

# State Agency – Project Status Report



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**Reporting Period Ending on April 30, 2015**

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## Document Information Page

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	0.1	08/30/2013	John Evans	Initial Version.

# Projects Status

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The projects depicted below represent changes that potentially impact State Agencies:

## 1. **Project/Change Order:** Affordable Care Act (ACA) Operating Rules – Phase III

**1.1 Overview:** Phase III Operating Rules apply to Claim Payment/Advice (835) transactions, Electronic Funds Transfer (EFT), and Electronic Remittance Advice (ERA) data. Phase III continues to build on the Phase I and II rules. Phase III is made up of the following rules:

### **Rule 350 – 835 Retrieval**

Enhances Phase II by adding an additional transaction for 835 data file retrieval and addresses dual delivery of 835 and Proprietary Paper Claim Remittance Advices.

An additional requirement added by the Agency will require 835s (Electronic Remittance Advice – ERA) to be generated for every provider. Therefore, every provider, or their designated representative, will need to register for a trading partner ID so that ERAs can be produced and distributed appropriately.

### **Rule 360 - Uniform Use of Claim Adjustment Reason Codes (CARC) and Remittance Advice Remark Codes (RARC)**

Dictates the combination of codes that can be used for certain business scenarios. Working with their members and other large healthcare systems, CAQH CORE defined four common business scenarios that impact claim payment and processing. For each of these scenarios, CAQH CORE defined specific code combinations that **MUST** be used by Healthcare Systems on the v5010 X12 835 electronic RA. Business scenarios that are encountered beyond these four are left to the discretion of the Healthcare System to determine the code combination to use.

### **Rule 370 – EFT and ERA Re-association Rule (CCD+/835)**

Standardizes the Re-association Data by specifying the location where the data should be stored in both the CCD+ EFT transaction and the 835 ERA transaction. Specifically, Re-association Data is to be placed in the:

- Addenda Record for the CCD+ transaction
- BPR and TRN Segments of the 835 Transaction

Rule 370 additionally specifies:

- The maximum allowed lag time between receipt of an ERA and its corresponding EFT
- Requirements for elapsed time auditing
- Requirements for resolving late or missing EFTs and/or ERAs

### **Rule 380-382 - ERA/EFT Enrollment**

- Rule specifies the maximum data that may be collected to enroll a provider or trading partner for receiving an Electronic RA (ERA/835) or payments via EFT
- Only data elements specified by the rule may be collected.
- The rule specifies the names of the all data elements. These names must be used exactly on paper or electronic enrollment forms.
- The data elements must be presented in a specific order on paper or electronic forms.
- The rules specify which data elements are mandatory and which are optional.
- Related data elements are put into Data Element Groups. The groups must also be presented in a specific order and may be either mandatory or optional.
- The data elements and data element groups are similar, but not identical, for the two rules.

- **Current Status:** System testing of Rules 360 and 380/382 is nearly complete, with some defects remaining. The plan remains to move to User Acceptance Test (UAT) environment on May 13, 2015.

As of the end of April all but 2 VANS have moved to Safe Harbor for 270/271 (eligibility) and 276/277 (claims status) transaction processing. Three VANS have yet to submit Port Closure Authorization Forms which signifies HPES can close their ports and they will submit purely via Safe Harbor. Phase III Safe Harbor system changes have been completed and certification testing is underway – to be completed once the project moves to UAT. Additional changes to support data archiving are underway.

Communication: A survey is being conducted on the web portal asking providers for their thoughts regarding the proprietary RA which can be downloaded from the web portal. The Agency is interested in the current use of this report and will use this information to determine if it will be continued in the future or fully replaced by the electronic remittance advice (ERA). Additional communication is being prepared for the remaining providers who have not yet enrolled for ERA. July Provider Insider will include information regarding the automatic ERA enrollment which will occur when Phase III implements mid-July.

HPES Operations will be hiring an additional four staff members to help support ACA III and ICD-10 implementations in the coming months. New hires will be included in ACA III training planned while the project is in UAT.

**1.2 Potential Impact:** During the Agency kickoff meeting HP reviewed the requirements and solutions for all Rules with the Agency PMO and FPOs. Initial external entity and operational impacts have been assessed and are documented in the proposal and designs. As new impacts come to light throughout the construction and testing process, they will be documented, communicated, and included in the project implementation plans and status reports. Project risks are being identified, assessed, and documented. HP will work closely with impacted areas to mitigate the project risks.

Due to limited risk, the Agency has approved moving the project to Model Office on May 13, 2015 even if all system testing and/or defects have not yet been completed. HPES will continue to assess, document, and work defects while the system is utilized in UAT.

**1.3 Anticipated Implementation Date:** Utilizing the staged approach for Model Office implementation, UAT and Vendor testing will occur mid-May – mid-July 2015, with final implementation occurring mid-July 2015. Two months of post-implementation support will follow – to be concluded mid-September 2015.

Phase III certification testing has begun. All certification test cases possible have been completed, with remaining testing to occur once the project moves to Model Office. Certification was originally anticipated to occur September 2015, but now looks to occur much sooner.

During the 2-month period of UAT/Vendor test, HPES plans to prepare and deliver training to internal staff, Operations staff, and the Agency regarding changes occurring for ACA Phase III. Training items will be pulled from the Implementation Plan 'Training' worksheet. An extensive overview of the enhanced Provider Enrollment Portal is planned to help Provider Enrollment better serve the provider community. Training will take place in the User Acceptance Test environment which will serve as another full testing opportunity prior to production implementation.

## 2. Project/Change Order: Regional Care Organization (RCO)

**2.1 Overview:** The RCO project creates a new capability whereby a Third Party Administrator (TPA) will be procured by an RCO to perform claims processing and back office function similar to what the Medicaid Management Information System (MMIS) currently performs for Fee for Service (FFS) claims processing. Pharmacy claims will continue to be processed through the MMIS rather than through the TPA; therefore nightly pharmacy data will be extracted from the MMIS and made available to the RCOs. Enrollment Brokers will be utilized to enable recipients to pre-select their RCOs. Data from the Enrollment Broker will interface to HPES to be processed by the MMIS.

The following additional items have been included in this project:

- Automated Software Quality Control (ASQC) – a review and modification of all batch and user interface (UI) system objects to identify and resolve potential defects, and
- FEITH hardware and software upgrades to support increased functionality to reduce the volumes of paper documentation currently manually scanned into FEITH by providing a mechanism whereby providers may submit documents in PDF format or generate fax barcode coversheets via the web portal.

The project was signed, and startup began, April 1, 2015. A project kickoff is scheduled to occur May 4, 2015.

**2.2 Potential Impact:** Initial impacts, by subsystem, were documented in the project proposal. Additional impacts will be discussed in Joint Application Design (JAD) sessions to occur May 5 through May 22, 2015. As the project progresses into design new impacts will be documented and discussed.

**2.3 Anticipated Implementation Date:** Required implementation date is October 1, 2016 with six months post-implementation support. Additional implementations are expected to occur along the way, including a Phase 1 implementation for data model changes, the Diagnosis Related Group (DRG) pricing solution implementation, the Automated Software Quality Control (ASQC) implementation, and the implementation of hardware and configurations to support an enhance FEITH solution. Additional information will be forthcoming as the HPES PMO completes the baseline project schedule, and the Agency and HPES project teams participate in JAD discussions beginning May 5, 2015.