

Brief Overview

The Centers for Medicare and Medicaid Services (CMS) issued a State Medicaid Directors Letter and Guidance that sunsets the Medicaid Enterprise Certification Toolkit (MECT) and the Medicaid Eligibility and Enrollment Toolkit (MEET) and introduces significantly streamlined modular certification (SMC) process.

With the introduction of SMC, CMS moves further toward Outcomes-based Certification (OBC) for Medicaid Enterprise Systems (MES) and provides more consistency and accountability in CMS's certification process to promote effective stewardship of federal funds.

The State Medicaid Director Letter (SMDL) provides updated Medicaid Information Technology (IT) project guidance and discusses requirements for states as CMS continues to streamline the certification approach and move toward OBC for MES.

SMC introduces a new set of elements:

- CMS-Required Outcomes are based on statutory regulatory requirements and provide a baseline for what is required of MES.
- State-Specific Outcomes are developed by states and should be measurable, achievable and reflect the short-term goals of the MES project.
- Metrics provide measurable evidence that the outcomes are achieved on an ongoing basis. States are required to report on the system's performance to CMS as a condition for receiving enhanced funding.
- Required Artifacts are still required for certification, but the SMC SMDL reduces the number from 29 to 7.

Detailed Overview of Statement Medicaid Director Letter

The SMDL establishes a MES certification process for each modular component system of the MES.

- Each MES module is an integral component of a state's mechanized claims processing and information retrieval system (MCPIRS).
- MES represents a system composed the sum total of MES modules, which are the discrete Medicaid IT systems or services used by the Medicaid agency to manage, monitor, and administer the state's Medicaid program.

For all systems that comprise the MES, the SMC approach is designed to:

- Demonstrate measurable improvements to a state's Medicaid program;
- Leverage data and testing to inform CMS's assessment of success and decisions about future MES investments;
- Enable operational data reporting for system performance, operations monitoring, and functionality;
- Reduce burden on states and CMS during the certification process; and,
- Advance incrementally toward a fully realized, OBC process for the entirety of the MES.

Authority for the SMC:

Under Section 1903(a)(3)(A)(i) of the Social Security Act (the Act) and 42 CFR § 433.112, states are eligible to receive enhanced 90 percent FFP for their expenditures attributable to the design, development, or installation (DDI) of MCPIRS.

For expenditures for DDI activities for an MES module to qualify for an enhanced match, all applicable requirements, including the conditions at 42 CFR § 433.112 and 45 CFR part 95, subpart F, must be met.

- After the system has been in production for at least six (6) months, states may request system certification by CMS in order to be eligible to receive enhanced 75 percent FFP for operations.

- After a system is certified, states may submit an Operations Advanced Planning Document (OAPD) requesting approval for 75 percent operations funding on the basis of successful certification, as provided under section 1903(a)(3)(B) of the Act and 42 CFR § 433.116, as long as required conditions continue to be met, as described in 42 CFR § 433.119.

Elements:

Streamlining depends on an engagement module that:

- Relies on a close, ongoing partnership between CMs and the state; and
- Involves regular discussions and check-ins.

The SMC is structured around the following three elements:

- Conditions for Enhanced Federal Matching – States must ensure that the system complies with all of the conditions for enhanced DDI matching as provided in 42 CFR § 433.112 and that the system remains compliant with federal Medicaid requirements for enhanced operations matching once it is in operations as provided in 42 CFR § 433.116.
- Outcomes – Outcomes should support Medicaid program priorities, be directly enabled by the state's IT project, and be clearly stated in the Advance Planning Document (APD) as required under 42 CFR § part 95, subpart F.
 - o SMC identifies two types of outcomes:
 - CMS-Required – Based on statutory or regulatory requirements and provide a baseline for what is required of an MES.
 - State-Specific – Reflect the state or territory and its Medicaid program and focus on improvements that are not specifically addressed by the CMS-Required outcomes.
- Metrics – Metrics provide evidence about whether the intended outcomes are achieved.
 - o States must submit operational reports to CMs containing metrics annually.
 - o CMS may determine the need for some metrics requiring states to report more frequently.

States will be required to provide data, reports, and performance information from and about their MES modules in accordance with 42 CFR §§ 433.112(b)(15) and 433.116(b), (c), and (i).

CMS is putting an emphasis on testing in the certification process. See Testing Guidance Framework.

Operational Reporting:

States must submit operational reports to CMS containing data and/or other evidence that modules are meeting all applicable requirements for the state's claimed federal matching funds.

- States should submit these reports annually; however, more frequent reporting on key operational metrics may be necessary.

In addition to operational reports, states must submit an OAPD per 45 CFR §§ 95.610(c)(3) and 96.611(c), for enhanced funding authorized through certification at 42 CFR § 433.116 for any module or system for which the state requests enhanced federal matching funds for the state's expenditures on operations an existing system.

Transition (Replacing the MECT and MEET):

CMS will no longer be relying on the MECT and MEET frameworks for system certification. CMS and states will begin transitioning to the SMC process for current and future MES projects. States should work with their CMS State Officers to determine the best path forward and smoothest transition process.

- States that are far along in their preparations for module certification under the MECT or MEET framework may elect to proceed with certification under the relevant legacy certification toolkit; however, they will also be expected to product and submit operational reports for their systems.

States should consider that several key elements were not present in the MECT and MEET, including outcomes, metrics, and operational reporting requirements. In addition, milestone reviews under SMC differ substantially from those required under the legacy toolkits.

CMS Certification Repository

CMS will leverage a Certification Repository on GitHub for additional materials because intended outcomes and metrics are likely to evolve over time. It will provide a collaborative space where states can learn, share, and contribute information about the MES certification process and its related documentation.

CMS created this repository for CMS, states, and vendors to:

- Access current information about CMS-required outcomes and recommended metrics;
- Create and contribute to a community for state-specific outcomes and metrics; and
- Access examples of well-defined outcomes and metrics.

Requesting a Certification Review

States must submit a formal Certification Request Letter that includes:

- Date at which the state formally began operating the system as the system of record;
- Retroactive certification date; and
- Proposed date for CMS to begin its certification review.

The letter should be accompanied by evidence that demonstrates the system is properly prepared for the certification review process to begin, such that the state should have:

- Established a document repository that has been successfully tested by the CMS State Officer;
- Submitted a copy of the System Acceptance Letter;
- Submitted all required operational metrics related to the module;
- Demonstrated that the system/module complies with most current T-MSIS requirements, when applicable.