

JOINT PERFORMANCE REVIEW COMMITTEE

SEPTEMBER 10, 2015

MINUTES

The Joint Performance Review Committee met Thursday, September 10, 2015 at 9:00 a.m. in Room A, Mac Building, Little Rock, Arkansas.

Committee members present were Senators Alan Clark, Co-Chair, John Cooper, Missy Irvin, Terry Rice, David Sanders, and Gary Stubblefield, and Representatives Kim Hammer, Co-Chair, Scott Baltz, Jana Della Rosa, Kenneth Ferguson, Mary "Prissy" Hickerson, Josh Miller, Milton Nicks, Jr. Dwight Tosh, and Dave Wallace.

Other legislators present were Senators Linda Chesterfield, Joyce Elliott, Stephanie Flowers, Jimmy Hickey, Bill Sample, Greg Standridge, Eddie Joe Williams, and Representatives Charles Armstrong, Charles Blake, David Branscum, Gary Deffenbaugh, Trevor Drown, Jon Eubanks, David Fielding, Bill Gossage, Michael John Gray, Ken Henderson, David Hillman, Lane Jean, Sheilla Lampkin, Fredrick Love, Mark McElroy, David Meeks, Matt Pitsch, Nelda Speaks, and Jeff Wardlaw.

**Call to Order**

Representative Hammer called the meeting to order.

**Continued Review of the Arkansas Department of Human Services' Medicaid Eligibility and Enrollment Framework [EEF] Project Exhibit C]**

The following presenters were sworn in under oath by Representative Hammer:

- John Norman, Director of Operations, the Arkansas Health Insurance Marketplace
- Cheryl Gardner, Executive Director, the Arkansas Health Insurance Marketplace
- Pradeep Goel, CEO, EngagePoint
- Rebecca Kee, Director, Procurement Services, University of Arkansas at Little Rock
- Camber Thompson, Administrator, Office of State Procurement, DF&A
- Jane Benton, Arkansas Public School Resource Center
- Richard Wyatt, CIO, Department of Human Services

Representative Hammer recognized Mr. Pradeep Goel, CEO, EngagePoint, for his presentation. Mr. Goel summarized the assessment report prepared by EngagePoint (Exhibit C-1). He said his company analyzed the EEF project, developed a set of options, and outlined the following recommendations:

- ❖ Citizen Centric case management is recommended for citizens who will be eligible throughout their life span
- ❖ Eligibility determination for various types of eligibility models, current and future
- ❖ Financial administration across all models with cost sharing, subsidies, and payments across all programs
- ❖ Reconciliation across multiple stakeholders, state agencies, federal, commercial, clinical, plus employers, and individuals

- ❖ Citizen Centric Data Layer that serves as the shared, truth repository for citizen identity, benefit history, supporting content, evidence, and life events
- ❖ Integration Layer that facilitates system integration, process integration, data integration, content integration, and transaction integration across Legacy and future systems with the IV&V solution

Representative Hammer recognized Jane Benton, former Administrator, Office of State Procurement (OSP). Ms. Benton gave an overview of her recollection of the bid process between DHS and Noridian Healthcare Solutions during the startup of the EEF project.

- ❖ OSP was not involved when DHS awarded a contract to Noridian Healthcare Solutions in October, 2012
- ❖ Based on file notes reviewed during her employment, Ms. Benton recalls that OSP was contacted at the end of January, 2013 regarding problems DHS was having with contract negotiations
- ❖ Based on notes in Ms. Benton's OSP file dated December 18, 2012, OSP was told that a lead negotiator for Noridian Healthcare Solutions changed, causing delays in contract negotiations
- ❖ Personnel from OSP and DHS met with Noridian Healthcare Solutions on February 3<sup>rd</sup> and 4<sup>th</sup>, 2013
- ❖ Noridian Healthcare Solutions advised OSP and DHS they could not meet the October 1, 2013 and January 1, 2014 contract deadlines
- ❖ DHS and OSP discussed possible options available due to the failure to award a contract
- ❖ Following the discussions, it was determined that not enough time remained to negotiate a contract with another vendor to meet the October 1, 2013 deadline set by CMS
- ❖ February 13, 2013, a letter from Dick Wyatt, DHS, was sent to Noridian Healthcare Solutions terminating contract negotiations and not negotiating with the second highest bidder.

Ms. Benton was asked whether or not a complaint was filed by the Northrop Grumman Corporation as the second choice vendor for the EEF project. Rebecca Kee responded to the question and said that no official protest was made. But, a letter of inquiry was received by DHS from Northrop Grumman Corporation questioning the process used in the awarding of contracts by the state.

Ms. Benton was asked if she knew about the absence of documents for the contract negotiations between DHS and Noridian Healthcare Solutions. She said she did not find documentation in the file she obtained from her previous employment with OSP. She also said that she does have notes regarding negotiations conducted February 3<sup>rd</sup> and 4<sup>th</sup>, 2013, but no specific documents.

Mr. Richard Wyatt was asked if he knew of documentation regarding the initiation of contract negotiations between DHS and Noridian Healthcare Solutions. Mr. Wyatt stated that he has the Advance Planning Documents that contain that information.

Legislators discussed the absence of documentation maintained by DHS used for the purpose and objectives of negotiations as required by state procurement rules. Following this discussion, Senator Jimmy Hickey, Senate Chair of Legislative Audit requested documents be prepared by DHS to be presented to the Legislative Audit Committee at its meeting scheduled for Friday, September 18, 2015 at 9:00 a.m.

Representative Hammer recognized Cheryl Gardner, Executive Director, and John Norman, Director of Operations, Arkansas Health Insurance Marketplace. Ms. Gardner gave an overview of the state exchange:

- The Arkansas Health Insurance Marketplace is in the process of launching a state exchange
- The state exchange is 100% federally funded
- A state exchange built by the federal government will cost 3.5% for each health plan sold
- A state who builds and runs its own exchange can control costs
- Ongoing analysis indicates a state-owned exchange cost to be a 1% surcharge for each health plan sold
- The Arkansas Health Insurance Marketplace has a contract for \$7.2 million

Representative Hammer read the following - giving notice to the members:

"This gives notice that the Joint Performance Review Committee will take up the matter of exercising subpoena power in connection with the ongoing review of this matter. A meeting will be held at which time a vote will be taken on the subpoena power of the Committee. The meeting will be held at least seven days from today and prior to a meeting scheduled for Friday, October 2, 2015. The meeting to make the subpoena determination will be held on Wednesday, September 16, 2015 at 9:30 a.m. in Room B."

### **Review of Medicaid Management Information System (MMIS)**

Representative Hammer recognized John Selig, Director, and Mark White, Deputy Director, Arkansas Department of Human Services. Mr. Selig gave an overview of the MMIS system. He said there are two big data systems that work with Medicaid. One is the Medicaid EEF program. The MMIS system is specific to Medicaid and is the provider side, the system that pays all the claims and tracks who is getting paid. It gives the Department the data it needs to run the pharmacy program. The EEF system determines if clients are eligible. Mr. Selig said the only connection between the MMIS and EEF is the EEF system will relay information for the population eligible for service. Mr. Selig said the MMIS system is new and has been much easier to implement. It is on budget, on time, and is working very smoothly.

Mark White said the MMIS system has been split into three components, with a different RFP process for each component. The pharmacy component has been completed and is operational. The SNAP and Non-MAGI components are still being built and contract negotiations continue.

Mr. Selig was asked how many applications are pending. Mr. Selig said there are 30,000

pending applications, many being duplications, including individuals already eligible for service. The Medicaid system consists of 800,000 to 900,000 individuals in the system, including the private option.

**Update on the Status of the CoCENTRIX Contract with the Arkansas Department of Human Services and the Current Functionality of the Universal Assessment Platform**

Representative Hammer recognized Gregg Barker, CTO, and John McIcolm, Vice President, Government Solutions, CoCENTRIX, and Craig Cloud, Director, Aging and Adult Services, and James Brader, Director, Developmental Disabilities Services, Arkansas Department of Human Services.

Craig Cloud provided an update on the CoCENTRIX contract and said many of the remaining items the Division of Aging and Adult Services has been waiting to complete functionality of Phase I were pushed through on September 9, 2015, which is a key deliverable date. Mr. Cloud said the Division will be testing the functionality over the next several weeks, working with Pine Bluff Psychological Associates and internal DHS staff.

There being no further business, the meeting adjourned at 12:20 p.m.