

**Exhibit 300 (BY2008)**

<b>PART ONE</b>	
<b>OVERVIEW</b>	
<b>1. Date of Submission:</b>	2007-02-05
<b>2. Agency:</b>	009
<b>3. Bureau:</b>	38
<b>4. Investment Name:</b>	CMS Interoperability & Standardization - Claims
<b>5. UPI:</b>	009-38-01-09-01-1100-00
<b>6. What kind of investment will this be in FY2008?</b>	
Mixed Life Cycle	
<b>7. What was the first budget year this investment was submitted to OMB?</b>	
FY2001 or earlier	
<b>8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.</b>	
<p>Historically, information technology standardization has been about ensuring uniformity and consistency. However, new IT projects must ensure more; they must ensure interoperability, i.e., the ability of two or more systems to interact with one another and exchange data according to a prescribed method in order to achieve predictable results. This portfolio evolved from prior year's HIPAA investment portfolio and includes several CMS systems to process electronic health care transactions based upon goals to continue strategic standardization efforts and ensure CMS Medicare product interoperability. The systems included are: national standardized transactions. i.e., 837P &amp; 837I - claims; 835 - remittance notices to providers; 270/271 - eligibility inquiries; 276/277 - claims status inquiries; National Provider Identifier (NPI) Crosswalk that bridges the National Plan and Provider Enumeration System (NPPES) to the Medicare Provider Enrollment System (PECOS) through the Master Provider files and Standard Front End that consolidates 43 fiscal intermediary and carriers front ends to a standard front end for accepting Medicare claims The HIPAA claims transactions and NPI Crosswalk are steady state activities for FY08. The Standard Front End (SFE) project has now been added and for FY08 is this investment portfolio's flagship development project. No procurement activities have yet begun. SFE is envisioned to be a multiple staged initiative. Stage 1 is to obtain a consistent front-end for all electronic transactions processing to replace the 43 front ends now used by FIs and Carriers. The Stage 1 SFE will not be integrated with any commercial applications and/or processing environments. In parallel activities, a Stage 2 SFE will be defined, designed &amp; developed in accordance with an evolving OIS vision for standardization &amp; interoperability. CMS' Strategic Action Plan describes The Standard Front End (SFE) Project as a critical component of the modernization initiative to increase electronic claims processing. This system is targeted be fully implemented by 2009, and it will support Medicare Administrative Contractors (MACs) operations. Establishing a SFE can reduce the problems associated with the current Medicare claim submission process by implementing common specifications for the front-end claim editing and by standardizing and simplifying the process.</p>	
<b>9. Did the Agency's Executive/Investment Committee approve this request?</b>	
yes	
<b>9.a. If "yes," what was the date of this approval?</b>	
2006-06-23	
<b>10. Did the Project Manager review this Exhibit?</b>	
yes	
<b>12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</b>	
no	
<b>12.a. Will this investment include electronic assets (including computers)?</b>	
yes	
<b>12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)</b>	
no	
<b>13. Does this investment support one of the PMA initiatives?</b>	

yes	
<i>If yes, select the initiatives that apply:</i>	
Eliminating Improper Payments	
Expanded E-Government	
Financial Performance	
13.a. <i>Briefly describe how this asset directly supports the identified initiative(s)?</i>	
This investment will provide internet claim submittal capability, web-based claim entry, and Medicare FFS eligibility over the internet. The establishment of a standard front end (SFE) increases provider access & reduces burden on the providers. It will allow for consistent electronic transactions processing. The assignment of a unique identifier to all providers & health plans will reduce the incidence of improper payments.	
14. <i>Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?</i>	
no	
15. <i>Is this investment for information technology (See section 53 for definition)?</i>	
yes	
16. <i>What is the level of the IT Project (per CIO Council's PM Guidance)?</i>	
Level 3	
17. <i>What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)</i>	
(1) Project manager has been validated as qualified for this investment	
18. <i>Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?</i>	
no	
19. <i>Is this a financial management system?</i>	
no	
19.a. <i>If yes, does this investment address a FFMIA compliance area?</i>	
no	
19.a.1. <i>If yes, which compliance area:</i>	
Not Applicable	
19.a.2. <i>If no, what does it address?</i>	
Not Applicable	
19.b. <i>If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.</i>	
Not Applicable	
20. <i>What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)</i>	
<b>Hardware</b>	0
<b>Software</b>	0
<b>Services</b>	0
<b>Other</b>	100
21. <i>If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?</i>	
n/a	
22. <i>Contact information of individual responsible for privacy related questions.</i>	
<i>Name</i>	
Maribel Franey	
<i>Phone Number</i>	
410-786-0757	

*Title*  
 Director, Privacy Compliance

*Email*  
 maribel.franey@cms.hhs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?  
 yes

**SUMMARY OF SPEND**

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
<b>Planning Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Acquisition Budgetary Resources</b>	4.300	28.701	24.272	0.000
<b>Maintenance Budgetary Resources</b>	0.000	3.460	10.988	65.535
<b>Government FTE Cost</b>	0.800	0.820	0.850	0.900
<b># of FTEs</b>	2	2	2	2

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

**PERFORMANCE**

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2005	DHHS Strategic Goal #5.	Improving Electronic Claims Processing	Electronic media claims rates for	Maintain 97% electronic claim	97%

		Improve the quality of health care services		intermediaries	filing level for Part A providers	
2	2005	DHHS Strategic Goal #5. Improve the quality of health care services	Improving Electronic Claims Processing	Electronic media claims rates for Carriers	Increase to 80% electronic claim filing level for Part B providers	80%
3	2005	DHHS Strategic Goals #3. Increase the percentage of the Nation's children and adults who have access to health care services, and expand consumer choices	Procure Business Case Analysis contractor and receive completed BCA documentation	No BCA Contractor or Documentation exists	Complete BCA process	Achieved: March 2005
4	2006	DHHS Strategic Goal #5. Improve the quality of health care services	Improving Electronic Claims Processing	Electronic media claims rates for intermediaries	Maintain 97% electronic claim filing level for Part A providers	97%
5	2006	DHHS Strategic Goal #5. Improve the quality of health care services	Improving Electronic Claims Processing	Electronic media claims rates for Carriers	Increase to 85% electronic claim filing level for Part B providers	85%
6	2006	DHHS Strategic Goals #3. Increase the percentage of the Nation's children and adults who have access to health care services, and expand consumer choices	Procure "As-Is" Analysis contractor and receive completed assessment of current Medicare Fee for Service Contractors for Part A and Part B locations in single document	No "As-Is" Contractor or Documentation exists	Completed "As-Is" Analysis process	Achieved: Delivered November 2005
7	2006	DHHS Strategic Goals #3. Increase the percentage of the Nation's children and adults who have access to health care services, and expand consumer choices	Establish support for a real time Eligibility Inquiry to comply with national standardized EDI process for 270.	Comply with Federal HIPAA legislation regarding Eligibility Inquiry transaction (ASC X12 270)	16 million Eligibility Inquiry transactions processed per year	Processed 23 million Eligibility transactions as of Aug 2006
8	2007	DHHS Strategic Goal #5. Improve the quality of health care services	Improving Electronic Claims Processing	Electronic media claims rates for intermediaries	Maintain 98% electronic claim filing level for Part A providers	TBD
9	2007	DHHS Strategic Goal #5.	Improving Electronic Claims Processing	Electronic media claims rates for	Increase to 90% electronic claim	TBD

		Improve the quality of health care services		Carriers	filing level for Part B providers	
10	2007	DHHS Strategic Goals #3. Increase the percentage of the Nation's children and adults who have access to health care services, and expand consumer choices	Increase Pilot sites to standardize Medicare FFS Eligibility EDI processes.	Increase Pilot sites by 10% HIPAA 270 Inquiry Transaction	Increase the Eligibility Inquiry processing volume for the Pilot site to 3% of the national Medicare Part A and Part B EDI volume.	TBD

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2006	Mission and Business Results	Health Care Administration	Percent Part A providers filing electronic claim	98%	98%	TBD
2	2006	Customer Results	Access	Percent of data available to providers	95%	96%	TBD
3	2006	Processes and Activities	Errors	Percent reduction in Error rate per release	--	2%	TBD
4	2006	Technology	Accessibility	Percentage of Eligibility System Reliability & Availability	95%	95%	TBD
5	2007	Mission and Business Results	Health Care Administration	Percent Part A providers filing electronic claim	98%	98%	TBD
6	2007	Customer Results	Access	Percent of data available to providers	96%	98%	TBD
7	2007	Processes and Activities	Errors	Percent reduction in Error rate per release	--	2%	TBD
8	2007	Technology	Accessibility	Percentage of Eligibility System Reliability & Availability	95%	95%	TBD

**EA**

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the

agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

1.a. If no, please explain why?

Not Applicable

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

The investments included in this portfolio were previously included in CMS Health Insurance Portability and Accountability Act (HIPAA) and CMS MMA Title I and II Applications. They were split and rejoined in a more functional grouping. Standard Front End (SFE), National Provider Identifier (NPI)

2.b. If no, please explain why?

Not Applicable.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

*Component:* Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

*Reused Name and UPI:* A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

*Internal or External Reuse?:* Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

*Funding Percentage:* Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Data Exchange	The exchange of data is necessary to process claims.	Data Management	Data Exchange			No Reuse	50
2	Information Retrieval	Processing claims involves the retrieval of information.	Knowledge Management	Information Retrieval			No Reuse	25
3	Information Sharing	The sharing of information through the processing of claims for the coordination of benefits.	Knowledge Management	Information Sharing			No Reuse	25

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

*FEA SRM Component:* Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

*Service Specification:* In the Service Specification field, Agencies should provide information on the specified technical standard or vendor

product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Component Framework	Data Interchange	Data Exchange	Connect:Direct (NDM), FTP File Transfer Protocol
2	Data Exchange	Component Framework	Data Management	Database Connectivity	MDCN
3	Information Retrieval	Component Framework	Data Interchange	Data Exchange	Connect:Direct (NDM), FTP File Transfer Protocol
4	Information Retrieval	Component Framework	Data Management	Database Connectivity	MDCN
5	Information Sharing	Component Framework	Data Interchange	Data Exchange	Connect:Direct (NDM), FTP File Transfer Protocol
6	Information Sharing	Component Framework	Data Management	Database Connectivity	MDCN

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

Not Applicable.

6. Does this investment provide the public with access to a government automated information system?

no

6.a.1. If yes, provide the specific product name(s) and version number(s) of the required software and the date when the public will be able to access this investment by any software (i.e. to ensure equitable and timely access of government information and services).

Not Applicable.

## PART TWO

### RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2005-05-01

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

The identifiable assessment risks associated with these projects were applied using the probability of occurrence, rating of the impact and a mitigation strategy for each phase of the project from cradle to grave. The risk adjustment is a percentage of the cost based on the probability of occurrence and potential impact. This adjustment may vary among years and across life cycle phases. Analysis of alternatives includes the risk adjusted costs. When schedule or cost risks are high, the risk is mitigated by frequent meetings to assess progress. The investment schedule has been adjusted to reflect the impact of risks that have occurred or may occur. Costs have also be adjusted to account for inflation. Upon award of a development contractor, CMS shall ensure that all mitigation strategies associated with Risk Management will be incorporated into contract language between the agency and development contractor.

**COST & SCHEDULE**

*Does the earned value management system meet the criteria in ANSI/EIA Standard 748?*

no

*2.a. What is the Planned Value (PV)?*

17.071

*2.b. What is the Earned Value (EV)?*

17.470

*2.c. What is the actual cost of work performed (AC)?*

17.470

*What costs are included in the reported Cost/Schedule Performance information?*

Contractor Only

*2.e. As of date:*

2006-12-10

*3. What is the calculated Schedule Performance Index (SPI= EV/PV)?*

1.02

*4. What is the schedule variance (SV = EV-PV)?*

0.399

*5. What is the calculated Cost Performance Index (CPI = EV/AC)?*

1

*6. What is the cost variance (CV = EV-AC)?*

0.000

*7. Is the CV or SV greater than 10%?*

no

*7.d. What is most current Estimate at Completion?*

28.270

*8. Have any significant changes been made to the baseline during the past fiscal year?*

no