Private Sector Technology Group

January 9, 2015

Centers for Medicare and Medicaid Services
Center for Medicaid and CHIP Services (CMCS)
Submitted via e-mail to Jessica.Kahn@cms.hhs.gov

Dear Ms. Kahn,

As the Uniform RFP Committee began its work last year, it was evident that existing regulation regarding Medicaid Information Technology (IT) and more specifically MMIS, were incompatible with current thinking and direction for Medicaid Enterprise Systems, both by CMS, the States, and the vendor community. In fact, those regulations provided financial incentives to the States to make decisions and follow system design and build processes that were in conflict with the MITA framework and tenants, the Seven Conditions and Standards, and CMS guidance. Those incentives were leading States to expend State and Federal dollars that could be better used to provide additional services for members or to expand and cover additional members.

A sub-committee known as the Regulatory and Policy Sub-Committee was created during 2014 to address the incompatibility of current regulation related to MMIS funding. The purpose of the sub-committee was to review the existing regulations, and make suggestions for change of those regulations going forward that would re-align the incentives.

Our over-arching tenets for the sub-committee were to develop suggestions that would modify regulation so that it is consistent with MITA and especially the Seven Conditions and Standards.

The sub-committee divided the issues into six sections, each addressing a different aspect of concern. Those six issues are:

Issue 1: Enhanced Funding
Issue 2: Costs Ineligible for Enhanced funding
Issue 3: Ownership
Issue 4: OBM Circular A-87 Exception and Eligibility and Enrollment Regulation
Issue 5: Modular Solutions and Certification
Issue 6: Current Regulatory Capabilities

Due to the extent of the sub-committee's review and extensive recommendations for change, the PSTG Board determined that the results of the review and the recommendations should be presented in a separate white paper from the Uniform RFP Guide white paper. This white

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paper, entitled, “Considerations for Regulations Affecting MMIS Procurements”, is attached for your review and contemplation.

It is our hope that the next step in this particular part of the process would be to begin an open dialogue with CMS regarding regulatory change relative to MMIS. To start that process, we suggest a meeting where we can present the document and further explain and discuss with you our reasoning for the suggested changes.

Please let us know if you have any immediate questions, and what your availability is so that we may schedule time to present and discuss the white paper recommendations.

Best Regards,

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c: James Gorman, CMCS/CMS