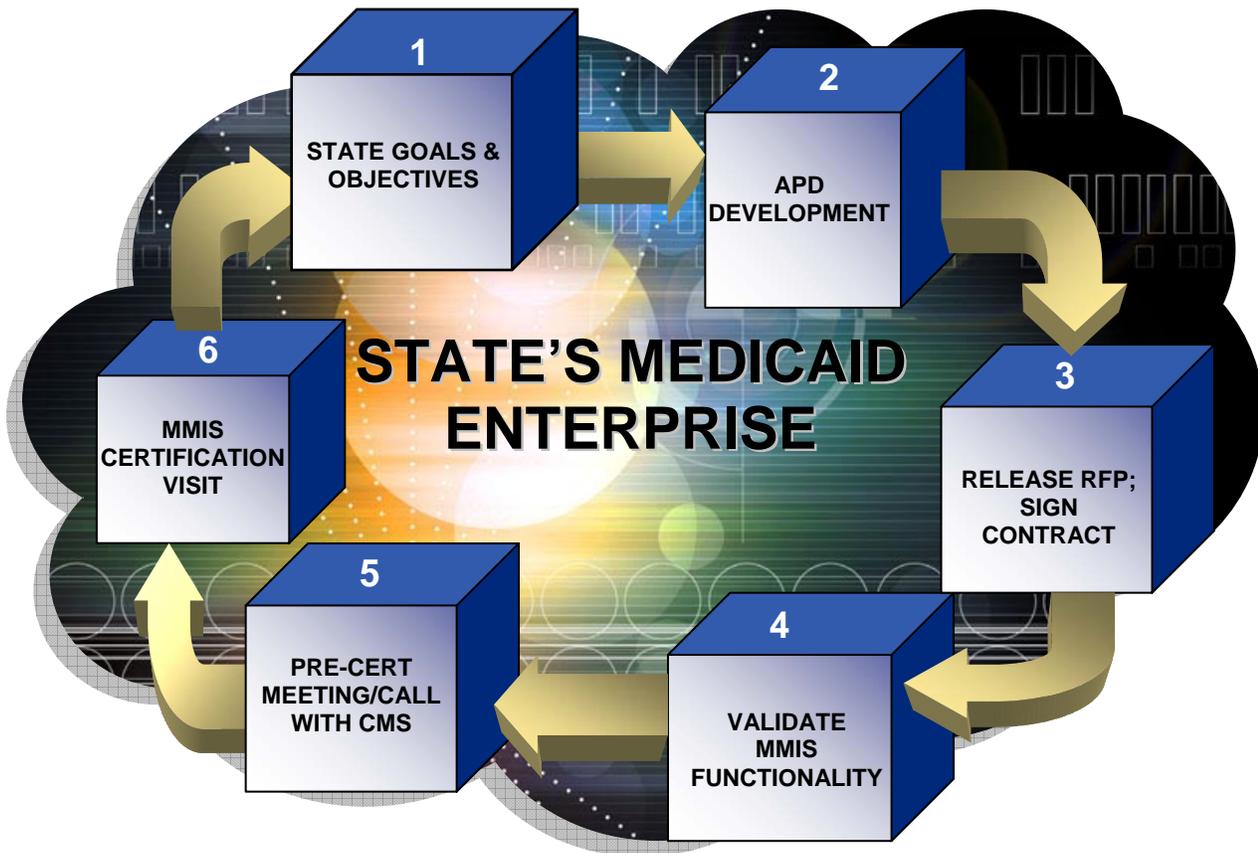


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# MEDICAID ENTERPRISE CERTIFICATION TOOLKIT



Issued by

**Division of State Systems  
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## **Preface**

The Medicaid Enterprise Certification Toolkit (Toolkit) was developed by the Centers for Medicare & Medicaid Services' (CMS) Center for Medicaid and State Operations (CMSO) for the purpose of modernizing the Medicaid Management Information System (MMIS) certification process. It includes CMS' Medicaid business objectives and requirements based on recent advances in health care management.

Beyond modernizing the certification review process, CMS seeks to change its overall MMIS certification approach from the historical one that had a single focus on the new system after the system went live at the implementation stage to a more comprehensive perspective and engagement between the States and CMS. This engagement is for the entire length of the development and life cycle of the MMIS starting with the development of Advance Planning Documents (APDs) and Requests for Contracts (RFPs) through each step of the design, development, testing and implementation of the system and enhancements to it over time.

The Toolkit has three major objectives:

1. To assist the States in planning for enhancements to their MMIS, as well as wholesale replacements of their MMIS
2. To help States prepare for the MMIS certification review by providing pre-certification tools they can use to measure and document the current status of their MMIS.
3. To provide written processes that will both streamline and standardize the certification process used by CMS in reviewing the systems.

While the certification process does not apply to modular enhancements, other tools included in the Toolkit (Protocols and Checklists) are valuable in planning and documenting the MMIS' enhancements requirements and should be used by the State and regional office.

CMS is providing a set of Medicaid business areas and objectives, consistent with the Medicaid IT Architecture's Concept of Operations developed through extensive discussions with the States in recent years for them to use as they plan for changes to or a new MMIS. In addition, the Toolkit contains a set of system review criteria that, if satisfied, will assure that the new MMIS supports the State's business objectives.

The Toolkit includes protocols for major events related to review, approval, and certification in the process of development of a new MMIS. It includes criteria based on current Federal MMIS requirements, collected from the SMM, the code of Federal regulations, and Medicaid program directives and advisories.

The Toolkit is a critically important piece of CMSO's revised approach of focusing on the Medicaid enterprise, its business goals and objectives, and the vital role the MMIS plays in

supporting them, rather than our former perspective of the MMIS as a collection of functional subsystems. This revised focus is explained in Chapter 1 of this document.

The relationship between the MMIS Toolkit and the Medicaid IT Architecture (MITA) is an evolving one. (More can be learned about MITA from the CMS web site at <http://www.cms.hhs.gov/MedicaidInfoTechArch/>)

Both the Toolkit and MITA rely on the same Medicaid enterprise business model. In the future, the Toolkit is likely to be enhanced by the addition of capability to measure the maturity level of an MMIS based on the MITA architecture. At the current time, however, the Toolkit only contains existing requirements and industry recommended approaches; it does not go as far as the conceptual and logical architectures described under MITA since these are still evolving, and have yet to go through public rule-making to make them new requirements. We anticipate changes to both the Toolkit and to MITA in the years immediately ahead, and we urge the users of the Toolkit to stay abreast of the changes in MITA which will be reflected in updated versions of this Toolkit.

This Toolkit, which supersedes the Certification Protocol document dated 1994, will be used by CMS staff as a standard for certification reviews effective with the publication of the Toolkit, with exceptions made for States that are too far along with the old process to accommodate the change. As of the release date, it should also be used by State personnel and their consultants and contractors working on Medicaid systems subject to CMSO's review, approval, and certification. CMS strongly encourages the use of the Toolkit since it will provide assistance to the States at each step of the system development and certification process.

Comments and suggestions from both CMSO central and regional office staff have been incorporated, wherever possible, into this Toolkit. In the months to come, the true test of this manual is how well it supports the States during the systems life cycle and during certification. We look forward to hearing from you on your suggestions on how we can continue to improve this document.

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## Special Terms and Acronyms

The following is a comprehensive list of special terms and acronyms used specifically within the pages of this document.

Special Terms and Acronyms	
Acronym/Term	Definition
APD, PAPD, IAPD, APDU	Advance Planning Document (APD), Planning APD, Implementation APD, and APD Update
BA	Business Area
Business Objective	Result that the business area seeks to achieve
CFR	Code of Federal Regulations
Checklist	Tool for evaluating States' Business Process Areas that lists business objectives and corresponding system review criteria. There are a total of twenty (20) checklists, one or more for each business area
CMS	Centers for Medicare & Medicaid Services
CMSO	Center for Medicaid and State Operations (a part of CMS)
CO	Central Office (The CMSO staff at the Baltimore location)
Cross Cutting	Requirements that traverse the Medicaid enterprise, e.g., Privacy and Security
DDI	Design, Development, and Installation
Enhanced funding	DDI, 90 percent when meeting requirements set out in SMM, 11210 and 42 CFR-433.15;  Operations, 75 percent when meeting requirements set out in SMM, 11205 and 42-CFR 433.15.
Enterprise	The entire Medicaid entity, including all Medicaid business areas and their supporting data processing systems
FFP	Federal Financial Participation-The Federal government's share of the State's expenditures under the Medicaid program. Under section 1903 of the Social Security Act, 90 and 75 percent FFP is provided as enhanced funding for MMIS expenditures, and 50 percent for all general administrative expenditures
Folder	A type of repository for information that demonstrates that a system criterion is satisfied. A folder may be a physical file (paper) or may be an electronic file. CMS prefers electronic folders

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Special Terms and Acronyms	
Acronym/Term	Definition
HIPAA	Health Insurance Portability and Accountability Act of 1996
MARS	Management and Administrative Reporting subsystem
MMIS	Medicaid Management Information System
MMIS Certification Review Team	The CMS Central and Regional Office staff chosen to review a State's new or replacement MMIS. <u>The abbreviated name is "CR Team."</u>
Protocol	A step-by-step guide to performing a specific process, e.g., "The APD Preparation and Review Protocol"
Replacement System	An MMIS in which all six-core subsystems are new and which has received prior CMS approval because it is likely to be more efficient, economical, and effective in administering the State medial assistance plan than the system it replaces. It must meet all conditions of initial approval (SMM, 11110). Also, refer to SMM, 11269.
RFP	Request for Proposal
RO	CMS Regional Office
SMA	State Medicaid Agency
SMD	State Medicaid Director
SMD Letter	Program or Policy Letter sent to all State Medicaid Directors from CMS
SMM	State Medicaid Manual
State-specific	Requirements unique to a State, such as a State's program objectives and corresponding system review criteria
SURS	Surveillance and Utilization Review subsystem
Toolkit	Short for the "Medicaid Enterprise Certification Toolkit"
TPL or TPR	Third Party Liability or Third Party Recovery

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