



Private Sector Technology Group

May 29, 2020

Julie Boughn, Director, Data and Systems Group
Center for Medicaid and CHIP Services
Center for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Julie,

The Private Sector Technology Group (PSTG) would like to take the opportunity to provide recommended changes to the 90/10 Federal Funding Participation rules, specifically the Condition and Standards. Based on our first-hand and in-depth experience in the market, we believe that our suggestions would help State Medicaid Agencies (SMA) and vendors achieve business-based outcomes and transition to modern methodologies for implementing technology projects.

PSTG is a broad-based group of innovative companies and professionals providing Health Information Technology products and services to state governments and federal agencies. Our work is based on a collaborative “leave your logo at the door” approach as we seek to provide consensus-based recommendations on matters of significance to the health care system in the United States.

Our Board of Directors took this assignment on behalf of our more than fifty-five member companies and we present the following ideas for your consideration.

Recommendation: Encourage the outcomes CMS wants from state investments by updating the CMS-required Conditions and Standards for enhanced funding accordingly.

Rationale

The original seven Conditions and Standards attempted to drive SMAs in several directions for their Medicaid Enterprise Systems (MES). States included these seven Conditions and Standards in their RFPs and contracts, but often did not have a clear understanding of what they were driving toward. In practice, the dominant condition became Modularity, at the expense of important conditions that CMS DSG now wishes to prioritize, like business outcomes and modern, agile methodologies. SMAs and vendors alike focused on the modularity condition more than the others to drive MES transformations.

In 2016, when the original seven were supplemented, the resulting 22 Conditions and Standards still did not focus on business outcomes and implementing systems in a different way, (i.e. Agile, Human-Centered Design, DevOps, etc.). Our experience is that even four years later, states and vendors still struggle with the Conditions and Standards and so, their value and impact are marginalized. We believe that the Conditions and Standards need to be aligned with CMS’ criteria for approving technology investments and the market’s goals for achieving business outcomes.

To illustrate some of the issues that prevent the Conditions and Standards from being aligned with CMS' goals to drive change, we present a sampling below.

1. The **Modularity Condition** requires a modular, flexible approach to systems development, including the use of open interfaces and exposed APIs, separation of business rules from core programming and business rules in human- and machine-readable formats. The Condition goes on to provide guidance for a System Development Life Cycle (SDLC) with distinct, well-defined phases, deliverable review and approval and defined schedules with formal controls.
 - The Modularity Condition puts a required *approach*, (i.e., the SDLC) in the same standard as *technical requirements*, (i.e., interfaces, APIs, business rules engines), leading to confusion about what the Condition is actually trying to achieve.
 - The guidance around the SDLC requirements actually supports waterfall methodologies over agile ones. We question the characterization of an acceptable SDLC and its inclusion in the Modularity Condition. Perhaps a standalone methodological condition that describes an agile or hybrid approach should be considered.
 - States must pursue a more aggressive decoupling strategy, which is at the heart of the goal for the Modularity Condition, that is, "*breaking down system requirements into component parts.*" Decoupling deals more with making best value decisions on the sourcing and delivery strategy of a state's MES than it does with technology. However, the decision framework and processes for making those best value decisions are not mentioned in the Modularity Condition.

2. The **Interoperability Condition** deals with coordinating and integrating with exchanges and other entities, which is not the same as an interoperable technology platform.
 - Meanwhile, the Modularity Condition requires open interfaces and exposed APIs, which are fundamental for interoperability. It might provide a clearer path for planning and execution if desired technology characteristics were more closely aligned with their applicable Conditions and Standards.

3. The **Leverage Condition** contains one sentence on customization and it is not particularly descriptive.
 - The Modularity and MITA Conditions mention customization but provide no specific guidance on the degree of customization allowed.
 - The Modularity Condition requires the use of business rules engines, essential for configuration over customization, but makes no specific correlation to configuration. To clearly guide states away from custom systems, it might be better to have a new condition called the *Configuration or Business Rules Condition*.

4. The **MITA Condition** requires states to demonstrate increasing levels of MITA maturity and *alignment of the state's capability maturity with the MITA Maturity Model*. However, maturity as a condition for certification is impossible to cross-reference to certification criteria in any comprehensive or meaningful way.
 - Even with the MITA Business Architecture's focus on setting target To-Be goals, typical MITA goals lean towards IT rather than advancing business outcomes. We suggest that

the MITA Condition be considered for relevance to CMS' Conditions and Standards and if deemed so, redefined to align to the state's Business Architecture rather than maturity.

5. The **Business Results Condition** does not reference user-centered or human-centered design, as a means of assuring good business outcomes.
 - Consider expanding the current Business Results Condition to require states to identify business owners for target outcomes.
 - States would identify each target outcome, evaluation criteria and key performance indicators along with the program/policy Business Owner.
 - This role would have responsibility during certification milestones to report on progress towards target outcomes.

6. The **Reporting Condition** requires regular information to be sent from the SMAs to CMS in order to obtain 90/10 funding. It might be beneficial to make that reporting transparent to states and vendors to promote accountability. Ideas include:
 - Performance Scorecards – For each project for which a state receives 90/10 funding, CMS could request certain standard pieces of information upon completion of the project. This information could be used to create a Project Health-type dashboard for each state or nationally for certain types of projects.
 - CMS could have these dashboards available going forward so that CMS, states and vendors could see how similar projects rated in different states or nationally and track the factors that contributed to success.
 - The information that CMS might request at the end of a project could be outcome-focused, such as *did the project stay on-budget, did it complete on time, what is the stakeholder and Business Owner perception of the project and what were the critical success factors and lessons learned.*
 - Executed Contracts - To the extent allowed by State procurement regulations, executed contracts could be available for review and use by states as they develop their requirements for new procurements. Similar to a benchmarking exercise, these executed contracts might serve to provide good baselines to states for developing contracts for similar technology investments. This would also allow CMS to benchmark under-performing contracts and encourage states to adopt more effective models going forward. Whether this contracts database would be available to vendors is a matter for separate consideration.

7. The **Key Personnel Condition** requires that states identify their key state personnel assigned to each major project by name, role and time commitment. However, key personnel tend to be IT focused and only nominally include business leaders and process owners.
 - Executive leadership is often identified but direct ownership over the target outcomes of the project is not stipulated. Also, certification is typically owned and completed by the project IT resources and business plays a smaller role with little to no approval authority.
 - We suggest the creation of a new Business Owner role to shift the focus of the project and the measurement of success to the program and policy business needs.

These examples and suggestions are a few of the potential areas where modifications to the Conditions and Standards could be made to drive achievement of business outcomes from 90/10 investments made. We recommend a thorough review and analysis, followed by updates to the entire body of Conditions and Standards. PSTG member firms stand willing and ready to assist CMS and our SMA counterparts in implementing projects that deliver value to some of our Nation's most vulnerable people and make good use of public funds.

We appreciate the opportunity to provide this input to the Data Systems Group and hope that you find it helpful in shaping the next rule-making effort. We are happy to facilitate a follow-up conversation with the PSTG Board or its member organizations if that would support your efforts.

With best regards,

Carrie Moore, Chair

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