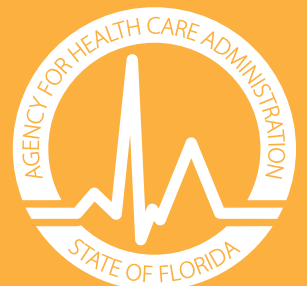


# Florida Agency for Health Care Administration

*Exhibit D-3A*  
*Agency Amended Request #2*  
*Fiscal Year 2020-2021*

*Ron Desantis, Governor*  
*Mary C. Mayhew, Secretary*



	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
					AGY AMD REQ	
					FY 2020-21	
					OVER(UNDER)	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY FIN REQ	
	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
PROGRAM OR SERVICE-LEVEL						
INFORMATION TECHNOLOGY						3630000
FLORIDA MEDICAID MANAGEMENT						
INFORMATION SYSTEM (FMMIS)						36301C0
SPECIAL CATEGORIES						100000
FL HEALTH CARE CONNECTION						102085
GENERAL REVENUE FUND -MATCH	12,616,052	10,447,026	10,447,026		2,169,026-	1000 2
MEDICAL CARE TRUST FUND -FEDERL	95,153,264	80,211,832	80,211,832		14,941,432-	2474 3
TOTAL APPRO.....	107,769,316	90,658,858	90,658,858		17,110,458-	

\*\*\*\*\*

AGENCY ISSUE NARRATIVE:

2020-2021 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

LINKAGE TO THE GOVERNOR'S PRIORITIES: Health Care - Promote innovation in healthcare that reduces the cost of medical procedures and services and increases access to care for Floridians.

FLORIDA STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT: (4.2) Ensure state, regional and local agencies provide collaborative and timely customer service to businesses and workers; (5.2) Improve the efficiency and effectiveness of government agencies at all levels; and (5.3) Strengthen local, regional and statewide partnerships to accomplish Florida's economic and quality of life and quality places goals

ISSUE TITLE: Florida Medicaid Management Information System/ Florida Health Care Connections (FX) Modernization Project

ISSUE SUMMARY: This issue requests \$107,769,316 in non-recurring funding for the fourth year of the Agency for Health Care Administration's (AHCA) strategic, phased modernization project, Florida Health Care Connections (FX). This strategic, phased-in modernization of the Florida Medicaid enterprise is essential to ensure the best technology solutions are procured to meet Florida's health care delivery needs and that Medicaid maintains enhanced levels of federal financial participation. Planned activities for the FY 2020-21 include completion of the Design and Development of the Integration Services/Integration Platform solution and the start of the operations phase; Design and Development of the Enterprise Data Warehouse solution; planning and procurement of the Provider Management Module; support of the transition of the legacy Medicaid system; planning for the transition of the Core Medicaid Management Information System (MMIS) (claims processing, encounter processing, financial processing, etc.); module integration (third party liability and Enrollment Broker) to the FX process; AHCA Data Governance; and, operation of the legal case tracking system.

This issue anticipates a return on investment and benefits realized by the State of Florida as documented in the FY 2020-21 Schedule IV-B. At a broad-level, the benefits of FX are 1) Integrated systems that can interoperate and communicate without relying on a common platform or technology and 2) The ability to leverage technologies and systems

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2020-21 POS	AMOUNT	AGY AMD REQ FY 2020-21 POS	AMOUNT	AGY AMD N/R FY 2020-21 POS	AMOUNT	AGY AMD ANZ FY 2020-21 POS	AMOUNT	AGY AMD REQ FY 2020-21 OVER(UNDER) AGY FIN REQ FY 2020-21 POS	AMOUNT	
AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
PROGRAM OR SERVICE-LEVEL										
INFORMATION TECHNOLOGY										3630000
FLORIDA MEDICAID MANAGEMENT										
INFORMATION SYSTEM (FMMIS)										36301C0

for multiple functions in the FX Enterprise through procurement of modules and commercial off-the-shelf technologies; and, 3) Enhanced federal financial participation for AHCA systems to maximize federal funding.

If this issue is not funded, the AHCA will be unable to continue modernization of its health care enterprise systems that encompass the business, data, services, technical processes, and systems necessary for the effective administration of the programs administered by AHCA.

The current MMMIS was procured in 2006 and operates as a monolithic, rules-based system that is tightly coupled and uses older technology. The FX solution will be a modern modular system. The AHCA will be able to leverage the Medicaid system for other related health care activities of the agency and other state health and human services agencies.

The FX program has project oversight from the Division of State Technology and from an Independent Validation and Verification (IV&V) Vendor. Monthly feedback from both groups has been positive.

ISSUE DETAIL: The AHCA is implementing a strategic, phased modernization project, FX (previously known as Medicaid Enterprise Systems (MES)), to ensure the most comprehensive technology solutions are evaluated and procured to meet Florida's needs and ensuring that Medicaid maintains enhanced levels of Federal Financial Participation funding. The goal of FX is to transform the Medicaid enterprise to provide the greatest quality, the best experience, and the highest value in health care for our recipients and providers. This issue funds the fourth year of the FX project. FX leverages the Medicaid infrastructure to improve overall agency functionality and build better connections to other data sources and programs. It will include a variety of changes and improvements (technology, policy and procedure, business process) to support the AHCA and other State agencies in improving the health care experience for recipients and providers. This will include access to improved data, tools, and processes that will enhance service to these groups. The Medicaid information system proposed in this issue supports the AHCA's Long-Range Program Plan Goal 2 to reduce and/or eliminate waste, fraud, and abuse, and Goal 3 to assure access to quality and reasonably priced health services.

1. Enterprise Data Warehouse (EDW): This is for system design, development and implementation (DDI) work resulting from the procurement completed under the FY 2019-20 budget. Annual Cost: \$45,288,000, 90% federal financial participation (FFP)

2. Integration Services/ Integration Platform (IS/IP): This continues the DDI work begun in FY 2020-21. The DDI phase provides support services for an Enterprise Services Bus or a technological equivalent to serve as the primary Application Programming Interface gateway to providing real-time access to services and data for both internal and external systems and other scope required in the competitive bid. Annual Cost: \$19,872,320, 90% FFP

3. IS/IP Operations: A portion of the FY 2020-21 budget for IS/IP is for operations & maintenance. Annual Cost: \$9,115,200, 75% FFP

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2020-21 POS	AMOUNT	AGY AMD REQ FY 2020-21 POS	AMOUNT	AGY AMD N/R FY 2020-21 POS	AMOUNT	AGY AMD ANZ FY 2020-21 POS	AMOUNT	AGY AMD REQ FY 2020-21 OVER(UNDER) AGY FIN REQ FY 2020-21 POS	AMOUNT	

AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
PROGRAM OR SERVICE-LEVEL										
INFORMATION TECHNOLOGY										3630000
FLORIDA MEDICAID MANAGEMENT										
INFORMATION SYSTEM (FMMIS)										36301C0

- 4.FX Operations: Key activities such as enterprise project governance, project portfolio management, project management, strategic planning and advisory services, and procurement support. Annual Cost: \$9,710,400, 90% FFP
- 5.Provider: Enhancing provider experience is a strategic priority of the FX transformation. This is budget for the final stage of the procurement and initiation of DDI. The project will replace key functionality such as provider enrollment. The SEAS vendor will provide support services for the implementation of selected solution(s). Annual Cost: \$5,290,800, (\$150,000 50/50; \$5,140,800 90/10) 90% FFP and 50% FFP
- 6.IV&V. This is a federally required oversight service. Annual Cost: \$3,230,996, 90% FFP
- 7.Prioritized Projects: Budget for governance-approved projects that are necessary to ensure the effectiveness of the overall FX project. Annual Cost: \$2,937,600, 90% FFP
- 8.FMMIS Support: Modifications to FMMIS as new modules are implemented, including turning off FMMIS functionality and syncing to new data store. Annual Cost: \$3,276,000 (\$420,000 75/25; \$2,856,000 90/10) 90% FFP and 75% FFP
- 9.Core: Complete planning to determine which projects and procurements are needed for the core module. This could include key FMMIS functions such as claims, encounters, and financial. Annual Cost: \$2,407,200, 90% FFP
- 10.IT Common Operations (ITCO): Budget for information technology processes, now performed by multiple vendors or units, that are being consolidated at an enterprise level within the agency for enhanced efficiency and effectiveness. Specific ITCO projects to be completed in FY 20/21 will be determined by need. Annual Cost: \$1,958,400, 75% FFP
- 11.Other State Agency Projects: Budget for funding needs for other agencies to develop and implement interfaces with the AHCA IS/IP. These will replace current connections to the FMMIS. Annual Cost: \$1,958,400, 90% FFP
- 12.Module Integration: Develop and implement interfaces to IS/IP from existing AHCA systems such as Enrollment Broker and Third Party Liability. Annual Cost: \$1,500,000, 90% FFP
- 13.Data Governance: Implement and operationalize data governance and a data steward strategy to support the FX Enterprise Data Management Strategy, with defined roles, responsibilities and activities of data governance and data stewardship. Annual Cost: \$856,800, 90% FFP
- 14.Data Governance Operations: A portion of the 20/21 budget for Data Governance is for operations & maintenance. Annual Cost: \$40,800, 75% FFP
- 15.Legal Case Management: Includes the automation of manual processes and a standardized file management solution. Support costs for ongoing operations for a Legal Case Management solution. Annual Cost: \$326,400, 75% FFP

FISCAL IMPACT: This issue requests non-recurring funding in the amount of \$12,616,052 in General Revenue (1000) and \$95,153,264 in the Medical Care Trust Fund (2474) in the Florida Health Care Connection (102085) category in the Executive Direction and Support Services (68500200) budget entity.

RECURRING FY 2020-21	NON-RECURRING FY 2020-21	TOTAL FY 2020-21	ANNUALIZATION FY 2021-22
-------------------------	-----------------------------	---------------------	-----------------------------

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
					AGY AMD REQ	
					FY 2020-21	
					OVER(UNDER)	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY FIN REQ	
	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
PROGRAM OR SERVICE-LEVEL						
INFORMATION TECHNOLOGY						3630000
FLORIDA MEDICAID MANAGEMENT						
INFORMATION SYSTEM (FMMIS)						36301C0
Florida Health Care Connection (FX)						
General Revenue (1000 - 2)		\$0	\$12,616,052	\$12,616,052	\$0	
Medical Care Trust Fund (2474 - 3)		\$0	\$95,153,264	\$95,153,264	\$0	
Issue Total		\$0	\$107,769,316	\$107,769,316	\$0	

Amended 2020-21 Narrative after November 22, 2019

ISSUE JUSTIFICATION: The Agency's amended request for Fiscal Year 2020-21 includes \$90,658,858 in non-recurring funding for the fourth year of the Agency for Health Care Administration's (AHCA) strategic, phased modernization project, Florida Health Care Connections (FX). This modernization is essential to meet the statutory deadline to transition from the current fiscal agent contract by December 2024, to meet the Centers for Medicare and Medicaid Services (CMS) guidelines for systems modularization and to allow Florida Medicaid to maintain enhanced levels of federal financial participation.

The AHCA recently went through a purposeful and deliberate exercise to refresh its strategy to meet the goals in a timely and cost-effective manner with a focus on minimizing risks to the project and continuing operations. This process led to a streamlined set of projects to be completed by December 2024 while allowing additional transformational initiatives to follow.

Planned activities for Fiscal Year 2020-21 include completion of the design and development of the Integration Services/Integration Platform (IS/IP) solution, completing implementation and the start of the operations phase; continuing the design and development of the Enterprise Data Warehouse (EDW) solution; procurement of the Provider Management Module; continue planning and initiating procurement of the Core Medicaid Management Information System (MMIS) Module (claims processing, encounter processing, financial processing, etc.); support of the transition of the legacy Medicaid system; planning for the transition of the Core MMIS services; begin planning and initiating procurement of the Centralized Contact Center Module (call center, correspondence tracking, client relationship management (CRM), etc.); begin planning for the Recipient and Enrollment Broker Module; and operation of the Legal Case Tracking system.

As the functional components are being designed and developed, additional critical activities in support of FX will be underway in FY2020-21. Data governance; legacy module integration (Third Party Liability and current Enrollment Broker) to the FX process; enhancing the Florida Medicaid Management Information System (FMMIS) to integrate with the IS/IP and EDW; and the automation of many IT Common Operations. With a focus on gaining benefits realization (ROI) as early in the process as possible, additional activities are planned to support intra- and inter-agency operability through investment

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
					AGY AMD REQ	
					FY 2020-21	
					OVER(UNDER)	
	AGY FIN REQ	AGY AMD REQ	AGY AMD N/R	AGY AMD ANZ	AGY FIN REQ	
	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT
						CODES
AGENCY/HEALTH CARE ADMIN						68000000
PGM: HEALTH CARE SERVICES						68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>						68500200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
PROGRAM OR SERVICE-LEVEL						
INFORMATION TECHNOLOGY						3630000
FLORIDA MEDICAID MANAGEMENT						
INFORMATION SYSTEM (FMMIS)						36301C0

in enhancing other agency systems and anticipated agency improvement projects. Investments will also help to ensure effective project guidance is in place through FX Operational Support and Independent Validation and Verification (IV&V) oversight. Lastly, the agency has recognized the risks common in large, complex, transformational projects and has established an initial Management Reserve and Project Contingency.

At a broad-level, the benefits of FX are 1) Integrated systems that can interoperate and communicate without relying on a common platform or technology; 2) The ability to leverage technologies and systems for multiple functions in the FX Enterprise through procurement of modules and commercial off-the-shelf technologies; and 3) Enhanced federal financial participation for AHCA systems to maximize federal funding.

In the event this issue is not funded, the AHCA will be unable to achieve statutory and federal directives. This includes the statutory requirement to transition from the current fiscal agent contract by December 2024. In addition, AHCA will be unable to continue modernization of its health care enterprise systems to encompass the business, data, services, technical processes, and systems necessary for the effective administration of the programs administered by AHCA.

1. Integration Services/Integration Platform (IS/IP): This continues the system design, development, and implementation (DDI) work that began in FY2019-20. The DDI phase provides support services for an Enterprise Services Bus to serve as the primary Application Programming Interface (API) gateway to provide real-time access to services and data for both internal and external systems and other scope required in the competitive bid such as Master Data Management for providers. This phase will require the support of the AHCA Strategic Enterprise Advisory Services (SEAS) vendor at \$1,652,400. Total Annual Cost: \$8,015,860, 90% Federal Financial Participation (FFP)
2. IS/IP Operations: A portion of the FY2020-21 budget for IS/IP is for operations and maintenance. Annual Cost: \$7,441,202, 75% FFP
3. Enterprise Data Warehouse (EDW): This is for system DDI work resulting from the procurement completed under the FY2019-20 budget. This phase will require funding for the support of the AHCA SEAS vendor to ensure timely and accurate deliverable review at \$2,216,800. Total Annual Cost: \$46,566,400, 90% FFP
4. Provider: Enhancing provider experience is a strategic priority of the FX transformation. This is budget for the SEAS support of the procurement phase. The project will replace key functionality such as provider enrollment. Annual Cost: \$1,292,400, 90% FFP
5. Core: Complete planning to determine which projects and procurement are needed for the core module. This includes key FMMIS functions such as claims, encounter, and financial data. This requires the support of the AHCA SEAS vendor for planning at \$1,088,000 and SEAS or other vendor support for procurement at \$1,400,800. Total Annual Cost: \$2,488,800, 90% FFP
6. Centralized Contact Center Module Planning and Procurement: This phase will require the support of the AHCA SEAS vendor at \$598,400 for planning and the SEAS or other vendor at \$190,400 for procurement. Total Annual Cost: \$788,800,

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2020-21 POS	AMOUNT	AGY AMD REQ FY 2020-21 POS	AMOUNT	AGY AMD N/R FY 2020-21 POS	AMOUNT	AGY AMD ANZ FY 2020-21 POS	AMOUNT	AGY AMD REQ FY 2020-21 OVER(UNDER) AGY FIN REQ FY 2020-21 POS	AMOUNT	

AGENCY/HEALTH CARE ADMIN 68000000  
 PGM: HEALTH CARE SERVICES 68500000  
EXECUTIVE DIR/SUPPORT SVCS 68500200  
 GOV OPERATIONS/SUPPORT 16  
EXEC LEADERSHIP/SUPPRT SVC 1602.00.00.00  
 PROGRAM OR SERVICE-LEVEL  
 INFORMATION TECHNOLOGY 3630000  
 FLORIDA MEDICAID MANAGEMENT  
 INFORMATION SYSTEM (FMMIS) 36301C0

90% FFP

- 7. Recipient and Enrollment Broker Module Planning: This phase will require the support of the AHCA SEAS vendor. Annual Cost \$448,800, 90% FFP
- 8. Legal Case Management: This includes the automation of manual processes and a standardized file management solution. The costs of ongoing operations for a Legal Case Management solution is \$326,400. Annual Cost: \$326,400, 75% FFP
- 9. Data Governance: This will implement and operationalize data governance and a data steward strategy to support the FX Enterprise Data Management Strategy, with defined roles, responsibilities and activities of data governance and data stewardship. This phase will require the support of the AHCA SEAS vendor. Annual Cost: \$856,800, 90% FFP
- 10. Data Governance Operations: A portion of the FY2020-21 budget for Data Governance is for operations and maintenance. This phase will require the support of the AHCA SEAS vendor. Annual Cost: \$40,800, 75% FFP
- 11. Module Integration: This will develop and implement interfaces to IS/IP from existing AHCA systems such as Enrollment Broker and Third Party Liability. Annual Cost: \$1,500,000, 90% FFP
- 12. FMMIS Support: This will provide modifications to FMMIS as new modules are implemented, including turning off FMMIS functionality and syncing to the new data store. This phase will require the support of the AHCA SEAS vendor at \$81,600. Total Annual Cost: \$3,276,000 (\$420,000 75/25; \$2,856,000 90/10) 75% FFP and 90% FFP
- 13. IT Common Operations (ITCO): This is for information technology processes, now performed by multiple vendors or units, that are being consolidated at an enterprise level within the agency for enhanced efficiency and effectiveness. Specific ITCO projects to be completed in FY2020-21 will be determined by need. Annual Cost: \$979,200, 75% FFP
- 14. Other State Agency Projects: This is for funding needs for other agencies to develop and implement interfaces with the AHCA IS/IP. These will replace current connections to the FMMIS. Annual Cost: \$1,958,400, 90% FFP
- 15. Prioritized Projects: This is for SEAS support of governance-approved projects that are necessary to ensure the effectiveness of the overall FX project. Annual Cost: \$600,000, 90% FFP
- 16. FX Operations: Key activities provided by the SEAS vendor such as enterprise project portfolio management, enterprise project management, strategic planning and advisory services, and procurement support. Annual Cost: \$8,510,400, 90% FFP
- 17. IV&V: This is a federally and statutorily-required oversight service. Annual Cost: \$3,230,996, 90% FFP
- 18. Project Contingency: A reasonable Management Reserve and Project Contingency of a project of this size would be 20%. The agency requests an initial allocation to ensure continuity. Annual Cost: \$2,337,600, 90% FFP

RECURRING FY 2020-21	NON-RECURRING FY 2020-21	TOTAL FY 2020-21	ANNUALIZATION FY 2020-21
-------------------------	-----------------------------	---------------------	-----------------------------

Florida Health Care Connection (102085)  
 General Revenue Fund (1000 - 2) \$0 \$10,447,026 \$10,447,026 \$0

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2020-21	POS AMOUNT	AGY AMD REQ FY 2020-21	POS AMOUNT	AGY AMD N/R FY 2020-21	POS AMOUNT	AGY AMD ANZ FY 2020-21	POS AMOUNT	AGY AMD REQ FY 2020-21 OVER(UNDER)	AGY FIN REQ FY 2020-21	

AGENCY/HEALTH CARE ADMIN										68000000
PGM: HEALTH CARE SERVICES										68500000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>										68500200
GOV OPERATIONS/SUPPORT										16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>										<u>1602.00.00.00</u>
PROGRAM OR SERVICE-LEVEL										
INFORMATION TECHNOLOGY										3630000
FLORIDA MEDICAID MANAGEMENT										
INFORMATION SYSTEM (FMMIS)										36301C0
Medical Care Trust Fund (2474 - 3)		\$0		\$80,211,832		\$80,211,832		\$0		
Issue Total		\$0		\$90,658,858		\$90,658,858		\$0		

Summary: This issue requests an adjustment in the amount of (\$2,169,026) in the General Revenue Fund (1000) and (\$14,941,432) in the Medical Care Trust Fund (2474) for the Florida Health Care Connection (102085) appropriation category. The adjusted budget amount for this issue is \$90,658.858.

\*\*\*\*\*

TOTAL: EXEC LEADERSHIP/SUPPRT SVC										<u>1602.00.00.00</u>
BY FUND TYPE										
GENERAL REVENUE FUND	12,616,052		10,447,026		10,447,026			2,169,026-	1000	
TRUST FUNDS	95,153,264		80,211,832		80,211,832			14,941,432-	2000	
TOTAL PROG COMP.....	107,769,316		90,658,858		90,658,858			17,110,458-		
	=====		=====		=====			=====		