they use, store, and transmit. This additional resource would assist in the security reviews that OIT performs and help verify that they are maintained and updated regularly by the contractors to ensure ongoing compliance. In addition, these FTE would review all Service Organization Control 1 or SOC 1 and/or SOC 2 reports produced by contractors on an annual basis and make recommendations on how the controls and deficiencies in those reports should be strengthened or resolved.<sup>5</sup> Currently, the Department and OIT do not mandate all the controls that should be reviewed in a SOC audit, or that the contractors maintain security standards as there are not enough resources to review the contracts standards on a routine basis. The Department expects these FTE to make recommendations and provide language that could be utilized in future contracts.

These FTE will allow the Department to better align with industry best practices to implement a robust third-party vendor due diligence and management program to help ensure that security and compliance vulnerabilities are appropriately identified and remediated to mitigate potential financial and reputational liability. These best practices include recommendations that health-related entities should contractually obligate vendors to comply with industry-standard data security standards. Health-related entities should include specific language to address the potential risks indicated during the vendor due diligence process as well as security and compliance obligations, including vendor obligations to provide audit reports, penetration tests and similar security documentation.<sup>6</sup>

#### Department Internal Controls

In addition to the resources requested above, the Department requests \$114,148 total funds, including \$33,525 General Fund and 0.9 FTE in FY 2019-20 and \$118,596 total funds, including \$34,831 General Fund and 1.0 FTE in FY 2020-21 and ongoing to address a critical need within the data group.

#### *Medicaid Enterprise Services Information Director*

The Department requests 1.0 FTE for an Information Director that would be responsible for the enterprise-wide governance and utilization of information as an asset, via data processing, analysis, data mining, and other means. This senior leadership level position is expected to be part of the Department's Executive Leadership Team and is necessary to provide oversight to the various vendors who manage, use, and exchange the Department's data. Without a senior position, the Department lacks the internal expertise to challenge decisions made by the Department's contractors and the interpretation of data analysis by external entities. Although the Department has a dedicated Data Analysis Section, staff from many other areas of the Department use claims, eligibility, accounting, and third-party data as part of their daily work, impacting every area of the Department's responsibilities. Given the broad usage of data throughout the Department, there is a clear need for broader coordination of all activities related to data analysis. This position would

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<sup>5</sup> A SOC 1 engagement, is an audit of the internal controls at a service organization which have been implemented to protect data (e.g., PII, PHI, financial). SOC 1 engagements are performed in accordance with the Statement on Standards for Attestation Engagements No. 16 (SSAE 16). A SOC 1 assessment is comprised of control objectives, which are used to accurately represent internal control over financial reporting and therefore often requested by the Office of the State Auditor. For the hosting or processing of other types of information, the contractor may be asked for a SOC 2 audit report as we are concerned whether the contractor is handling data in a secure way, and if it is available to them in the way you have contracted it to be. A SOC 2 report, similar to a SOC 1 report, evaluates internal controls, policies, and procedures. However, the difference is that a SOC 2 reports on controls that directly relate to the security, availability, processing integrity, confidentiality, and privacy at a service organization. These criteria are known as the Trust Services Principles, and are the foundation of any SOC 2 audit engagement.

<sup>6</sup> <http://www.hallrender.com/2018/01/22/ssae-18-replaces-ssae-16-data-security-audit-standard-practical-takeaways/>

take the lead over a governance structure of the use of data and reporting across the Department, and how data is used across vendors working under the Medicaid Enterprise. This would include coordinating the use and release of standard metrics created through the Department's eligibility and claims data. In addition, this position would coordinate with the privacy and security contractors to assist in the protection of the privacy and security of personally identifiable information (PII) and protected health information (PHI) maintained and used by the Department. The position would be key in reviewing and approving the release of data and datasets that contain information on the Department's services and clients, and maintaining the Department's data sharing agreements. Further, the position would be responsible for reviewing and verifying analysis produced using Medicaid data by outside organizations. Such organizations receive data from the APCD and from requests directly submitted to the Department, and often their analysis draws incorrect or misleading conclusions that need to be corrected.

### **Planning for the Future of the Medicaid Enterprise**

The Department requests \$8,096,148 total funds, including \$910,285 General Fund and 0.9 FTE in FY 2019-20 and \$15,396,283 total funds, including \$1,959,443 General Fund and 1.0 FTE in FY 2020-21 to fund several initiatives to assist in planning and implementing the new CMS required approach to procuring a Medicaid Enterprise. The details of the request are outlined below and can be found in rows Z through FF of tables 2.1 through 2.4.

CMS has introduced Medicaid Information Technology Architecture<sup>7</sup> (MITA) as a framework to assist states in improving the operation of their Medicaid programs. CMS requires that states perform State Self Assessments (SS-A), which document the state's maturity levels of MITA Business Architecture, Information Architecture, Technical Architecture, and compliance with the seven standards and conditions to request enhanced funds to improve the Medicaid Enterprise. In 2016, the Department completed a MITA SS-A based on MITA 3.0 framework, which assessed its MITA maturity levels. In addition to the MITA SS-A, the Department recently completed its performance/strategic plan detailing efforts to articulate and achieve its mission, vision, and goals. Using both the MITA SS-A and the Department's strategic plan, the Department has started to develop strategic goals and a MITA Roadmap that advance the MITA maturity level and aligns with the CMS standards and conditions on modularity.

With the current MMIS contractor contract set to expire in 2023, the Department is beginning to plan the procurement of the MMIS with a modular component/services approach to support a Medicaid Enterprise. This approach would result in multiple, strategically timed procurements to meet strategic goals and objectives.

### **Strategic Approach on Modularity**

As the Department began the process of implementing the current Medicaid Enterprise, CMS was updating their conditions and standards to include requirements for states to move to a Medicaid Enterprise focusing on modularity<sup>8</sup> and interoperability, and mandated that states perform or contract for planning and oversight

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<sup>7</sup> <https://www.medicaid.gov/medicaid/data-and-systems/mita/index.html>

<sup>8</sup> A module is a packaged, functional business process or set of processes implemented through software, data, and interoperable interfaces that are enabled through design principles in which functions of a complex system are partitioned into discrete, scalable, reusable components. An MMIS module is a discrete piece (component) of software that can be used to implement an MMIS business area as defined in the Medicaid Enterprise Certification Toolkit (MECT).

functions related to their services. Colorado was the last state that CMS approved for a “big bang” launch of four new services at the same time through the COMMIT Project. CMS will no longer approve such an implementation approach, and all future implementations must be based on a smaller, modular model.

The Department’s goal, as informed by federal requirements, is to procure vendors that follow a component-based, service-oriented architecture, which results in solutions being built once, reused often, and maintained easily. This goal ensures that new services would allow the Department to manage information as a strategic enterprise-wide resource, support existing programs and policies, and leverage emerging technologies to support responsiveness to changing needs. In addition, the Department would contract out for services rather than building information technology infrastructure. This goal aligns with MITA to promote coordination, maximize federal funding, and creates standardized processes. The Department’s procurement strategy includes releasing several modular component/services requests for proposals (RFPs) starting in FY 2020-21.

A module component/services approach allows the Department to focus on superior functionality, leverage private-sector business practices, and aligns with the principles outlined in the CMS Standards and Conditions for Enhanced Funding. This also allows the Department to procure services that support the Colorado Medicaid program and policies, align with MITA framework, and allow the Department to manage information as a strategic enterprise-wide approach. To effectively meet the needs of the modular strategic plan and CMS guidance, the Department has identified foundational components that must be initiated in FY 2019-20.

1. Medicaid Enterprise Project Management Office (PMO)
2. Services Integrator (SI)
3. Solicitation Writer
4. Implementation Staff

#### Medicaid Enterprise Project Management Office

The Department requests \$3,588,000 total funds, including \$526,898 General Fund in FY 2019-20 to initiate a contract to implement a Medicaid Enterprise Project Management Office (PMO). Details can be found in table 5.1.

The PMO is central to standardizing project management best practices and coordinating multiple, simultaneous projects across the Medicaid Enterprise, which is necessary to deliver the overall modular approach and the MITA roadmap. This funding would support the establishment and the operational maturity of a PMO supporting Department project management staff and current contractors, including oversight in the planning and execution of modular component/services procurements. Although the Department currently employs project managers, current staff lack the subject matter expertise in the implementation of a large-scale Medicaid Enterprise and an outsourced PMO would bring required knowledge to ensure a successful transition and implementation of the Department’s modular approach. The PMO would standardize processes, methodologies, project management practices, and tools across the Medicaid Enterprise for Department project management staff and contractors to use for projects. In addition to standardizing project management, the PMO would provide a governance structure, including financial and policy/regulations/legal oversight of all initiatives within the Medicaid Enterprise.

The Department has prioritized the development of a PMO to ensure that the following objectives are addressed:

- Provide comprehensive project management services to give oversight of the planning and execution of a modular services approach. This includes providing program and portfolio management, communications management, procurement development, and organizational change management.
- Effectively meet the unique needs and goals of the Department’s planned and in progress initiatives, increasing agency efficiency and productivity, providing better quality, and more efficient services.
- Maintain existing operations of the current contractors at an acceptable level and look for opportunities to increase these operations levels to provide a higher level of quality.
- Manage risks that could lead to operational disruptions.
- Remove barriers and mitigate risks for successful implementation of new initiatives.
- Provide oversight services to ensure that all contractors implement MITA compliant modular solutions.
- The Department’s project management staff work is aligned with a standardized process that is efficient and follows industry best practices.

Based on information provided by a current contractor that performs such work in other states, a PMO would require several resources to complete the work detailed above. The Department anticipates that it would require the following roles provided through a contractor detailed in Table 1, below.

**Table 1: Medicaid Enterprise Project Management Office (PMO) Vendor Staff Responsibilities**

Role	FTE	Responsibilities
Medicaid Enterprise PMO Director	1	Overall responsibilities of PMO. Reports to the Department’s Director. Responsible for ensuring PMO adheres to Department’s goals and objectives.
Portfolio Manager	1	Manages the PMO’s portfolio of projects. Develops dashboards, financials, and manages health of the projects.
Project Manager	4	Responsible for day-to-day management of the project(s).
Project Coordinator	2	Assists the Project Manager. Maintains project schedule, project repositories, etc.
Contract Management Support	1	Will support the writing, updating, negotiating, tracking, and verifying compliance with all regulatory and contractual requirements, and monitoring and assessing risks and its impact on contract performance.
Provider Communications Support	1	Will lead all support and communication efforts between all services. Will work with Department staff to formulate well-written and understandable provider communications.
Administrative Assistant	1	Assists PMO team with administrative tasks, including coordinating and scheduling meetings, assisting in capturing meeting minutes

## Services Integrator

The Department requests \$3,562,000 total funds, including \$227,683 General Fund in FY 2019-20 to contract to begin implementing a Services Integrator (SI). Details can be found in table 5.2.

As the Department moves to a modular, SOA based, MITA aligned structure, supporting infrastructure and a well-defined information architecture would be needed for all modules and contractors to follow. The SI is a core foundational need in an environment of multiple modules provided by multiple contractors which must work together. CMS considers an SI the centerpiece of a modular, service orientated approach, and the use of an experienced SI is highly encouraged<sup>9</sup>. The SI would serve as the trusted partner of the Department in the definition, implementation, and integration of multiple modules and contractors.

At a minimum, the SI would be required to:

- Develop strategies and plans to achieve the Department's modularity vision.
- Define and maintain the Department's governance for the control and utilization of operational data across the Medicaid Enterprise, which will align the data demands to the needs of the Department's program staff and the Department's strategic objectives.
- Implement a centralized solution for integrating and enabling data flow and communication between components provided by multiple modules and contractors, providing mutually useful business and technical services that adhere to the MITA.
- Ensure successful implementation between modules through governance of project tracking, change management procedures, shared data specifications, shared schemas, service definitions, and thorough unit, integration, end-to-end, and end user acceptance testing. This includes bringing expertise and proficiency, understanding Medicaid Enterprise components and leading smooth operations in a modular environment.
- Development and management of the interoperability requirements for the different services modules and contractors. Including identification of standards that would be used in the interoperability layers and assistance to address interoperability needs and ensure that all modules work together seamlessly and work securely with external services.
- Ensure module and contractor interoperability (e.g., decoupled services, autonomous services, and architectural best practices), data consistency, operational performances, and alignment with CMS guidance.
- Ensure the initiatives adhere to the OIT's and CMS's enterprise architecture standards, policies and procedures, and leverage functionality, technology as reusable assets, when appropriate, which includes ensuring that overall security and privacy remain intact when various modules and components are integrated.

Based on information provided by a current contractor that performs such work in other states, the SI would require several resources to complete the work detailed above. The Department anticipates that SI would require the following staffing roles detailed, below. In addition, the contractor must provide services that include the development, implementation, and security of all interfaces between modules and contractors. These interfaces include batch and web services. The Department would require that the contractor provide pre-built Application Program Interfaces (APIs) as part of the service that would replace many of the current

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<sup>9</sup> SMD Letter 16-010: <https://www.medicaid.gov/federal-policy-guidance/downloads/smd16010.pdf>

interfaces, and then create new APIs for the remaining interfaces following OIT’s established API and software standards. Then the contractor would manage all interfaces between modules and other contractors. In addition, they would provide tools to manage the data governance of the data exchanged through APIs and for the extraction, transformation, and loading (ETL) functionality between modules and contractors to provide flexibility and accuracy when handling data. Further, the contractor would need to provide functionality to create an operational data store designed to integrate data from multiple sources for additional operations on the data. A cost of the expected licensing of the software to manage these APIs, ETL, and operational data store functionality has been included, and the Department would work with OIT and the selected contractor to determine the most economical way to purchase any necessary software licensing, either through the contractor or through OIT’s price agreement list.

The Department anticipates that it would require the following roles provided through a contractor detailed in Table 2, below.

**Table 2: Services Integrator Vendor Staff Responsibilities**

Role	FTE	Responsibilities
Compliance Manager	1	Responsible for overall operations of the services integrator. Reports to the Department’s Services Integration Director.
Enterprise Architect	1	Responsible for ensuring the solution adheres to the State’s enterprise standards and that all solutions work well together.
Data Architect	1	Responsible for master data management, standards, definitions, and integrity.
Solution Architect	1	Responsible for ensuring all modules work together and provide business capabilities to the Medicaid Enterprise. Would perform integration testing to ensure the modules integrate to address business needs.
Integration Architect	1	Responsible for integration among all modules and the interfaces.
Configuration Manager	1	Responsible for maintaining repository of all source code and ensuring the respective builds for different environments.
Developers	2	Develops mapping, interfaces, triggers, web services between the vendors to fulfill the Department’s business requirements.
Business Analyst	2	Define project requirements on enhancement projects and attend project meetings to ensure that the Department’s business requirements are fulfilled.
Modular Program Lead	1	Will serve as the program lead to the Department's services, operations, and other staff working on the Medicaid Enterprise. Will coordinate and oversee process adherence related to modular implementation activities.
Modular Analyst	1	Will work with the Department's program, policy, rates, and operations staff, the Fiscal Agent staff, and State to ensure that federal regulations, CMS Regional Identical Letters, and Colorado state legislative mandates that require solutions can be integrated with the MMIS.

Modular Test Analyst	1	Will be responsible for developing and testing modular solutions that are required to go through the full System Development Life Cycle (SDLC) project process, such as change requests.
Quality Assurance Analyst	1	Coordinate all testing efforts, provide process direction and assistance to Department staff, and monitor contractor testing performance.
Testers	4	Responsible for the overall testing of the integration services. Will test multiple modules across multiple services to ensure proper integration. Dedicated testing staff to support all testing to ensure the service is functioning as designed before putting into production.

Solicitation Writer

The Department requests \$832,000 total funds, including \$122,179 General Fund in FY 2019-20 to contract for a Solicitation Writer that would perform research, analysis and develop the solicitations needed to procure the contractors providing services for the Medicaid Enterprise. Details can be found in table 6.1, row N.

A solicitation is a document, posted publicly by the Department, that includes, but is not limited to, a Request for Proposal (RFP) or a Documented Quote (DQ). Solicitations are used to acquire competitive bids for procurement of goods and/or services. The contractor would manage all work done on the drafting of the solicitation in compliance with all specifications created by the Department, and in compliance with technical feasibility and integration constraints as determined by the research completed by the Department and the contractor. The contractor would help the Department determine the requirements for research and other materials needed to draft a complete solicitation for the project.

The Department utilized a similar contractor when drafting the previous solicitations for the COMMIT Project. The Department does not have the internal resources or knowledge to properly draft the necessary solicitations. Currently the Department has a contract with a solicitation drafter to work on Health Information Technology projects for the Office of eHealth Innovation. The Department expects to leverage that contract to begin the drafting of the solicitations in FY 2018-19, and the work would be ongoing as the Department expects to issue two procurements for modules and contractors every two years. Development of solicitation requirements can take over a year and the procurement process to award and develop the resulting contract can add another year to the overall timeline.

Implementation Staff

To support the Department’s modular Medicaid Enterprise procurement strategy, procurements and contracts for the PMO, SI, and solicitation writer need to start in FY 2019-20. These contractors would guide, develop and implement the Department’s strategic modular approach. This strategy includes releasing several RFPs starting in FY 2020-21 with the MMIS take over and a separate Fiscal Agent services contractor (rather than having them combined as they are now), which would be followed by several other modular procurements.

To meet the needs of the foundation concepts mentioned above, the Department requests \$114,148 total funds, including \$33,525 General Fund to hire a Services Integrator Director beginning in FY 2019-20 for the modular Medicaid Enterprise implementation. One of the primary goals of the COMMIT Project was to

develop and implement enterprise-level services that afforded the Department a level of flexibility and use of modern technologies that had previously not been available in legacy systems. With this integrated flexibility and adaptable technology, the Department must have dedicated staff working to execute the business needs programmatically. FTE responsibilities are outlined below.

#### *Services Integration Director*

The Department requests 1.0 FTE for a Services Integration Director that would be responsible for the oversight of the SI contractor and how the Medicaid Enterprise contractors work together to create efficient operations. This senior leadership level position is necessary to provide oversight to the various contractors working with the SI. Without a senior position, the Department lacks the internal expertise to challenge decisions made by the Department's contractors. This position would provide system research and support for modular components for the Colorado enterprise and serve as a Subject Matter Expert (SME) that brings together the services component into a whole and ensures that those services function together for successful modular integration. The position will need extensive knowledge on how upstream and downstream services are impacted by all service contractors, like the Colorado interChange, BIDM, PBMS. The position will also need to understand the technical aspects for all systems so migrations for component function correctly and efficiently. This position will consult with the contracted vendor staff in areas of testing and results, deficiencies in existing functionality and resolving gaps in functionality that do not fully meet Department business needs. The position will lead and collaborate in all steps of the vendor's System Development Life Cycle (SDLC). This position will ensure that all implemented functionality and changes into the system accurately reflect the technical rules and business logic to support the Department programs and initiatives.

#### ***Anticipated Outcomes:***

The Department seeks improvement to all areas of operations, where it relates to legislative requirements, changes to improve provider/member experience, or industry vision for future major service procurements. The Department anticipates that approval of this request would further the Department's mission of improving health care access and outcomes for the people it serves while demonstrating sound stewardship of financial resources. The funding in the request addresses critical needs that if left unfunded would negatively impact the Department's ability to meet the needs of Health First Colorado members.

The three main components of the request tie to the Department's Performance Plan in a multitude of ways.

#### **Legislative Requirements on System Functionality**

The funding that would support this component of the request ties to the Strategic Policy Initiative of Operational Excellence. The funding in this component is driven by a legislative requirement that the Department must meet to remain in compliance with state and federal statute. For example, the Enterprise IV&V is driven by CMS, but would also increase the efficiency and performance of the contractor through a single contract serving multiple areas within the Department.

#### **Improvements to Member & Provider Experience**

The funding that would support the member and provider experience aligns with multiple strategic policy initiatives, Delivery Systems Innovation and Operational Excellence. An exceptional member and provider experience is imperative to the Department. The funding would support enhancements to all three major

contractors. For example, resources requested under the Colorado interChange contractor would fund a backlog of projects to improve system design. Similar funding is requested for the BIDM contractor with additional staff resources for more oversight of project management. The funding would also support enhancements to the customer support teams. The Department originally expected that the need for additional support staff would no longer be required, but to maintain superior average speed of answer times of less than sixty seconds, the Department requests to extend staff indefinitely.

### **Planning for Future of MMIS**

The funding that would support the future of MMIS procurements and ongoing activities aligns with both Delivery Systems Innovation and Operational Excellence strategic policy initiatives. The current procurement of the MMIS has experienced challenges that impacted the member and provider experience. This not only affected Colorado, but other states that went through a full MMIS procurement. As a result, CMS has shifted focus towards a modular procurement for future MMIS enhancements. This relies on a constant state of procurement, but in smaller components to ease the transition. The Department plans to follow suit and adopt this strategy. This should minimize disruptions to member experience while also staying current with the latest technology. This component also focuses on Operational Excellence. By procuring MMIS in modular components, the Department reduces the potential for large scale issues that impact the operation of the service. A dedicated team would focus on ensuring all implementations go off without a hitch and transitions are seamless to reduce the impact to the Department's stakeholders.

#### ***Assumptions and Calculations:***

Detailed calculations of the request are provided in the attached appendix.

### **Legislative Requirements on System Functionality**

#### **CMS Certification**

The Department currently contracts with a contractor to perform consultation work related to CMS Certification. That contract is set to expire in December 2018. The Department assumes that it would extend the current contract of project managers through June 2019 to assist with all activities leading up to and post certification.

#### **Care and Case Management**

The Department began development of the new Care and Case Management Tool and services with the contractor in August 2018 and expects that development would be completed by March 2019. While the Department is in the final stages of Care and Case Management Tool development, it would work with OIT to begin the migration of the BUS. This is estimated to begin July 1, 2019 and take about six months to complete. The Department would start a phased roll out of the Care and Case Management Tool beginning September 1, 2019, with a full statewide rollout by January 1, 2020. OIT estimates that the work to migrate and transition the data would be equivalent to a full-time position at 2,080 hours for the full project. All positions but the Database Administrator would end after the migration is complete, which would remain ongoing for seven years.

## **Improvements to Member & Provider Experience**

### Contract Support

The Department is requesting funding for contractor resources for six months in FY 2018-19. Current contracts for these resources end on December 31, 2018, but the Department has made the strategic decision to reallocate resources in the first half of the year to maintain positions. This request assumes that the full six months of funding would be approved and the Department would be able to backfill the funding that was reallocated from other discretionary projects, such as enhancement pool hours.

### BIDM Software, Licensing, and Assessments

The Department assumes that the FWA Assessment would generate a recoupment of \$1,000,000 in improper payments made acute care claims. Because these recoupments would likely be from prior years, the Department assumes that the recoupments would generate fund splits similar to the FY 2017-18 acute care expenditure estimate. Depending on the initial funding stream for the claims recouped, the fund splits may differ from the estimate. The recoupment estimate can be found in row K of table 1.2.

The Department is required by CMS to produce reporting related to its Enterprise Surveillance Utilization Reporting System (ESURS) within its MMIS. Prior to the procurement of the new Medicaid Enterprise, the Department contracted with a vendor to complete the reporting requirements. When the Department procured its analytics vendor and the BIDM, this reporting requirement was built into the contract. This requirement will be paid through the current BIDM contract and out of the MMIS line item. The Department is requesting to move the current funding for this service under the MMIS line item indefinitely. The funding estimate for this service can be found in row I of tables 1.1 through 1.4.

## **Future of MMIS**

### Medicaid Enterprise Project Management Office (PMO)

The Department would leverage an existing contract to have the Medicaid Enterprise PMO begin on July 1, 2019. The costs used in the staff cost projection is based on an estimate from the contractor that does PMO work.

### Services Integrator (SI)

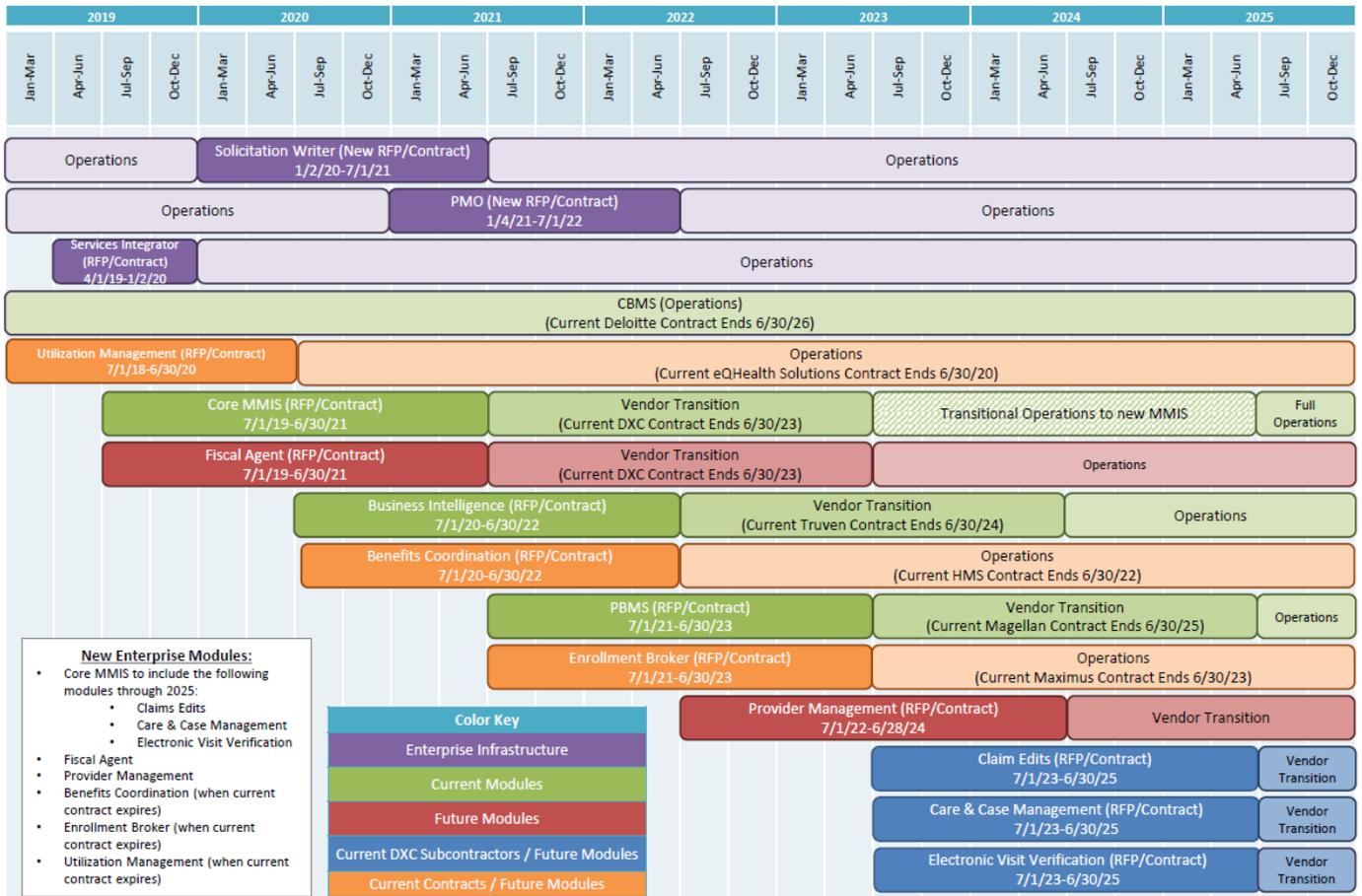
The procurement process for the SI would begin in FY 2019-20, with the goal of executing a contract with the winning contractor beginning January 2020. Beginning in January 2020, the Department would contract with a contractor to provide consulting services related to designing and implementing the Department's modular procurement approach. During this phase, the Department would be able to claim 90% FFP for these development activities. The Department anticipates that the development period would last about twelve months. Starting in July 2020, the Department would work with the SI to begin the executing the planned procurement and integration of modules and move into an operations phase in January 2021. Based on that timeline, the Department is assuming that 50% of the costs can be claimed at 90% FFP and 50% would be claimed at 75% FFP. By FY 2021-22, the Department expects to begin wrapping up the development phase and assumes that 25% of the costs can be claimed at 90% FFP and 75% would be claimed at 75% FFP. At this stage, the Department would be reimbursing the contractor for costs associated with the consultation services as well as the operational, software, and hosting costs associated with the integration work.

**Solicitation Writer**

The procurement process for the Solicitation Writer would begin in FY 2019-20, but the Department would leverage a current contract with solicitation writing experience to begin the process in FY 2018-19. The cost estimate assumes that the procurement work performed by the vendor would require 5,200 hours per year at a rate of \$160.00 per hour. The ongoing funding would support a multi-year contract to assist with the multiple annual RFP releases.

A sample timeline of the Department’s procurement strategy can be referenced in Chart 1.

**Chart 1:  
Conceptual Medicaid Enterprise Modular Services Procurement Timeline**



**Supplemental, 1331 Supplemental or Budget Amendment Criteria:**

Portions of this request require supplemental funding in FY 2018-19 and qualify as such by meeting the criteria of an unforeseen contingency.

The MMIS implementation was postponed from November 1, 2016 to March 1, 2017 and the Department experienced functionality issues once implementation occurred. As a result, the Department experienced billing and customer service issues that caused a burden on the provider community. The Department

initially contracted with its current contractors to improve staffing levels to mitigate concern. The Department expected that the funding need would no longer be necessary in FY 2018-19, but the Department is still experiencing issues that if left unaddressed, would pose a burden on stakeholders. To ease that burden the Department requests to extend some roles into FY 2018-19. The delayed implementation has also delayed CMS certification of the MMIS. The Department expects to certify the MMIS in FY 2018-19 and would be required to pay performance payments once approved.

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 1.1 FY 2018-19 Medicaid Enterprise Operations Summary by Line Item									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP or FMAP	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$0	0.0	\$0	\$0	\$0	\$0	0.00%	Table 7 - HCPF FTE Calculations, Salary, PERA, Medicare
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$0	0.0	\$0	\$0	\$0	\$0	0.00%	Table 7 - HCPF FTE Calculations, HLD
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$0	0.0	\$0	\$0	\$0	\$0	0.00%	Table 7 - HCPF FTE Calculations, STD
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0	0.00%	Table 7 - HCPF FTE Calculations, AED
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$0	0.0	\$0	\$0	\$0	\$0	0.00%	Table 7 - HCPF FTE Calculations, SAED
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	0.00%	Table 7 - HCPF FTE Calculations, Operating
G	(1) Executive Director's Office; (A) General Administration, Payments to OIT	\$3,300	0.0	\$211	\$123	\$0	\$2,966	89.88%	Table 2.1, Row E + Row H + Row S
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information System	\$9,588,989	0.0	\$856,384	\$433,590	\$0	\$8,299,015	86.55%	(Table 2.1, Row II - Row D - Row E - Row H - Row S) - Row I
I	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Fraud Detection Software	(\$115,000)	0.0	(\$28,345)	\$0	\$0	(\$86,655)	75.35%	This component will be paid through the MMIS line item as it is now a function of the BIDM vendor.
J	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$0	0.0	(\$394,826)	\$0	\$0	\$394,826	0.00%	Table 2.1, Row D
<b>K</b>	<b>Total Request</b>	<b>\$9,477,289</b>	<b>0.0</b>	<b>\$433,424</b>	<b>\$433,713</b>	<b>\$0</b>	<b>\$8,610,152</b>	<b>90.85%</b>	<b>Sum of Rows A through J</b>

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 1.2 FY 2019-20 Medicaid Enterprise Operations Summary by Line Item									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP or FMAP	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$184,342	1.8	\$54,142	\$32,072	\$0	\$98,128	53.23%	Table 7 - HCPF FTE Calculations, Salary, PERA, Medicare
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$15,854	0.0	\$4,654	\$2,760	\$0	\$8,440	53.24%	Table 7 - HCPF FTE Calculations, HLD
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$314	0.0	\$94	\$54	\$0	\$166	52.87%	Table 7 - HCPF FTE Calculations, STD
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$8,240	0.0	\$2,420	\$1,434	\$0	\$4,386	53.23%	Table 7 - HCPF FTE Calculations, AED
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$8,240	0.0	\$2,420	\$1,434	\$0	\$4,386	53.23%	Table 7 - HCPF FTE Calculations, SAED
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$11,306	0.0	\$3,320	\$1,968	\$0	\$6,018	53.23%	Table 7 - HCPF FTE Calculations, Operating
G	(1) Executive Director's Office; (A) General Administration, Payments to OIT	\$1,189,470	0.0	\$397,891	\$164,934	\$0	\$626,645	52.68%	Table 2.2, Row E + Row H + Row S
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information System	\$26,105,161	0.0	\$2,575,920	\$1,674,512	\$0	\$21,854,729	83.72%	(Table 2.2, Row II - Row D - Row E - Row H - Row S) - Row I
I	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Fraud Detection Software	(\$115,000)	0.0	(\$28,345)	\$0	\$0	(\$86,655)	75.35%	This component will be paid through the MMIS line item as it is now a function of the BIDM vendor.
J	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$0	0.0	(\$2,084,053)	\$0	\$0	\$2,084,053	0.00%	Table 2.2, Row D
K	(2) Medical Services Premiums; Medical and Long-Term Care Services for Medicaid Eligible Individuals	(\$1,000,000)	0.0	(\$273,800)	(\$50,700)	\$0	(\$675,500)	67.55%	This estimate is the minimum recovery guarantee from the FWA Assessment. Fund splits are based on FY 2017-18 estimated fund splits for Acute Care.
<b>L</b>	<b>Total Request</b>	<b>\$26,407,927</b>	<b>1.8</b>	<b>\$654,663</b>	<b>\$1,828,468</b>	<b>\$0</b>	<b>\$23,924,796</b>	<b>90.60%</b>	<b>Sum of Rows A through K</b>

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 1.3 FY 2020-21 Medicaid Enterprise Operations Summary by Line Item									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP or FMAP	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$201,116	2.0	\$59,068	\$37,534	\$0	\$104,514	51.97%	Table 7 - HCPF FTE Calculations, Salary, PERA, Medicare
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$15,854	0.0	\$4,654	\$2,960	\$0	\$8,240	51.97%	Table 7 - HCPF FTE Calculations, HLD
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$342	0.0	\$100	\$64	\$0	\$178	52.05%	Table 7 - HCPF FTE Calculations, STD
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$8,990	0.0	\$2,640	\$1,678	\$0	\$4,672	51.97%	Table 7 - HCPF FTE Calculations, AED
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$8,990	0.0	\$2,640	\$1,678	\$0	\$4,672	51.97%	Table 7 - HCPF FTE Calculations, SAED
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$1,900	0.0	\$560	\$354	\$0	\$986	51.89%	Table 7 - HCPF FTE Calculations, Operating
G	(1) Executive Director's Office; (A) General Administration, Payments to OIT	\$360,361	0.0	\$152,442	\$23,955	\$0	\$183,964	51.05%	Table 2.3, Row E + Row H + Row S
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information System	\$32,490,387	0.0	\$3,664,810	\$2,274,269	\$0	\$26,551,308	81.72%	(Table 2.3, Row II - Row D - Row E - Row H - Row S) - Row I
I	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Fraud Detection Software	(\$115,000)	0.0	(\$28,345)	\$0	\$0	(\$86,655)	75.35%	This component will be paid through the MMIS line item as it is now a function of the BIDM vendor.
J	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$0	0.0	(\$804,053)	\$0	\$0	\$804,053	0.00%	Table 2.3, Row D
<b>K</b>	<b>Total Request</b>	<b>\$32,972,940</b>	<b>2.0</b>	<b>\$3,054,516</b>	<b>\$2,342,492</b>	<b>\$0</b>	<b>\$27,575,932</b>	<b>83.63%</b>	<b>Sum of Rows A through J</b>

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 1.4 FY 2021-22 & Ongoing Medicaid Enterprise Operations Summary by Line Item									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP or FMAP	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration, Personal Services	\$201,116	2.0	\$59,062	\$38,174	\$0	\$103,880	51.65%	Table 7 - HCPF FTE Calculations, Salary, PERA, Medicare
B	(1) Executive Director's Office; (A) General Administration, Health, Life, and Dental	\$15,854	0.0	\$4,658	\$3,008	\$0	\$8,188	51.65%	Table 7 - HCPF FTE Calculations, HLD
C	(1) Executive Director's Office; (A) General Administration, Short-term Disability	\$342	0.0	\$102	\$64	\$0	\$176	51.46%	Table 7 - HCPF FTE Calculations, STD
D	(1) Executive Director's Office; (A) General Administration, S.B. 04-257 Amortization Equalization Disbursement	\$8,990	0.0	\$2,640	\$1,706	\$0	\$4,644	51.66%	Table 7 - HCPF FTE Calculations, AED
E	(1) Executive Director's Office; (A) General Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement	\$8,990	0.0	\$2,640	\$1,706	\$0	\$4,644	51.66%	Table 7 - HCPF FTE Calculations, SAED
F	(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$1,900	0.0	\$556	\$362	\$0	\$982	51.68%	Table 7 - HCPF FTE Calculations, Operating
G	(1) Executive Director's Office; (A) General Administration, Payments to OIT	\$360,361	0.0	\$152,441	\$24,366	\$0	\$183,554	50.94%	Table 2.4, Row E + Row H + Row S
H	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Medicaid Management Information System	\$29,434,311	0.0	\$3,443,754	\$2,168,012	\$0	\$23,822,545	80.93%	(Table 2.4, Row II - Row D - Row E - Row H - Row S) - Row I
I	(1) Executive Director's Office; (C) Information Technology Contracts and Projects; Fraud Detection Software	(\$115,000)	0.0	(\$28,345)	\$0	\$0	(\$86,655)	75.35%	This component will be paid through the MMIS line item as it is now a function of the BIDM vendor.
J	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$0	0.0	(\$804,053)	\$0	\$0	\$804,053	0.00%	Table 2.4, Row D
<b>K</b>	<b>Total Request</b>	<b>\$29,916,864</b>	<b>2.0</b>	<b>\$2,833,455</b>	<b>\$2,237,398</b>	<b>\$0</b>	<b>\$24,846,011</b>	<b>83.05%</b>	<b>Sum of Rows A through J</b>

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 2.1 FY 2018-19 Medicaid Enterprise Operations Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
<b>Legislative Requirements on System Functionality</b>									
A	Systems Certification	\$1,216,800	0.0	\$77,778	\$45,362	\$0	\$1,093,660	89.88%	Table 3.1 Row D
B	Care & Case Management Development	\$3,381,434	0.0	(\$178,685)	\$126,060	\$0	\$3,434,059	-	Row C + Row D
C	Vendor Staff Costs	\$3,381,434	0.0	\$216,141	\$126,060	\$0	\$3,039,233	-	Table 3.2, Row FF
D	Refinancing SB 16-192 Activities	\$0	0.0	(\$394,826)	\$0	\$0	\$394,826	-	Table 3.3, Row O
E	BUS Migration Support - OIT	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 3.4, Row CC
F	Cost Containment Bill Implementation	\$558,289	0.0	\$56,054	\$0	\$0	\$502,235	89.96%	Table 3.5, Row L
G	Other - Licensing/Software/Assessments	\$412,900	0.0	\$41,171	\$123	\$0	\$371,606	90.00%	Row H + Row I
H	OIT	\$3,300	0.0	\$211	\$123	\$0	\$2,966	89.88%	Table 6.1, Row D
I	Contractor	\$409,600	0.0	\$40,960	\$0	\$0	\$368,640	-	Table 6.1, Row A + Row B + Row C
J	FTE Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Sum of Rows K through M
K	FTE Salary, PERA, Medicare	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
L	FTE AED, SAED, STD and HLD	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
M	FTE Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
N	<b>Subtotal</b>	<b>\$5,569,423</b>	<b>0.0</b>	<b>(\$3,682)</b>	<b>\$171,545</b>	<b>\$0</b>	<b>\$5,401,560</b>	<b>96.99%</b>	<b>Row A + Row B + Row E + Row F + Row G + Row J</b>
<b>Improvements to Member/Provider Experience</b>									
O	Colorado MMIS Vendor Staff / Pool Hours	\$3,170,026	0.0	\$375,195	\$225,490	\$0	\$2,569,341	81.05%	Table 4.1, Row HH + Table 4.3, Row D
P	Colorado PBMS Vendor Staff / Pool Hours	\$177,840	0.0	\$26,116	\$15,801	\$0	\$135,923	76.43%	Table 4.2, Row I
Q	Colorado BIDM Vendor Staff / Pool Hours	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 4.3, Row H
R	Data and Client Protection Enhancements	\$0	0.0	\$0	\$0	\$0	\$0	-	Row S + Row T
S	OIT	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 4.5, Row A
T	Contractor	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 4.4, Row D
U	Other - Licensing/Software/Assessments	\$560,000	0.0	\$35,795	\$20,877	\$0	\$503,328	89.88%	Table 6.1, Row M
V	FTE Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Sum of Rows W through Y
W	FTE Salary, PERA, Medicare	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
X	FTE AED, SAED, STD and HLD	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
Y	FTE Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
Z	<b>Subtotal</b>	<b>\$3,907,866</b>	<b>0.0</b>	<b>\$437,106</b>	<b>\$262,168</b>	<b>\$0</b>	<b>\$3,208,592</b>	<b>82.11%</b>	<b>Row O + Row P + Row Q + Row R + Row U + Row V</b>
<b>Planning for Future of Medicaid Enterprise</b>									
AA	Enterprise Project Management Office Vendor	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 5.1, Row CC
BB	Services Integrator Vendor	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 5.2, Row UU
CC	Other - Licensing/Software/Assessments	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 6.1, Row O
DD	FTE Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Sum of Rows EE through GG
EE	FTE Salary, PERA, Medicare	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
FF	FTE AED, SAED, STD and HLD	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
GG	FTE Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
HH	<b>Subtotal</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>Sum of Rows AA through DD</b>
II	<b>Total Request</b>	<b>\$9,477,289</b>	<b>0.0</b>	<b>\$433,424</b>	<b>\$433,713</b>	<b>\$0</b>	<b>\$8,610,152</b>	<b>90.85%</b>	<b>Row N + Row Z + Row HH</b>

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 2.2 FY 2019-20 Medicaid Enterprise Operations Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
<b>Legislative Requirements on System Functionality</b>									
A	Systems Certification	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 3.1 Row D
B	Care & Case Management Development	\$636,624	0.0	(\$2,043,360)	\$27,026	\$0	\$2,652,958	-	Row C + Row D
C	Vendor Staff Costs	\$636,624	0.0	\$40,693	\$27,026	\$0	\$568,905	-	Table 3.2, Row FF
D	Refinancing SB 16-192 Activities	\$0	0.0	(\$2,084,053)	\$0	\$0	\$2,084,053	-	Table 3.3, Row O
E	BUS Migration Support - OIT	\$947,188	0.0	\$278,189	\$164,794	\$0	\$504,205	53.23%	Table 3.4, Row CC
F	Cost Containment Bill Implementation	\$1,049,629	0.0	\$39,584	\$0	\$0	\$1,010,045	96.23%	Table 3.5, Row L
G	Other - Licensing/Software/Assessments	\$3,366,163	0.0	\$215,164	\$142,901	\$0	\$3,008,098	89.36%	Row H + Row I
H	OIT	\$3,300	0.0	\$211	\$140	\$0	\$2,949	89.36%	Table 6.1, Row D
I	Contractor	\$3,362,863	0.0	\$214,953	\$142,761	\$0	\$3,005,149	89.36%	Table 6.1, Row A + Row B + Row C
J	FTE Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Sum of Rows K through M
K	FTE Salary, PERA, Medicare	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
L	FTE AED, SAED, STD and HLD	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
M	FTE Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
N	<b>Subtotal</b>	<b>\$5,999,604</b>	<b>0.0</b>	<b>(\$1,510,423)</b>	<b>\$334,721</b>	<b>\$0</b>	<b>\$7,175,306</b>	<b>119.60%</b>	<b>Row A + Row B + Row E + Row F + Row G + Row J</b>
<b>Improvements to Member/Provider Experience</b>									
O	Colorado MMIS Vendor Staff / Pool Hours	\$8,857,713	0.0	\$906,035	\$605,027	\$0	\$7,346,651	82.94%	Table 4.1, Row HH + Table 4.3, Row D
P	Colorado PBMS Vendor Staff / Pool Hours	\$363,459	0.0	\$53,374	\$35,740	\$0	\$274,345	75.48%	Table 4.2, Row I
Q	Colorado BIDM Vendor Staff / Pool Hours	\$1,600,500	0.0	\$102,303	\$67,945	\$0	\$1,430,252	89.36%	Table 4.3, Row H
R	Data and Client Protection Enhancements	\$904,582	0.0	\$217,234	\$65,450	\$0	\$621,898	68.75%	Row S + Row T
S	OIT	\$238,982	0.0	\$119,491	\$0	\$0	\$119,491	50.00%	Table 4.5, Row A
T	Contractor	\$665,600	0.0	\$97,743	\$65,450	\$0	\$502,407	75.48%	Table 4.4, Row D
U	Other - Licensing/Software/Assessments	\$1,471,774	0.0	\$216,131	\$144,722	\$0	\$1,110,921	75.48%	Table 6.1, Row M
V	FTE Costs	\$114,148	0.9	\$33,525	\$19,861	\$0	\$60,762	53.23%	Sum of Rows W through Y
W	FTE Salary, PERA, Medicare	\$92,171	0.9	\$27,071	\$16,036	\$0	\$49,064	53.23%	Table 7: HCPF - FTE Calculations
X	FTE AED, SAED, STD and HLD	\$16,324	0.0	\$4,794	\$2,841	\$0	\$8,689	53.23%	Table 7: HCPF - FTE Calculations
Y	FTE Operating Expenses	\$5,653	0.0	\$1,660	\$984	\$0	\$3,009	53.23%	Table 7: HCPF - FTE Calculations
Z	<b>Subtotal</b>	<b>\$13,312,176</b>	<b>0.9</b>	<b>\$1,528,602</b>	<b>\$938,745</b>	<b>\$0</b>	<b>\$10,844,829</b>	<b>81.47%</b>	<b>Row O + Row P + Row Q + Row R + Row U + Row V</b>
<b>Planning for Future of Medicaid Enterprise</b>									
AA	Enterprise Project Management Office Vendor	\$3,588,000	0.0	\$526,898	\$352,815	\$0	\$2,708,287	75.48%	Table 5.1, Row CC
BB	Services Integrator Vendor	\$3,562,000	0.0	\$227,683	\$151,214	\$0	\$3,183,103	89.36%	Table 5.2, Row UU
CC	Other - Licensing/Software/Assessments	\$832,000	0.0	\$122,179	\$81,812	\$0	\$628,009	75.48%	Table 6.1, Row O
DD	FTE Costs	\$114,148	0.9	\$33,525	\$19,861	\$0	\$60,762	53.23%	Sum of Rows EE through GG
EE	FTE Salary, PERA, Medicare	\$92,171	0.9	\$27,071	\$16,036	\$0	\$49,064	53.23%	Table 7: HCPF - FTE Calculations
FF	FTE AED, SAED, STD and HLD	\$16,324	0.0	\$4,794	\$2,841	\$0	\$8,689	53.23%	Table 7: HCPF - FTE Calculations
GG	FTE Operating Expenses	\$5,653	0.0	\$1,660	\$984	\$0	\$3,009	53.23%	Table 7: HCPF - FTE Calculations
HH	<b>Subtotal</b>	<b>\$8,096,148</b>	<b>0.9</b>	<b>\$910,285</b>	<b>\$605,702</b>	<b>\$0</b>	<b>\$6,580,161</b>	<b>81.28%</b>	<b>Sum of Rows AA through DD</b>
II	<b>Total Request</b>	<b>\$27,407,927</b>	<b>1.8</b>	<b>\$928,463</b>	<b>\$1,879,168</b>	<b>\$0</b>	<b>\$24,600,296</b>	<b>89.76%</b>	<b>Row N + Row Z + Row HH</b>

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

Table 2.3 FY 2020-21 Medicaid Enterprise Operations Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
<b>Legislative Requirements on System Functionality</b>									
A	Systems Certification	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 3.1 Row D
B	Care & Case Management Development	\$0	0.0	(\$804,053)	\$0	\$0	\$804,053	-	Row C + Row D
C	Vendor Staff Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 3.2, Row FF
D	Refinancing SB 16-192 Activities	\$0	0.0	(\$804,053)	\$0	\$0	\$804,053	-	Table 3.3, Row O
E	BUS Migration Support - OIT	\$127,485	0.0	\$37,443	\$23,792	\$0	\$66,250	51.97%	Table 3.4, Row CC
F	Cost Containment Bill Implementation	\$638,834	0.0	\$103,354	\$0	\$0	\$535,480	83.82%	Table 3.5, Row L
G	Other - Licensing/Software/Assessments	\$4,146,353	0.0	\$265,035	\$204,631	\$0	\$3,676,687	88.67%	Row H + Row I
H	OIT	\$3,300	0.0	\$211	\$163	\$0	\$2,926	88.67%	Table 6.1, Row D
I	Contractor	\$4,143,053	0.0	\$264,824	\$204,468	\$0	\$3,673,761	88.67%	Table 6.1, Row A + Row B + Row C
J	FTE Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Sum of Rows K through M
K	FTE Salary, PERA, Medicare	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
L	FTE AED, SAED, STD and HLD	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
M	FTE Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
N	<b>Subtotal</b>	<b>\$4,912,672</b>	<b>0.0</b>	<b>(\$398,221)</b>	<b>\$228,423</b>	<b>\$0</b>	<b>\$5,082,470</b>	<b>103.46%</b>	<b>Row A + Row B + Row E + Row F + Row G + Row J</b>
<b>Improvements to Member/Provider Experience</b>									
O	Colorado MMIS Vendor Staff / Pool Hours	\$9,051,653	0.0	\$980,122	\$635,678	\$0	\$7,435,853	82.15%	Table 4.1, Row HH + Table 4.3, Row D
P	Colorado PBMS Vendor Staff / Pool Hours	\$371,405	0.0	\$59,351	\$35,087	\$0	\$276,967	74.57%	Table 4.2, Row I
Q	Colorado BIDM Vendor Staff / Pool Hours	\$1,648,500	0.0	\$105,371	\$81,357	\$0	\$1,461,772	88.67%	Table 4.3, Row H
R	Data and Client Protection Enhancements	\$909,694	0.0	\$223,471	\$64,252	\$0	\$621,971	68.37%	Row S + Row T
S	OIT	\$229,576	0.0	\$114,788	\$0	\$0	\$114,788	50.00%	Table 4.5, Row A
T	Contractor	\$680,118	0.0	\$108,683	\$64,252	\$0	\$507,183	74.57%	Table 4.4, Row D
U	Other - Licensing/Software/Assessments	\$564,137	0.0	\$90,148	\$53,296	\$0	\$420,693	74.57%	Table 6.1, Row M
V	FTE Costs	\$118,596	1.0	\$34,831	\$22,134	\$0	\$61,631	51.97%	Sum of Rows W through Y
W	FTE Salary, PERA, Medicare	\$100,558	1.0	\$29,534	\$18,767	\$0	\$52,257	51.97%	Table 7: HCPF - FTE Calculations
X	FTE AED, SAED, STD and HLD	\$17,088	0.0	\$5,017	\$3,190	\$0	\$8,881	51.97%	Table 7: HCPF - FTE Calculations
Y	FTE Operating Expenses	\$950	0.0	\$280	\$177	\$0	\$493	51.89%	Table 7: HCPF - FTE Calculations
Z	<b>Subtotal</b>	<b>\$12,663,985</b>	<b>1.0</b>	<b>\$1,493,294</b>	<b>\$891,804</b>	<b>\$0</b>	<b>\$10,278,887</b>	<b>81.17%</b>	<b>Row O + Row P + Row Q + Row R + Row U + Row V</b>
<b>Planning for Future of Medicaid Enterprise</b>									
AA	Enterprise Project Management Office Vendor	\$3,666,311	0.0	\$585,876	\$346,364	\$0	\$2,734,071	74.57%	Table 5.1, Row CC
BB	Services Integrator Vendor	\$10,779,376	0.0	\$1,205,782	\$775,166	\$0	\$8,798,428	81.62%	Table 5.2, Row UU
CC	Other - Licensing/Software/Assessments	\$832,000	0.0	\$132,954	\$78,601	\$0	\$620,445	74.57%	Table 6.1, Row O
DD	FTE Costs	\$118,596	1.0	\$34,831	\$22,134	\$0	\$61,631	51.97%	Sum of Rows EE through GG
EE	FTE Salary, PERA, Medicare	\$100,558	1.0	\$29,534	\$18,767	\$0	\$52,257	51.97%	Table 7: HCPF - FTE Calculations
FF	FTE AED, SAED, STD and HLD	\$17,088	0.0	\$5,017	\$3,190	\$0	\$8,881	51.97%	Table 7: HCPF - FTE Calculations
GG	FTE Operating Expenses	\$950	0.0	\$280	\$177	\$0	\$493	51.89%	Table 7: HCPF - FTE Calculations
HH	<b>Subtotal</b>	<b>\$15,396,283</b>	<b>1.0</b>	<b>\$1,959,443</b>	<b>\$1,222,265</b>	<b>\$0</b>	<b>\$12,214,575</b>	<b>79.33%</b>	<b>Sum of Rows AA through DD</b>
II	<b>Total Request</b>	<b>\$32,972,940</b>	<b>2.0</b>	<b>\$3,054,516</b>	<b>\$2,342,492</b>	<b>\$0</b>	<b>\$27,575,932</b>	<b>83.63%</b>	<b>Row N + Row Z + Row HH</b>

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Appendix A: Calculations and Assumptions

Table 2.4 FY 2021-22 & Ongoing Medicaid Enterprise Operations Summary by Initiative									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP	Notes/Calculations
<b>Legislative Requirements on System Functionality</b>									
A	Systems Certification	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 3.1 Row D
B	Care & Case Management Development	\$0	0.0	(\$804,053)	\$0	\$0	\$804,053	-	Row C + Row D
C	Vendor Staff Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 3.2, Row FF
D	Refinancing SB 16-192 Activities	\$0	0.0	(\$804,053)	\$0	\$0	\$804,053	-	Table 3.3, Row O
E	BUS Migration Support - OIT	\$127,485	0.0	\$37,442	\$24,197	\$0	\$65,846	51.65%	Table 3.4, Row CC
F	Cost Containment Bill Implementation	\$396,295	0.0	\$99,074	\$0	\$0	\$297,221	75.00%	Table 3.5, Row L
G	Other - Licensing/Software/Assessments	\$4,217,616	0.0	\$269,591	\$215,436	\$0	\$3,732,589	88.50%	Row H + Row I
H	OIT	\$3,300	0.0	\$211	\$169	\$0	\$2,920	88.48%	Table 6.1, Row D
I	Contractor	\$4,214,316	0.0	\$269,380	\$215,267	\$0	\$3,729,669	88.50%	Table 6.1, Row A + Row B + Row C
J	FTE Costs	\$0	0.0	\$0	\$0	\$0	\$0	-	Sum of Rows K through M
K	FTE Salary, PERA, Medicare	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
L	FTE AED, SAED, STD and HLD	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
M	FTE Operating Expenses	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 7: HCPF - FTE Calculations
N	<b>Subtotal</b>	<b>\$4,741,396</b>	<b>0.0</b>	<b>(\$397,946)</b>	<b>\$239,633</b>	<b>\$0</b>	<b>\$4,899,709</b>	<b>103.34%</b>	<b>Row A + Row B + Row E + Row F + Row G + Row J</b>
<b>Improvements to Member/Provider Experience</b>									
O	Colorado MMIS Vendor	\$5,851,717	0.0	\$458,602	\$338,699	\$0	\$5,054,416	86.37%	Table 4.1, Row HH + Table 4.3, Row D
P	Colorado PBMS Vendor	\$379,517	0.0	\$60,648	\$36,509	\$0	\$282,360	74.40%	Table 4.2, Row I
Q	Colorado BIDM Vendor	\$1,698,000	0.0	\$108,536	\$86,734	\$0	\$1,502,730	88.50%	Table 4.3, Row H
R	Data and Client Protection Enhancements	\$924,546	0.0	\$225,844	\$66,856	\$0	\$631,846	68.34%	Row S + Row T
S	OIT	\$229,576	0.0	\$114,788	\$0	\$0	\$114,788	50.00%	Table 4.5, Row A
T	Contractor	\$694,970	0.0	\$111,056	\$66,856	\$0	\$517,058	74.40%	Table 4.4, Row D
U	Other - Licensing/Software/Assessments	\$567,958	0.0	\$90,760	\$54,638	\$0	\$422,560	74.40%	Table 6.1, Row M
V	FTE Costs	\$118,596	1.0	\$34,829	\$22,510	\$0	\$61,257	51.65%	Sum of Rows W through Y
W	FTE Salary, PERA, Medicare	\$100,558	1.0	\$29,531	\$19,087	\$0	\$51,940	51.65%	Table 7: HCPF - FTE Calculations
X	FTE AED, SAED, STD and HLD	\$17,088	0.0	\$5,020	\$3,242	\$0	\$8,826	51.65%	Table 7: HCPF - FTE Calculations
Y	FTE Operating Expenses	\$950	0.0	\$278	\$181	\$0	\$491	51.68%	Table 7: HCPF - FTE Calculations
Z	<b>Subtotal</b>	<b>\$9,540,334</b>	<b>1.0</b>	<b>\$979,219</b>	<b>\$605,946</b>	<b>\$0</b>	<b>\$7,955,169</b>	<b>83.38%</b>	<b>Row O + Row P + Row Q + Row R + Row U + Row V</b>
<b>Planning for Future of Medicaid Enterprise</b>									
AA	Enterprise Project Management Office Vendor	\$3,746,331	0.0	\$598,663	\$360,397	\$0	\$2,787,271	74.40%	Table 5.1, Row CC
BB	Services Integrator Vendor	\$10,938,207	0.0	\$1,485,737	\$928,873	\$0	\$8,523,597	77.92%	Table 5.2, Row UU
CC	Other - Licensing/Software/Assessments	\$832,000	0.0	\$132,953	\$80,039	\$0	\$619,008	74.40%	Table 6.1, Row O
DD	FTE Costs	\$118,596	1.0	\$34,829	\$22,510	\$0	\$61,257	51.65%	Sum of Rows EE through GG
EE	FTE Salary, PERA, Medicare	\$100,558	1.0	\$29,531	\$19,087	\$0	\$51,940	51.65%	Table 7: HCPF - FTE Calculations
FF	FTE AED, SAED, STD and HLD	\$17,088	0.0	\$5,020	\$3,242	\$0	\$8,826	51.65%	Table 7: HCPF - FTE Calculations
GG	FTE Operating Expenses	\$950	0.0	\$278	\$181	\$0	\$491	51.68%	Table 7: HCPF - FTE Calculations
HH	<b>Subtotal</b>	<b>\$15,635,134</b>	<b>1.0</b>	<b>\$2,252,182</b>	<b>\$1,391,819</b>	<b>\$0</b>	<b>\$11,991,133</b>	<b>76.69%</b>	<b>Sum of Rows AA through DD</b>
II	<b>Total Request</b>	<b>\$29,916,864</b>	<b>2.0</b>	<b>\$2,833,455</b>	<b>\$2,237,398</b>	<b>\$0</b>	<b>\$24,846,011</b>	<b>83.05%</b>	<b>Row N + Row Z + Row HH</b>

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Table 3.1 : CMS Certification Staff Costs							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Project Manager	6	0	0	0		Number of staff required.
B	Cost per hour	\$195.00	\$199.25	\$203.59	\$208.03		Current Average rate with 2.18% inflation each year.
C	Hours	1,040	1,040	0	0		Number of hours.
<b>D</b>	<b>Project Manager Staff Costs</b>	<b>\$1,216,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row A * Row B * Row C</b>

Table 3.2 : Care and Case Management Tool Development Vendor Staff Costs							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Configuration Staff	1	1	0	0		Number of staff.
B	Cost per hour	\$127.68	\$130.46	\$133.30	\$136.21		Current rate with 2.18% inflation each year.
C	Hours	1,920	960	0	0		Full time position equals 2,080 hours.
<b>D</b>	<b>Configuration Staff Costs</b>	<b>\$245,146</b>	<b>\$125,242</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row A * Row B * Row C</b>
E	Customization Staff	1	1	0	0		Number of staff.
F	Cost per hour	\$138.29	\$141.30	\$144.38	\$147.53		Current rate with 2.18% inflation each year.
G	Hours	3,000	960	0	0		Full time position equals 2,080 hours.
<b>I</b>	<b>Customization Staff Costs</b>	<b>\$414,870</b>	<b>\$135,648</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row E * Row F * Row G</b>
J	Testing and Validation Staff	1	0	0	0		Number of staff.
K	Cost per hour	\$98.93	\$101.09	\$103.29	\$105.54		Current rate with 2.18% inflation each year.
L	Hours	150	0	0	0		Full time position equals 2,080 hours.
<b>M</b>	<b>Testing and Validation Staff Costs</b>	<b>\$14,840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row J * Row K * Row L</b>
N	Business Analyst	1	0	0	0		Number of staff.
O	Cost per hour	\$127.48	\$130.26	\$133.10	\$136.00		Current rate with 2.18% inflation each year.
P	Hours	1,919	0	0	0		Full time position equals 2,080 hours.
<b>Q</b>	<b>Business Analyst Staff Cost</b>	<b>\$244,634</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row N * Row O * Row P</b>
R	Technical Writing Staff	1	0	0	0		Number of staff.
S	Cost per hour	\$78.57	\$80.28	\$82.03	\$83.82		Current rate with 2.18% inflation each year.
T	Hours	310	0	0	0		Full time position equals 2,080 hours.
<b>U</b>	<b>Technical Writing Staff Costs</b>	<b>\$24,357</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row R * Row S * Row T</b>
V	Project Management Staff	1	1	0	0		Number of staff.
W	Cost per hour	\$153.57	\$156.92	\$160.34	\$163.84		Current rate with 2.18% inflation each year.
X	Hours	1,437	720	0	0		Full time position equals 2,080 hours.
<b>Y</b>	<b>Project Management Staff Costs</b>	<b>\$220,680</b>	<b>\$112,982</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row V * Row W * Row X</b>
Z	Medecision Staff	1	1	0	0		Number of staff.
AA	Cost per hour	\$267.86	\$273.70	\$279.67	\$285.77		Current rate with 2.18% inflation each year.
BB	Hours	13,511	960	0	0		Full time position equals 2,080 hours.
<b>CC</b>	<b>Medecision Staff Costs</b>	<b>\$3,619,056</b>	<b>\$262,752</b>	<b>\$0</b>	<b>\$0</b>	<b>90%</b>	<b>Row Z * Row AA * Row BB</b>
<b>DD</b>	<b>Total Vendor Staff Cost</b>	<b>\$4,783,583</b>	<b>\$636,624</b>	<b>\$0</b>	<b>\$0</b>		<b>Row D + Row I + Row M + Row Q + Row U + Row Y + Row CC</b>
<b>EE</b>	<b>TEFT Grant Offset</b>	<b>(\$1,402,149)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Remaining Funds from TEFT Grant</b>
<b>FF</b>	<b>Total Implementation Cost</b>	<b>\$3,381,434</b>	<b>\$636,624</b>	<b>\$0</b>	<b>\$0</b>		<b>Row DD + Row EE</b>

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Table 3.3a FY 2018-19 Refinancing of SB 16-192 Activities							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP
<b>Current Appropriation</b>							
A	Stakeholder Contractor	\$50,000	\$25,000	\$0	\$0	\$25,000	50%
B	Tool Development Contractor	\$437,064	\$218,532	\$0	\$0	\$218,532	50%
C	Assessment Tool Pilot	\$169,412	\$84,706	\$0	\$0	\$84,706	50%
D	Assessment Tool Pilot Repurpose Hospital Level of Care (LOC) Pilot	\$165,600	\$82,800	\$0	\$0	\$82,800	50%
E	Evaluation Contractor - Continuous Quality Improvement (CQI)	\$100,000	\$50,000	\$0	\$0	\$50,000	50%
F	Rate and Algorithm Contractor	\$450,000	\$225,000	\$0	\$0	\$225,000	50%
G	Current Appropriation - Subtotal	\$1,372,076	\$686,038	\$0	\$0	\$686,038	
<b>Requested Appropriation</b>							
H	Stakeholder Contractor	\$50,000	\$25,000	\$0	\$0	\$25,000	50%
I	Tool Development Contractor	\$437,064	\$43,706	\$0	\$0	\$393,358	90%
J	Assessment Tool Pilot	\$169,412	\$84,706	\$0	\$0	\$84,706	50%
K	Assessment Tool Pilot Repurpose Hospital Level of Care (LOC) Pilot	\$165,600	\$82,800	\$0	\$0	\$82,800	50%
L	Evaluation Contractor - Continuous Quality Improvement (CQI)	\$100,000	\$10,000	\$0	\$0	\$90,000	90%
M	Rate and Algorithm Contractor	\$450,000	\$45,000	\$0	\$0	\$405,000	90%
N	Requested Appropriation - Subtotal	\$1,372,076	\$291,212	\$0	\$0	\$1,080,864	
O	<b>Difference</b>	<b>\$0</b>	<b>(\$394,826)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$394,826</b>	

Table 3.3b FY 2019-20 Refinancing of SB 16-192 Activities							
Row	Item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP
<b>Current Appropriation</b>							
A	Stakeholder Contractor	\$50,000	\$25,000	\$0	\$0	\$25,000	50%
B	Case Manager Training	\$4,713,258	\$2,356,629	\$0	\$0	\$2,356,629	50%
C	Medical Services Premiums (MSP) Client Reassessments	\$3,643,468	\$1,821,734	\$0	\$0	\$1,821,734	50%
D	Division of Intellectual and Developmental Disabilities (DIDD) Client Reassessments	\$1,896,609	\$948,305	\$0	\$0	\$948,304	50%
E	Evaluation Contractor (CQI)	\$75,000	\$37,500	\$0	\$0	\$37,500	50%
F	Rate and Algorithm Contractor	\$450,000	\$225,000	\$0	\$0	\$225,000	50%
G	Current Appropriation - Subtotal	\$10,828,335	\$5,414,168	\$0	\$0	\$5,414,167	
<b>Requested Appropriation</b>							
H	Stakeholder Contractor	\$50,000	\$25,000	\$0	\$0	\$25,000	50%
I	Case Manager Training	\$4,713,258	\$471,326	\$0	\$0	\$4,241,932	90%
J	Medical Services Premiums (MSP) Client Reassessments	\$3,643,468	\$1,821,734	\$0	\$0	\$1,821,734	50%
K	Division of Intellectual and Developmental Disabilities (DIDD) Client Reassessments	\$1,896,609	\$948,305	\$0	\$0	\$948,304	50%
L	Evaluation Contractor (CQI)	\$75,000	\$18,750	\$0	\$0	\$56,250	75%
M	Rate and Algorithm Contractor	\$450,000	\$45,000	\$0	\$0	\$405,000	90%
N	Requested Appropriation - Subtotal	\$10,828,335	\$3,330,115	\$0	\$0	\$7,498,220	
O	<b>Difference</b>	<b>\$0</b>	<b>(\$2,084,053)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,084,053</b>	

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<b>Table 3.3c FY 2020-21 &amp; Ongoing Refinancing of SB 16-192 Activities</b>							
<b>Budget Request</b>							
<b>Row</b>	<b>Item</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FFP</b>
<b>Current Appropriation</b>							
A	Stakeholder Contractor	\$50,000	\$25,000	\$0	\$0	\$25,000	50%
B	Evaluation Contractor (CQI)	\$75,000	\$37,500	\$0	\$0	\$37,500	50%
C	Case Manager Training	\$1,963,259	\$981,629	\$0	\$0	\$981,630	50%
D	MSP Client Reassessments	\$3,643,468	\$1,821,734	\$0	\$0	\$1,821,734	50%
E	DIDD Client Reassessments	\$1,896,609	\$948,305	\$0	\$0	\$948,304	50%
F	Current Appropriation - Subtotal	\$7,628,336	\$3,814,168	\$0	\$0	\$3,814,168	
<b>Requested Appropriation</b>							
G	Stakeholder Contractor	\$50,000	\$25,000	\$0	\$0	\$25,000	50%
H	Evaluation Contractor (CQI)	\$75,000	\$18,750	\$0	\$0	\$56,250	75%
I	Case Manager Training	\$1,963,259	\$196,326	\$0	\$0	\$1,766,933	90%
J	MSP Client Reassessments	\$3,643,468	\$1,821,734	\$0	\$0	\$1,821,734	50%
K	DIDD Client Reassessments	\$1,896,609	\$948,305	\$0	\$0	\$948,304	50%
L	Requested Appropriation - Subtotal	\$7,628,336	\$3,010,115	\$0	\$0	\$4,618,221	
M	<b>Difference</b>	<b>\$0</b>	<b>(\$804,053)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$804,053</b>	

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Table 3.4: BUS Migration Support - OIT							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
<b>BUS Contractor Staff Costs</b>							
A	Project Manager	0	1	0	0		Number of staff.
B	Cost per hour	\$52.88	\$52.88	\$54.04	\$55.22		Current rate with 2.18% inflation each year.
C	Hours	520	2,080	2,080	2,081		Full time position equals 2,080 hours.
<b>D</b>	<b>Project Manager Staff Cost</b>	<b>\$0</b>	<b>\$110,000</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Row A * Row B * Row C</b>
E	Business Analyst	0	1	0	0		Number of staff.
F	Cost per hour	\$48.08	\$48.08	\$49.13	\$50.20		Current rate with 2.18% inflation each year.
G	Hours	520	2,080	2,080	2,081		Full time position equals 2,080 hours.
<b>I</b>	<b>Business Analyst Staff Cost</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Row E * Row F * Row G</b>
J	Integrations Analyst	0	1	0	0		Number of staff.
K	Cost per hour	\$52.88	\$52.88	\$54.04	\$55.22		Current rate with 2.18% inflation each year.
L	Hours	520	2,080	2,080	2,081		Full time position equals 2,080 hours.
<b>M</b>	<b>Integrations Analyst Staff Cost</b>	<b>\$0</b>	<b>\$110,000</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Row J * Row K * Row L</b>
N	IAM Analyst	0	2	0	0		Number of staff.
O	Cost per hour	\$38.46	\$38.46	\$39.30	\$40.16		Current rate with 2.18% inflation each year.
P	Hours	520	2,080	2,080	2,081		Full time position equals 2,080 hours.
<b>Q</b>	<b>IAM Analyst Staff Cost</b>	<b>\$0</b>	<b>\$160,000</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Row N * Row O * Row P</b>
R	Security Operations Analyst	0	0.5	0	0		Number of staff.
S	Cost per hour	\$72.12	\$72.12	\$73.69	\$75.29		Current rate with 2.18% inflation each year.
T	Hours	520	2,080	2,080	2,081		Full time position equals 2,080 hours.
<b>U</b>	<b>Security Operations Analyst Staff Cost</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Row R * Row S * Row T</b>
V	Integrations Developer	0	2	0	0		Number of staff.
W	Cost per hour	\$62.50	\$62.50	\$63.86	\$65.25		Current rate with 2.18% inflation each year.
X	Hours	520	2,080	2,080	2,081		Full time position equals 2,080 hours.
<b>Y</b>	<b>Integrations Developer Staff Cost</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$0</b>	<b>\$0</b>	<b>50%</b>	<b>Row V * Row W * Row X</b>
<b>Z</b>	<b>BUS Contractor Staff Costs Subtotal</b>	<b>\$0</b>	<b>\$815,000</b>	<b>\$0</b>	<b>\$0</b>		<b>Row D + Row I + Row M + Row Q + Row U + Row Y</b>
<b>BUS OIT FTE Costs</b>							
AA	Database Administrator II Cost	\$0	\$132,188	\$127,485	\$127,485	50%	Table 8 - OIT - FTE Calculations
<b>BB</b>	<b>OIT FTE Funding Subtotal</b>	<b>\$0</b>	<b>\$132,188</b>	<b>\$127,485</b>	<b>\$127,485</b>		<b>Row AA</b>
<b>CC</b>	<b>Total BUS DDWeb Migration Support Cost</b>	<b>\$0</b>	<b>\$947,188</b>	<b>\$127,485</b>	<b>\$127,485</b>		<b>Row Z + Row BB</b>

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<b>Table 3.5 Incremental Cost Containment Bill Implementation (SB-18-266 Controlling Medicaid Costs)</b>							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes / Calculations
A	Appropriated through SB 18-266						
B	Implementation Costs	\$1,500,000	\$0	\$0	\$0	90%	Initial Estimate from Vendor
C	Maintenance & Operations	\$0	\$2,550,000	\$2,550,000	\$2,550,000	75%	Initial Estimate from Vendor
<b>D</b>	<b>Total Appropriation from SB 18-266</b>	<b>\$1,500,000</b>	<b>\$2,550,000</b>	<b>\$2,550,000</b>	<b>\$2,550,000</b>	<b>Variable</b>	
E	New Estimate of Claims Software						
F	Implementation Costs	\$2,056,789	\$1,485,496	\$375,696	\$0	90%	New/Final Estimate from Vendor
G	Maintenance & Operations	\$1,500	\$2,114,133	\$2,813,138	\$2,946,295	75%	New/Final Estimate from Vendor
<b>H</b>	<b>Total Cost of New Estimate</b>	<b>\$2,058,289</b>	<b>\$3,599,629</b>	<b>\$3,188,834</b>	<b>\$2,946,295</b>	<b>Variable</b>	
I	Incremental Cost to Implement SB 18-266						
J	Implementation Costs	\$556,789	\$1,485,496	\$375,696	\$0	90%	Row I - Row B
K	Maintenance & Operations	\$1,500	(\$435,868)	\$263,138	\$396,295	75%	Row J - Row C
<b>L</b>	<b>Incremental Cost to Implement SB 18-266</b>	<b>\$558,289</b>	<b>\$1,049,629</b>	<b>\$638,834</b>	<b>\$396,295</b>	<b>Variable</b>	<b>Row J + Row K</b>

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Table 4.1: MMIS Vendor Staff Costs							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Call Center Staff	25	25	25	0		Number of staff.
B	Cost per hour	\$30.65	\$31.32	\$32.01	\$32.71		Current rate with 2.18% inflation each year.
C	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>D</b>	<b>Call Center Staff Cost</b>	<b>\$796,910</b>	<b>\$1,628,640</b>	<b>\$1,664,520</b>	<b>\$0</b>	<b>75%</b>	<b>Row A * Row B * Row C</b>
E	Field Reps	8	8	8	0		Number of staff.
F	Cost per hour	\$43.49	\$44.44	\$45.41	\$46.40		Current rate with 2.18% inflation each year.
G	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
H	Travel Cost	\$42,852	\$43,786	\$44,741	\$45,716		Fixed travel cost for field reps.
<b>I</b>	<b>Field Reps Cost</b>	<b>\$704,653</b>	<b>\$1,089,771</b>	<b>\$1,113,548</b>	<b>\$0</b>	<b>75%</b>	<b>(Row E * Row F * Row G) + Row H</b>
J	Provider Enrollment Staff	6	3	3	0		Number of staff.
K	Cost per hour	\$27.97	\$28.58	\$29.21	\$29.85		Current rate with 2.18% inflation each year.
L	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>M</b>	<b>Provider Enrollment Staff Cost</b>	<b>\$174,533</b>	<b>\$178,339</b>	<b>\$182,270</b>	<b>\$0</b>	<b>75%</b>	<b>Row J * Row K * Row L</b>
N	Claims Resolution Staff	8	6	6	0		Number of staff.
O	Cost per hour	27.97	\$28.58	\$29.21	\$29.85		Current rate with 2.18% inflation each year.
P	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>Q</b>	<b>Claims Resolution Staff Cost</b>	<b>\$232,710</b>	<b>\$356,678</b>	<b>\$364,541</b>	<b>\$0</b>	<b>75%</b>	<b>Row N * Row O * Row P</b>
R	Nurse Reviewer	1	1	1	1		Number of staff.
S	Cost per hour	\$75.00	\$76.64	\$78.32	\$80.03		Current rate with 2.18% inflation each year.
T	Hours	260	520	520	520		.25 FTE, 10 hours per week.
<b>U</b>	<b>Nurse Reviewer Staff Cost</b>	<b>\$19,500</b>	<b>\$39,853</b>	<b>\$40,726</b>	<b>\$41,616</b>	<b>75%</b>	<b>Row R * Row S * Row T</b>
V	Help Desk Staff	1	1	1	1		Number of staff.
W	Cost per hour	\$110.00	\$120.25	\$122.88	\$125.56		Current rate with 2.18% inflation each year.
X	Hours	1,387	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>Y</b>	<b>Help Desk Staff Cost</b>	<b>\$152,570</b>	<b>\$250,120</b>	<b>\$255,590</b>	<b>\$261,165</b>	<b>75%</b>	<b>Row V * Row W * Row X</b>
Z	UX Designer	0	1	1	1		Number of staff.
AA	Cost per hour	\$130.48	\$133.33	\$136.24	\$139.22		Current rate with 2.18% inflation each year.
BB	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>CC</b>	<b>UX Designer Staff Cost</b>	<b>\$0</b>	<b>\$277,326</b>	<b>\$283,379</b>	<b>\$289,578</b>	<b>75%</b>	<b>Row Z * Row AA * Row BB</b>
DD	UI Designer	0	1	1	1		Number of staff.
EE	Cost per hour	\$130.48	\$133.33	\$136.24	\$139.22		Current rate with 2.18% inflation each year.
FF	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>GG</b>	<b>UI Designer Staff Cost</b>	<b>\$0</b>	<b>\$277,326</b>	<b>\$283,379</b>	<b>\$289,578</b>	<b>75%</b>	<b>Row DD * Row EE * Row FF</b>
<b>HH</b>	<b>Total MMIS Vendor Staff Cost</b>	<b>\$2,080,876</b>	<b>\$4,098,053</b>	<b>\$4,187,953</b>	<b>\$881,937</b>		<b>Row D + Row I + Row M + Row Q + Row U + Row Y + Row CC + Row GG</b>

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Table 4.2: PBMS Vendor Staff							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Pharmacist	1	1	1	1		Number of staff.
B	Cost per hour	\$125.00	\$127.73	\$130.52	\$133.37		Current rate with 2.18% inflation each year.
C	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>D</b>	<b>Pharmacist Staff Cost</b>	<b>\$130,000</b>	<b>\$265,678</b>	<b>\$271,482</b>	<b>\$277,410</b>	<b>75%</b>	<b>Row A * Row B * Row C</b>
E	Business Analyst	1	1	1	1		Number of staff.
F	Cost per hour	\$46.00	\$47.01	\$48.04	\$49.09		Current rate with 2.18% inflation each year.
G	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>H</b>	<b>Business Analyst Staff Cost</b>	<b>\$47,840</b>	<b>\$97,781</b>	<b>\$99,923</b>	<b>\$102,107</b>	<b>75%</b>	<b>Row E * Row F * Row G</b>
<b>I</b>	<b>Total Vendor Staff Cost</b>	<b>\$177,840</b>	<b>\$363,459</b>	<b>\$371,405</b>	<b>\$379,517</b>		<b>Row D + Row H</b>

Table 4.3: Pool Hours							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	MMIS Vendor						
B	Cost /Hour	\$137.00	\$139.99	\$143.05	\$146.17		Current rate with 2.18% inflation each year.
C	Hours	7,950	34,000	34,000	34,000		Number of additional pool hours requested.
<b>D</b>	<b>Total MMIS Vendor Cost</b>	<b>\$1,089,150</b>	<b>\$4,759,660</b>	<b>\$4,863,700</b>	<b>\$4,969,780</b>	<b>90%</b>	<b>Row B * Row C</b>
E	BIDM Vendor						
F	Cost /Hour	\$155.39	\$160.05	\$164.85	\$169.80		Current rate with 3.00% inflation each year per the contract.
G	Hours	0	10,000	10,000	10,000		Number of additional pool hours requested.
<b>H</b>	<b>Total BIDM Vendor Cost</b>	<b>\$0</b>	<b>\$1,600,500</b>	<b>\$1,648,500</b>	<b>\$1,698,000</b>	<b>90%</b>	<b>Row F * Row G</b>

Table 4.4 Data and Client Protection Enhancements Contractor Costs							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Privacy Service	0	2	2	2		Contractor
B	Cost per hour	\$160.00	\$160.00	\$163.49	\$167.06		Current rate with 2.18% inflation each year.
C	Hours	1,040	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>D</b>	<b>Privacy Service Cost</b>	<b>\$0</b>	<b>\$665,600</b>	<b>\$680,118</b>	<b>\$694,970</b>	<b>75%</b>	<b>Row A * Row B * Row C</b>

Table 4.5 Data and Client Protection Enhancements OIT FTE							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Security Risk and Compliance Senior Analyst	\$0	\$238,982	\$229,576	\$229,576	50%	2 FTE - From Table 8 - OIT FTE Calculations Tab

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<b>Table 5.1: Enterprise Project Management Office (PMO) Vendor Staff</b>							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	PMO Director	0	1	1	1		Number of staff.
B	Cost per hour	\$244.66	\$250.00	\$255.45	\$261.02		Current rate with 2.18% inflation each year.
C	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>D</b>	<b>PMO Direct Staff Costs</b>	<b>\$0</b>	<b>\$520,000</b>	<b>\$531,336</b>	<b>\$542,922</b>	<b>75%</b>	<b>Row A * Row B * Row C</b>
E	Portfolio Manager	0	1	1	1		Number of staff.
F	Cost per hour	\$195.73	\$200.00	\$204.36	\$208.82		Current rate with 2.18% inflation each year.
G	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>H</b>	<b>Portfolio Manager Staff Costs</b>	<b>\$0</b>	<b>\$416,000</b>	<b>\$425,069</b>	<b>\$434,346</b>	<b>75%</b>	<b>Row E * Row F * Row G</b>
I	Project Manager	0	4	4	4		Number of staff.
J	Cost per hour	\$171.26	\$175.00	\$178.82	\$182.72		Current rate with 2.18% inflation each year.
K	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>L</b>	<b>Project Manager Staff Costs</b>	<b>\$0</b>	<b>\$1,456,000</b>	<b>\$1,487,782</b>	<b>\$1,520,230</b>	<b>75%</b>	<b>Row I * Row J * Row K</b>
M	Project Coordinator	0	2	2	2		Number of staff.
N	Cost per hour	122.33	\$125.00	\$127.73	\$130.52		Current rate with 2.18% inflation each year.
O	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>P</b>	<b>Project Coordinator Staff Costs</b>	<b>\$0</b>	<b>\$520,000</b>	<b>\$531,357</b>	<b>\$542,963</b>	<b>75%</b>	<b>Row M * Row N * Row O</b>
Q	Contract Management	0	1	1	1		Number of staff.
R	Cost per hour	122.33	\$125.00	\$127.73	\$130.52		Current rate with 2.18% inflation each year.
S	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>T</b>	<b>Contract Management Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$265,678</b>	<b>\$271,482</b>	<b>75%</b>	<b>Row Q * Row R * Row S</b>
U	Provider Communication Support	0	1	1	1		Number of staff.
V	Cost per hour	122.33	\$125.00	\$127.73	\$130.52		Current rate with 2.18% inflation each year.
W	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>X</b>	<b>Provider Communication Support Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$265,678</b>	<b>\$271,482</b>	<b>75%</b>	<b>Row U * Row V * Row W</b>
Y	Administrative Assistant	0	1	1	1		Number of staff.
Z	Cost per hour	\$73.40	\$75.00	\$76.64	\$78.32		Current rate with 2.18% inflation each year.
AA	Hours	0	2,080	2,080	2,080		Full time position equals 2,080 hours.
<b>BB</b>	<b>Administrative Assistant Staff Cost</b>	<b>\$0</b>	<b>\$156,000</b>	<b>\$159,411</b>	<b>\$162,906</b>	<b>75%</b>	<b>Row Y * Row Z * Row AA</b>
<b>CC</b>	<b>Total PMO Vendor Staff Cost</b>	<b>\$0</b>	<b>\$3,588,000</b>	<b>\$3,666,311</b>	<b>\$3,746,331</b>		<b>Row D + Row H + Row L + Row P + Row T + Row X + Row BB</b>

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Table 5.2: Services Integrator (SI) Vendor Cost							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
A	Compliance Manager		1	1	1		Number of staff.
B	Cost per hour	\$244.66	\$250.00	\$255.45	\$261.02		Current rate with 2.18% inflation each year.
C	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>D</b>	<b>Compliance Manager Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$531,336</b>	<b>\$542,922</b>	<b>Varies</b>	<b>Row A * Row B * Row C</b>
E	Enterprise Architect		1	1	1		Number of staff.
F	Cost per hour	\$244.66	\$250.00	\$255.45	\$261.02		Current rate with 2.18% inflation each year.
G	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>H</b>	<b>Enterprise Architect Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$531,336</b>	<b>\$542,922</b>	<b>Varies</b>	<b>Row E * Row F * Row G</b>
I	Data Architect		1	1	1		Number of staff.
J	Cost per hour	\$244.66	\$250.00	\$255.45	\$261.02		Current rate with 2.18% inflation each year.
K	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>L</b>	<b>Data Architect Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$531,336</b>	<b>\$542,922</b>	<b>Varies</b>	<b>Row I * Row J * Row K</b>
M	Solutions Architect		1	1	1		Number of staff.
N	Cost per hour	\$244.66	\$250.00	\$255.45	\$261.02		Current rate with 2.18% inflation each year.
O	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>P</b>	<b>Solutions Architect Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$531,336</b>	<b>\$542,922</b>	<b>Varies</b>	<b>Row M * Row N * Row O</b>
Q	Integration Architect		1	1	1		Number of staff.
R	Cost per hour	\$244.66	\$250.00	\$255.45	\$261.02		Current rate with 2.18% inflation each year.
S	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>T</b>	<b>Integration Architect Staff Costs</b>	<b>\$0</b>	<b>\$260,000</b>	<b>\$531,336</b>	<b>\$542,922</b>	<b>Varies</b>	<b>Row Q * Row R * Row S</b>
U	Configuration Manager		1	1	1		Number of staff.
V	Cost per hour	\$195.73	\$200.00	\$204.36	\$208.82		Current Rate with 2.18% inflation each year.
W	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>X</b>	<b>Configuration Manager Staff Costs</b>	<b>\$0</b>	<b>\$208,000</b>	<b>\$425,069</b>	<b>\$434,346</b>	<b>Varies</b>	<b>Row U * Row V * Row W</b>
Y	Developers		2	2	2		Number of staff.
Z	Cost per hour	\$171.27	\$175.00	\$178.82	\$182.72		Current Rate with 2.18% inflation each year.
AA	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>BB</b>	<b>Developers Staff Cost</b>	<b>\$0</b>	<b>\$364,000</b>	<b>\$743,891</b>	<b>\$760,115</b>	<b>Varies</b>	<b>Row Y * Row Z * Row AA</b>
CC	Business Analyst		2	2	2		Number of staff.
DD	Cost per hour	\$171.27	\$175.00	\$178.82	\$182.72		Current Rate with 2.18% inflation each year.
EE	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>FF</b>	<b>Business Analyst Staff Costs</b>	<b>\$0</b>	<b>\$364,000</b>	<b>\$743,891</b>	<b>\$760,115</b>	<b>Varies</b>	<b>Row CC * Row DD * Row EE</b>
GG	Modular Implementation Staff		3	3	3		Number of staff.
HH	Cost per hour	\$171.27	\$175.00	\$178.82	\$182.72		Current Rate with 2.18% inflation each year.
II	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>JJ</b>	<b>Modular Implementation Staff Costs</b>	<b>\$0</b>	<b>\$546,000</b>	<b>\$1,115,837</b>	<b>\$1,140,173</b>	<b>Varies</b>	<b>Row GG * Row HH * Row II</b>
KK	Quality Assurance Analyst		1	1	1		Number of staff.
LL	Cost per hour	\$171.27	\$150.00	\$153.27	\$156.62		Current Rate with 2.18% inflation each year.
MM	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>NN</b>	<b>Quality Assurance Analyst Staff Costs</b>	<b>\$0</b>	<b>\$156,000</b>	<b>\$318,802</b>	<b>\$325,770</b>	<b>Varies</b>	<b>Row KK * Row LL * Row MM</b>
OO	Testers		4	4	4		Number of staff.
PP	Cost per hour	\$146.79	\$150.00	\$153.27	\$156.62		Current Rate with 2.18% inflation each year.
QQ	Hours	0	1,040	2,080	2,080		Full time position equals 2,080 hours.
<b>RR</b>	<b>Testers Staff Costs</b>	<b>\$0</b>	<b>\$624,000</b>	<b>\$1,275,206</b>	<b>\$1,303,078</b>	<b>Varies</b>	<b>Row OO * Row PP * Row QQ</b>
<b>SS</b>	<b>Total SI Vendor Staff Cost</b>	<b>\$0</b>	<b>\$3,562,000</b>	<b>\$7,279,376</b>	<b>\$7,438,207</b>		<b>Row D + Row H + Row L + Row P + Row T + Row X + Row BB + Row FF + Row JJ + Row NN + Row RR</b>
<b>TT</b>	<b>SI Operational / Software/ Hosting Cost</b>	<b>\$0</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>			<b>Estimate from Vendor with SI expertise</b>
<b>UU</b>	<b>Total SI Costs</b>	<b>\$0</b>	<b>\$3,562,000</b>	<b>\$10,779,376</b>	<b>\$10,938,207</b>		<b>Row SS + Row TT</b>

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<b>Table 6.1: Other - Software/Licensing/Assessments</b>							
Row	Item	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 & Ongoing	FFP	Notes
<b>Legislative Requirements</b>							
A	Enterprise IV&V	\$409,600	\$3,000,000	\$3,000,000	\$3,000,000	90%	Based on FY 2017-18 IV&V contract.
B	MITA Assessment	\$0	\$125,000	\$125,000	\$125,000	90%	Based on prior assessment of similar nature.
C	Medecision - Aerial	\$0	\$237,863	\$1,018,053	\$1,089,316	90%	Annual operations cost to run Aerial.
D	Clarity Licenses	\$3,300	\$3,300	\$3,300	\$3,300	90%	Time tracking licenses in OIT.
<b>E</b>	<b>Subtotal</b>	<b>\$412,900</b>	<b>\$3,366,163</b>	<b>\$4,146,353</b>	<b>\$4,217,616</b>		<b>Sum of Rows A through D</b>
<b>Member &amp; Provider Experience</b>							
F	PBMS Implementation QMP	\$560,000	\$0	\$0	\$0	90%	Implementation Quality Maintenance Payment
G	Drug Reference	\$0	\$85,774	\$175,287	\$179,108	75%	Medication Decision Support
H	CareAnalyzer	\$0	\$240,000	\$175,000	\$175,000	75%	Population Health Management Tool
I	Watson Policy Insights	\$0	\$180,000	\$180,000	\$180,000	75%	Program Integrity Investigative Tool
J	Tableau License	\$0	\$76,000	\$23,000	\$23,000	75%	50 licenses
K	TOAD DataPoint License	\$0	\$40,000	\$10,850	\$10,850	75%	50 licenses
L	FWA Assessment	\$0	\$850,000	\$0	\$0	75%	Overpayment Recovery Tool
<b>M</b>	<b>Subtotal</b>	<b>\$560,000</b>	<b>\$1,471,774</b>	<b>\$564,137</b>	<b>\$567,958</b>		<b>Sum of Rows F through K</b>
<b>Future of MMIS</b>							
N	Solicitation Writer	\$0	\$832,000	\$832,000	\$832,000	75%	5,200 hours per year at \$160.00 per hour.
<b>O</b>	<b>Subtotal</b>	<b>\$0</b>	<b>\$832,000</b>	<b>\$832,000</b>	<b>\$832,000</b>		<b>Row N</b>

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**Table 7: HCPF FTE Calculations**

<b>FTE Calculation Assumptions:</b>					
<b>Operating Expenses</b> -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.					
<b>Standard Capital Purchases</b> -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).					
<b>General Fund FTE</b> -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date					
<b>Expenditure Detail</b>	FY 2019-20		FY 2020-21		
<b>Personal Services:</b>					
Classification Title	Monthly	FTE		FTE	
MANAGEMENT	\$7,492	0.9	\$82,406	1.0	\$89,904
PERA			\$8,570		\$9,350
AED			\$4,120		\$4,495
SAED			\$4,120		\$4,495
Medicare			\$1,195		\$1,304
STD			\$157		\$171
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 1, ## FTE</b>		<b>0.9</b>	<b>\$108,495</b>	<b>1.0</b>	<b>\$117,646</b>
<hr/>					
Classification Title	Monthly	FTE		FTE	
MANAGEMENT	\$7,492	0.9	\$82,406	1.0	\$89,904
PERA			\$8,570		\$9,350
AED			\$4,120		\$4,495
SAED			\$4,120		\$4,495
Medicare			\$1,195		\$1,304
STD			\$157		\$171
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 2, ## FTE</b>		<b>0.9</b>	<b>\$108,495</b>	<b>1.0</b>	<b>\$117,646</b>
<b>Subtotal Personal Services</b>		<b>1.8</b>	<b>\$216,990</b>	<b>2.0</b>	<b>\$235,292</b>
<b>Operating Expenses:</b>					
		FTE		FTE	
Regular FTE Operating	\$500	2.0	\$1,000	2.0	\$1,000
Telephone Expenses	\$450	2.0	\$900	2.0	\$900
PC, One-Time	\$1,230	2.0	\$2,460	-	
Office Furniture, One-Time	\$3,473	2.0	\$6,946	-	
Other					
<b>Subtotal Operating Expenses</b>			<b>\$11,306</b>		<b>\$1,900</b>
<b>TOTAL REQUEST</b>		<b>1.8</b>	<b>\$228,296</b>	<b>2.0</b>	<b>\$237,192</b>
<i>General Fund:</i>			\$67,050		\$69,662
<i>Cash funds:</i>			\$39,722		\$44,268
<i>Reappropriated Funds:</i>			\$0		\$0
<i>Federal Funds:</i>			\$121,524		\$123,262

R-12 Medicaid Enterprise Operations  
Appendix A: Calculations and Assumptions

<b>Table 8: OIT FTE Calculations</b>					
<b>FTE Calculation Assumptions:</b>					
<b>Operating Expenses</b> -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.					
<b>Standard Capital Purchases</b> -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).					
<b>General Fund FTE</b> -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date					
Expenditure Detail	FY 2019-20		FY 2020-21		
<b>Personal Services:</b>					
Classification Title	Monthly	FTE		FTE	
Security Risk and Compliance Senior Analyst	\$7,232	2.0	\$173,568	2.0	\$173,568
PERA			\$18,051		\$18,051
AED	0		\$8,678		\$8,678
SAED			\$8,678		\$8,678
Medicare			\$2,517		\$2,517
STD			\$330		\$330
Health-Life-Dental			\$15,854		\$15,854
<b>Subtotal Position 1, ## FTE</b>		<b>2.0</b>	<b>\$227,676</b>	<b>2.0</b>	<b>\$227,676</b>
Classification Title	Monthly	FTE		FTE	
Database Administrator II	\$8,099	1.0	\$97,188	1.0	\$97,188
PERA			\$10,108		\$10,108
AED			\$4,859		\$4,859
SAED			\$4,859		\$4,859
Medicare			\$1,409		\$1,409
STD			\$185		\$185
Health-Life-Dental			\$7,927		\$7,927
<b>Subtotal Position 2, ## FTE</b>		<b>1.0</b>	<b>\$126,535</b>	<b>1.0</b>	<b>\$126,535</b>
<b>Subtotal Personal Services</b>		<b>3.0</b>	<b>\$354,211</b>	<b>3.0</b>	<b>\$354,211</b>
<b>Operating Expenses:</b>					
		FTE		FTE	
Regular FTE Operating	\$500	3.0	\$1,500	3.0	\$1,500
Telephone Expenses	\$450	3.0	\$1,350	3.0	\$1,350
PC, One-Time	\$1,230	3.0	\$3,690	-	
Office Furniture, One-Time	\$3,473	3.0	\$10,419	-	
Other					
<b>Subtotal Operating Expenses</b>			<b>\$16,959</b>		<b>\$2,850</b>
<b>TOTAL REQUEST</b>		<b>3.0</b>	<b>\$371,170</b>	<b>3.0</b>	<b>\$357,061</b>
<i>General Fund:</i>			\$185,585		\$178,531
<i>Cash funds:</i>					
<i>Reappropriated Funds:</i>					
<i>Federal Funds:</i>			\$185,585		\$178,530