

Testimony on:
Data Analytic Interface

Medicaid Management Information System (MMIS) National
Provider Identifier Enhancement

presented to:
Joint Committee on Information Technology

by:
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Joint Committee on Information Technology
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Data Analytic Interface Project Update

Mr. Chairman and members of the committee, my name is Andy Allison and I am the Medicaid Director and Deputy Director of the Kansas Health Policy Authority. I am here today to provide an update on the Data Analytic Interface and the Medicaid Management Information System (MMIS) National Provider Identifier Enhancement.

Background:

The statute authorizing KHPA requires us to coordinate a data-driven health policy agenda, which we believe, first and foremost, means making the best use of the data available to us right now, and over the longer run, reviewing whether that data is sufficient to address the most important policy issues and consumer needs facing Kansas' health system. The legislature has made it clear to us through that language, and with their consistent emphasis in public and private settings, that this mission is a core function of the KHPA, and that expectations are high in this regard.

Since July 2006, KHPA has operated the Medicaid program, the State Children's Health Insurance Program, the State Employee Health Plan, the State Employee Worker's Compensation Program, and the Kansas Health Insurance Information System (KHIIS). In addition, the original language establishing the KHPA transferred to it the responsibilities of the Health Care Data Governing Board (HCDGB), and the data managed on behalf of that Board. Through the operation of these programs, the KHPA regularly receives comprehensive health care information on behalf of approximately one million Kansans.

The breadth and depth of the information contained in these datasets presents an unprecedented opportunity to document, describe, analyze, and diagnose the state of health care in Kansas. Meeting the grand objective to coordinate purchasing through data-driven policy will require a sophisticated and comprehensive approach to data management and analysis.

One of the first initiatives the new KHPA undertook when its Board began meeting officially in December 2005 was a comprehensive review of agency structure, staffing, and resources required to meet this new vision for health data's central role in policymaking. This review led to a reorganization of the agency to consolidate data functions and meet the larger purposes of the KHPA, and the creation of new positions in the area of data management. Foremost among these new positions is a senior director of data policy and management who sits alongside the Medicaid and state employee health directors in the organization and reports to the deputy director of the agency. Dr. Hareesh Mavoori joined us on August 20, 2007 to serve in this capacity.

The second stage of KHPA's review led the Board to charter a new public advisory group to help guide the agency in the management of health data to ensure continued public support and investment in the use of this data to advance health policy. In April 2006, the KHPA Board chartered the data consortium with the responsibility to disseminate this data, in partnership with stakeholders, in order to ask and answer important health policy questions pertaining to affordability, quality of health care, and health status of Kansans. With the addition of sufficient staff and the arrival of Dr. Mavoori to lead in this effort, we are now making plans to convene this group and begin the work at hand.

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The third phase of reform in the management and use of the KHPA's huge stock of health data was a review of the agency's data infrastructure to ensure the greatest possible use, dissemination and enhancement of the data. This review drew on the experience of our own staff, private experts, private vendors of data management systems, and our own Board. With this input, we came to the conclusion that in order to succeed in KHPA's core purpose of coordinating and improving health policy would require a dramatic increase in access to the information contained in the data the agency manages by users with widely varying technical proficiency. Attaining this new level of access would require a state of the art data management and interface design. Our statutory responsibilities for maintaining and making these data available, as well as our health policy and program management responsibilities, led us to propose to our Board the purchase of data management services and software that will allow us to access all this data easily for analysis. It also must permit us to share these data with appropriate partners.

These objectives were embodied in a proposal that was considered and approved by the KHPA Board in a series of meetings beginning in March 2006 and culminating with the approval of a budget proposal for a data analysis program in August 2006. The Board's proposal included funds to procure a new data analytic interface (DAI) - - think of this as a user-friendly data warehouse -- to facilitate access for a wide range of users inside and outside the KHPA.

The DAI tool is to provide the following benefits:

- Help staff respond more rapidly and capably to ever-changing questions posed by a wide range of stakeholders from CMS to the Legislature to university researchers;
- Enable staff at different levels of skill to access data at various levels of complexity by drilling down and up within the data and to share their reports with one another in meaningful ways;
- Provide a means to validate data from claims payment and encounter data systems by comparison to data from other sources;
- Make data from all the databases KHPA is responsible for managing more easily available to partner State agencies and other health care and health policy researchers; and
- Include value-added tools such as disease episode groupers or built in calculations for quality measures.

At their August 2006 meeting, the KHPA Board approved this project for inclusion in our FY 2008 Budget Enhancement requests. The Legislature provided full funding for the project in its FY 2008 appropriation. An internal team developed an RFP, and a project manager was assigned to ensure completion of all Kansas Information Technology Office requirements.

To develop the RFP, the internal team completed the following activities:

- Developed a concept proposal that the KHPA Board approved at their August 15, 2006 meeting.
- Surveyed other states about their data warehouses combining Medicaid and other health care data;
- Visited Iowa Medicaid Enterprise to learn more about their data warehouse;
- Invited vendors to demonstrate their products and capabilities; four companies responded – Medstat, EDS, Ingenix, and Bull Services;
- Collected similar RFP's from other states, paying particular attention to states that combined data from multiple sources;
- Visited Nebraska Medicaid to learn how their interface works for them

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Project Update:

KHPA received approval for the DAI High Level Project Plan from the Chief Information Technology Officer (CITO) on October 12, 2006.

An Advanced Planning Document (APD) was submitted to the Centers for Medicare and Medicaid Services (CMS) on December 26, 2006.

CMS denied the request for funding on February 2, 2007, asking for clarifications and listing issues to be addressed in a subsequent APD.

KHPA addressed all the CMS issues in a second APD that was submitted May 11, 2007. To validate our position that a DAI was needed KHPA issued a Request for Information (RFI). The purpose was to document the advances that have occurred in technology and software since KHPA purchased its MMIS system five years ago.

On July 3, 2007 KHPA received notice that the second APD had been approved. This approval will allow enhanced 90% federal financial participation (FFP) on 84% (the percentage applicable to Medicaid) of the cost of the system implementation and 75% FFP for 84% of ongoing operations costs. With this endorsement from CMS, KHPA moved the RFP forward to Division of Purchasing.

The RFP was issued on July 25, 2007. The RFP, according to CMS guidelines, gives potential vendors until October 25 to submit their bids.

CMS requires that it approve the RFP Evaluation Criteria, which will be the guide KHPA uses to evaluate all of the bids. These criteria have been developed and were submitted to CMS for approval on September 7, 2007.

KHPA received a number of questions from potential vendors concerning the RFP. Those questions have been addressed and the answers posted on the Department of Purchasing website on September 11, 2007. KHPA indicated that if needed it would respond to a second round of questions.

Bids will close on October 25, 2007.

The anticipated award date for the DAI is January 2008.

The anticipated completion time is one year.

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Medicaid Management Information System (MMIS) National Provider Identifier Enhancement

I am here to also provide an update on the Medicaid Management Information System (MMIS) National Provider Identifier Enhancement.

Background:

Part of the national Health Insurance Portability and Accountability Act (HIPAA) of 1996 was the enactment of a National Provider Identifier (NPI). The final rule for the NPI portion of HIPAA was published January 23, 2004.

The NPI is intended to uniquely identify a health care provider in standard transactions, such as health care claims. NPIs may also be used to identify health care providers on prescriptions, in internal files to link proprietary provider identification numbers and other information, in coordination of benefits between health plans, in patient medical record systems, in program integrity files, and in other ways.

HIPAA requires that covered entities (i.e., health plans, health care clearinghouses, and those health care providers who transmit any health information in electronic form in connection with a transaction for which the Secretary of Health and Human Services has adopted a standard) use NPIs in standard transactions by the compliance dates. The compliance date for all covered entities except small health plans was intended to be May 23, 2007 but as that date neared and many providers were not ready, CMS allowed for the implementation of contingency plans to allow compliance by no later than May 23, 2008. As of the compliance date, the NPI will be the only health care provider identifier that can be used for identification purposes in standard transactions by covered entities.

This project modified the MMIS claims payment system to allow Kansas Medicaid to use the NPI. The MMIS will then correctly identify providers and process their payments accordingly. The project was implemented in two phases, Phase 1 being design (completed in August, 2006) and Phase 2 being implementation.

Project Update:

The bulk of the Phase 2 changes went into production on May 23, 2007. Kansas Medicaid implemented a contingency plan to allow those providers who were not yet compliant with federal NPI requirements to continue to submit claims using the Medicaid ID number. We created some special messages to providers to let them know how their claim would have been processed if they had been required to use NPI. We expect this will help providers learn what they need to do in order to become NPI ready at the time Kansas begins to accept only NPI.

We have not yet determined when that required compliance will be. It could be as late as May 23, 2008. We are hoping it can be sooner. As a measure of provider readiness, we will monitor the number of claims submitted with an NPI to see if the percentage continues to rise. Currently, we are seeing 69% of claims come in with an NPI.

As of June 30, we had record of 19,575 NPIs associated to 15,419 Medicaid “legacy” ID numbers. This puts us at knowing NPIs for 94.8% of our “required” NPI providers. Since we are allowing providers to continue to bill with a “legacy” or Kansas Medicaid ID until the contingency period ends, not all of the providers who will

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eventually be **required** to bill with an NPI are doing so. A **required** provider is one that we believe is supposed to be using an NPI. Some providers of non-health care services like home and community based services are not required to have an NPI. Still, we have received NPIs from some of those entities and will accept claims billed by them with an NPI. Those types of providers are not included in the calculated “required” 94.8%.

We expect that we need 755 more NPIs to be at 100%. We are no longer tracking this statistic as the remaining needed NPIs are for very infrequent billers, such as out-of-state providers who file one or two claims a year. We are satisfied that we have the NPIs we need.

On September 4, 2007 CMS made available via the internet a database of NPIs from the enumerator or NPPES (National Plan and Provider Enumeration System). This will help providers and plans who are seeking NPIs to build their crosswalks to “legacy” ID numbers or to submit claims when the NPI of another provider is needed. The database can be used on a one by one query basis or to download an entire file of NPI data. Kansas has opted not to use the downloadable process as yet since we are satisfied with the NPIs we’ve been given by our providers. We may use the single query process in order to verify NPIs submitted to us by newly applying providers.

We did develop our own secure web-site for Kansas providers to use to search for the NPI of another provider if needed to submit a claim. Examples of this type of use would be pharmacists who need the NPI of a prescriber. We also made downloadable files of prescriber IDs available to large pharmacy chains to use in their software for Kansas Medicaid billing pharmacies.

As of our last quarterly report to KITO, covering the quarter of April through June, 2007, we had spent \$3,805,662 of our estimated \$5,966,188 budget for Phase 2. Some project tasks not related to claims payment will not be completed until November, 2007. These are in the area of federal financial reporting and fraud and abuse tracking reports. We are pleased with the progress on these remaining few tasks and are confident we will complete the project by then.

Thank you for the opportunity to provide this update. I am available to answer any questions you may have.

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