January 21, 2004

Honorable Francis C. Heitmeier, Chairman
Honorable John A. Alario, Jr., Vice Chairman
Joint Legislative Committee on the Budget
P. O. Box 44294
Baton Rouge, LA 70804

> Re: Exceptional Performance and Efficiency Incentive Program
> Proposal by the Department of Health and Hospitals,
> Medical Vendor Administration Program, Medicaid
> Management Information System/Medicaid Administrative
> Reporting System Section

Dear Senator Heitmeier and Representative Alario:

In accordance with Louisiana Revised Statute (R.S.) 39:87.5(D)(8), we have completed our analysis of the material and substantive accuracy of the proposal submitted by the Department of Health and Hospitals (DHH), Medical Vendor Administration Program, Medicaid Management Information System/Medicaid Administrative Reporting System (MMIS/MARS) Section for a financial reward based on the Exceptional Performance and Efficiency Incentive Program. State law and program rules require our findings to be submitted to the Performance Review Subcommittee no later than January 31. However, since the subcommittee members have not been appointed, our report is being submitted to you to be distributed to subcommittee members once they are appointed.

DHH bases its proposal on the exceptional performance of MMIS/MARS Section staff in designing, developing, and implementing the Medicaid Data Warehouse (MDW) System and the in-house MARS Mediplex Decision Support System. According to DHH, these systems have reduced both the costs and time associated with generating Medicaid reports. Specifically, the proposal states that from fiscal year 2001 to 2003, DHH saved $703,022 by implementing the MDW and MARS systems using in-house staff and $5.7 million by using existing computer hardware and software. In addition, the average time for generating reports has decreased from a standard of five days set in fiscal year 2001 to less than one day during fiscal year 2003.

We did not verify all items in the proposal. We only verified the data that the department supplied that supported its claims related to exceptional performance. We also reviewed documents that support the amount of its reward request.
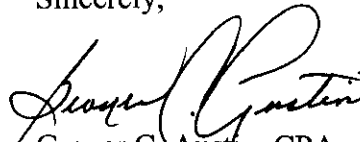
In summary, we found the following:

- **DHH is seeking a reward for nonrecurring expenditures in the amount of $20,000.** The reward will be used as a one time salary supplement for five employees responsible for the design and implementation of the MDW and MARS systems.

- **Overall, the information presented in the proposal is materially accurate.** While we found some discrepancies between the source documentation and the information presented in the proposal, none affected the department's claims of exceptional performance.

I hope this information is useful in your legislative decision-making. A copy of this information has been provided to DHH.

Sincerely,

Grover C. Austin, CPA
First Assistant Legislative Auditor

GCA/ss

Attachment

[DHHMARS04]

Reward Proposal Based on Exceptional Performance

for

MMIS/MARS Section

Submitted

by

Susan Wagner
Section Chief
MMIS Section

November 13, 2003

Also in 2001, DHH terminated the Decision Support Systems (DSS) contract with MedSTAT. This prompted Phase 1 of the design, development and implementation (DDI) of the MDW System by the MARS Team. The goal of the MDW (Phase 1) was to provide DHH staff access to the system and data required to query reports. The objective for Phase 2 of the project involved the DDI of a user friendly interface between the MDW and the MARS Mediplex DSS systems.

Phase 1 – DDI for the MDW

In SFY 2000/01, MARS ad hoc and special reports averaged $25,000 in mainframe utilization expenses which represents utilization above the contractual 40 CPU hours allowed each month. The total mainframe cost for excess CPU was $288,117.

In 2001/02, a single report cost $370,076 to generate on the Mainframe System. Please note this was prior to a full implementation of the MDW. Therefore the total mainframe cost for excess CPU was $447,787.

In SFY 2002/2003, the total mainframe cost of the excess CPU was $56,880. The reduction in mainframe excess CPU was attributed to the full implementation of the MDW.

Phase 2 – DDI for MDW and the MARS Mediplex DSS Systems

Phase 2 objective was to secure a DSS for the Department. Over the past three years DHH staff has participated in the evaluation of DSS system in the IT Industry. Base on extensive research and evaluation of various DSS systems, the MARS Team pursued DDI of an in-house DSS system. The average estimated cost for DDI of an external DSS system with an industry leader was $18 million over three year.

In SFY 2002/03, the MARS Team completed Phase 2 of the DDI of the in-house MARS Mediplex DSS System(s) that was initiated in SFY 2001/02. This is an enhancement to Phase 1 of the Medicaid Data Warehouse (MDW) system. Phase 2 serves as a Decision Support System (DSS) interface with the MDW. Phase 2 was presented to Secretary David Hood on September 8, 2003. The final version was presented on October 8, 2003 and received DSHH Executive approval for implementation.

Cost-Savings = (Industry Standard Hourly Rate)(Work Hours)-(Current Civil Service Mid-Point Hourly Rate)(Work Hours) =Savings. Example: (100*80)-(30*80) = Savings

In SFY 2000/01, total estimate cost savings was $176,948. In SFY 2001/02, total estimate cost savings was $199,565 and $326,508 was the total cost savings in SFY 2002/03. The total cost savings for the three-year time span is $703,022. Please note the cost savings was based on salaries for three staff personnel.

Industry Standard hardware and software cost for contracting with an external DSS is estimated at $5.7 million over a three-year time span. Applying that same cost estimate to the Department's in-house DDI efforts provides an estimated cost savings in $5.7 million as we were able to utilize existing hardware and software.

REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

Performance Indicator	2000-01 Standard	2000-01 Actual	2001-02 Standard	2001-02 Actual	2002-03 Standard	2002-03 Actual
Total Costs Associated with the MARS Report Production via CPU Monitoring	$300,000 (Based on average monthly cost of $25,000)	$288,117	$300,000	$370,076	$300,000	$56,880
Time (in days) from Receipt to Submission of Report Requests (SPT)	An average of five working days	Five to seven working days	Daily	Periodically throughout work day	Daily	Periodically throughout work day
Number of DHH users with Direct Access to MARS Report Data		Base Statistical Analysis Software (SAS): 2 licenses SAS/Enterprise Guide (EG): 0 licenses		Base SAS: 3 licenses SAS/EG: 10 licenses		Base SAS: 5 licenses SAS/EG: 15 licenses.

REWARD REQUESTED

An award in the amount of $20,000 is requested to provide a one-time salary supplements for the three employees responsible for the DDI activities for the MDW and DSS (Mars Mediplex System). Please note that Joyce Madison's contributions are to DDI of the SPT system which provides a high level of efficiency. In addition, Paulette Claiborne's contributions are to the redesign and rewrite of all systems reports and data elements for the migration from mainframe to the MDW.

The MMIS/MARS staff went above and beyond the normal scope of work and expectations of the Department in the DDI of the SPT System, MDW, and the MARS Mediplex DSS System. This type of development was normally preformed by external consultants and contractors.

- $5,000 for Curtis Boyd
- $5,000 for Erica Perkins
- $5,000 for Jason Dyess
- $2,500 for Joyce Madison
- $2,500 for Paulette Claiborne

REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

STAFF RECOMMENDATION FOR THE
PERFORMANCE REVIEW SUBCOMMITTEE FOR
2003 PROPOSALS FOR REWARDS FROM THE INCENTIVE FUND

Pursuant to perform review Subcommittee Rule II.E., staff of the House Committee on Appropriations, Senate Committee on Finance, and Legislative Fiscal Office are required to develop a recommendation for the Subcommittee with respect to disposition of proposals submitted for Incentive Fund rewards which have been forwarded to the Legislative Auditor for analysis.

Proposal by: DHH/MVA/MMIS

Activity: To implement a Medicaid Data Warehouse (MDW) and Decision Support System (DSS) system for DHH providing user friendly reporting tools to reduce reporting costs through the development of a single validated source of Medicaid data.

Reward proposed by agency: Supplemental compensation in the amount of $5,000 is the maximum amount allowed for the three core development MARS Team members, and $2,500 for two MARS Team members based on contributions to the projects. Aggregate amount of proposed reward is $20,000.

Staff recommendation:

Disposition of proposal: Recommend reward as requested by agency.

Explanation:

The Management Administrative Reporting Subsystem (MARS) seven employees are responsible for the day-to-day reporting operations for Medicaid Data. The MMIS/MARS area has experienced tremendous growth and achievement under the direction of Curtis Boyd as he joined MMIS in 2000. Medicaid data is used throughout the Department, public and private sectors. The Louisiana Medicaid Program, which provides health services to low income individuals, has an annual budget of $3.5 billion dollars and provides services to more than 950,000 recipients annually. Louisiana MMIS processes 40 million Medical claims annually for more than 40,000 Medicaid providers. The MARS Team through Design, Development, and Implementation (DDI) has become the primary source for Medicaid data through the MDW and the in-house MARS Mediplex DSS reporting applications. These two functions are generally handled by an outside contractor. The development has saved the Department $703,022 in reporting cost and several million in application development from SFY 2000/01 to SFY 2002/03.

BACKGROUND for Federally Mandated MMIS Management Administrative Reporting System (MARS)

The Management Administrative Reporting Subsystem (MARS) is responsible for the day-to-day reporting operations for Medicaid Data. Medicaid data is used throughout the Department, public and private sectors. The MARS Unit located in the Department of Health and Hospitals (DHH), Medical Vendor Administration (MVA), Medicaid Management Information System (MMIS) section. The Louisiana Medical Program, which provides health services to low income individuals, has an annual budget of 3.3 billion dollars and provides services to more than 850,000 recipients annually. Louisiana MMIS processes 39 million Medical claims annually for more than 30,000 Medicaid providers.

Performance and productivity for the MMIS Section is of critical importance, as there is a potential for loss of 25% of federal Medicaid funding if the MMIS operation fails to meet the established Federal guidelines. Incumbent serves as the lead staff person responsible for all data reporting generated under the direction of the Manager. The data reported is the Medicaid Program Data for the State of Louisiana, as required by State and Federal regulations and as required by entities within and outside of DHH to explain and support the Medicaid budget and expenditures. Computerized functions are performed on mainframe computer, under contract with the Medicaid Fiscal Intermediary, with links to PC software for high level Data Warehouse. The MARS team has taken the core function of reports design and data querying functions. In addition to the development and implementation of an agency own Executive Information System (EIS) and Decision Support System (DSS) to for specialized reporting.

In compliance with a MVA Deputy Director directive to provide broader in-depth program coverage, effective July 1, 2000, the staff is required to have knowledge of MMIS data structure and data definition, and the skills to research computer data outputs for validity and balancing against MMIS transaction totals. The staff's knowledge base must include an understanding of data flow within the MMIS, an ability to select and interpret individual data elements for construction of data sets which are used to turn large volumes of individual transactions into meaningful summaries of data in order to provide a basis for analyzing, profiling and otherwise reporting Medicaid data in response to requests for budget and expenditure information. The incumbent must be familiar with both mainframe and PC base software data collection, manipulation, and reporting techniques.

OVERVIEW
MARS Data Management and Quality/Production Control

- MSIS is the result of the Balanced Budget Act of 1997 (HR2015) signed by President Clinton on August 5, 1997, includes a number of provisions which affect the administration of the Medicaid Program. One such provision, section 4753(F) requires the electronic transmission of all claims data by States to HCFA on or after January 1, 1999. Specifically, the law requires the electronic submission of claims data in the format specified by the Center for Medicare and Medicaid Services (CMS) and consistent with the Medicaid Statistical Information System (MSIS), including detailed individual enrollee encounter data. MSIS data files are submitted quarterly to CMS and require data validation, changes and or corrections to the system on an ongoing basis.

- MARS Report Migration was implemented in July 2002 to convert 75 federally mandated reports for the mainframe system to a data ware house environment (client server). This task requires modifications to existing reports, creation of new reports as outlined in the State Manual for a certified MMIS System. Migrated and new reports undergo critical review, validation and require a rewrite of the MARS Manual. This process also requires ongoing updates, modifications and monitoring. The goal is to ensure a single source of validate data is available to meet the needs and demands of the department.

- Quality Assurance process was implemented July 1, 2000 for MARS Reports to improve the accuracy of information and minimize errors and discrepancies. This will allow Unisys and DHH to immediately address issues and concerns regarding MARS reporting. In addition, priority procedures were implemented to determine high priority requests for reports and set deadlines to complete those requests. This area is a very important area of the reporting process. This component is necessary for the integrity and quality of all reports. MARS' quality assurance is key to identifying problems with reports before distribution of data. Additional staff will enable the MARS Units to expand review of weekly, monthly and quarterly and yearly reports within the short turn around for these reports to be distributed. Unisys will submit all critical reports' results indicating error(s) and/or discrepancies to MARS Manager. MARS Unit will analyze reports and arrange a meeting with Unisys to resolve any errors and/or discrepancies. Corrected reports are produced and distributed to those persons on the DHH distribution list. This new process will not change the required delivery time of the MARS reports.

- Data Management and Monitoring is a key component to ensure timely production of reports. It also allows creating new reports, modifying old ones and correcting existing reports. All SRF, DCR and DRF requests for reports will be submitted to the MARS Unit to determine the priority of the request. MARS Unit/Manager will review all requests to determine the priority, based on information provided by the requestor stating the

purpose and anticipated deadline information is needed. Current requests pending will be reviewed, and the MARS Manager will determine the priority; deadlines will be assigned accordingly. Should Unisys receive any high priority request without being routed through the MARS Unit, FI must notify the MARS Manager who will review request and determine any effect on the completion of other reports. MARS Manager will discuss an anticipated completion date from the FI. MARS Unit must be notified immediately if any problems occur that may delay a high priority request.

- <u>Project Monitoring</u> – MARS staff serve as a liaison between DHH and the FI to ensure that all short-term and long-term request are completed in a timely manner. This requires coordinate meeting with and between DHH and the FI personnel for development and implementation processes. Monitor and keep record of MEVS/REVS provider daily transactions.

- <u>Systems Validation and Corrections</u> – Staff is notified of errors and discrepancies with the MEDS system, Medicaid Data Warehouse, LMMIS mainframe, LMMIS On-line System, MARS Mediplex System and other MARS system applications. Responsible for update, changes and modification to demographic, utilization and provider data. MARS is responsible for validation of all production and ad hoc reporting both internal and produced by the FI. Staff identifies, analyze and correct errors in the daily error activity reports created from the Meds/MMIS interface. Also is responsible for the resolution of discrepancies on denied claims (Speeds) received from Unisys, by contacting parish office for verification of recipient data when necessary. Process Death reports (request verification of recipient's death from parish. System validation requires a high level knowledge of Medicaid Systems. The ability to analyze data and query reports is required to ensure the integrity of the data.

OVERVIEW
Medicaid Data Warehouse/DSS and
System Application Management

- <u>SQL and SAS Programming</u> is a key function of the MARS Unit. MARS is responsible for the administration of the Medicaid Data Warehouse and all Medicaid Data reports and data validation. Development of the MARS Mediplex system has increase to demands to develop internal reports and has demonstrated less dependency on the FI.
- <u>ASP.NET Programming</u> is used by the MARS unit to develop web application to enhance work productivity and performance. MARS web applications are used for management, planning/project development and management reporting (EIS/DSS).
- <u>Oversight of DHH Data Warehouse Access</u> - MARS is responsible for the Oversight of DHH access to the MARS Data Warehouse and training for DHH staff. This was established to set policy and procedure guide to outline steps for producing reports, address technical issues and develop an in-house training component prepare DHH Data Warehouse users with the skills necessary to query reports. DHH Enterprise Guide users who experience a problem with the application or require technical assistance in developing a report should contact the Unisys Technical Help Desk or the MARS teams for assistance.
- <u>Ad hoc Information Requests</u> - Interprets and respond to questions from Legislators and their staffs, the Division of Administration, the provider community, the patient community, the press and the general public as assigned. Perform various levels of financial and eligibility utilization research and production between many-paged reports and slide presentations to simple memos, tables and phone responses.
- <u>Research and Analytical Support</u> is a key component of the MARS Data Warehouse. This component is responsible for research inquiries in respect to Medicaid. Request may be internal and/or external. MARS staff receives a report for data that may or may not be produced through MMIS monthly MARS reports. This requires staff persons to research the best method of producing information. Research also includes data problems, verification, and clarification. Questions are usually generated by report users pertaining to data concerns. Part of MARS Unit's functions is to review all issues related to data problems. After problems and concerns are identified, a meeting is set with the DSS Supervisor, Unisys and the user to resolve any discrepancies. This requires a high level of analytical skills. All DSS reports are examined and are compared to existing MARS Reports.
- <u>Quality Assurance and Quality Control</u> – MARS is responsible for verifying and validating of all production reports to ensure the accuracy and timeliness of distributions. Reports are validated to the Medicaid Data

Warehouse. Also responsible for update of all documentation of production and ad hoc reporting. This includes manuals and technical notes.

- Provider Web and MEVS-REVS Web – Serve as oversight and liaison to Fiscal Intermediary for changes and development to the Provide Web Site.
- COINSERV - Administrative responsibility of the function of the on-line system. This includes monitoring all activity to ensure validation and accuracy all reports that are loaded on the LMMIS On-Line System. *Provide training and handle all problems reported.*
- System Project Tracking (SPT) – is an on-line system use to submit all request via the intra-net. The system allows real-time submission of request that generated an automated log of persons submitting the request, assigned programmer, and status. The Unit is responsible for the administration, training and monitoring of the system.
- MARS Mediplex Interactive Database System – is an online application that allows DHH user group to query reports though a Decision Support System application. MARS Mediplex System was design and implemented by the MARS Unit. The system is monitored and maintained by the MARS Unit. This includes all updates, system modifications, production control validation and verification of data content. The MARS Unit and the FI is responsible for all data extracts and monthly loads.
- Project Planner (ProPlanner) – ProPlanner is an On-Line task planning system to organize project and operational tasks; to establish requirements for project and program development. ProPlanner consist of the following functions: (1) establish timelines; (2) track project activity; (3) defined task description; (4) assigned resources (Staff); and (5) calculates Activity and Percentage completion. This system is administered and managed by the MARS Unit.
- Project Development System (ProDeveloper) – is an online project development system to assist DHH user group to develop project and allow other personnel to participate in the process. The process will aid user in generating a DCR to initiate new programs or changes to current programs. MIDS is an online project development system to aid persons to formulate ideas, work practices, and staff input via the web to plan, develop, and implement programs and operational changes. This system is administered and managed by the MARS Unit.
- Interactive Web Development – Responsible for new development and maintenance of the system. Development includes on-line report tool, letter writing system, and prior authorization initiatives.
- Mediplex E-Letter System - is web application to allow MMIS/TPL staff to generate and process letter for insurance companies, attorneys, clients and parish offices via the web. MARS staff will manage a large database contain information necessary to auto-populate data of produce massive mail outs.

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WINDOWS IN THE ENTERPRISE
Louisiana hospital finds scalable solution in SQL data warehouse
John Hogan
22 May 2002
Rating: --- (out of 5)

Curtis Boyd had a miniscule budget. Yet, he needed to quickly replace a nearly 20 year-old mainframe system to reduce report generation times from two weeks to one day.

Sounds like Mission: Impossible, right? Well, with a little patience and a lot of testing, Boyd's mission turned into a successful data migration for the State of Louisiana's Department of Health and Hospitals (DHH).

Since 1983, DHH's OS/390 mainframe had supplied users with ad hoc reports on Medicaid patient information called Management Administrative Reporting System (MARS). These reports contain information pertaining to the number of eligibles, recipients, and payments. "This information can be provided by parish (county), age, gender, race, type of service, and provider type," said Boyd, assistant section chief at DHH.

The MARS reports, however, averaged about $25,000 in mainframe utilization expenses and 40 CPU hours each month, said Boyd. That time and expense, on top of the two-week report turnaround each request usually took, was unsatisfactory. Reports need to be delivered one day to one week after they are requested, he said.

Baton Rouge-based DHH has over 250 million Medicaid records in its Medicaid Management Information System (MMIS), whi on the OS/390. MMIS processes all the welfare claims for the state. The federal government funds each state's MMIS and eac a fiscal intermediary. Baton Rouge-based Unisys, Corp., a hardware server vendor, is DHH's intermediary.

Each year, 350-400 requests are submitted to DHH's system for MARS reports. Information requests are submitted for a varie Doctors may want to know how long a patient on Medicaid was in the hospital and what services he received. Or, legislators m eligible Medicaid recipient information, Boyd said. Until a year ago, Unisys compiled and sent out the reports for the hospital.

Give me simple reporting, please!

Knowing a PC-based system would be able to return the information more quickly than the mainframe, Unisys' and Boyd's sev committee began looking for a solution.

The team first looked into building a data center with Ann Arbor, MI-based Medstat Group's DataScan technology. Unfortunate "was too cumbersome to use and it was hard to understand its logic, technology and design." Further, Boyd said, two people v same question and the technology would return two different answers.

Next, the committee looked into using Unix and running an Oracle database. They soon found that "Unix is still a quasi-mainfr; Wagner, DHH's Section Chief. The database would not let individual users query reports, Boyd said. Further, because Unix's t technical, more training would have been necessary for DHH's staff. More training means a more expensive solution, said Boy

Finally, the team tested Windows running SQL Server 2000 Enterprise Edition. After running a six-month pilot project, the tean SQL Server easy to set up, configure, and establish a complex data structure, said Boyd. DHH and Unisys were also able to e three years worth of data to the SQL Server from the old mainframe.

Now, two SQL Servers are integrated with Cary, NC-based SAS Institute's Enterprise Software to form a data warehouse. The software runs on Unisys ES2000 servers with four G bytes of RAM and 180 G bytes of RAID. The data warehouse has been r eight months, Boyd said.

DHH now saves $13,000 a month running the data warehouse, Boyd said. Since the data is only pulled from the server, "it's n through hard-coded logic," like it was from the mainframe, she said. For example, one large report cost DHH $300,000 to prod mainframe system. It costs merely $200 with the SQL data warehouse, Wagner said.

Report generation times have also been drastically reduced. The hospital now averages an eight-hour turnaround for reports. needed right away are provided in two hours, said Boyd. Additionally, both Unisys and DHH employees work to create the rep are much easier to compile now, he said.

Because the data warehouse is so efficient, information requests have increased, Boyd said. Already 480 requests have been generated since the data warehouse was implemented. However, "now there's an expectation by the users that they can subn they will get it by the next day." Yes, data can be retrieved quickly, he said, but it must also be validated before a report is finis not every request is completed within the user's expected timeframe. Because the request number is growing, Boyd plans to e SQL Servers from two to four this year.

Lastly, DHH has been able to streamline which reports are even necessary to run. DHH has either phased out or is in the proc all of the reports the mainframe system ran. It has also phased out paper reports completely.

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Southern Consortium Highlight

Louisiana Medicaid Program Manager Curtis Boyd found an efficient and cost-effective new process for DHH that earned him the Innovator Award given by the national online publication SearchWin2000.com. Historically, DHH's mainframe computer had supplied users with reports on Medicaid patient information called Management Administrative Reporting System (MARS). Knowing a window based

system would be able to return the information more quickly than the mainframe they had been using , a committee lead by Boyd along with Unisys staff began looking for a solution. After reviewing several options, the team tested the Windows based SQL Server 2000 Enterprise Edition through a six-month pilot project. The team found this system easy to set up, configure, and establish a complex data

structure. DHH saves $13,000 a month and report generation averages an eight-hour turnaround.

Budget Woes

- Utah and Tennessee were awarded Section 1115 demonstration waivers to expand coverage, and Colorado enacted SCHIP coverage expansions.

- Private market reforms: The District of Columbia created a "mini-COBRA" program that would extend health coverage for employers to form Multiple Employer Welfare Arrangements, or MEWAs.

- Health plan regulations: State lawmakers were far less concerned with regulation of health plans this year. Only

25 mandated benefit laws were passed during the first half of 2002, compared with75 last year, and of the 13 health plan liability laws proposed during the most recent term, none were passed.

- Provider contracting: The District of Columbia created a new prompt-payment law, while several other states amended existing laws. Mississippi and Florida added dual time frames to differentiate between deadlines for paying claims submitted on paper vs. those submitted electronically.

Michigan and Kentucky adjusted the time frame allowed for payment of a clean claim, and four other states revised the definition of a clean claim. Collective bargaining legislation did not see nearly as much activity, though — only two states, New Jersey and Alaska, passed laws granting providers permission to collectively negotiate reimbursement rates with insurers.

To contribute to the Messenger, e-mail your consortium representative, or Judi Worsham at worshamj@ohca.state.ok.us

Southeast Prepares Independently Living STARs

Everyday living skills which come naturally to most people are sometimes more challenging for those with a mental impairment. Southeast Louisiana Hospital recognizes this as one of the difficulties of assisting some of the adult patients back into an independent living environment.

In order to better prepare these patients, a new program called STAR (Strategies for Therapeutic Adult Rehabilitation) was initiated by the Therapy Services Department. Program Director Joan Spraggins states, "the program allows the clients the opportunity to build self-esteem and assume responsibility for behavior through an increase of personal causation outside the traditional hospital setting."

Sixteen patients attend classes Mondays through Fridays from 9:00 AM until 2:00 PM in a building especially prepared for the STAR program. Subjects include cooking skills, with hands-on training in the kitchen where patients prepare heir own mid-day meals, set the tables, wash the dishes, and clean the kitchen. Shopping skills and meal preparation are incorporated into the morning class prior to the meal.

Other living skill classes include money management, coping skill development, structured work programs, laundry, janitorial tasks and more effective ways to communicate and socialize.

Sarah Weber, a STAR program participant at the Southeast Louisiana Hospital in Mandeville, is shown here learning job skills that will be crucial to her success once she's on her own.

Boyd Opens *Windows* to DHH Savings and Efficiency

Medicaid Management Information System (MMIS) Section had a small budget to work with and they needed to quickly replace a nearly 20-year-old mainframe computer system. This change was needed to reduce Medicaid report generation time from two weeks to one day. Sounds like Mission: Impossible, right? Well, with a little patience and a lot of testing, Medicaid Program Manager Curtis Boyd found an efficient and cost-effective new process for DHH that earned him the Innovator Award given by the national online publication *SearchWin2000.com*.

Historically, DHH's mainframe computer had supplied users with reports on Medicaid patient information called Management Administrative Reporting System (MARS). These reports contain information pertaining to the number of eligibles, recipients, and payments. Information requests are submitted for a variety of reasons. Doctors may want to know how long their Medicaid patients were in the hospital and what services they received or a health care association could be looking for access and utilization statistical information for public research projects, just to name a few.

Each year, 350-400 requests are submitted to DHH's system for these reports. DHH has over 250 million Medicaid records in its system, so this can be a cumbersome project. Furthermore, the cost to generate these reports averaged about $25,000 in computer expenses and 40 hours each month on the central processing unit. That time and expense were unsatisfactory for the department.

Knowing a Windows-based system would be able to return the information more quickly than the mainframe they had been using, a committee led by Boyd, Ron Young, Director for the Office of Financial Research and Planning, Fred Mouton from Information Technology along with Unisys staff began looking for a solution. After reviewing several options, the team tested the Windows based SQL Server 2000 Enterprise Edition through a six-month pilot project. The team found this system easy to set up, configure, and establish a complex data structure. DHH and Unisys were also able to easily integrate three years worth of data from the old mainframe.

DHH saves $13,000 a month and report generation averages an eight-hour turnaround according to Susan Wagner, MMIS Section Chief. In fact, some reports needed immediately are provided in two hours. Additionally, both Unisys and DHH employees can now work to create the reports because they are much easier to compile. Because the new system is so efficient, information requests have increased, which to some extent causes a new problem. Boyd notes "Now there's an expectation by the users that they can submit requests and they will get it by the next day." While data can be retrieved quickly, it must also be validated before a report is finished. Therefore, not every request is completed within the user's expected timeframe.

Boyd says that DHH has also been able to streamline which reports are even necessary to run. DHH has either phased out or is in the process of migrating all of the reports the mainframe system ran. It has also phased out paper reports completely. Congratulations and keep up the good work, Curtis!

System Project Tracking (SPT) is an on-line system use to

submit all requests via the intra-net. The system allows real-time submission of requests which generates an automated log of person(s) submitting the requests, assigned programmer, and requests status. The SPT System replaced paper submission of data and system change requests.

MARS Mediplex System is an on-line web application that consists of

three functional components: 1) Project Planner; 2) Project Developer; and 3) Administrative Management Statistical Reporting System (AMSTAT). Project Planner and Development System (PDS) is an online project development system to allow DHH users to plan tasks with timelines and projected completion percentages to effectively develop projects and programs. Project Developer allows the user to enter program/project descriptions and related information to initiate requirement analysis and planning. Projects are shared with a DHH core user group to provide input in the development process through the on-line Mediplex System. The process will aid users in generating a DCR to initiate new programs and or changes to current programs. The process will reduce the number of initial development meetings. AMSTAT serves as the ad hoc query application which is best describe as the MARS Mediplex Executive Management System and Decision Support System. The AMSTAT provides simple and detailed queries which are part of the MARS Mediplex System

Attachment 1

Bull Services
Data Warehouse Implementation
for the
State of Louisiana
Budgetary Estimate – September 25, 2003 ($M)

	Contract Year 1	Contract Year 2	Contract Year 3	Total
Hardware & Software	$4.18 M	$1,56 M	—	$5.74 M
Maintenance	$.80 M	$.84 M	$.87 M	$2.51 M
Professional Services	$3.85 M	$4.96 M	$1.25 M	$10.06 M
Total	$8.83 M	$7.36 M	$2.12 M	$18.31 M

Proposal

REWARD PROPOSAL BASED ON EXCEPTIONAL PERFORMANCE

DEPARTMENT: | Department of Health and Hospitals | SCHEDULE: | 09 305 |

AGENCY: | Medical Vendor Administration | PROGRAM: | Medical Vendor Administration |

ACTIVITY: | Medicaid Management Information Systems - MARS section |

SUBJECT FISCAL YEAR: | SFY 2002/03 |

This proposal is for a reward based on exceptional performance.

This original document, plus seven copies, must be received by the Performance Review Subcommittee of the Joint Legislative Committee on the Budget by 5:00 p.m. on November 15th. The Subcommittee's physical address is 900 N. 3rd St., State Capitol, 11th Floor, Baton Rouge, LA 70802; the mailing address is P.O. Box 94486, Baton Rouge, LA 70804; the e-mail address is "reade@legis.state.la.us".

In 2001, DHH terminated the Decision Support Systems (DSS) contract with MedSTAT. *This prompted Phase 1 of the design, development and implementation (DDI) the MDW System by the MARS Team.* The MDW (Phase 1) was designed to provide DHH staff access to the system and data required to query reports. Phase 2 of the project involved another DDI of a user friendly interface between the MDW and DSS systems. In SFY 2000/01, total estimated cost savings was $176,948. In SFY 2001/02, total estimated cost savings was $199,565 and $326,508 was the total cost savings in SFY 2002/03. The total cost savings for the three-year time span is $703,022. Estimate cost savings to the Department's DDI efforts are $5.7 million based on Industry Standards.

Application prepared by: | Susan Wagner | Date: | 11-13-03 |

Signature *Susan Wagner*

Agency head approval: | Ben Bearden | Date: | 11-13-03 |

Signature Ben C W Bearden

Received by the Performance Review Subcommittee: Date: | |

Sent to the Legislative Auditor Date: | |

Response from Legislative Auditor: Date: | |

Disposition by Subcommittee: | | Date: | |

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Part One: Explanation of the Activity and the Exceptional Performance

Describe the activity (the "subject activity"), program and performance data upon which your proposal is based. The subject activity may be a subset or component of a program (or equivalent), or involve the efforts of one or more programs or the entire agency. Be specific in identifying the organizational unit or area where the exceptional performance was achieved. Section A. is used to give a narrative description, and Section B. is used to provide the specific performance data.

A. Provide a detailed narrative description of the subject activity or program(s) and summarize the exceptional performance achieved by that entity.

The Management Administrative Reporting Subsystem (MARS) is one of four core federally required systems mandated by the Centers for Medicare and Medicaid Services (CMS). The MARS system is responsible for the day-to-day reporting operations for Medicaid Data. Medicaid data is used throughout the Department, public and private sectors. The MARS Unit is located in the Department of Health and Hospitals (DHH), Medical Vendor Administration (MVA), Medicaid Management Information System (MMIS) section. The Louisiana Medical Program, which provides health services to low income individuals, has an annual budget of $3.5 billion dollars and provides services to more than 950,000 recipients annually. Louisiana's MMIS processes 40 million Medical claims annually for more than 40,000 Medicaid providers.

Performance and productivity for the MMIS Section is of critical importance, as there is a potential for loss of 25% of federal Medicaid funding if the MMIS operation fails to meet the established Federal guidelines. Under the direction of Curtis Boyd, the MMIS/MARS section has successfully implemented the federally required 2082 MSIS electronic submissions in 2000. He also lead the development of the Medicaid Data Warehouse in which mainframe computer functions were used to generate Medicaid reporting, under contract with the Medicaid Fiscal Intermediary. In 2001, DHH terminated the Decision Support Systems contract with MedSTAT, the MARS Team, lead by Curtis Boyd, implemented the Medicaid Data Warehouse (MDW) System providing DHH staff access to the system to query reports. The MARS Team initiated the development of a Decision Support System (DSS) in 2002 and implemented this system on October 8, 2003. The MARS Mediplex DSS system allows Medicaid and DHH staff access to core operational and management reports via the intranet. The system contains a single repository of data for direct access. The MARS Team has also developed an interface with the fiscal intermediary (FI) data warehouse to Query reports using SAS Enterprise Guide. This achievement in the MMIS/MARS section has not only developed an easy access tool, but saved thousands of dollars monthly and millions yearly. The MMIS/MARS staff went above and beyond the normal scope of work and expectations of the Department in the DDI of the SPT System, MDW, and the MARS Mediplex DSS System. This type of development was normally preformed by external consultants and contractors.

B. **Provide detailed performance data evidencing the exceptional performance represented in your proposal. Be sure to note those specific performance indicators and standards which are particularly important. Provide any separate or narrative background information necessary to highlight or support the exceptional nature of the performance.** *All proposers must complete Format 1.* **Format 2 is to be used to report additional data which is not captured in LaPAS.**

Using Format 1, list all objectives and performance indicators for the subject year and at least the immediately preceding year (three years of data is best) for the program (or equivalent) in which the subject activity occurred. Provide the performance standards from the enacted budget/LaPAS. For proposals based on activities which occur at the sub-program (or equivalent) level which are not directly reflected in the agency's LaPAS performance data, the data for the program (or equivalent) comprising such activity is *required.* In cases where multiple programs are involved, provide the performance data for the entire agency.

Format 1. Provide the LaPAS data using this format, attaching addenda as necessary.

Program (or agency):		Medical Vendor Administration (09-305)				
Objective:		1. Through the Medicaid Management Information System, to operate an efficient Medicaid Claims processing system by processing at least 98% of submitted claims within 30 days of receipt and editing 100% of nonexempt claims for TPL and Medicare coverage.				
		FY 2001		**FY 2002**		**FY 2003**	
Performance Indicators		*Standard*	*Actual*	*Standard*	*Actual*	*Standard*	*Actual*
Percentage of total claims processed within 30 days		98	98.92	98	97.71	98	98.8
Average processing time (in days)		9.0	8.3	9	8.4	9	10.9
Number of TPL claims processed		4,550,000	4,786,065	4,550,000	5,010,228	4,914,000	5,533,954
Percentage of TPL claims processed through edits		100	100	100	100	100	100
TPL trauma recovery amount		5,040,000	5,588,796	5,040,000	6,473,295	5,040,000	6,916,117
Total number of claims processed (GPI)		N/A	49,102,841	N/A	457,654,466*	N/A	54,920,681
Number of claims available for TPL processing (GPI)		N/A	24,275,567	N/A	27,491,090	N/A	29,734,057
Percentage of TPL claims processed and cost avoided (GPI)		N/A	9.7	N/A	10*	**N/A**	10

* This number is the revised prior year actual that was entered into LaPAS during the second quarter of the following fiscal year.

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Use "Format 2" for instances where the agency's performance data in the enacted budget and LaPAS does not reflect the efforts and achievements associated with the activities forming the basis of your proposal. Provide clear and specific evidence of the establishment of an expected level of performance at the beginning of the fiscal year or before the activity was undertaken, which expectation could then be compared to actual achievements at year's end. Citation of specific source documents for this data is *required.*

Format 2.

Performance Indicator	2000-01 Standard	2000-01 Actual	2001-02 Standard	2001-02 Actual	2002-03 Standard	2002-03 Actual
Total Costs Associated with the MARS Report Production via CPU Monitoring	$300,000 (Based on average monthly cost of $25,000)	$288,117	$300,000	$370,076	$300,000	$56,880
Time (in days) from Receipt to Submission of Report Requests (SPT)	An average of five working days	Five to seven working days	Daily	Periodically throughout work day	Daily	Periodically throughout work day
Number of DHH users with Direct Access to MARS Report Data		Base Statistical Analysis Software (SAS): 2 licenses SAS/Enterprise Guide (EG): 0 licenses		Base SAS: 3 licenses SAS/EG: 10 licenses		Base SAS: 5 licenses SAS/EG: 15 licenses.

> *In this space describe the circumstances and process related to development of the performance expectations presented in Format 2, including reference to specific source documentation.*

C.   **Expenditures. For the subject year and the preceding year, provide the following expenditure data for the program(s) (or equivalent) in which the subject activity occurred, as well as that for the entire agency.** *Provide this data using the format below, attaching addenda as necessary.*

		Preceding Year	Subject Year
Program:	Medical Vendor Administration	**SFY 2001/02**	**SFY 2002/03**
	End-of-year actual expenditures	404,266,135	501,377,792
	End-of-year actual T.O.	1,211	1,232

Program:		**SFY**	**SFY**
	End-of-year actual Expenditures		
	End-of-year actual T.O.		

Agency:		**SFY**	**SFY**
	End-of-year actual Expenditures		
	End-of-year actual T.O.		

PART TWO: ACTIONS OF EMPLOYEES

Complete this Part if the achievements evidenced in your proposal are the result of the efforts of specific employees. Present this information in narrative fashion. You must include the employee names, job titles, and general contribution to the effort.

The achievement evidenced in this proposal for key performance indicator and related attachments illustrated in SFY 2000/01, total estimated cost savings was $176,948. In SFY 2001/02, total estimated cost savings was $199,565 and $326,508 was the total cost savings in SFY 2002/03. The total cost savings for the three-year time span is $703,022. Estimate cost savings to the Department's DDI efforts are $5.7 million based on Industry Standards. The MARS Team was comprised of Curtis Boyd, Program Manager 1-DHHR, Erica Perkins, IT Technical Technology Support Specialist 1, and Jason Dyess, IT Technical Technology Support Specialist 1 who contributed their time, expertise, systems knowledge and the technological skill set for the DDI activities for the Medicaid Data Warehouse (MDW) and Decision Support System (DSS) (Mars Mediplex System). Please note that Joyce Madison's (Program Specialist-SS) contributions are to DDI of the System Project Tracking (SPT) system which provides a high level of efficiency. In addition, Paulette Claiborne's (Program Specialist-SS) contributions are to the redesign and rewrite of all systems reports and data elements for the migration from mainframe to the MDW. The MMIS/MARS staff went above and beyond the normal scope of work and expectations of the Department in the DDI of the SPT System, MDW, and the MARS Mediplex DSS System. This type of development was normally preformed by external consultants and contractors.

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PART THREE: EXPLANATION OF PROPOSED REWARD AND ITS USE

I. Aggregate amount of reward requested:
<div style="text-align:right">20,000</div>

II. Explain how the proposed reward funding would be used, whether for non-recurring expenditures or supplemental compensation, or both:

A. Non-recurring expenditures

> *Provide a synopsis of how the proposed reward would be used for nonrecurring expenditures.*

B. Supplemental Compensation

In accordance with R.S. 39:87.5 (D)(6) Civil Service Rule 6.1.6.3 supplemental compensation for achievements outlined in part Two for the following employees:

An award in the amount of $20,000 is requested to provide a one-time salary supplements for the three employees responsible for the Design Development and Implementation (DDI) activities for the Medicaid Data Warehouse (MDW) and Decision Support System (DSS) (Mars Mediplex System). Please note that Joyce Madison's contributions are to DDI of the System Project Tracking (SPT) system which provides a high level of efficiency. In addition, Paulette Claiborne's contributions are to the redesign and rewrite of all systems reports and data elements for the migration from mainframe to the MDW.

Name	Job Title	Curr. Base Sal.	Reward
Curtis Boyd	Program Manager 1-DHHR	$52,790	$5,000
Erica Perkins	IT Technology Sup. Spec. 1	$38,113	$5,000
Jason Dyess	IT Technology Sup. Spec. 1	$27,352	$5,000
Joyce Madison	Program Specialist-SS	$45,261	$2,500
Paulette Claiborne	Program Specialist-SS	$45,261	$2,500

ATTACHMENTS

1. Summary Activities Forming the Basis of the Proposal
2. Background and Overview
3. Acknowledgement Articles
4. System Project Tracking (SPT)*
5. Management Administrative Reporting System (MARS) - Mediplex System*
6. Industry Cost Estimation

*Please note that the MMIS/MARS Section will be available to provide comprehensive on-site demonstrations of the SPT and MARS Mediplex systems.

Attachment 1-Summary

Department of Health and Hospitals (DHH)
Medical Vendor Administration (MVA)
Medicaid Management Information System (MMIS)
Medicaid Administrative Reporting System (MARS)

ACTIVITIES FORMING THE BASIS OF THE PROPOSAL

This proposal is based on the exceptional performance of the employees of the DHH/MVA/MMIS/MARS, specifically citing achievements related to reducing costs of report generation, reducing turn-around time for report production, providing DHH direct access to the data for report design. The measurable results of the endeavor were observed in SFY 2002 and SFY 2003.

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In 2001, the MARS Team discontinued paper submission of data requests by the Design, Development, and Implementation (DDI) of an online System Project Tracking (SPT) system. The objectives of this system were to aid in the request process time and provide efficient delivery of data request and system changes/modifications that impacted the MDW. The system is also used for system Quality Assurance/Quality Control (QA/QC) validation of DHH staff request through the MDW system.

MARS Report Migration began in early SFY 2001 and was fully implemented in July 2003. This migration converted 75 federally mandated reports from the Mainframe System to a MDW environment (client server). This project required modifications to existing reports, and creation of new reports as outlined in the State Medicaid Manual for a certified MMIS System. Migrated and new reports underwent critical review, QA/QC validation and required a total rewrite of the MARS data element dictionary and manual. This process also requires ongoing updates, modifications and monitoring. The goal is to ensure a single source of QA/QC validated data is available to meet the needs and demands of the Department.