

The MMIS game-changer: Collaborative contracting

Modernizing Medicaid systems

As states move toward modernizing their aging Medicaid Enterprise Systems (MES), collaboration between states and vendors will be more important than ever. Enter NASPO ValuePoint.

The National Association of State Procurement Officials (NASPO) is an organization that may be new to many working on Medicaid contracting; however, it's anything but new to others in the government procurement world.

NASPO ValuePoint has been fostering cooperative purchasing since 1992. According to NASPO's 2018 Survey of State Procurement Practices, 100% of responding jurisdictions (48 states and the District of Columbia) purchased through NASPO ValuePoint contracts. That's a 28% increase from 2015.

NASPO is helping to streamline the procurement of Medicaid Management Information System (MMIS) modules by harnessing resources from multiple states to create cooperative agreements within their ValuePoint program. This first module to be available through ValuePoint is the Provider Services module.

NASPO ValuePoint offers states:

- Significantly reduced procurement timeline
- Set pricing based on established criteria
- Core functionality that has already been vetted by other states and the Centers for Medicare and Medicaid Services (CMS)

The cooperative agreement was a partnership between NASPO, the lead state Montana and a sourcing team to develop a comprehensive contract that addresses the core business needs of managing providers for most Medicaid agencies. It also includes options for states that need additional services. The solution is pre-vetted by CMS so it's federal compliant and provides configurable options to address states' plural possessive unique needs. Most important, it minimizes future surprises.

As a result, states and vendors build plans together in an active, well-defined, two-way dialogue that saves time and energy. The expressed intent is to reduce change orders and implementation timelines.

NASPO is currently planning to introduce ValuePoint cooperative agreements for other MMIS modules as well. And they are looking for interested states to lead those efforts.

NASPO ValuePoint is the cooperative purchasing arm of NASPO, a nonprofit organization formed in 1947.

ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of the state and local departments and entities.

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A group effort

ValuePoint is a cooperative purchasing program. Here's an overview of how it works:

- A state raises a procurement need to ValuePoint, which surveys other states for interest and designates a project lead state.
- ValuePoint assembles sourcing teams of procurement specialists and subject matter experts from the lead state and any other interested states.
- The sourcing teams develop a Lead State RFP, evaluate proposals and recommend master agreement awards to a management board. In the case of MMIS modules, CMS reviews and approves the master agreement since they're a significant funder of Medicaid technology for states.
- Once a master agreement is awarded, it's available to all states. Individual states can create contract addendums to meet their specific needs. But NAPSO and CMS intended for the core of the agreement's terms and conditions, scope of services and pricing to remain the same for all participating states.

The great equalizer (state procurement office size)

In 2019, software-maker Deltek asked state and local government procurement professionals to name their biggest challenges. Not surprisingly, money and bureaucracy topped the list. Coming in a close third: workload or staffing limitations.

When it comes to procurement team size, not all states are created equal. A 2018 NASPO survey found larger states, like California, had more than 200 staff on their procurement teams. States with smaller budgets had far fewer — Wyoming reported just five procurement staffers.

And those procurement staffers are working harder than ever. While 35% of states reported increased procurement staff over the past two years, a full 83% said central procurement office responsibilities had increased.

Cooperative purchasing helps streamline the process by reducing complexity and the timeline since most of the work is already done. States walk into the process with a head start, working directly with vendors to negotiate the details of the predefined contract and costs.

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– Andrew Cone,
Senior Vice President
State Government Solutions

Cooperative contracting is collaborative

The procurement process for the Provider Services module is a dramatic departure from what many handling Medicaid procurements are accustomed to.

“Traditional state procurement is an arduous process, particularly when enterprise-wide technologies are involved,” says Andrew Cone, senior vice president of State Government Solutions at Optum. “It also requires state personnel to be prognosticators, understanding all that needs to be done, sometimes for 10 years into the future.”

That, says Cone, is a big ask, even for the largest of state procurement teams.

“It requires states to assume huge risks and focuses vendors on winning the contract, not on meeting expectations or correcting faulty assumptions. Meanwhile, neither side has an eye on the future.”

With NASPO, the core components of the contract — what CMS requires and what other states have agreed to — are already there. That’s the baseline. In the case of the Provider Management ValuePoint contract, a CMS pre-approved level of customization is built into the existing contract as contract options.

“As a result, states and vendors build plans together in an active, well-defined, two-way dialogue,” adds Cone. “That saves time and energy.”

The result: a reduced risk of costly changes and a significantly reduced timeline.

Andrew Cone

Senior Vice President,
State Government Solutions, Optum

Andrew has over 30 years of innovative and creative leadership experience in the health care industry, with exceptional results. His highly diverse experience includes health care information technology and service solutions and analytics for payers, providers and governmental agencies.

For more information on Optum and how we can partner using the NASPO ValuePoint cooperative agreement, contact us at **1-800-785-6092** or **innovate@optum.com**.



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