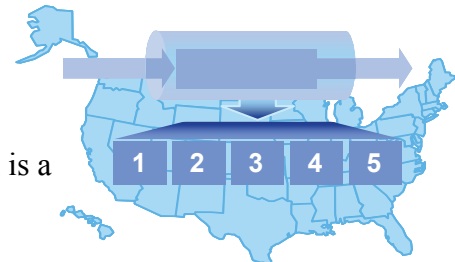

Part I — Business Architecture

Chapter 6 — State Self-Assessment

Introduction

This chapter discusses the Medicaid IT Assessment (MITA) concept of the State Self-Assessment (SS-A) process. The SS-A is a State's way to use the components of the MITA Business Architecture (BA) to review its own goals and objectives and to chart its course to improve its Medicaid enterprise operations and program outcomes.



The objective of this chapter is to answer the following questions:

- What is a State Self-Assessment?
- How does a State conduct a self-assessment?
- What are other uses of the State Self-Assessment?
- What is the Centers for Medicaid & Medicare Services (CMS) role in the State Self-Assessment?

Purpose

This chapter explains how to use components of MITA to establish a baseline for the State and how the SS-A can be used throughout the phases of a State's plan to transition from current capabilities to future, targeted capabilities. The SS-A is the link between the MITA BA and the State's Medicaid enterprise architecture.

Scope

The SS-A is a process that uses MITA tools. States will use components of the BA to perform the self-assessment, primarily the Business Process Model (BPM) and the Business Capability Matrix (BCM). MITA is a work in progress. MITA Framework 2.0 contains a baseline for the business processes and business capabilities, and CMS expects that these processes and capabilities will be improved over time based on collaborative efforts between CMS and States. For instance, States will use the current business capability statements provided in Part I Appendix D, Business Capability Matrix Details, to perform a high-level assessment of current capabilities and select future levels of maturity for targets of improvement. In the future, the MITA initiative plans to improve the detail in the business capability statements, adding qualities and conformance criteria, so that future assessments can be increasingly more objective.

The SS-A depends on the BCM. Some business capabilities in MITA Framework 2.0 contain more detail than others. Over time, all business capabilities will be refined and the community of States and CMS will continue to evolve capability descriptions and conformance criteria.

CMS calls on all States to perform a Medicaid enterprisewide self-assessment to establish a baseline for their current business capabilities. States can then choose to do a To-Be assessment for the whole enterprise or focus on specific business areas for improvement.

What Is a State Self-Assessment?

The SS-A is a process that a State uses to review its strategic goals and objectives, measure its current business processes and capabilities against MITA business capabilities, and ultimately develop target capabilities to transform its Medicaid enterprise to be consistent with MITA principles.

The BA (Part I) presents the business capabilities associated with a Medicaid business process. Business capabilities map to the five levels of maturity described in Part I Chapter 3, Maturity Model. The Technical Architecture (TA) (Part III) presents companion technical capabilities that enable the business capabilities. There is no one-to-one match between business and technical capabilities. Technical capabilities are assigned levels of maturity (Level 1, Level 2, etc.) through the time axis. Some technical capabilities exist now, and some will become widely available in the future.

A *capability* is the competence of an individual, organization, or system to perform a function or process. There are two types of capabilities: business and technical. The levels of maturity show a progression from the current (As-Is) business capabilities (Level 1 and Level 2) to a future (To-Be) capabilities (Levels 3 through 5) that reflects the vision for the Medicaid enterprise. Each higher level brings more operational effectiveness to the Medicaid enterprise than the prior level. Technical capabilities are enablers of business capabilities.

This chapter focuses on the process of conducting an SS-A of a State's business capabilities. CMS asks States to conduct an SS-A of business capabilities to preserve the business-driven orientation of their strategic planning. Technical capabilities (discussed in Part III Chapter 5) can later be associated with business capabilities in the form of enablers. A State may have technical capabilities associated with Level 3, but a current individual business process may not be at Level 3 if it does not meet the criteria described in the BCM.

The SS-A is also the first of a three-phase transition plan that CMS expects States to use to guide their transformations. **Figure 6-1** illustrates the three phases of the transition plan.

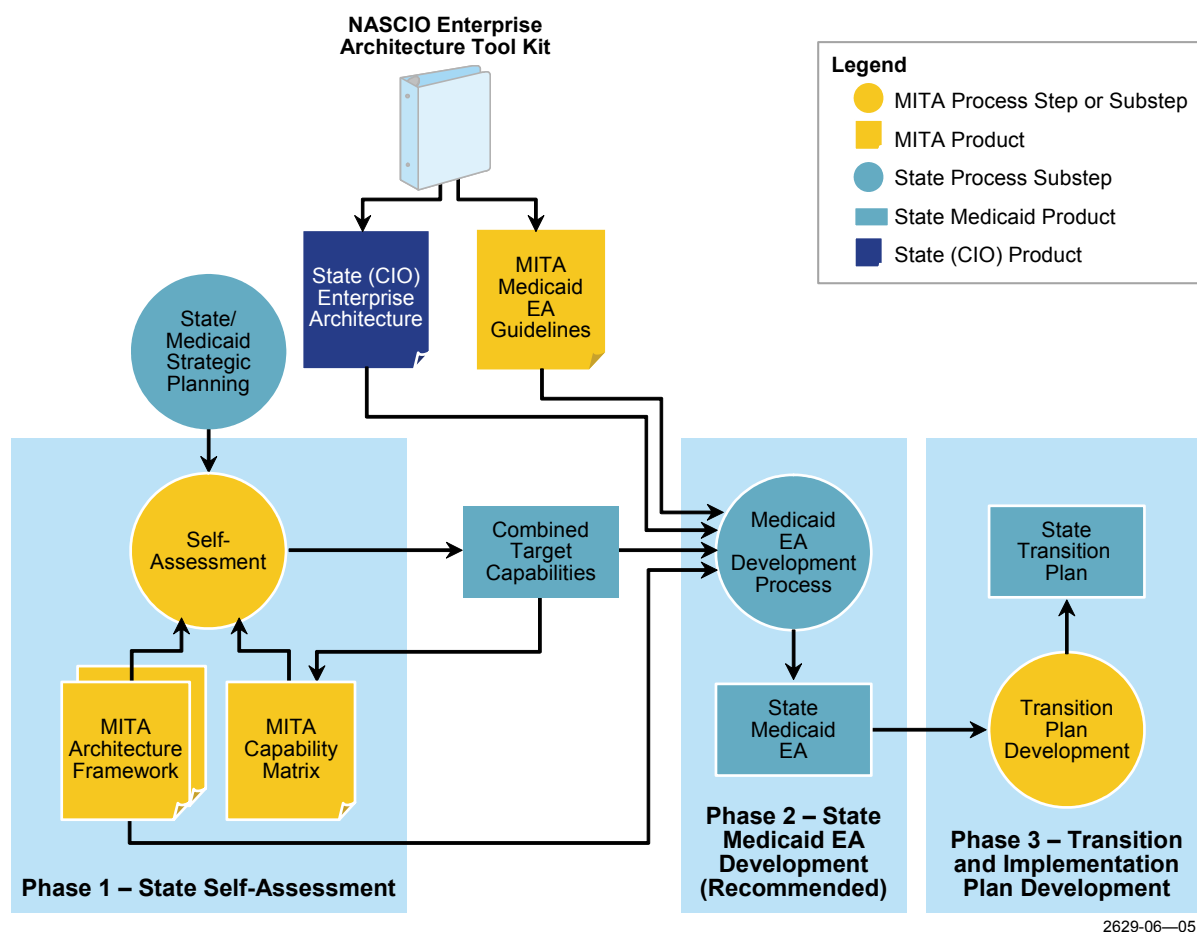


Figure 6-1. The SS-A Is the First Phase in a State's Transition Plan

The phases illustrated in Figure 6-1 can be described as follows:

- **Phase 1 — SS-A.** A State determines the current level of its business processes by comparing its business capabilities with the MITA BCM. The As-Is profile of business capabilities establishes the State's baseline. The State then examines its Medicaid agency's strategic goals and objectives and identifies future MITA business capabilities that align with its strategic plan.
- **Phase 2 — State Medicaid Enterprise Architecture (EA) Development.** CMS recommends that States develop a Medicaid EA to strengthen the foundation of their Medicaid agency's transition plan. States may use Part III Chapter 2, MITA Principles, Goals, Objectives, as a source in developing their Medicaid EA.
- **Phase 3 — State Transition and Implementation Plan Development.** The gap between a State's current capabilities and its targeted capabilities is the State's basis for establishing its transition and implementation plan.

The following sections of this chapter focus only on the SS-A (i.e., Phase 1). The MITA initiative provides an architectural framework and guidelines for transforming the Medicaid enterprise. CMS expects States to follow their own requirements for EA and strategic planning documents. Therefore, MITA Framework 2.0 does not include details on these subjects.

How Does a State Conduct a Self-Assessment?

There are four steps in completing the SS-A:

1. List and prioritize the State's goals and objectives.
2. Define the State's current business model and map to the MITA BPM.
3. Assess the State's current capabilities.
4. Determine the State's target business capabilities.

Following completion of the SS-A, CMS recommends that the State use the SS-A in developing its transition and implementation plan.

Step 1 – List and Prioritize the State's Goals and Objectives

A State begins the SS-A process by identifying its Medicaid goals and objectives (e.g., improving access to preventive services, reducing medical errors by providing online access to prescription history and lab test results) and refining and prioritizing them to use as guides for selecting improved business capabilities. The State articulates each goal to a level of detail necessary to identify specific outcomes and performance measures.

Step 2 – Define the State's Current Business Model and Map to the MITA Business Process Model

The State reviews and documents its current business processes and maps them to the MITA BPM (see Part I Chapter 4 and Appendix C). It is understood that States have different business models and use different vocabulary to describe their business areas and business processes. The mapping exercise allows all States to compare their operations to the standard established in the MITA model. If a State has a Medicaid business process that it not contained in the MITA BPM and it appears to be useful to others, the State is encouraged to contribute the business process along with business capability statements to the MITA initiative. In this way, MITA models can evolve and improve.

Figure 6-2 shows a business process, with Trigger and Result, and associated levels of capability.

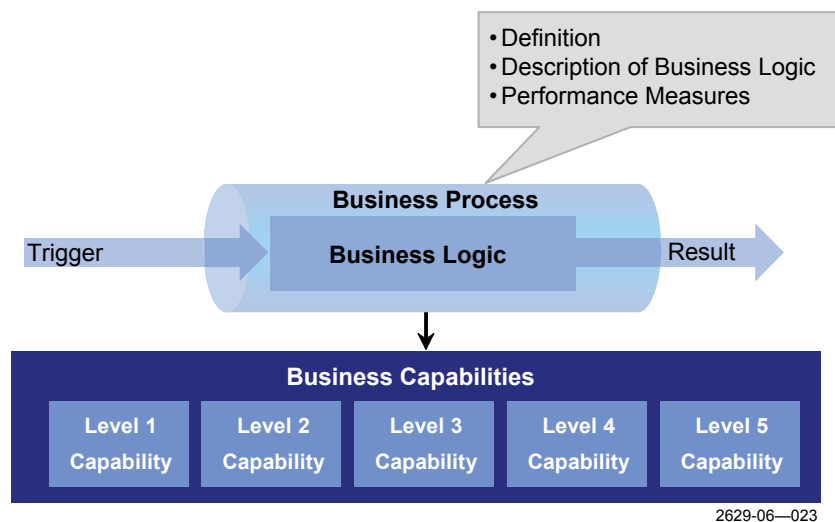


Figure 6-2. The Business Process Model and Associated Capabilities

The business process description is neutral regarding level of maturity. That is, it merely describes a Trigger event — a series of actions and an outcome, without reference to speed, efficiency, impact, or other attributes of the process. For example, the Trigger for the Enroll Provider business process is an event (Receive Application Data). The Business Logic is a series of activities (e.g., verify information, assign ID). The Result is data concerning the status of the application. The whole business process can be summed up as “receive application data, process application data, produce results” without ascribing any levels of maturity. The BCM, by contrast, describes how the process will behave at different points in time. For example, the State must use the BCM to determine the level of maturity of its Enroll Provider business process.

Step 3 – Assess the State’s Current Capabilities

The State uses the BCM to identify its current business capabilities and establish a baseline against which to identify the new capabilities it wants to implement. In this step, the State looks at each business process and its associated BCM and determines where it best fits among the levels of maturity. Each business process can have a maximum of five levels of maturity. Some will have fewer than five, if the business process becomes obsolete.

A business capability describes a business process at a specific level of maturity. The MITA Maturity Model (MMM), which is discussed in Part I Chapter 3, defines five levels of maturity that show how the State Medicaid enterprise can evolve over the next 10+ years. The State examines the BCM associated with each business process to identify its current and targeted future levels.

The BCM describes the abilities of the business process at each level of maturity. The abilities evolve and transform the business process over time. **Table 6-1** shows an example of the Enroll Provider business capabilities.

Table 6-1. The Enroll Provider Business Process Has Five Levels of Maturity

Enroll Provider Business Capabilities				
Level 1	Level 2	Level 3	Level 4	Level 5
Agency reviews (nonstandard) application data and validates much of it manually. Agency conducts verification by contacting internal and external sources via phone or fax. Agency decisions may be inconsistent. Agency requires a large staff. Agency decisions may take several days.	Agency receives standardized and automated applications that providers can submit via a portal. Agency conducts verification by a mix of manual and automated steps. Agency decisions improve in consistency. Agency requires fewer staff. Agency decisions take less time.	Agency reviews application data that is standardized nationally ("one-stop shop" within a State or region). Almost all verifications can be automated, though agency may continue to take some manual steps. Agency decisions are consistent. Agency decisions can be immediate.	Agency receives internal and external validation sources, notices of change in provider status, and recertification notices automatically. Agency can access clinical data directly and use it to process enrollment requests. Agency takes manual steps only to handle exceptions. Agency decisions can be immediate.	Agency can send or receive enrollment process inquiries on provider status to or from any other State or Federal agency or other entity. Data exchange partners can send notifications regarding providers enrolled with the Medicaid program in any State.

The BCM provides a general description for each level, supplemented by more specific capabilities called *qualities*. Qualities represent specific capabilities that are measurable, including the following:

- Timeliness of business process
- Data accuracy and accessibility
- Ease of performance/efficiency
- Cost effectiveness
- Quality of process results
- Value to stakeholders

See Part I Chapter 5, Business Capability Matrix, and Part I Appendix D for more details on the BCM. The State's SS-A team will consider every business process and determine its level of maturity based on the MITA Framework model provided by the BCM.

Part I Appendix D lists the business capabilities contained in MITA Framework 2.0 (approximately 400 capabilities). These capabilities are unevenly distributed across the business areas because some business areas have more (sometimes many more) processes than others. Also, some capabilities are more developed than others.

Step 4 – Determine the State’s Target Capabilities

The State matches its strategic plans with the MITA vision, objectives, and goals, and it identifies the MITA business capabilities that best reflect its aspirations for program accomplishments, healthcare outcomes, and administrative efficiencies.

In summary, the State aligns its business processes with the MITA BPM and assesses its current business capabilities for all business processes. This process establishes the State’s As-Is baseline. The State then matches its future goals with the higher BCM Levels. **Figure 6-3** illustrates the As-Is/To-Be selections a State might make.

Sample State Self-Assessment Profile					
Business Process	Level 1	Level 2	Level 3	Level 4	Level 5
Enroll Provider			As-Is		
Audit Claim and Encounter	As-Is	To-Be			
Authorize Service		As-Is	To-Be		
Manage Provider Grievance and Appeal	As-Is		To-Be		
Inquire Member Eligibility		As-Is			
Inquire Payment Status		As-Is	To-Be		
Develop and Maintain Benefit Package	As-Is				

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Figure 6-3. Example of a State’s Self-Assessment Profile

In Figure 6-3, the State has found that its Enroll Provider business capability is at Level 3 and has determined that Level 3 is acceptable for now. Audit Claim and Encounter, however, is at Level 1 and the State wants to improve to Level 2. Manage Provider Grievance and Appeal is also at Level 1 and the State wants to improve to Level 3. Inquire Member Eligibility is at Level 2 and is acceptable at that level. Develop and Maintain Benefit Package is at Level 1 and is also acceptable at that level.

Figure 6-3 also illustrates how State capabilities will vary by business process. No State will be at a single level in the As-Is environment for all business processes. CMS does encourage States to improve beyond current levels and designate future targets for improvement.

Develop Transition and Implementation Plan

Following completion of the SS-A, the State will then develop a transition and implementation plan that charts the State’s course for future transformation and improvement. The plan will consist of many projects that, collectively, can move a State from its current business capabilities

to targetted future capabilities in a series of manageable increments that meet the State's needs, priorities, and budget constraints. We expect that States will leverage MITA solution sets (see Part III Chapter 9) and resources relevant to their capabilities to plan and implement their project implementations in a collaborative way that emphasizes reuse, thereby minimizing the cost and risk of project implementation.

What Are Other Uses of the State Self-Assessment?

CMS strongly recommends that the State use the SS-A as a document to establish baseline and future capabilities. The SS-A document can be used throughout the life cycle of the State's planned business transformation to monitor progress and determine compliance of the outcome with the State's plan. This section discusses the other uses of the SS-A:

- Document State requirements
- Prepare and Review Advance Planning Documents (APDs)
- Prepare RFPs
- Evaluate proposals
- Negotiate contracts
- Monitor design, development, and implementation (DDI)
- Accept results
- Evaluate and approve new solutions

Document State Requirements

Following its SS-A, the State can use that document as a guide for specifying implementation requirements at a lower level of detail. The SA-A document can provide traceability throughout the life cycle of a State's transformation process.

Prepare and Review Advance Planning Documents

CMS will ask States to attach their SS-A document to the APD. CMS expects the SS-A to bring conformity and comparability to the APD review process. This gives regional offices and the Center for Medicaid and State Operations (CMSO) a more consistent understanding of what the State wants to achieve.

Prepare RFPs

States should be able to populate their RFP outlines with detailed requirements aligned with the SS-A. The SS-A documents the gaps the State seeks to fill and the level of maturity it wants to achieve from its transition plan. The original SS-A can be attached to the RFP to show bidders the baseline assessment and targeted improvements. The RFP can ask bidders to demonstrate how their approach will achieve a Level 3 or a Level 4 capability. The MITA Framework can be used as a reference in answering bidders' questions regarding expectations for the implementation of specific business processes. This process introduces consistency and

comparability in all State RFPs so that vendors have a better understanding of the State's requirements and all parties have a common vocabulary.

Evaluate Proposals

The SS-A can be built into the State's process for evaluating proposals (e.g., "To what extent does a bidder's solution for Provider Enrollment map to the State's requirement for a Level 3 business capability?" and "Does it meet the general statement of capability and the associated qualities regarding timeliness, efficiency, etc.?).

Negotiate Contracts

After a vendor has been selected, the State can use the SS-A during contract negotiations. For example, if there is a best-and-final offer (BAFO) negotiation, the State could ask the vendor to demonstrate or clarify how a business process will perform at the required level of maturity, or the State could ask the vendor to lower the level of maturity for some processes that appear to cost too much. As an attachment to the contract, the SS-A binds the vendor to deliver the levels of capability documented in the SS-A. Any changes to the To-Be targets that occur as a result of contract negotiations should be updated in a new version of the SS-A.

Monitor Design, Development, and Implementation

During the DDI period, the SS-A is a valuable tool for anchoring the project. It should be referred to at all times during requirements validation, design, development, testing, and implementation. It is likely that some modifications to the design will occur during DDI. These changes should be updated in revised versions of the SS-A.

Accept Results

A State can use the SS-A in the system acceptance and operational readiness steps. This is advisable because CMS will hold the State to the levels of transformation it sought to achieve through the APD, RFP, and DDI processes.

Evaluate and Approve New Solutions

CMS plans to refer to the State's SS-A, including any updates that have occurred during the implementation period, as part of the Federal certification review process.

Figure 6-4 shows the full life cycle of the SS-A.

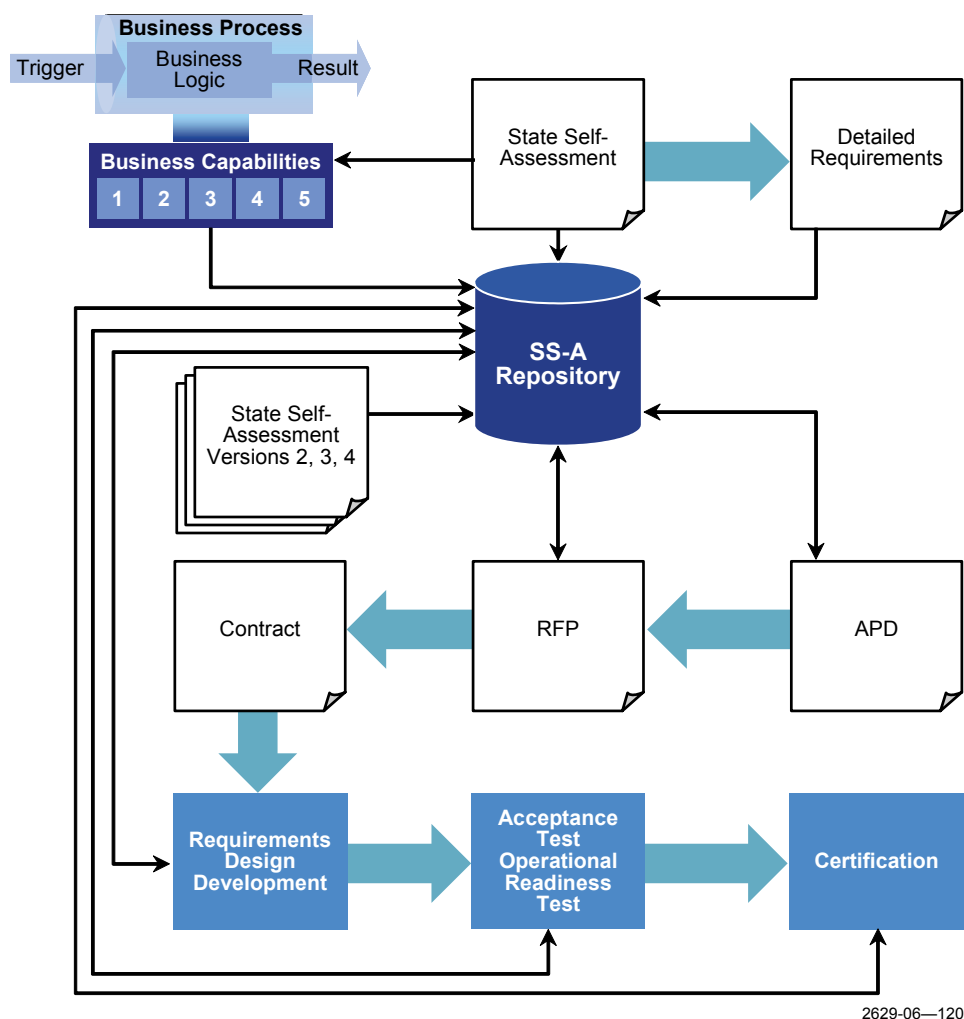


Figure 6-4. Full Life Cycle of an SS-A Document

As shown in Figure 6-4, CMS recommends that States use a repository to fully benefit from using the SS-A document. Each step in the transformation process uses information in the SS-A. The SS-A documents the baseline and targeted capabilities. Using the SS-A throughout the transformation processes ensures that the results can be traced back to the desired goals.

What Is the CMS Role in the State Self-Assessment?

CMS assumes that States will perform SS-As prior to submitting their Implementation Advance Planning Documents (IAPDs) and requesting funds for system improvements. Increased funding is predicated on the understanding that States will use funds to improve business processes in a

planned way. The SS-A is a tool for measuring the degree of improvement requested by the State and its achievement of that goal after implementation.

With the release of the MITA Framework 2.0, CMS is announcing new guidelines for the Federal involvement in promoting and funding State Medicaid enterprise transformations. CMS and States agree on the Medicaid mission to improve access to quality care for all eligible beneficiaries and reduce administrative burden on all stakeholders. With Framework 2.0, CMS stresses the role of the Federal government in providing proactive leadership and establishing and requiring the use of business, information, and technical standards that enable States to improve their programs. The MITA Framework creates a new floor for achieving the transformation. It replaces the Blue Books with a new blueprint consistent with 21st century vision and capabilities. CMS plans to enforce adherence to the MITA principles through the APD approval and Federal certification review processes.

CMS leadership is displayed both in publishing MITA Framework 2.0 and in the role CMSO and regional offices will play in promoting adherence to MITA principles throughout the transformation process. The SS-A document will become an important tracking device that the State and CMS can reference as projects take shape. The 21st century has brought enablers that can help States achieve their goals, including Federal initiatives (e.g., Office of the National Coordinator for Health Information Technology [ONC], Federal Health Architecture [FHA], and Federal Enterprise Architecture [FEA]), standards for healthcare information and interoperability, and new technology. It has also brought challenges in the form of revenue shortfalls and Federal budgetary cutbacks. The MITA Framework provides a starting point for using these enablers and meeting these challenges. Conformance with MITA principles provides States with a roadmap to reducing administrative burden and improving Medicaid program outcomes.

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