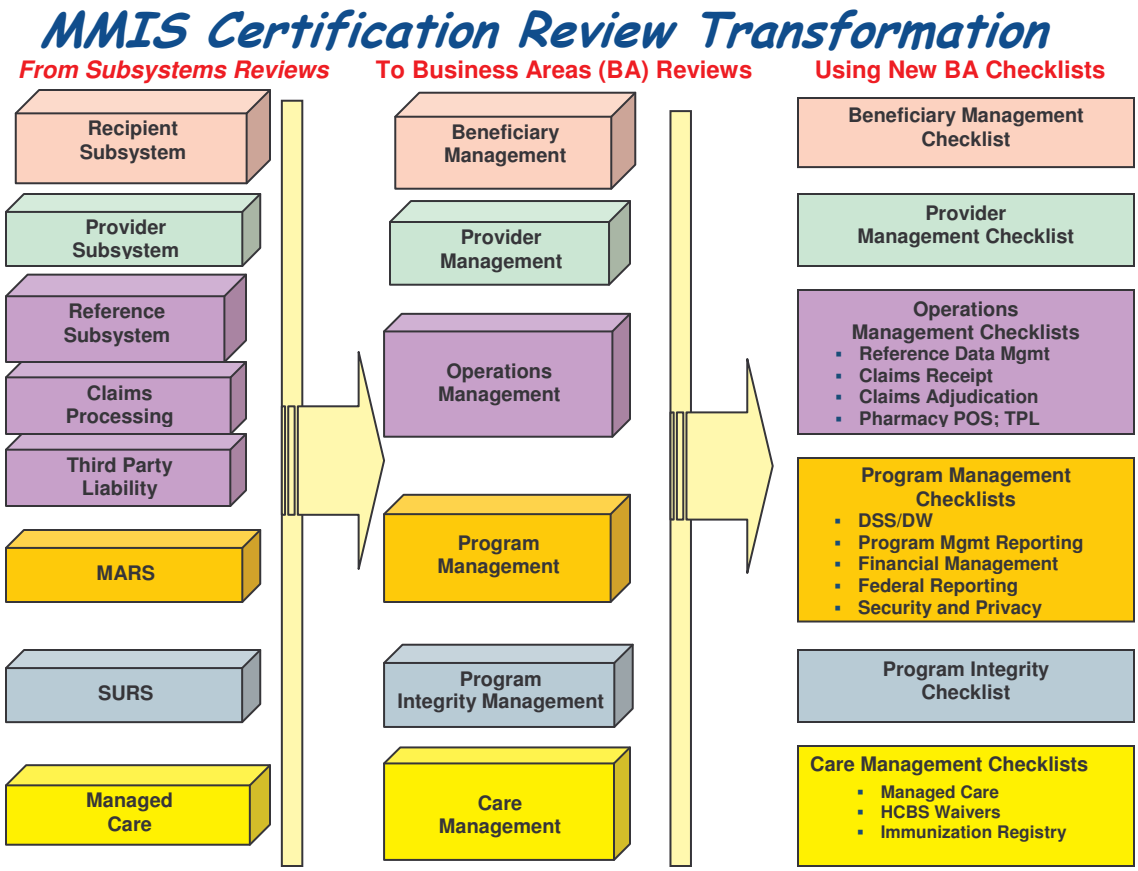
CHAPTER 1: MEDICAID ENTERPRISE CERTIFICATION TOOLKIT OVERVIEW



Chapter 1: Medicaid Enterprise Certification Toolkit Overview

Background

The Medicaid Enterprise Certification Toolkit (here after referred to as the Toolkit) was developed by the Centers for Medicare & Medicaid Services (CMS) Center for Medicaid and State Operations (CMSO) to respond to the many changes that have transformed the Medicaid Management Information System (MMIS) over the past 30 years. CMS is utilizing the Toolkit to provide a revised approach to Medicaid enterprise certifications and to assist States as they work to modernize and improve today's MMIS.

The purpose of the Toolkit is to provide a more consistent and more detailed process to certify an MMIS and to help States prepare for the Federally required certification review of a State's MMIS. Use of the Toolkit will help ensure that the new MMIS meets all Federal requirements and that it satisfies the objectives described in the State's Advance Planning Document (APD). The new focus of the new Toolkit is no longer based on functions of components of the MMIS, but on Medicaid business areas.

While the MMIS certification process formerly focused almost exclusively on the onsite visit itself, which occurs at the end of a multi-year project, the Toolkit is designed to assist States at every stage of the development process, beginning with the process of setting goals and objectives for the new MMIS.

CMS staff will use the material contained in this document as a standard for review that supersedes all of the previous Certification Protocol documents. State personnel and their consultants and contractors working on systems that are subject to CMS' review, approval, and/or certification should also use the Toolkit.

In developing this Toolkit, CMS requested, received, and evaluated comments from both Central Office (CO) and Regional Office (RO) staff. These comments have been incorporated into the Toolkit. However, the true test of this manual is in how well it supports the States during the systems development and operational life cycles. CMS expects to revise this document periodically based on the results of its use by both CMS and the States.

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Introduction

Federal MMIS certification is the procedure by which CMS validates that State Medicaid systems are designed to support the efficient and effective management of the program and satisfy the requirements set forth in Part 11 of the State Medicaid Manual (SMM) , as well as subsequent laws, regulations, directives, and State Medicaid Director (SMD) letters. The certification process also validates that the systems are operating as described in the prior approval documents, i.e., Advance Planning Documents (APDs), Requests for Proposal (RFPs), and all associated contracts submitted to CMS for the purpose of receiving Federal financial participation (FFP).

The CMS authority for requiring Federal certification is based, in part, on language found at Public Law 92-603, and the Code of Federal Regulations (CFR) at 42 CFR 433 and 45 CFR 95.611(d). In the absence of Federal certification, Medicaid systems are not authorized to receive enhanced Federal matching funds for their operation.

While the MMIS onsite visit has historically been viewed as the final litmus test of a system's operational effectiveness, the development process leading up to Federal certification is critically important. This development process takes multiple years to complete. Information technology (IT) decisions made at the beginning of the procurement process set the stage for achieving mutually agreed upon goals and objectives expressed in the APDs, RFPs, and contracts. Consequently, CMS has designed this Toolkit to be used by State staff and their contractors at each step of the IT development process, beginning as early as the initial planning discussions that eventually lead to the development of an APD. See Chapter 2, the Medicaid Enterprise Certification Roadmap, and Chapter 3, Protocols, for details on the new approach to certification review.

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Why Revise our Approach?

The Toolkit responds to the need to update the current Federal certification protocol to reflect:

- Changes in the Medicaid program
- Technical advances in information system capabilities
- Federal guidelines from the Office of the National Coordinator (ONC).
- Federal Enterprise Architecture (FEA), and Federal Health Architecture (FHA)

While the current Federal MMIS certification requirements were based on the model of an MMIS as a closely-knit integrated system containing the original six defined subsystems, the MMIS of the 21st Century is very different from the original 30-year old model. In the current Medicaid environment, a core functionality manages the payment of claims (and capitation payments in States with managed care programs), while many other applications, often developed and/or operated under separate contracts, manage pharmacy, dental, and mental health benefits; operate multiple managed care programs; identify fraud and abuse; authorize service; manage treatment of diseases; and operate data warehouses. The new Toolkit addresses the reality of the MMIS in the 21st Century. Some of the changes include:

- Organized around business areas and not subsystems, as reflected in the MMIS Certification Review Transformation chart shown in Figure 1-1 (traditional subsystems can be mapped to business areas)
- Uses modern language to describe functionality (e.g., acknowledgment that management information may be displayed on screens requested by the user or in addition to printed reports)
- Addresses functionality now associated with many MMIS systems but not recognized 30 years ago (e.g., managed care, waiver programs, data warehouse, or immunization registries)

In the future, the Toolkit will be further enhanced to incorporate Medicaid Information Technology Architecture (MITA) requirements.

Beyond modernizing the certification review process, CMS seeks to revise its approach and its focus from a single focus on the new system after implementation to an on-going engagement between the State and CMS. (See Chapter 2, Medicaid Enterprise Certification Roadmap, for details on the new collaborative approach.)

> While the MMIS certification process has been updated to include CMS' revised approach and revised focus, the MMIS funding rules as described in the State Medicaid Manual have not changed.

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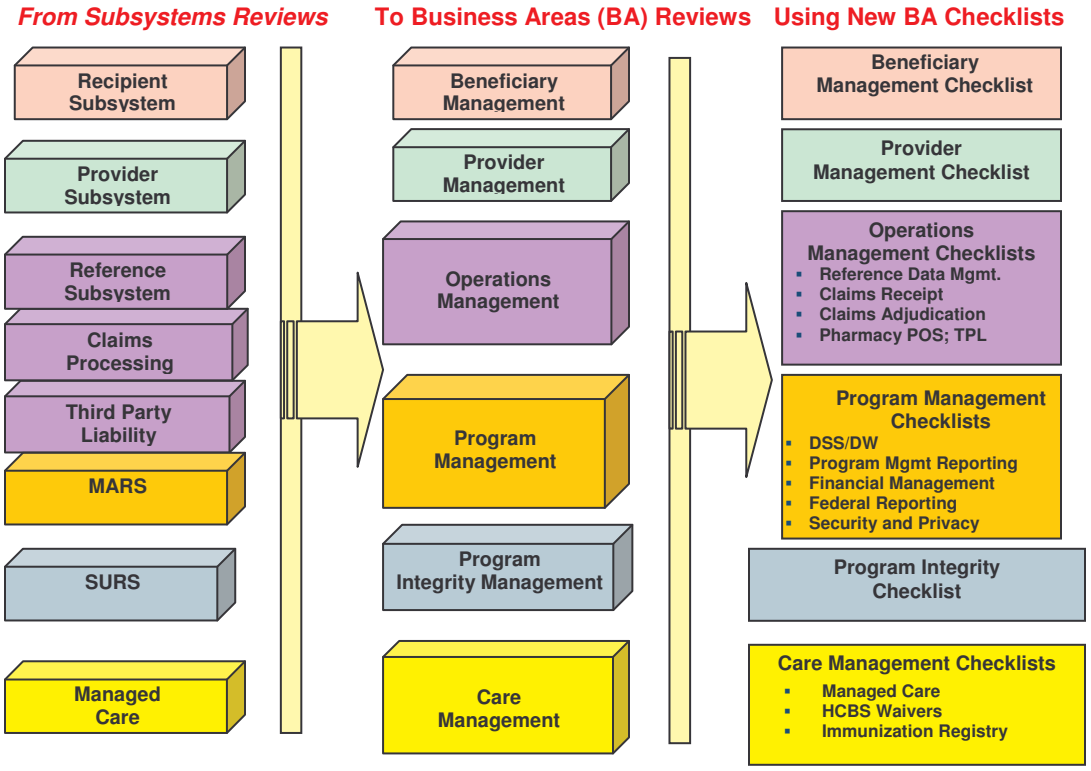

Figure 1-1 MMIS Certification Review Transformation

Purpose of the New Toolkit

The primary purposes of the Toolkit are:

1. Provide all States with a common set of tools that effectively crosswalk the traditional MMIS, with six or more subsystems, to an MMIS based on current and future business areas.
2. Present each business area with one or more checklists that contain:
   - Business objectives
   - System review criteria that support:
     - Primary business processes
     - Relevant HIPAA requirement review criteria

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- Demonstrable flexibility in adapting to program change
- State-specific objectives
- Industry Best Practices (IBP)

The system review criteria are based on the State Medicaid Manual (SMM), State-specific requirements contained in the APD and/or RFP, as well as industry best practices used in Medicaid systems.

3. Provide a consistent approach to link the States' goals and objectives, as described in their APDs, RFPs, and contracts, with the attributes of the system that is built and certified.
4. Assist the States and CMS in assessing the degree to which these objectives have been met by use of system review criteria.
5. Provide MMIS certification review criteria in the form of business area checklists to States and their contractors at project initiation, that:
   - Convey a common understanding of those attributes and requirements that CMS considers to be critical in any system for which Federal matching funds are sought
   - Eliminate State and industry uncertainty about the MMIS areas that CMS will review and the extent and topics of the review for each area
   - Ensure consistency in the MMIS certification reviews from one State to another and from one Region to another
6. Provide technical assistance in the areas covered in the Toolkit by focusing on common industry best practices for each Business Area (BA)

Organization of this Toolkit

The Toolkit contains a certification roadmap, protocols, checklists, and document templates.

- Chapter 2, *The Medicaid Enterprise Certification Roadmap,* describes six sequential milestones that, when implemented, are designed to lead to a successful certification of a new MMIS.
- Chapter 3, *Protocols,* contains three protocols that outline step-by-step procedures for States to follow when developing an APD, performing an internal certification readiness review, and preparing for the onsite visit for CMS certification. The protocols also provide step-by-step procedures for CMS to follow when reviewing State documents and certifying the completed MMIS. Suggested templates for the documents cited in the protocols are also included.
- Chapter 4, *Using the Checklists,* describes some fundamentals for using and modifying the checklists. It also contains a template that can be used to develop a new checklist if one is needed.

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- Chapter 5, *Business Area Checklists,* contains checklists of requirements mapped to each Medicaid business area. The checklists contain a set of business objectives for each subject area, such as Provider Enrollment, and a set of system review criteria for each business objective.

The following Table 1-1 illustrates the intended use of the Toolkit:

Table 1-1 Use of Toolkit throughout the Certification Roadmap (Discussed in Chapter 2)

Use of Toolkit throughout the Certification Roadmap			
Milestone	**Protocol**	**Checklists**	**Parties Involved**
1. State Goals and Objectives	State uses its own approach	Use of business areas from checklists	State, RO (contractors as determined by the State)
2. APD Development	APD Development and Review Protocol	All applicable checklists	State, RO
3. Release RFP; Sign Contract	State uses its own internal procedures	All applicable checklists	State, RO
4. a) Validate MMIS Functionality *and* b) Assessment of Readiness for Certification	State uses its own internal procedures	All applicable checklists	State (contractors)
	State Certification Readiness Assessment Protocol	All applicable checklists	State (contractors), RO
5. Pre-Cert Meetings/Call with CMS	Certification Review Protocol	Selected use of checklists	State (contractors), MMIS Certification review Team
6. MMIS Certification Visit	Certification Review Protocol	Selected checklists and checklist criteria	State (contractors), MMIS Certification review Team

New Checklist Format

Chapter 4 describes the development and formats of checklists and Chapter 5 contains all the Business Area checklists. However, Chapters 2 and 3 refer frequently to the new checklists. This section provides a summary of the format and content of the new checklists to orient the reader. Figure 1-2 shows the new checklist format.

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Figure 1-2 Checklist Format

BUSINESS AREA NAME CHECKLIST NAME		
STATE:	**DATE OF REVIEW:**	**REVIEWER:**

BUSINESS AREA CHECKLIST NAME

BACKGROUND OF THIS CHECKLIST

BUSINESS OBJECTIVES		
Reference #	**Business Objectives**	**Comments**
1		
2		
3		

BUSINESS OBJECTIVE 1					
Ref #	**System Review Criteria**	**Source**	**Yes**	**No**	**Comments**
1					
2					
3					

BUSINESS OBJECTIVE 2					
Ref #	**System Review Criteria**	**Source**	**Yes**	**No**	**Comments**
1					
2					
3					

FIRST STATE-SPECIFIC OBJECTIVE					
Ref #	**System Review Criteria**	**Source**	**Yes**	**No**	**Comments**
1					
2					
3					

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