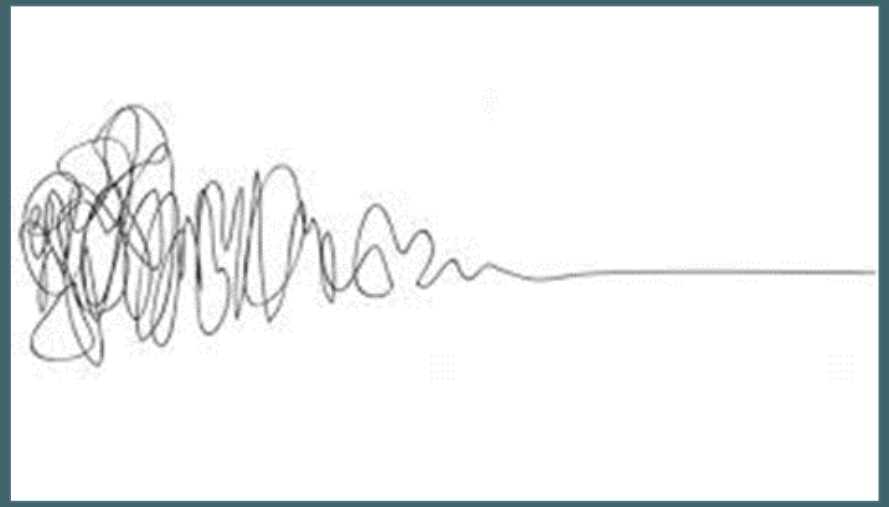
Building and Financing Infrastructure for Change



Mary Brogan, Administrator
Hawaii Development Disabilities Division

Mary Rapp
Public Consulting Group

June 14, 2024

Feeling some analysis paralysis?

Strategic Path Components

- Which parts HCBS Access Rule require data- and IT- related solutions?
- How will changes be financed and resourced?
- What can we build on?

AGENDA

- **Financing Change**
  - Messaging strategy for general fund budget increases
    - Rate increases
    - Compliance
    - Case Growth
    - Workforce Development
  - **Administrative Claiming**
- **IT System Development**

Financing Change

or How to Stop Leaving Money on the Table

Medicaid Administrative Expenditures

- Title XIX of the SSA allows states to claim federal financial participation (FFP) at a payment rate of fifty percent (50%) for most administrative expenditures related to “proper and efficient” administration of its Medicaid state plan.
- Certain admin expenses at higher FFP
- Costs are supported by an allocation methodology in states’ approved Public Assistance Cost Allocation Plan (PACAP).

Show me the money!

Where is it?

How can I get it?

How do I claim it?

Where will I put it?

What do I want to buy?

1. Discovered our cost allocation plan embedded in the DHS PACAP
2. Issued RFP to rewrite the CAP
3. Created a Department of Health-wide plan
4. Established a Medicaid Administrative Claiming Special Fund through legislative process
5. DOH/PCG modernized Random Moment Survey
6. DOH submits claims
7. Reimbursed FFP is deposited in our Special Fund
8. Financed IT system build, advanced analytics, training, and positions

Core Elements of Administrative Claiming

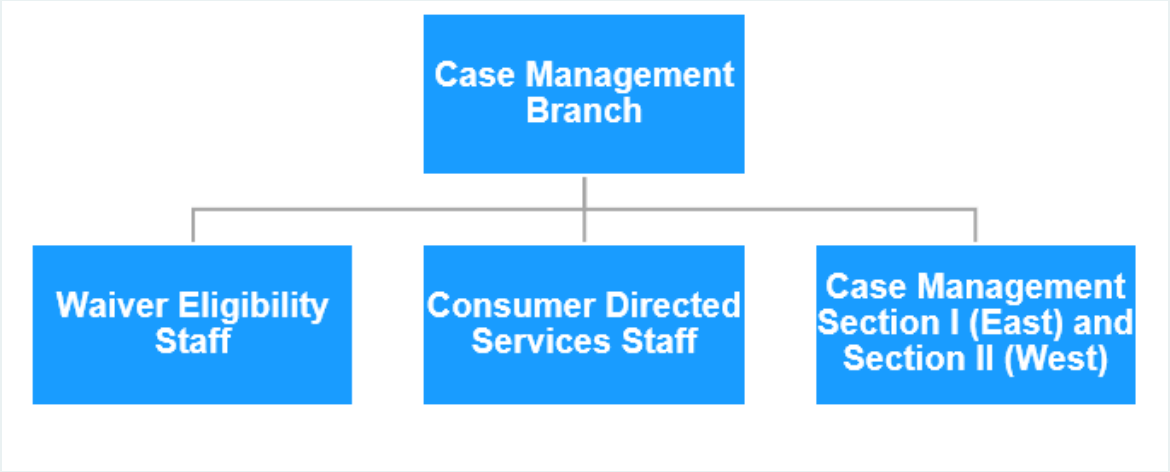
Partnership with PCG

- PCG works with over 40 states nationwide to provide cost allocation services.
- DOH contracted with PCG to develop DOH's Cost Allocation Plan (CAP).
- Cost Allocation is the process of identifying and assigning costs to activities, people, projects, or other cost objectives. Its goal is to spread costs fairly across these units.
- A CAP is the "narrative" document that outlines functions performed by an agency and the methods used for allocating these costs to "benefiting" objectives – such as Medicaid.

Appendix VI to Part 200 Public Assistance Cost Allocation Plans

Organizational Review

- Conducted interviews with DOH staff to begin CAP narrative development
  - What is the organizational structure?
  - What do staff work on? Do they only work on one activity or multiple activities?
  - Do staff perform Medicaid administrative activities?
  - What staff are working on enhanced FFP activities?



CAP Narrative

Name	Description	Allocation Method
Case Management Branch Administration	The Case Management Branch Chief and support staff oversee the day–to–day operations of the Case Management Branch, including management of the Branch's budget, personnel, and facilities.	Head Count across Case Management Branch
Consumer Directed Services	The Consumer Directed Services staff provide information, education, and assistance to individuals and families that choose to participate in the consumer directed services program under the HCBS I/DD Waiver. The staff also coordinate with the Department of Human Services (DHS) and their fiscal intermediary to provide payment to consumer directed staff.	Direct to Medicaid Administration at 50% FFP – CMS –64.10(W) Line 22
Case Management Section – Social Workers	The Case Management Section – Social Worker case managers provide targeted case management services to clients as outlined in the Medicaid State Plan, perform other Medicaid allowable and non–allowable activities, and provide case management services to clients that are not eligible for Medicaid.	DDD RMS
Supports Intensity Scale Unit	The Supports Intensity Scale Unit coordinates and administers the Supports Intensity Scale (SIS) system based on the SIS Assessment to assess the level and frequency of support needs and services. The unit maintains contracts and coordination of SIS-related contracts.	Allocated to Medicaid Administration at 50% FFP –CMS –64.10 (W)Line 22 and State Funds via the DDD Medicaid Eligibility Rate (MER)

Allocation Statistics – Time Tracking

- When staff work on multiple activities or programs that are funded by multiple funding sources and/or must be reported separately, and another methodology is not available, the required methodology for allocating costs is a time study
- PCG and DOH developed a random moment time study using PCG's EasyRMTS™ software to capture the level of effort of staff that work on various case management activities.
  - The RMTS allows DOH to capture administrative costs allowable for 50% FFP
- PCG and DOH developed a 100% time tracking process (using Excel) for staff working on INSPIRE design, development, and implementation (DDI) and other activities
  - The time tracking allows DOH to capture administrative costs allowable for 90% FFP (and for future 75% FFP once in M&O)

Final Medicaid Administrative Claim

- PCG implemented and operates our cost allocation processing system - AlloCAP™ - on DOH's behalf.
  - AlloCAP is used to process over $70million of DOH's expenses each quarter.
- PCG uploads payroll data, enters allocation statistics (including EasyRMTS results), enters contract information and then "runs" the CAP in AlloCAP.
- PCG then compiles a final Medicaid administrative claim summary and detailed workbook for DOH to submit to the State Medicaid agency.
  - AlloCAP provides the final results grouped by CMS-64 reporting line, including costs allowable for enhanced FFP.

AlloCAP™
Cost Allocation Plan Software

EasyRMTS™
Random Moment Sampling Software

PUBLIC CONSULTING GROUP

State of Hawaii, Department of Health

For Quarter Period: January 1, 2023 - March 31, 2023
HI DOH CAP Medicaid Administrative Claim

SFY23 Q3 Medicaid FEDERAL SHARE ONLY	AMHD	CAMHD	EIS	DDD	DOH Other	TOTAL
Medicaid 50% FFP CMS 64.10 Line 22	$100.00	$500.00	$100.00	$1,000.00	$500.00	$2,200.0
Medicaid 50% FFP CMS 64.10(W) Line 22				$100.00		$100.0
Medicaid 50% FFP CMS 64.10(W) Line 22 ARPA				$100.00		$100.0
Medicaid SPMP 75% FFP CMS 64.10(W) Line 3b				$300.00		$300.0
Medicaid PASRR 75% FFP CMS 64.10(W) Line 10				$150.00		$150.0
INSPIRE Medicaid 90% FFP CMS 64.10(W) Line 2A		$100.00		$200.00		$300.0
INSPIRE Medicaid 90% FFP CMS 64.10(W) Line 2B		$100.00		$300.00		$400.0
SFY23 Q3 Total Medicaid Federal Share	**$100.00**	**$700.00**	**$100.00**	**$2,150.00**	**$500.00**	**$3,550.00**

The above claim to Medicaid administration at 50% FFP, 75% FFP, and 90% FFP only includes approved expenditures that are allowable in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), Medicaid administration requirements in 42 CFR 433.15 and 432.50, and other applicable federal and state statues, regulations, policies. These expenditures are based actual DOH expenditures from the State of State accounting and payroll systems and allocated in accordance with the DOH cost allocation plan. This claim also includes a breakdown of Medicaid administrative expenditures funded under the American Rescue Plan Act (ARPA) Section 9817 for the provision of enhanced Home and Community Based (HCBS) FMAP.

Name of DOH Official

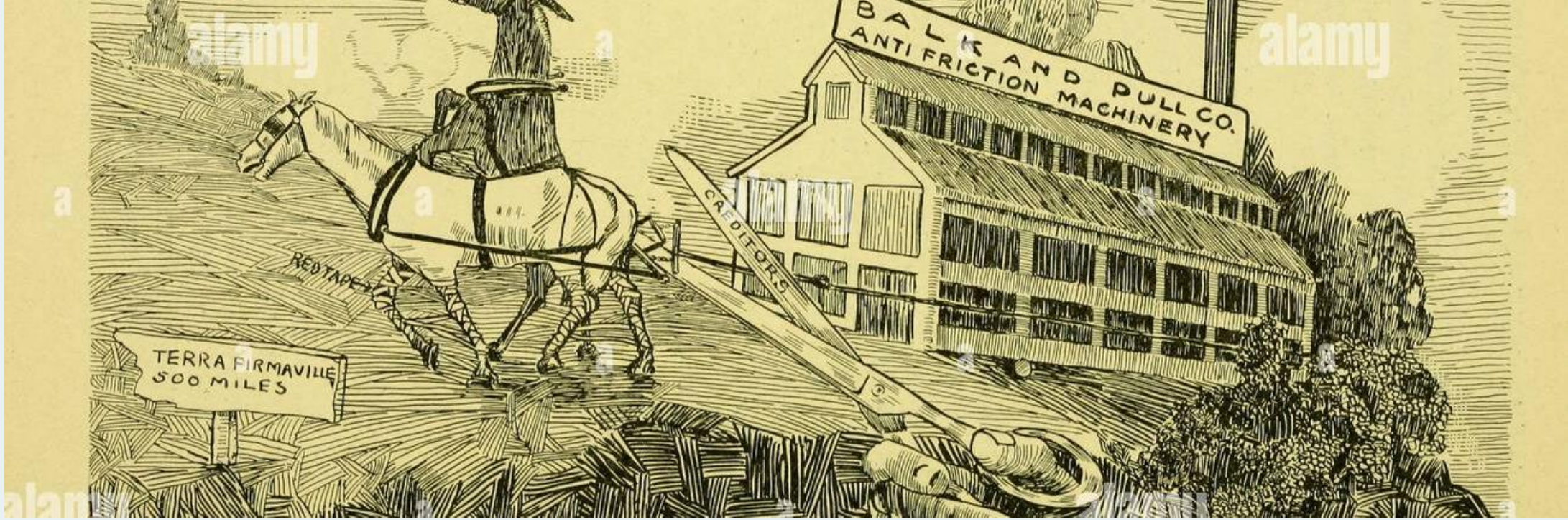
Title

Signature

Date

What We Bought and Why

A love affair with innovation, measurement and accountability in systems.



Build, tweak, or blow up?

Hawaii at the Crossroads

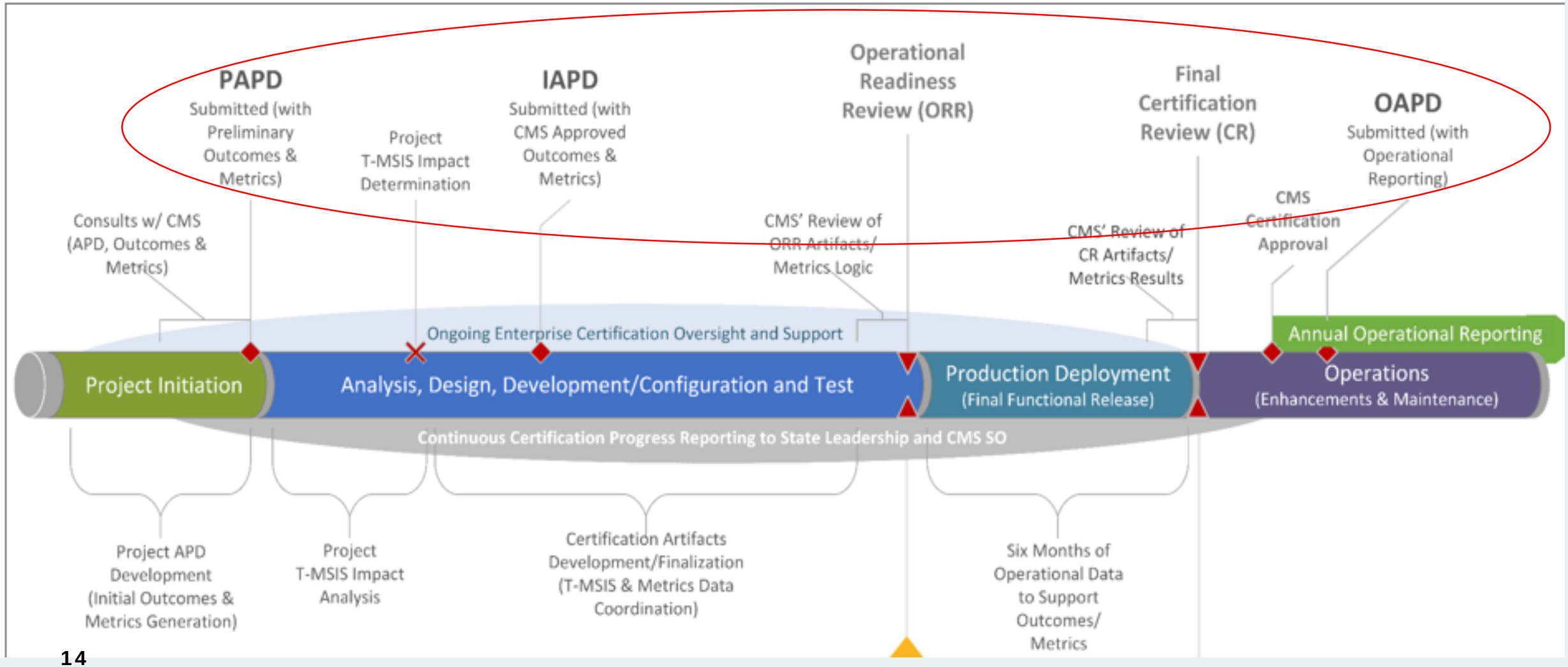
Hawaii's Process Roadmap for IT System Development

- Getting buy-in for INSPIRE
  - What is the approval process
  - Iterative Successes
  - Demonstrate value
- Best platform and build approach for Hawaii and why
- Big Rocks:
  - "Industry Trends" – the Writing on the Wall
  - User Needs
  - Best outcomes and system commitments

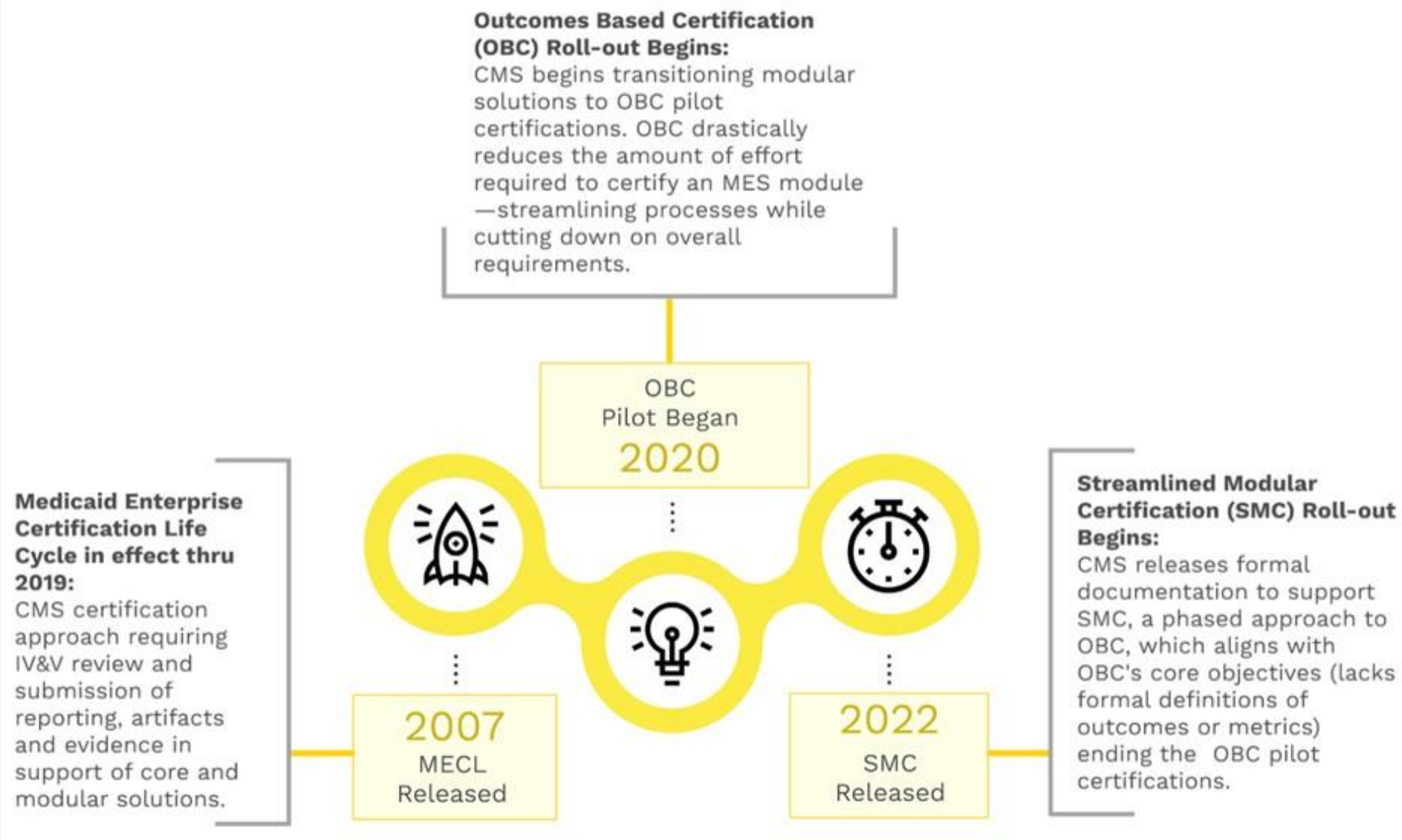
Planning
PAPD

Implementation
IAPD

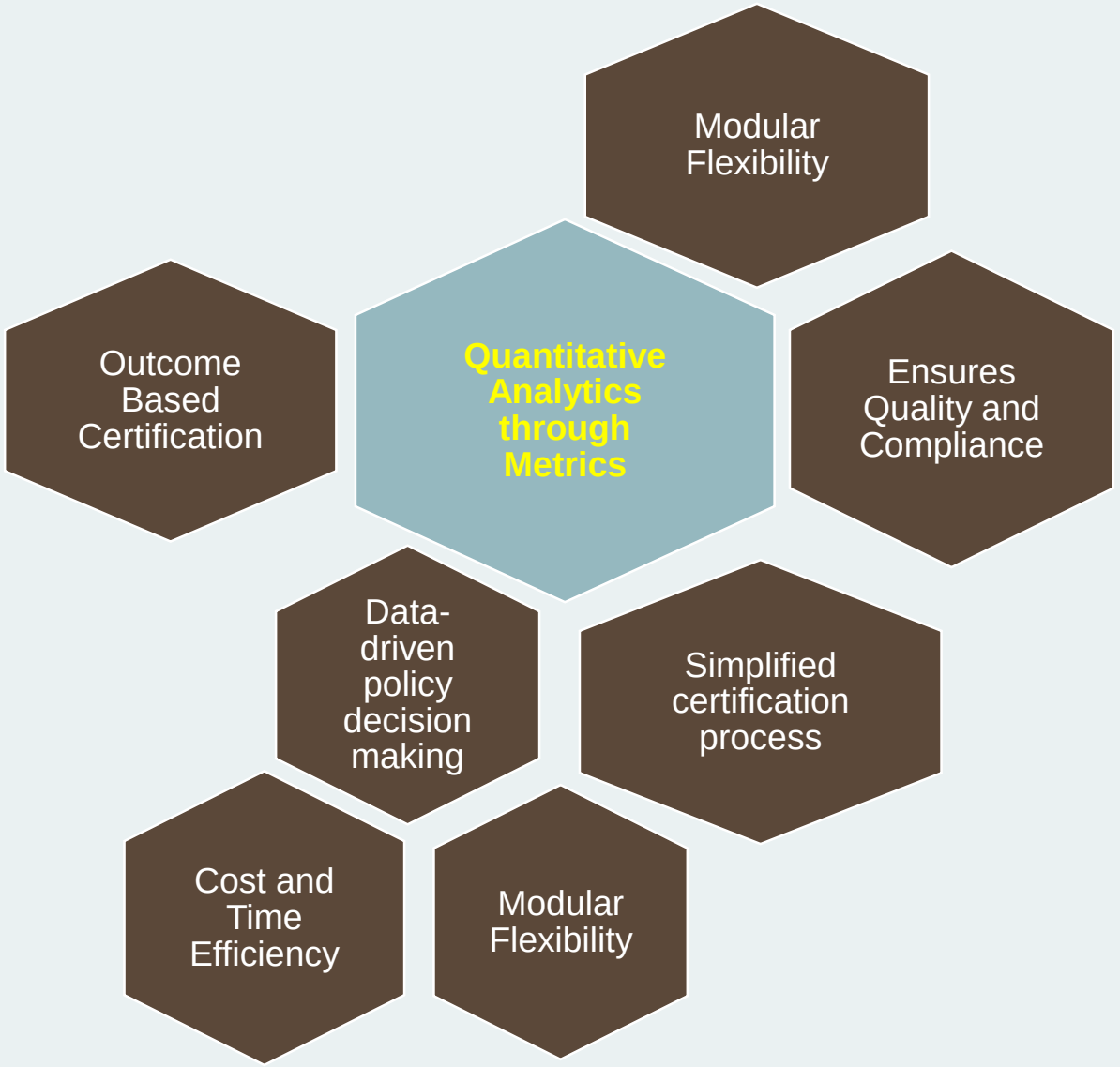
Operational
OAPD



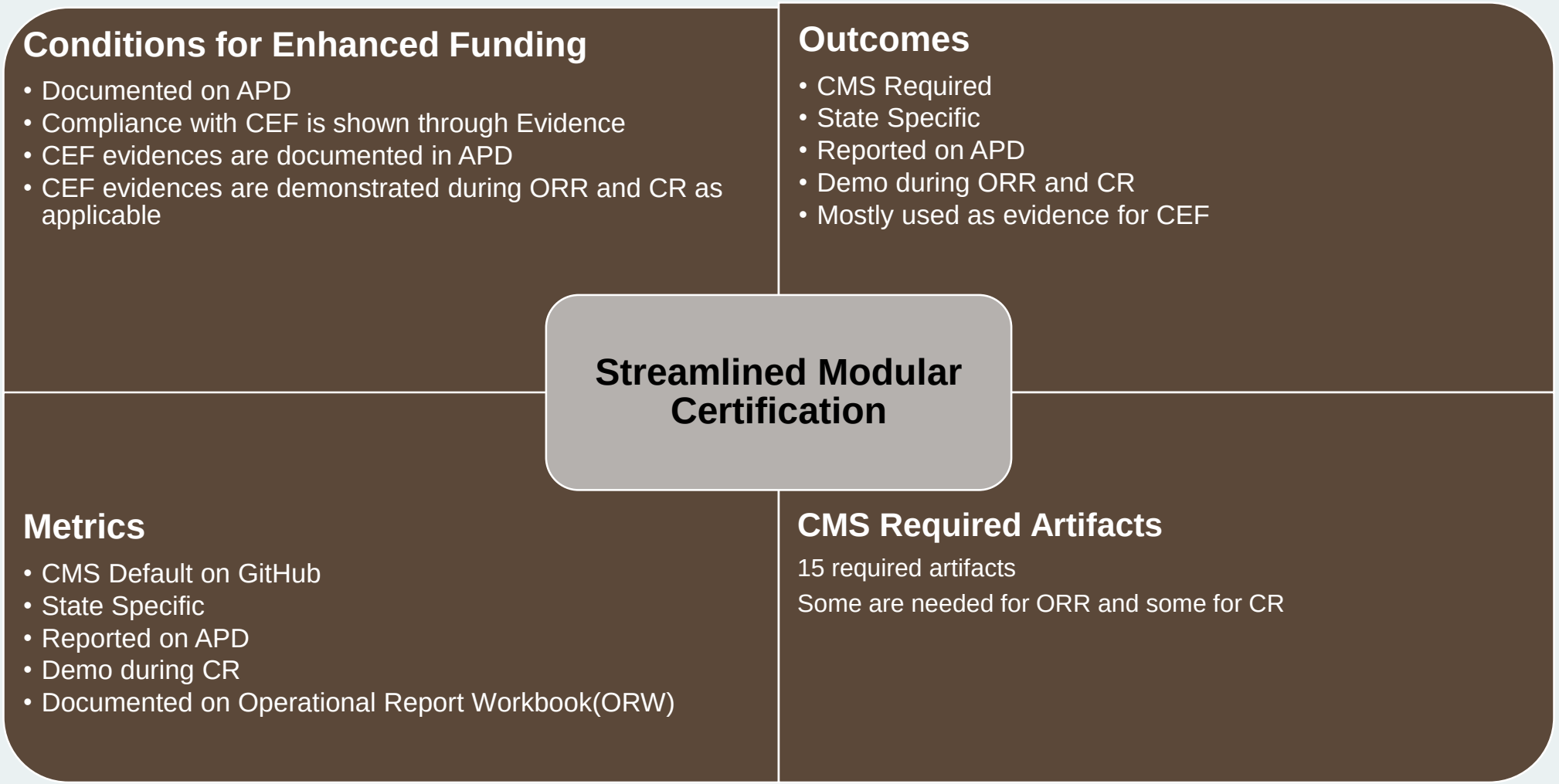
History of CMS Modular Certification



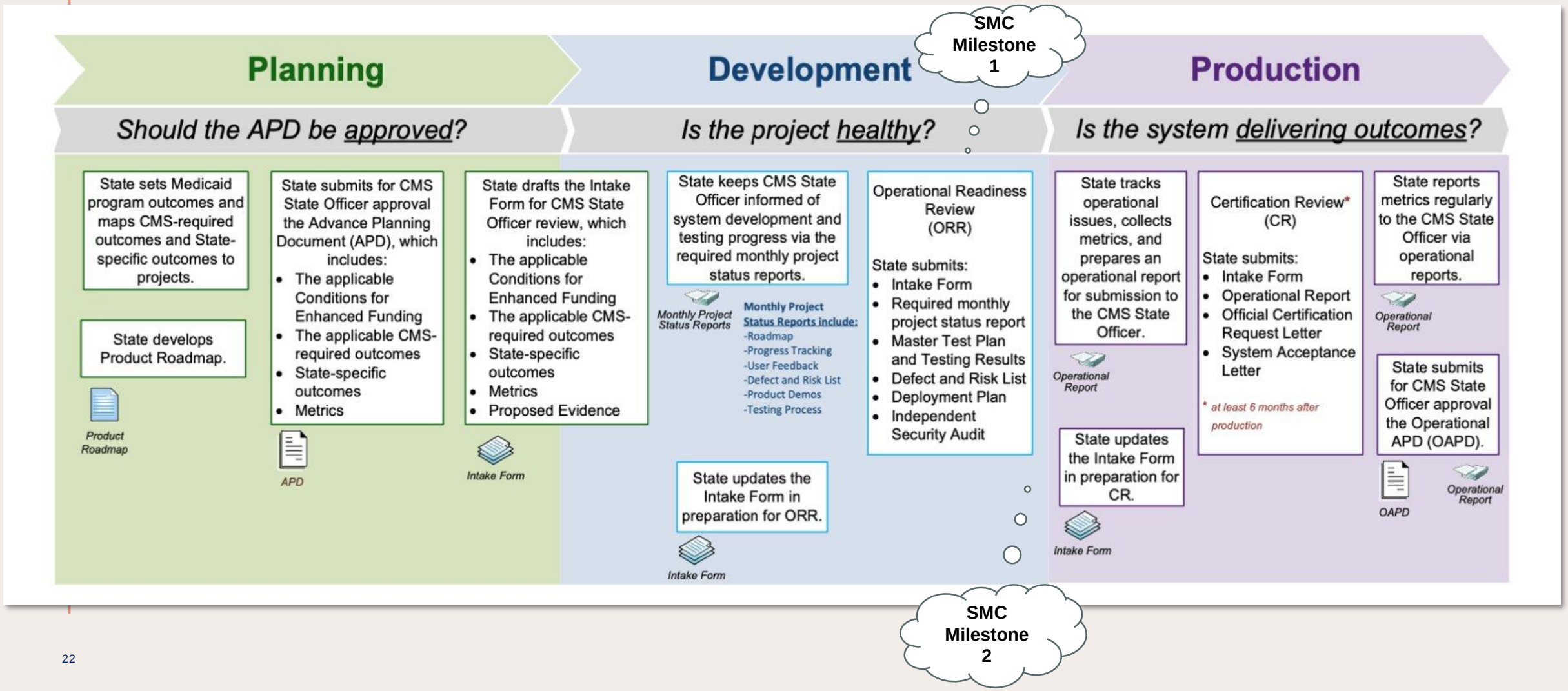
What is Streamlined Modular Certification?



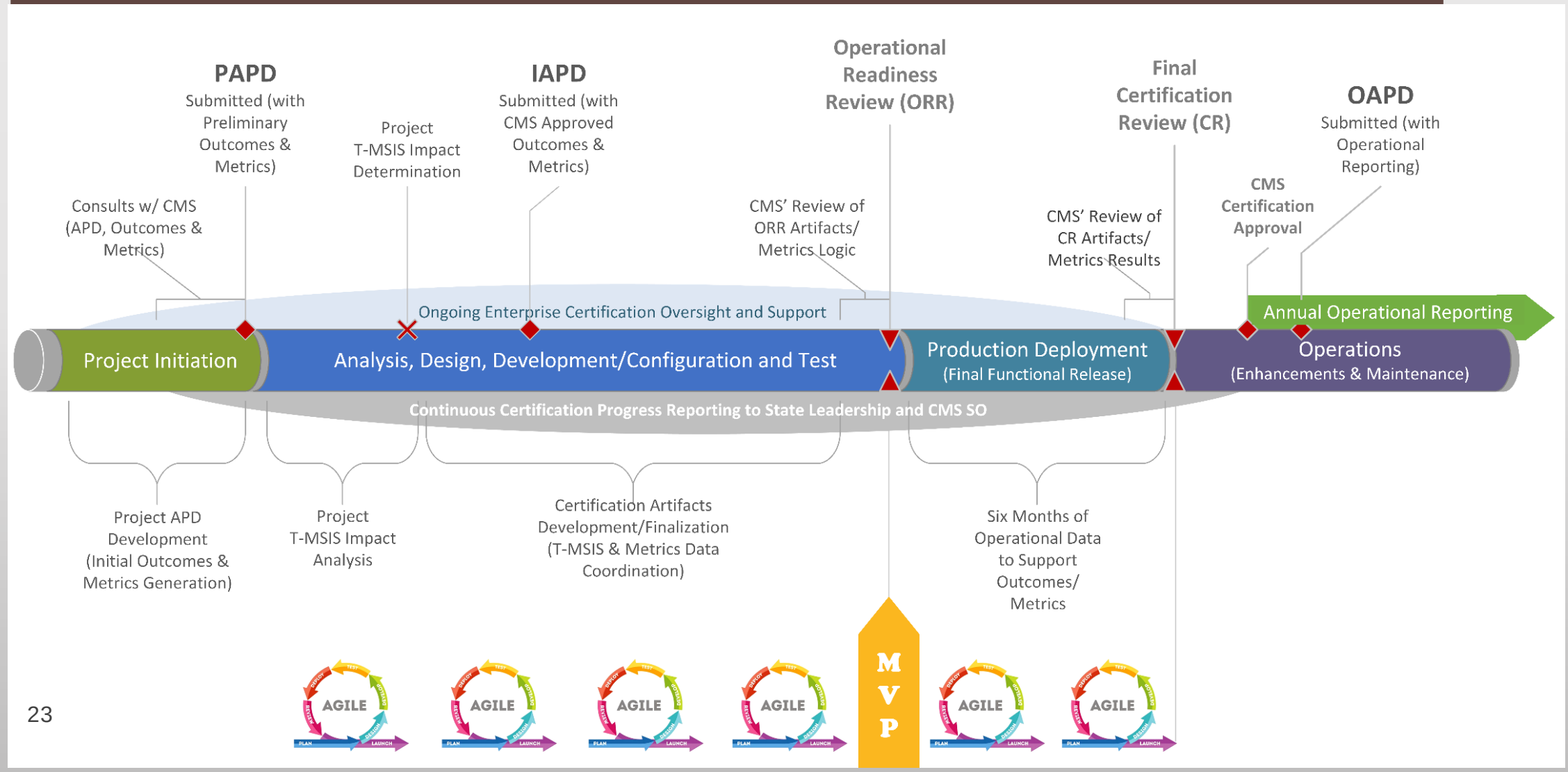
Key Elements of SMC



SMC Phases and Milestones



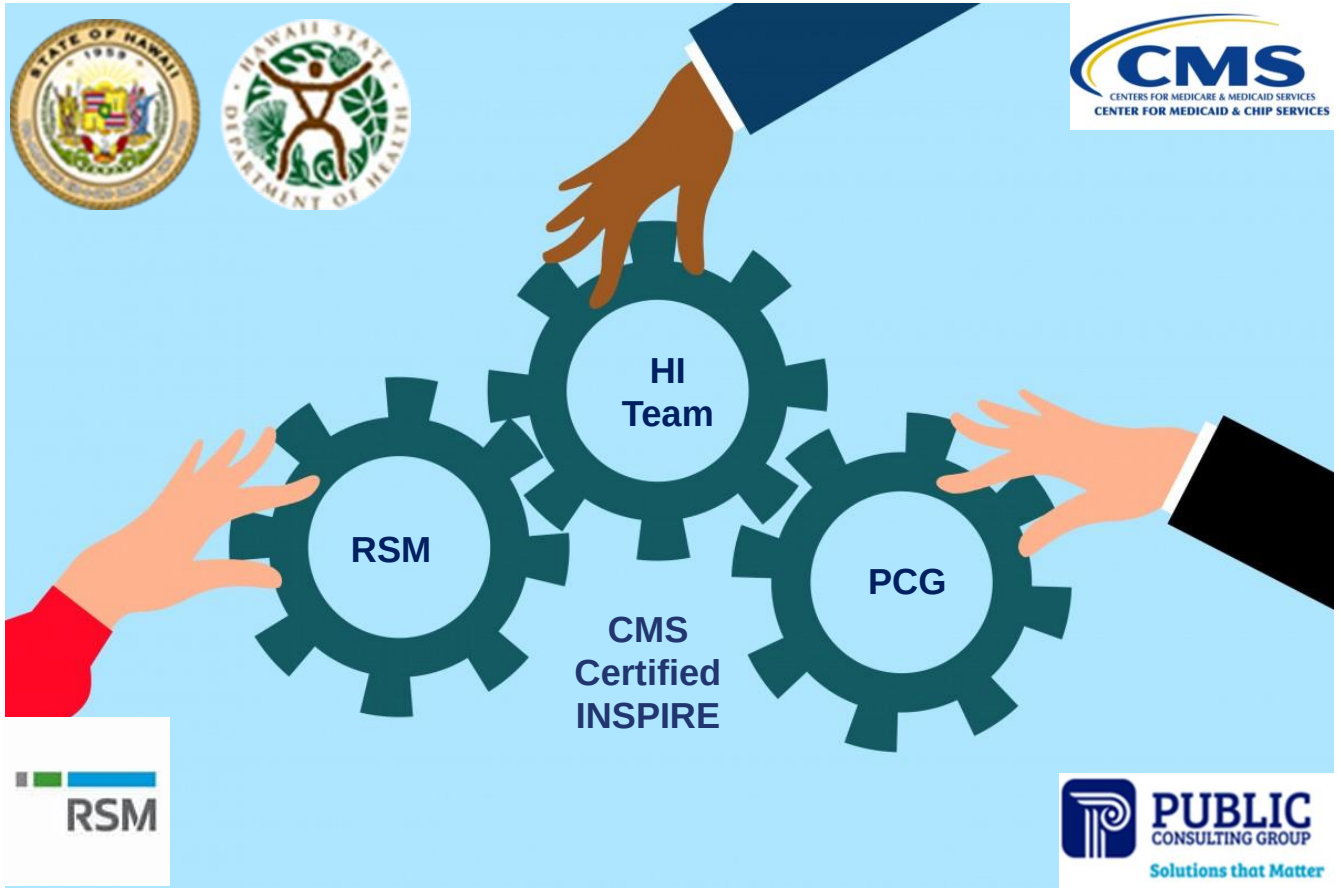
Integrating SMC Milestone Tasks into the Software Development Life Cycle (SDLC)



SMC Required Artifacts

#	CMS Required Artifacts for ORR, CR, or both	Required for ORR	Required for CR	RASCI-VS (Responsible, Accountable, Support, Consulted, Informed-, Verifier, Signatory)
1	**Revised Intake Form**	✓	✓	
2	**Applicable APD** (PAPD, IAPD, OAPD, APDU include applicable Conditions for Enhanced Funding as documented in Appendix A of the SMC certification Guidance Document. And O&Ms)	✓	✓	
3	**Defined Outcomes and Metrics** *(documented in the APD and, as applicable, demonstration during ORR and CR)*	✓	✓	
4	**Conditions for Enhanced Funding** *(Document under APD and evidence demo)*	✓	✓	
5	**Monthly Project Status Report** *(**Product Roadmap,** Progress Tracking, user feedback, defect, and Risk list. Product demos and Testing process documentation as per Testing guidance Framework)*	✓	✓	
6	**Demo Presentation** *(showing how functionality is attained for applicable CEFs)*	✓	✓	
7	**Master Test Plan and Testing Results** *(Per the Testing Guidance Framework)*	✓	✓	
8	**Defect and Risk Lists** *(Must include items per Appendix C of the SMC certification guidance document)*	✓	✓	
9	**Deployment Plan** *(Must include items per the Appendix C of the SMC certification guidance document)*	✓		
10	***Third-Party Security and Privacy Controls Assessment Report** *(Per Appendix D of the SMC certification guidance doc, CMS may require **POAM** after CMS review)*	✓	✓	
11	**Disaster Recovery Plan/Business Continuity Plan with Test Results** *(preferred at ORR and required at CR)* *For some States, such as CA, it is a required artifact and, if not presented, will be added as a finding by the CMS/MITRE at the ORR session.*	✓	✓	
12	**508 and ADA Compliance Results** *(preferred at ORR and required at CR)*		✓	
13	**Operational Reports (Metrics Reporting)**		✓	
14	**System Acceptance Letter** *(Entrance criteria for the CR)*		✓	
15	**Official Certification Request Letter** *(Entrance criteria for the CR)*		✓	

Unlocking SMC Success:
The Power of Collaboration, Coordination, and Communication Across Vendor and State Teams



Financing Results for INSPIRE

- We have financed 69% of overall costs through administrative claiming.
- Most of the reimbursements are reinvested into INSPIRE
- Better positioned to refine, add, tweak
- Next: Analytics, Reporting, and Using the Data- foray into wisdom

		Project Contract Cost Totals								
Contract Year	Project Year	Governor's Approved Budget	RSM (System Integrator)	Licenses and Security	PCG (IV & V)	Document Management	Impresys Software Corporation (Interactive Training Videos and Desk Procedures)	Report Writing	Revised Total	Projected Medicaid Reimbursement (90%DD&I, 75% M&O) MER=92.3%
Original	5/30/2017-5/30/2018	$2,545,772	$2,271064	$25,364	$249,344	$0	$0	$0	$2,545,772	
Mod 1	5/30/2018-5/30/2019	$3,104,396	$2,686,373	$168,681	$249,342	$0	$0	$0	$3,104,396	
Mod 2	5/30/2019-5/30/2020	$3,980,132	$3,634,463	$283,333	$62,336	$0	$0	$0	$3,980,132	$3,306,296
Mod 3	5/30/2020-5/30/2021	$1,550,978	$762,000	$610,000	$178,978	$0	$0	$0	$1,550,978	$1288,397
Mod 4	5/30/2021-5/30/2022	$3,519,102	$2,700,000	$630,000	$139,202	$0	$0	$49,900	$3,519,102	$2,923,318
Mod 5	5/30/2021-5/30/2022	$1143,691	$984,603	$0	$159,088	$0	$0	$0	$1143,691	$950,064
Mod 6	5/30/2021-5/30/2022	$856,544	$464,000	$313,000	$79,544	$0	$0	$0	$856,544	$711531
Mod 7	5/30/2022-5/30/2023	$3,635,316	$2,106,000	$1410,000	$119,316	$0	$0	$0	$3,635,316	$3,019,857
Mod 8	5/30/2022-5/30/2023	$2,686,816	$2,353,000	$214,500	$119,316	$0	$0	$0	$2,686,816	$2,231938
Mod 9	5/30/2022-5/30/2023	$164,772	$125,000	$0	$39,772	$0	$0	$0	$164,772	$136,876
Mod 10/Closeout	5/30/2022-5/30/2023	$0	-$685,000	$0	-$39,772	$0	$0	$0	-$724,772	-$602,068
Initial Contract	5/30/2023-5/30/2024	$4,288,625	$2,709,000	$1996,668	$307,729	$0	$0	$0	$5,013,397	$4,164,629
Mod 1	5/30/2024-5/30/2025	$0	$2,793,000	$1020,432.58	$692,729	$0	$99,950	$0	$4,606,112	$3,826,297
Mod 2	5/30/2025-5/30/2026	$0	$2,000,000	$1020,432.58	$307,729	$400,000	$0	$0	$3,728,162	$2,580,829
	Total	$27,476,144	$24,903,503	$7,692,411.16	$2,664,653	$0	$0	$49,900	$35,810,417	$24,537,955

Acronyms

SMC	Streamlined Modular Certification
ORR	Operational Readiness Review
CR	Certification Review
MR	Milestone Review
MVP	Minimal Viable Product
O&M	Outcomes and Metrics
CMS	Center for Medicaid Services
SMDL	State Medicaid Director Letter
APD	Advance Planning Document
FFP	Federal Financial Participation
DD&I	Design Development and Implementation
M&O	Maintenance and Operations
MES	Medicaid Enterprise System
RASCI-VS	Responsible Accountable Support Consult Informed-Verified signatory
ORW	Operational Report Workbook

Thank you

Mary Brogan

mary.brogan@doh.hawaii.gov

https://health.hawaii.gov/ddd/