

OPEGA
RAPID
RESPONSE
REVIEW

INTERIM
REPORT

November
2005



Review of MECMS Stabilization Reporting

an interim report by

the Office of Program Evaluation & Government Accountability

About the Review

Status

- GOC directed OPEGA to conduct a review of reporting to the legislature on MECMS stabilization efforts
- Review still in Progress
- Final report expected December 19, 2005
- Interim Report today presents results to date

Purpose

OPEGA Seeks to Answer the Question...

Is the legislature being provided an accurate and complete picture of MECMS Stabilization status and the associated challenges and risks?

To Answer This Question, OPEGA is focusing on...

- ◎ Data presented in status reports
- ◎ Additional information for monitoring progress
- ◎ Significant issues impacting timely resolution
- ◎ Significant risks and ramifications

Work to Date _____

- Interviewed State officials & consultants
- Reviewed relevant documents
- Obtained perspectives of legislators
- Observed presentations to Committees
- Verified reported data and trends
- Developed understanding of key activities and processes
- Monitored progress made over time

Overview of MECMS Situation

MECMS History

- First phase of Maine Claims Management System (MECMS) went live on January 27, 2005
- New system required by federal Centers for Medicare and Medicaid Services to meet HIPAA regulations (Health Insurance Portability and Accountability Act of 1996)
- Implementation problems resulted in significant delays in fully processing providers claims; extended reliance on Interim Payments

MECMS History

- Stabilization efforts involve resolving MECMS technical and data compatibility problems
- Stabilization goal = “predictable and reliable” system with manageable level of suspended claims and elimination of interim payments
- Other significant MECMS-related efforts also on-going or planned
- Efforts expected to continue well into 2006

Most Frequently Asked Questions

1. What went wrong with MECMS implementation and who's responsible?
2. What is being done about it?
3. Why is it taking so long to resolve the implementation problems?

What OPEGA Has Learned

What went wrong and who's responsible?

- Outside scope of this review to specifically answer
- OPEGA has identified contributing factors that are also relevant to stabilization efforts
- Some contributing factors not unique to MECMS, better understood in context of state-wide management of information systems
- OPEGA will discuss these factors in Final Report to be issued December 19, 2005

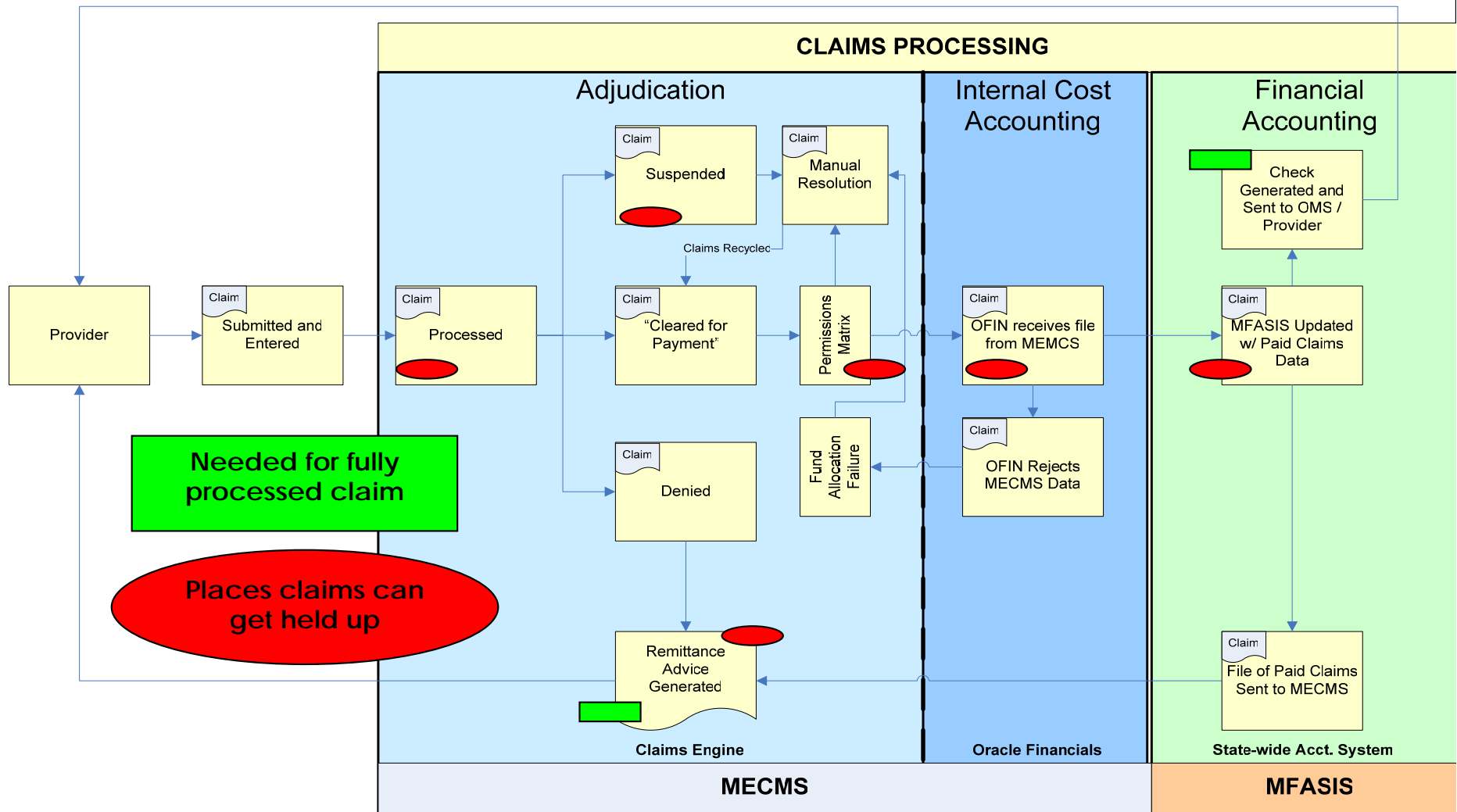
What OPEGA Has Learned

What's being done about it? Why so long?

- OPEGA has gathered a lot of information in course of this review
- An overview will be presented today to provide context for OPEGA's Observations and Recommendations
- More information will likely be incorporated into Final Report

Processing Claims is Complicated

MECMS Claims Lifecycle



Buckets of Claims Have Needed Special Attention



Backlogged Claims -
rejected by MECMS
before processing



Suspended Claims -
encountered errors when
processing in MECMS
claims engine



Remittance Advice Missing -
MECMS did not generate
remittance advice



Adjudicated but not Released -
cleared for payment by MECMS
but not paid by MFASIS due to:



Timing (1 week lag)



Rejected by MECMS
Permissions Matrix (fund
allocation failure)



Rejected in interfaces
between MECMS and
Oracle Financials or Oracle
Financials and MFASIS





Progress Made Despite Slow Start

- Initial response to MECMS failures limited by weaknesses in key areas:
 - ✓ detailed understanding of MECMS and federal requirements including HIPAA
 - ✓ project management
 - ✓ data reliability
 - ✓ risk management
 - ✓ protocols for system changes
- Significant strides made since July, slow but steady progress continues

Progress Due to Several Key Factors

- Top administration officials heavily involved
- Competent consultants filling key roles
- Stronger management team in place
- Processes for setting priorities established
- Protocols for system changes in place
- Detailed plans and milestones established and being tracked
- Provider input solicited and incorporated

Some Claims Still Held Up – # of Problem Buckets Decreasing

- Backlogged claims  ↓ - remains low
- 85% of fresh claims cleared for pmt/denied
- Missing remittances  ↓ - regularly generated
- Significant # still need special attention but are better understood
 -  ↓ Suspended Claims – 365,113 (43% > 90 days)
 -  ↻ Adjudicated but Not Released - \$9,109,689

Data as of November Progress Report

Interim Payments Still Filling the Gap - Reconciliation Underway

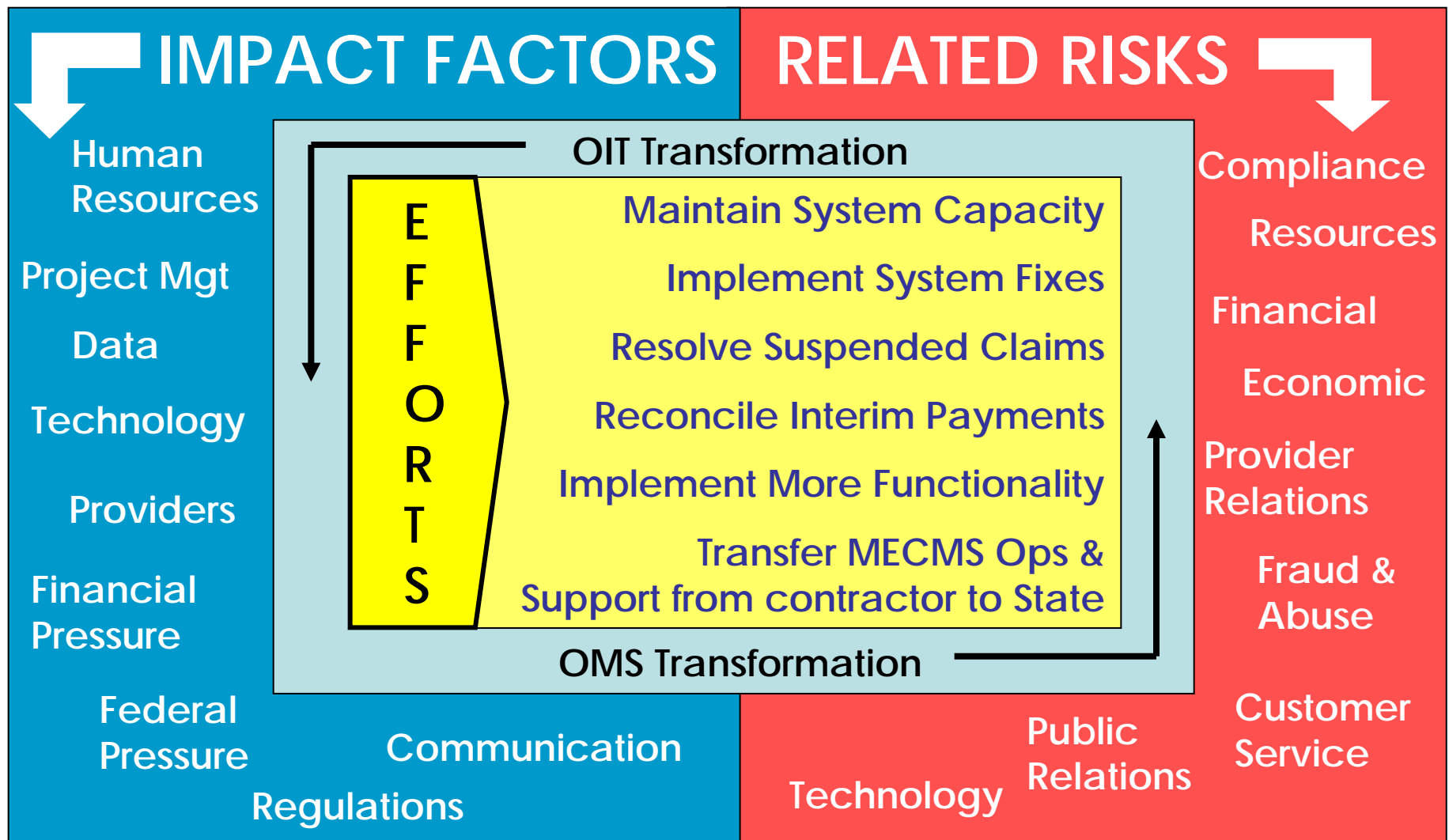
- Total Interims since January = \$418,814,940
- 75% of providers still receiving Interims
- Avg. weekly \$ amount of Interims has declined from \$7.1 million in September to \$5.2 million in October
- Pilot reconciliation/recovery efforts started

Data as of November Progress Report

MECMS is Not Done Yet – Plans are in Place

- HIPAA Compliance
- Cross Over Claims
- Online Claims Submission/Portal Access
- Remaining Subsystems
 - Rate Setting (Partially Implemented in Phase I)
 - Drug Rebate
 - Third Party Liability
 - Maine Medicaid Decision Support (Reporting)
 - Surveillance and Utilization Review
- Various interfaces to external entities

Major Efforts Still On-going in Challenging Environment



Situation Being Monitored by Two Legislative Committees

- Management providing monthly progress reports to AFA and HHS JS Committees
- Management also responding to inquiries and concerns from individual legislators
- Capacity to provide enough information to legislators initially limited but has significantly improved

Legislative Oversight in MECMS Situation

Legislature has Oversight Role

- ❑ Identifying significant areas of concern
- ❑ Assuring management is taking appropriate and timely action
- ❑ Evaluating whether legislative action is needed

In MECMS Situation, Context is Key to Effective and Efficient Oversight

Legislators with oversight responsibility need a proper frame of reference from which to identify concerns and evaluate management actions.

Requires

Sufficient understanding of:

- major activities and processes
- technical complexities
- factors impacting resolution
- potential risks

Adequate opportunity for:

- exchanges with management
- discussions among themselves

Legislators also Accountable to Public

- ❑ Responding to constituent inquiries and concerns
- ❑ Assisting in resolving constituent issues
- ❑ Inspiring public confidence through oversight

MECMS Public Impact is Widespread

All legislators should be able to adequately respond to public with consistent message

Requires

Common understanding supported by sufficient, accurate and current information

Responsibilities for Effectuating Oversight are Equally Shared

Management obligated to:

- make legislature aware of significant public or financial impacts
- provide best information available in a timely manner and understandable format

Legislature responsible for:

- staying informed enough to identify areas of concern
- making best use of management's time and the information provided

Observations and Recommendations

Observation 1

Improvements to MECMS Progress Reports needed

- OPEGA noted early in review that Progress Reports did not provide legislature with a clear, complete and easily understood picture of progress over time.
- At that time, management was also seeking to enhance report in response to requests from JS Committees.

Recommendation 1 _____

Change format and provide additional info

OPEGA shared suggestions with management for improving Progress Reports

- ✓ Use more graphic format
- ✓ Focus on key statistical indicators
(i.e. % of claims cleared for pmt/denied)
- ✓ Show trends over time
- ✓ Highlight actions impacting key indicators
- ✓ Provide flowchart of process and key definitions

Management Action Taken —————

New report developed and presented

- Management incorporated OPEGA's suggestions in new report format for October
- New format provides detail but in graphical manner that highlights key information
- Feedback from AFA and HHS Committee members has been positive so far

Observation 2

Legislature needs better forums for oversight of MECMS

Current forums for gathering, discussing and digesting information on MECMS are not adequate to support effective oversight.

1. Time available during typical JS Committee meetings is too limited.
2. AFA and HHS Committees may hold differing views of situation despite receiving same written reports.
3. Legislators lack a full frame of reference from which to identify areas of concern.

Recommendation 2A _____

Enhance legislative forums to focus on wider range of concerns

Provide opportunity for fuller discussion of status, challenges and risks for all MECMS-related efforts by:

- Creating special committee to focus solely on oversight of key MECMS-related efforts

OR

- Increasing time spent on MECMS-related efforts during regular AFA and HHS meetings

Recommendation 2B _____

Reduce time on oral summary of materials received in advance

Limit management's oral walk-through of Progress Reports to spend more time on Q&A and fuller discussion of challenges and risks.

- ❖ Would require Committee members to review materials and prepare questions before the meeting. Legislative staff might be of assistance.

Recommendation 2C

Assure AFA and HHS hear same information

AFA and HHS Committees should meet jointly to receive oral briefings on MECMS-related efforts whenever possible.

- ❖ When not possible, information gleaned during briefing and Q&A session that is not included in written materials should be shared between Committees. Legislative staff might be of assistance.

Recommendation 2D _____

Utilize non-partisan staff to help provide context

OPLA and OFPR analysts could gather and present information that would:

- a. Provide Committees with frame of reference
 - b. Help Committees focus on significant challenges and risks
- ❖ Similar to work done on a bill. Should not include summarizing management's report.

Observation 3

Mechanisms needed for getting information to all legislators

- Information obtained by AFA and HHS is not routinely shared with all other legislators.
- Void of information affects legislators' ability to adequately inform and respond to constituents.

Recommendation 3 _____

Establish process for sharing information

Information obtained by AFA and HHS should be shared with other legislators. Options:

- Distribute monthly Progress Reports and other materials submitted via mail or website
- Prepare and distribute written summary of significant Q&A's from Committee meetings
- Develop and distribute regular summary bulletins on MECMS-related efforts
- Notify all legislators in advance of AFA and HHS meeting agendas that include a MECMS update

Summary

In Summary

- MECMS situation is technical and complex with many related, simultaneous efforts
- Efforts impacted by many factors and there are many risks to consider
- Management has improved reports to help show status and progress more clearly
- Legislature needs better forums for oversight of MECMS situation and for sharing information among legislators