Why hire a Medicaid enterprise system modernization systems integrator?

As Medicaid agencies consider their Medicaid Enterprise System (MES) modernization journey some ask "Do we need a systems integrator? Can't the state fill that role?" Sometimes, the Medicaid agency may consider leveraging Medicaid staff resources and state IT resources, or augmenting staff for the systems integrator (SI) role. While this might seem like a straightforward solution for the questions, hidden details and challenges may later cause the Medicaid agency and MES project to suffer significant delays and setbacks. Below are six things to consider when addressing the SI role for your MES modernization project.

1 **Experience matters**. When Edmund Hillary reached the peak of Mount Everest, he was not alone. Tenzing Norgay, his trusted Tibetan partner, was with him providing guidance and knowledge of the mountain from six previous climbs. An experienced SI can be a trusted partner and able to empower the Medicaid agency with guidance and knowledge gained from other MES modernization projects. The SI should provide guidance on topics such as hosting alternatives, data cleansing and enrichment, cross-agency integration, governance Centers for Medicare and Medicaid Services (CMS) certification, experience with module vendors, and many other topics. These lessons learned may help the Medicaid agency accelerate the project or avoid missteps climbing their own MES modernization mountain.

2 **Resource priorities.** It's critical to determine if state business and IT resources are available to fill the SI role during module implementation as well as maintenance and operations. State Medicaid business resources that would potentially oversee SI requirements collection, testing, and project management are already stretched thin with a full-time job running a major Medicaid program, with day-to-day program operations, long term impacts from enrollment unwinding, new CMS policy updates on continuous coverage for children and also pre-release services for justice-involved youth, the skyrocketing need for behavioral health support from Medicaid members, legislative policy updates, building provider network adequacy, and many more pressing demands. The increased oversight role for the state's Medicaid business resources during the MES SI implementation could conflict with their daily Medicaid operations role. Without sufficient staffing, current Medicaid operations or quality of the new MES could suffer without business oversight.

From an IT perspective, many of the same resource availability concerns exist for the state IT community that would be tasked with developing and deploying the SI

platform and coding and testing the module integrations. Historically, the state IT community had a challenge compete with the commercial IT market for technology resources. Further compounding state IT resource challenges are the escalating retirement of baby boomers, a reduced hiring pool of qualified IT resources, and tightening state administrative budgets for staffing.

Many states face the same IT workforce challenges the federal government workforce is facing, as highlighted in Figure 1. Based on FY 2023 budget data, nearly 30 percent of the federal IT workforce was retirement eligible in 2023.[1] And the challenge is more pronounced for IT workers, with 4.4 IT workers aged over 60 for each IT worker under 30.

Remember that most MES modernization projects run five to seven years for design, development, and implementation (DDI), so it's important to consider the extended staffing timeframe. An experienced SI can provide capable and stable staffing for the project duration, allowing the agency to focus on policy and organization modernization needs.
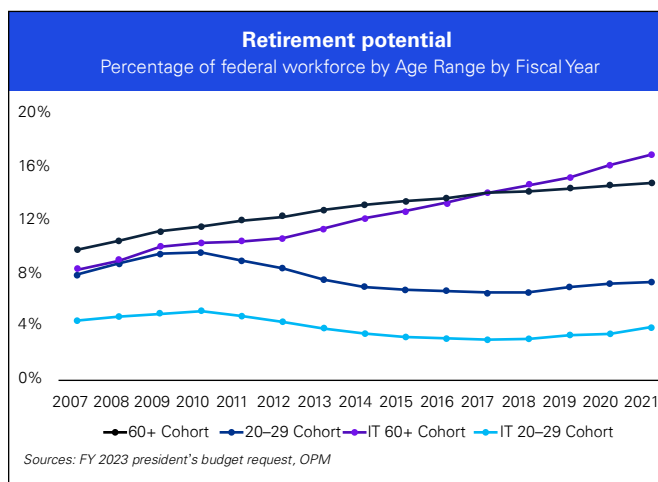

Retirement potential
Percentage of federal workforce by Age Range by Fiscal Year

Sources: FY 2023 president's budget request, OPM

Figure 1

3 **A team is more than resources**. Staff augmentation outlets can provide the Medicaid agency with key resources during a MES modernization effort. Certainly, for specific MES project resources, it makes good sense to complement the agency team. But using staff augmentation outlets to field a major SI team can create multiple project risks. Multiple temporary resources that have not experienced working together may not act in a coordinated and balanced fashion. Their results can be disconnected and counterproductive and require additional agency leadership to enable them to work as a unified team. This can lead to quality issues and may affect the overall success of the MES modernization project. The staffing needs of the MES modernization project will typically change during the DDI timeframe, forcing the agency to be continually revising their outsourced resource mix. This creates a significant, ongoing resource drag on the agency.

4 **The SI is a change agent.** MES modernization is more than a technical solution. In discussions throughout Medicaid agencies and at the 2023 Medicaid Enterprise Systems Community (MESC) and Fall National Association of Medicaid national conferences, the need for organizational change management (OCM) and member outreach (MO) is being discussed as key future concerns to address because of the changes generated by Medicaid modernization. Potential resistance to change might be encountered, as change often disrupts working routines and ways of engaging with the Medicaid program. Clear and open communication channels can help to ensure worker, member, and other stakeholder communities are kept informed about what is going on, why change is necessary, and what their role will be in the new MES. Access to other agency or social determinants of health (SDOH) plus newly automated Medicaid business services may trigger the Agency to update Medicaid operations, policy or other governance statements. These changes will require OCM and MO resources to be allocated, including technology, data analytics, Medicaid operations, and program policy to address the needs of the impacted communities. A state agency should consider this if it is staffed with sufficient resources and with the needed skills to engage OCM and MO changes. An SI can bring OCM and MO experience gained from other state MES transformations, along with resources to provide the data analytics, communications, operational assessment, and program-related guidance. Because the experienced SI interconnects cross module business processes, like an FFS claim being received by an EDI interface, adjudicated, aggregated into a provider payment, and posted for downstream reporting. Such a multi-module business process impacts many business processes and data, the experienced SI is uniquely positioned to observe and address the points of MES change.

5 **Successful implementation is just the beginning.** Development of the System Integration Platform (SIP) consumes one set of resources; operating and maintaining that platform generates a need for other resources. Because the SIP connects all the MES modules, states should consider the long-term care and feeding of the platform. Unplanned support for potential issues with after-hours managed care organization (MCO) encounter data transfers, or the loading of nightly batch updates from the MES eligibility module are historical examples where increased data triage and resolution are often needed. And with the time sensitivity

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[1] Source: Deltek, GovWin IQ, "Workforce Trends to Watch in 2023", November 17, 2022.

of these data integrations, "waiting until an internal resource is available" might not be in the best interest of Medicaid business stakeholders, providers, or members. Planned support will be required to keep the SI platform current with feature-rich software updates and critical security patches. Such ongoing investments are required to maintain this SI platform investment already made and to protect the highly sensitive data flowing through the MES. An experienced SI brings the staff and resources for 24/7 operational support to continually modernize the SI platform.

6 **Your MES SI platform is a generational technology investment.** Because of the integration dependency with MES modules, the premature replacement of the platform could be very risky and potentially problematic for Medicaid operations. Much like changing the plumbing in a house after a family has moved in, changing the MES SI "plumbing" could be disruptive. To help avoid the risk of a Medicaid plumbing catastrophe, an experienced SI will bring the right resource mix and forward looking integration solution to future-proof the SIP investment. What does that include? First, a proven solution that is already operational with other state Medicaid agencies. Second, the SI platform should be based on modern technology, so it is not already outdated when implemented. Third, the SI platform itself should be modular, so specific tools can be replaced without invalidating the entire platform. By considering these factors, the Medicaid agency should be able to enjoy effective and secure integration "plumbing" for many years. Consider this future-proofing when looking at existing state IT assets to reuse versus leveraging a modern software as a service (SaaS) based SI platform.

Next Steps

If a state Medicaid agency remains committed to building its own SI platform for MES modernization, several options remain to help improve the potential success of the effort. These include:

- If reusing existing state IT assets is the primary concern, discuss this with potential SI platform vendors. Some modern SI platforms are built using a modular approach and can have options turned off or replaced with preferred state IT assets. The result could be a more "tailored" technology-specific SI platform that meets the state Medicaid agency needs.

- Consider engaging a transformation advisory services (TAS) vendor with experience as an SI platform vendor. A TAS vendor can serve as a trusted adviser and guide the state Medicaid agency with both business and technical transformation needs. A TAS vendor can guide the state Medicaid agency with developing a MES roadmap, MES business architecture artifacts and SI platform technical blueprints, guide module onboarding as well as support CMS Streamlined Modular Certification and CMS Advanced Planning Document creation, and many other activities. A TAS vendor with MES operational experience also mentor the state Medicaid agency to assume SI platform operations.

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