



CMS

CENTERS for MEDICARE & MEDICAID SERVICES

Cutting through the APD Red Tape

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2009 MMIS Conference
Chicago, IL
August 16-20



Objectives

- Define Planning Advance Planning Document (APD) Contents
- Provide high-level steps to develop APD



Planning APD

- Statement of Needs and Objectives - Clearly state the purpose and objectives to be accomplished
- Project Timeline - including milestones
- Project Budget
- Project Management Plan - including organization and staffing
- Other requirements in SMM

Planning APD

- Project Management Plan
 - Describes how and when the activities for planning will be conducted with schedules & milestones and description of the project planning office
 - Summarizes how the State will conduct an assessment of MMIS changes needed for ICD-10
 - Project organization described with project manager and other key planning staff identified
 - Organization chart

Prior Approval

- For APD and RFP (Request for Proposal) documents
- For enhanced Federal funding (e.g., 90 and 75 percent FFP)
- For contracts and contract amendments
- Prior-approval means that Federal funds may be claimed for activities or costs that occur after CMS approval

Prior Approval

- For ICD-10 – MMIS cost benefit analysis NOT required
 - ICD-10 is Federal mandate
 - Ensure MMIS costs associated with ICD-10 are reasonable, to provide more efficient, economical, and effective administration of the Medicaid program

SMM 11276 - Allowable MMIS Project Costs

- 90 percent FFP is available for costs directly attributable to the Medicaid program for the design, development, installation (DDI), and enhancement of the MMIS
- Included are resources for systems requirements analysis, design definition, programming, unit and integration testing, conversion, hardware/software necessary for DDI, and supplies for the above
- These and other direct costs including personnel costs of the State project management team specifically assigned for the development and installation effort are matched at 90 percent FFP

SMM 11276 – Allowable MMIS Project Costs

- Costs of training the State project management team specifically assigned for the development and installation effort are matched at 50 percent FFP
- Training of personnel directly engaged in the operation of an MMIS are matched at 75 percent FFP
- Other administrative activities, including training of personnel engaged in the design, development, or installation of an MMIS and work related to Medicaid policy and procedures, are matched at 50 percent.

SMM 11276 – Allowable MMIS Project Costs

- Costs of program management required to operate a Medicaid program is not reimbursable at the enhanced MMIS FFP rates unless directly related to claims processing or information retrieval.
- **Examples**
 - ✓ 1) Making a program management decision on a specific suspended claim is allowable at 75 percent FFP. However, the development and issuance of the overall policy is allowable at 50 percent FFP.
 - ✓ 2) Development of an edit for the claims processing system to implement a program policy (e.g., a limitation of a service) is allowable at 75 percent FFP and includes the cost of designing and implementing the edit. The cost of the program management staff that developed the policy is allowable only at the regular 50 percent rate as part of ongoing program management.

Steps

- Contact your CMS Regional Office
- Review model Planning APD and guidance
- Once Planning APD is approved – begin work
- Once planning is completed - submit Implementation APD for CMS approval of implementation costs

Information

- State Medicaid Manual (SMM) Part 11
- 45 CFR Part 95 - Subpart F (Conditions for FFP)
- 42 CFR Part 433 - Subpart C (Claims Processing and Information Systems)
- www.cms.hhs.gov/MMIS