Office Of Information Services - Update

Presentation for the Medicare Contractor Executive Meeting

September 2004

Agenda

- Enterprise Data Centers (Gary Kavanagh)
- HIPAA Update (Gary Kavanagh)
- Standard Front End (Gary Kavanagh)
- Section 912 of MMA (Dick Lyman)

Data Center Update

HIPAA Update

CMS
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Statistics as of Aug. 30 – Sept. 3 (cont.)

Remittance Advice (835)

- 64,239 current electronic receivers
- 32,992 receivers are in production on HIPAA
- 51% of receivers are in production

Coordination of Benefits Contract (COBC)

- CMS is consolidating the claims crossover process, referred to as the Coordination of Benefits Agreement (COBA) initiative

- Currently, a small number of trading partners are serving as beta-site testers thru October 2004, and if successful will move into full-production status

- All remaining trading partners will be transitioned to the national COBA process over the course of FY 2005

Coordination of Benefits Contract (COBC) Cont.

- CMS plans to transition around 50 trading partners per month to the new crossover process

- Under the COBA process, Medicare contractors send flat files containing processed claims to the COBC

- The COBC will convert these files to HIPAA compliant formats and cross the claims over to the COBA trading partners
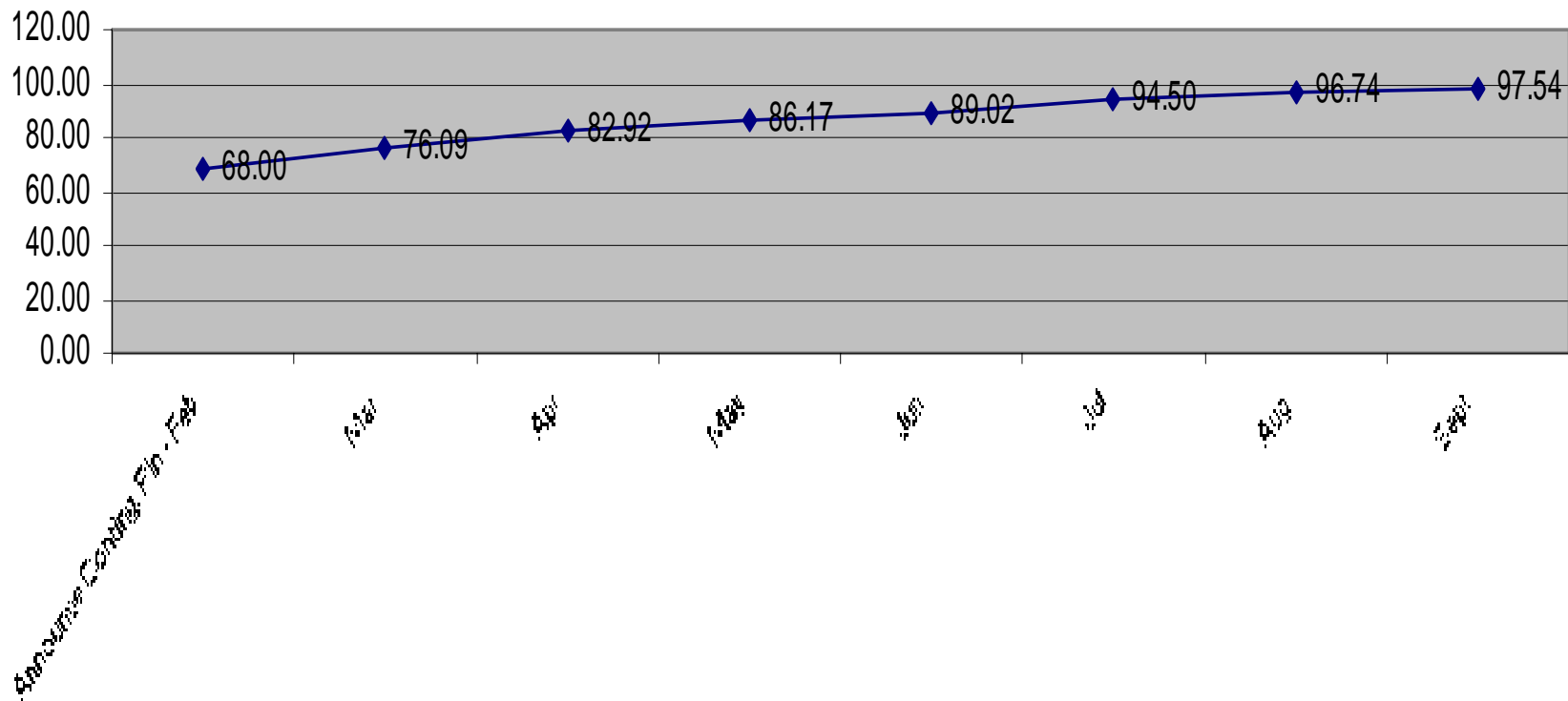
Claim Status 276/277

- Few Submitters Testing

- Few Submitters in Production

Medicare FFS Providers: HIPAA Administrative Simplification Compliance

- Beginning with July 2004, CMS began capturing additional data on non-HIPAA compliant electronic claims

- The data is state specific broken out by provider type

- This data will support outreach efforts as well as any decision to end the Medicare electronic claims contingency plan

Compliance Since Announcement of Contingency Plan Modification

National HIPAA Claim Percentage Chart

Data points: 68.00, 76.09, 82.92, 86.17, 89.02, 94.50, 96.74, 97.54

Remittance Advices

- CMS is focusing attention on Electronic Remittance Advices
  - Should we be requiring electronic funds transfer (EFT)?
  - Should we be requiring electronic remittance advices (ERA)?

Ending Contingency Plan

- When?

- How?

Standard Front End

CMS

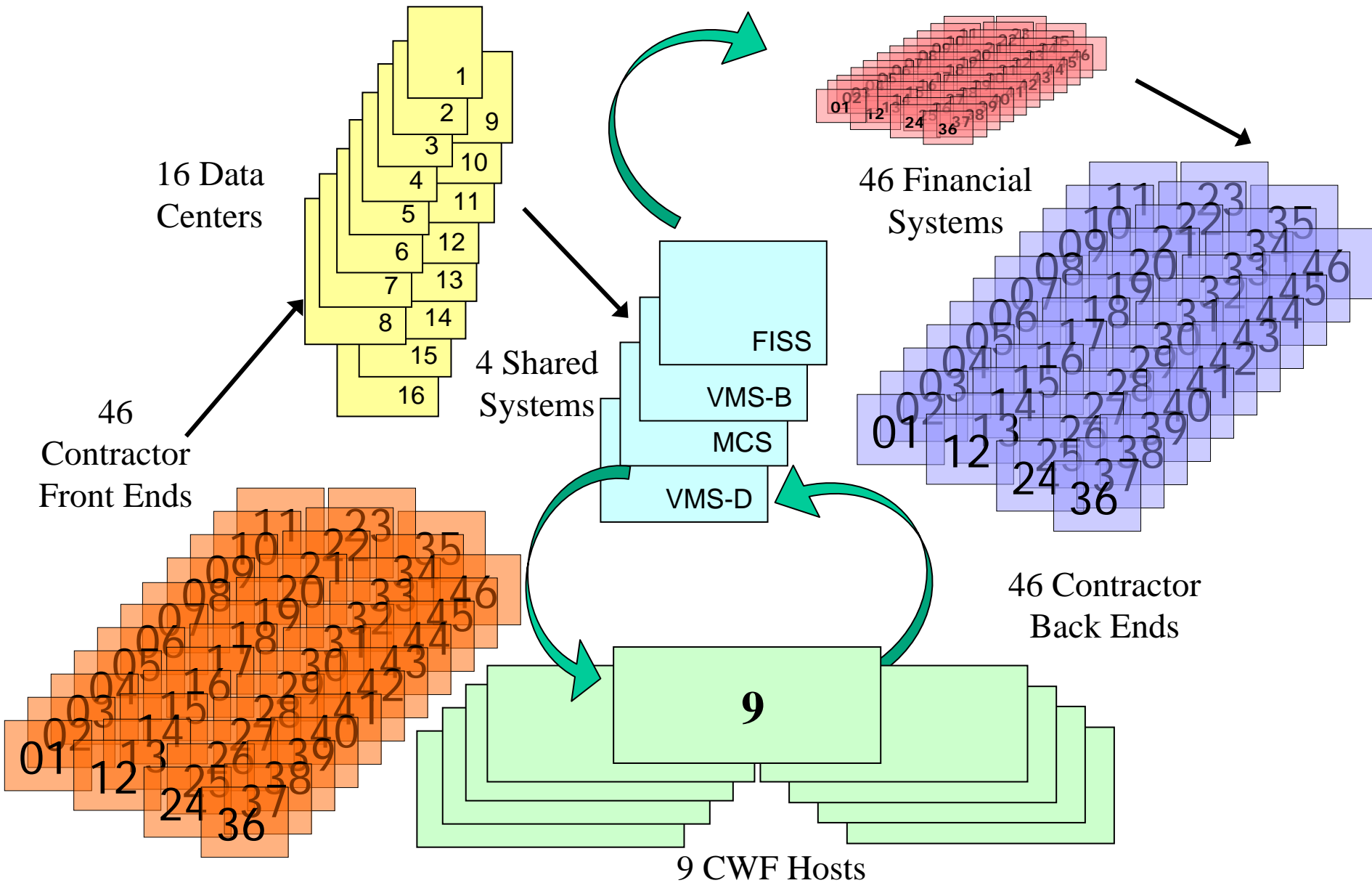CENTERS for MEDICARE & MEDICAID SERVICES

What is the FFS front end?

- Data Interchange
  - Entry point for provider transactions (claims submission/ queries)
  - Distributes transactions to appropriate data center/shared system
  - Exit & retrieval point for all transactions returned to providers (responses)
- Editing/Translation
  - Initial Editing System
  - Standard HIPAA Translator

What is the FFS front end?

- Customer Support
  - Provider Training
  - Help Desk Services
  - Transaction Testing

Current State

16 Data
Centers

46
Contractor
Front Ends

4 Shared
Systems

FISS

VMS-B

MCS

VMS-D

46 Financial
Systems

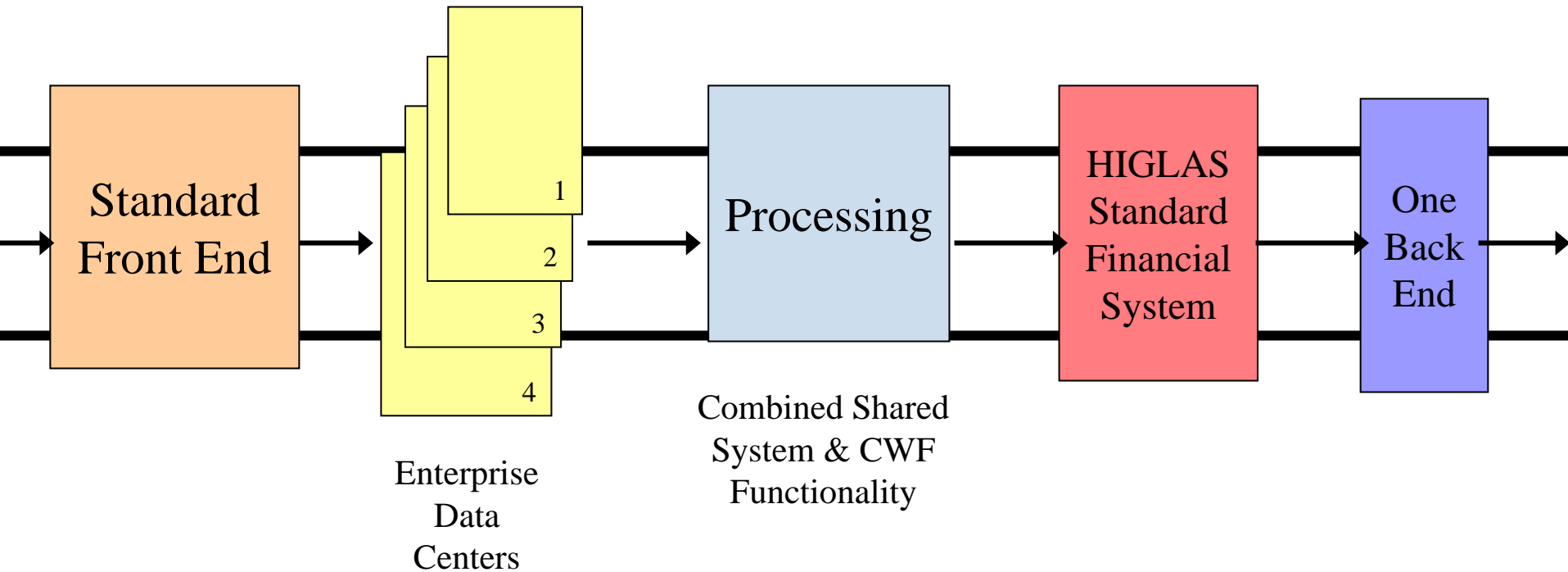46 Contractor
Back Ends

9

9 CWF Hosts

Problems with Current Medicare Front Ends

- Providers/Submitters receive conflicting edits, reports, and support
- Front End system changes need to be made in 46 locations, increasing cost and lack of consistency
- Increased risk/complexity to use the internet for claims/queries due to varying security and large perimeter
- Substantially increased cost/complexity for providers/submitters dealing with up to 46 entities

SFE Objectives

- Simplify Medicare FFS processing environment
- Consistent editing translation for Medicare providers/submitters
- Improve and standardize security
- Use Internet for query/response
- Along with data center consolidation, stabilize system environment for ongoing MAC transitions

9/22/04

18

FFS IT Modernization/ End State Vision

Standard Front End

Enterprise Data Centers

1
2
3
4

Processing

Combined Shared System & CWF Functionality

HIGLAS Standard Financial System

One Back End

Next Steps

- Establish a SFE BCA Team
- Conduct Business Case Analysis
- Agency will determine best approach based on BCA

Section 912 Evaluations

Background

- Section 912 of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003

- Signed into law on December 8, 2003

- Establishes Information Security (IS) requirements for Medicare Administrative Contractors

- Applicable to current Fiscal Intermediaries (FIs) and Carriers

Background cont.

- Requires annual evaluation of contractor-wide IS programs using Federal Information Security Management Act (FISMA) standards

- Requires annual tests of the effectiveness of IS security control techniques of a subset of the Contractor's systems

- Performed by an entity that meets the requirements for independence as established by the Inspector General of the Department of Health and Human Services

FISMA Requirements

- Periodic risk assessments
- Policies and procedures to reduce risk
- System security plans
- Security awareness training
- Periodic testing and evaluation of IS policies
- Document deficiencies and review remedial activities
- Incident detection, reporting and response
- Continuity of operations planning

Reporting Requirements

- CMS must submit a report to the Inspector General (IG) of the the Department of Health and Human Services (DHHS) and the Secretary DHHS within one (1) year of enactment

- The IG must submit a report to Congress which includes an assessment of the scope and sufficiency of the independent evaluations

Methodology For FISMA Compliance

- Developed evaluation criteria that utilized work products from ongoing audits
- Three (3) levels of evaluation:
  - Full Scope Evaluation
  - Reduced utilizing SAS-70 audit work products
  - Minimal utilizing CFO/EDP audit work products
- Goals: minimize impact to Contractor's; minimize costs to CMS; maximize existing audit work products

Testing Methodology

- Utilize the testing already performed by JANUS Associates to test the information security controls at the Medicare data centers

Section 912 Scope

- Total FISMA evaluations: 33
  - Full Scope   15
  - SAS-70   7
  - CFO/EDP   11
- PricewaterhouseCoopers (PwC) is conducting all Full Scope, all SAS-70 and eight (8) CFO/EDP evaluations
- Clifton Gunderson (CG) will conduct the remaining three (3) CFO/EDP evaluations
- Total System tests: 14

FISMA Evaluation Criteria

- PwC and CG will use the same evaluation criteria and evaluate each FI and Carrier against the FISMA/FISCAM controls and the Agreed Upon Procedures

- PwC/CG will perform a gap analysis and document any findings

- A Corrective Action Plan will be required and all findings (gaps) will be tracked in the DHHS Plan of Action and Milestones Report

Evaluation Report

- Cover Letter

- Agreed Upon Procedures Report (Attachment 1)

FISMA Control Area and Step	Observation	Gap noted
Risk Assessments		
a. Determine if the current system configuration is documented, including links to other systems.	Configuration diagram existed and was current.	None.
b. Determine if risk assessments are performed and documented on an annual basis or whenever the system, facilities, or other conditions change.	Current Risk Assessment did not exist.	Current Risk Assessment not available.

- Corrective Action Plan (Attachment 2)

Test Report

- Cover Letter

- Weakness Report (Attachment 1)

- Findings Report (Attachment 2)

- Physical & Personnel Security Report (Attachment 3)

- Weakness Tracking Form (Attachment 4)

- Findings Tracking Form (Attachment 5)

Evaluation Schedule

Phase I (8/16-9/18)			**Date**
CareFirst of Maryland, Inc.	Ownings Mills	Maryland	8/16, 8/23
Regence Blue Cross/Blue Shield of Utah	Portland	Oregon	8/30,9/6, 9/13
Regence Blue Cross/Blue Shield of Oregon	Portland	Oregon	8/30,9/6, 9/13
Anthem Health Plans of Maine, Inc	Portland	Maine	8/30,9/6, 9/13
Anthem Health Plans of New Hampshire, Inc	Portland	Maine	8/30,9/6, 9/13
Nordian Administrative Services	Fargo	North Dakota	8/30, 9/13
Blue Cross and Blue Shield of Nebraska	Omaha	Nebraska	8/30, 9/13
Phase II (9/20-10/15)			
Triple S, Inc	San Juan	Puerto Rico	9/20, 10/04
Cooperativa de Seguros de Vida de Puerto Rico, Inc	San Juan	Puerto Rico	9/27, 10/11
Blue Cross Blue Shield of Wyoming	Cheyenne	Wyoming	9/27, 10/11
Blue Cross and Blue Shield of Montana, Inc	Helena	Montana	9/20, 10/04
Veritus Medicare Services	Pittsburgh	Pennsylvannia	9/20, 10/04
Connecticut General Life Insurance Company CIGNA HealthCare	Hartford	Connecticut	9/27, 10/11
Group Health Incorporated	New York	New York	9/20, 10/04
National Heritage Insurance Company	Boston	Massachusetts	9/27, 10/11
Phase III (10/15-10/31)			
SAS 70			
Group Health Service of Oklahoma, Inc.	Tulsa	Oklahoma	10/18, 10/25
Wisconsin Physician Service Insurance Corporation	Madison	Wisconsin	10/18, 10/25
Trispan, Inc	Jackson	Mississippi	10/18, 10/25
First Coast Service Options	Jacksonville	Florida	10/18, 10/25
HealthNow New York Inc.	Buffalo	New York	10/18, 10/25
Blue Cross Blue Shield of Georgia, Inc	Atlanta	Georgia	10/18, 10/25
Trailblazer Health Enterprises	Dallas	Texas	10/18, 10/25
CFO			
South Carolina (Palmetto)	Columbia, SC		25-Oct
Mutual of Omaha	Omaha, NB		18-Oct
Kansas BC/BS	Topeka, KS		18-Oct
Arkansas BC/BS	Little Rock, AR		25-Oct
Alabama BC/BS (Cahaba)	Brimingham, AL		18-Oct
Empire BC/BS	Syracuse, NY		25-Oct
Tennessee BC (Riverbend)	Chattanooga, TN		18-Oct
AdminFed (Anthem/Ind)	Louisville, KT		25-Oct
Clifton Gunderson Evaluations			
Arizona BC/BS			Oct-TBA
Highmark (HGSA)			Oct-TBA
United Government Services, LLC			Oct-TBA

Questions??

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