

## A modular approach for Medicaid and Health and Human Services



The Medicaid enterprise of the near future is envisioned to consist of modular, commercial off-the-shelf (COTS) technology modules on a service-oriented architecture (SOA) to support the primary MITA business areas. This new environment will be fully supportive of MITA 3.0 and the Seven Conditions and Standards. This approach will provide states with more competitive options, make it easier to replace and enhance modules, and create a modern technology infrastructure while minimizing risk of implementation failure. Ultimately, this shift will help to transform Medicaid to deliver more effective and efficient services for healthier citizens and communities.

### **Prebuilt, preconfigured modules for a unified enterprise**

Optum® is fully supportive of this approach, and is eager to support CMS and states as they modernize their Medicaid programs. Our best-in-class commercial health plan capabilities can help states achieve better program performance and better value for their Medicaid and Health and Human Services programs. We can also help states reach full compliance with regulations and overarching CMS goals.

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### **Optum modules provide:**

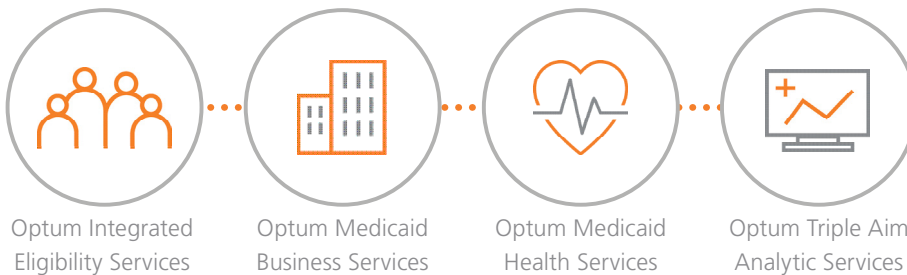
- Pre-built modules delivered through secure cloud technology
  - Alignment with MITA 3.0 and the Seven Conditions and Standards
  - Evergreen technology that stays current with industry changes
  - 12- to 18-month implementation timeframe, in most cases
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To meet the CMS module requirements, Optum recommends four core modules for Medicaid and Health and Human Services. Based on our 30 years of state program experience plus 40 years of commercial health plan experience, our modules:

- Bring together best-in-class and proven commercial capabilities — delivered as services — through a prebuilt, cloud infrastructure. This allows states to plug in, configure and scale based on need at any given time.
- Eliminate the risk of big monolith systems and the need for system updates. Our solution is prebuilt so implementation will take 12–18 months in most cases.
- Employ evergreen technology so that your state will never miss an upgrade or industry change, because we maintain it to meet the latest advancements and industry regulations.
- Are fully pre-configured to allow states to meet their outcomes and business goals faster and with more reliability.
- Are fully aligned with CMS regulations, MITA 3.0 and the Seven Conditions and Standards.

In short, our approach uses technology as a business enabler and gets IT out of the critical path while providing cost predictability and improved outcomes for Medicaid program spend.

### Optum modules provide flexibility for the Medicaid enterprise



1. **Optum Integrated Eligibility Services** provides clients with single-application eligibility determination for all programs, allowing state clients to apply for all programs with a single application. Eligibility is then determined by our powerful rules engine streamlining the whole workflow.
  - **Additional components:** Provider management, contact center services, document and mail room services, data management and financial management services
2. **Optum Medicaid Business Services** provides the core administrative services for state Medicaid programs. Key capabilities include claims processing for all claim types, call center services, provider management and payment, member management and program integrity activities, such as pre-pay review and claims editing.
  - **Additional components:** Pharmacy benefit management, provider enrollment and third-party liability (TPL) services
3. **Optum Medicaid Health Services** provides comprehensive health management to the most complex populations through proven utilization management, care coordination and population health management of complex and co-occurring conditions.

4. **Optum Triple Aim Analytic Services** provides a cohesive, data-driven environment for the Medicaid and Health and Human Services enterprises. Features include visualization and predictive dashboards, ad hoc analytics tools and comprehensive master data management, as well as the expert consulting services to help build your state's analytics capabilities in house.

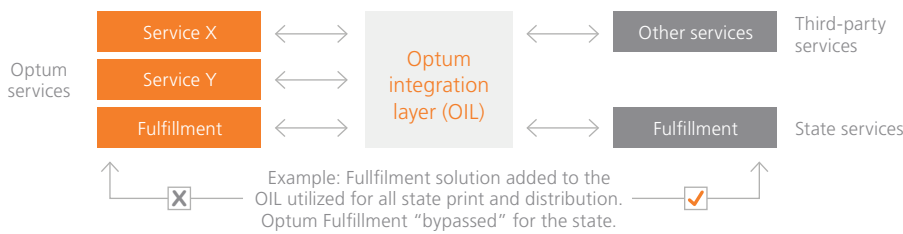
- **Additional components:** Enterprise data warehousing and program integrity services

### Platform for innovation: Optum Triple Aim Analytic Services puts data at the center

Analytic insights are the critical component behind all program and performance improvements. The Optum approach puts analytics at the center on an enterprise scale. Our approach enables a person-centric view of all programs, helps to guide broad-based care management programs for all populations, provides the analytical foundation for payment reform and is the single source of data for program integrity and other vital operational functions.

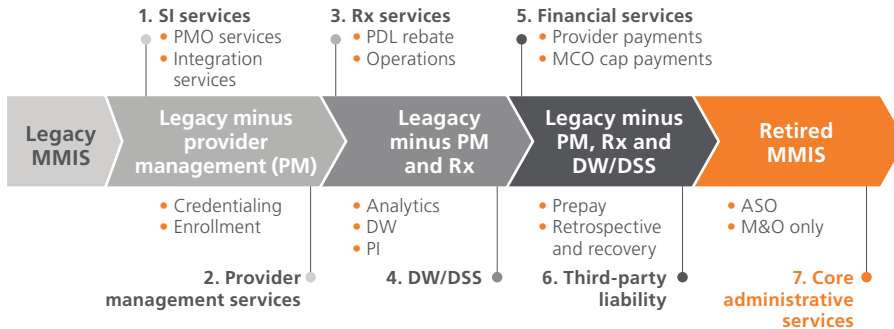
### Versatility and reuse: The Optum integration approach

A key feature of our approach is our Optum integration layer (OIL), the integration vehicle through which all communication flows. The OIL provides secure data exchanges with each module and its components as well as between Optum modular components. Whether a state has one or more Optum modules, our OIL allows states to easily interface and follows CMS direction that modules be loosely coupled and interchangeable, while integrating with state or third-party assets. This approach also allows us to adapt our recommended modules to state requirements should they vary from our prebuilt modules. This provides the highest level of solution flexibility without requiring substantial custom development.



## Modular path forward: An example of a “horizontal” transition from a legacy MMIS

Transitioning from a legacy MMIS to a new modular system is a daunting task, but one that can be accomplished. States are trying different approaches. Below is an example of how a legacy MMIS can be disaggregated while simultaneously implementing new modules that support your state’s future Medicaid Enterprise Systems (MES) model. Think of this as a “horizontal slicing” of the MMIS requirements into modules.



The implementation order can vary depending on your state’s organization. Here, we suggest starting by identifying your system integrator in order to establish your MES framework. Once determined, you can more easily plug in the modules.

We suggest implementing provider management next, because clean provider data is critical for your “to-be” MES. Pharmacy is an easy stand-alone that can be implemented quickly and folded into the MMIS. The enterprise data warehouse module should follow, because quality data is critical and can be used to monitor the implementation of other modules and to analyze program operations. The financial services module, including provider payments, MCO capitated payments and accounts receivable/payable, could be moved to state finance and accounting so that the MMIS is stripped down to its core function: processing claims. Next, implement the third-party liability module since it is typically contracted separately and could be added at any point. Then implement the claims processing module and retire the old MMIS with less disruption to the overall function of the Medicaid program.

## Another way: “Vertical” implementation of modules

The “horizontal” implementation model is being used in many states. However, there will be multiple projects and vendors that will have to cooperate and interoperate for a successful outcome. Some states may prefer a different option.

What we’ve seen less, but recommend states consider, is to “vertically” implement their MMIS by eligibility or service category, geography, or even claim type. In this approach, all MMIS requirements are delivered for each vertical slice and then each vertical slice is integrated for core data needs. CMS documented their willingness to certify this approach under “Administrative Services Only (ASO)” procedures through guidance issued in 2016, which provides states with another model that should be examined to see if it could deliver better outcomes at better value for citizens.

Our services-based modules are designed to provide states with an enterprise-wide platform for innovation — one that will help states achieve business goals faster while providing cost predictability.

### About Optum

Optum is a health services and innovation company with more than 110,000 employees worldwide. Optum delivers intelligent, integrated solutions that help modernize the health system and improve overall population health. Optum supports Medicaid agencies in 47 states plus the District of Columbia. Our solutions touch one in four Medicaid recipients nationwide. Visit [optum.com](http://optum.com) for more information.

To see how your state can improve your program performance through a modular services-based approach, contact **1-800-765-6073** or [innovate@optum.com](mailto:innovate@optum.com).



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