



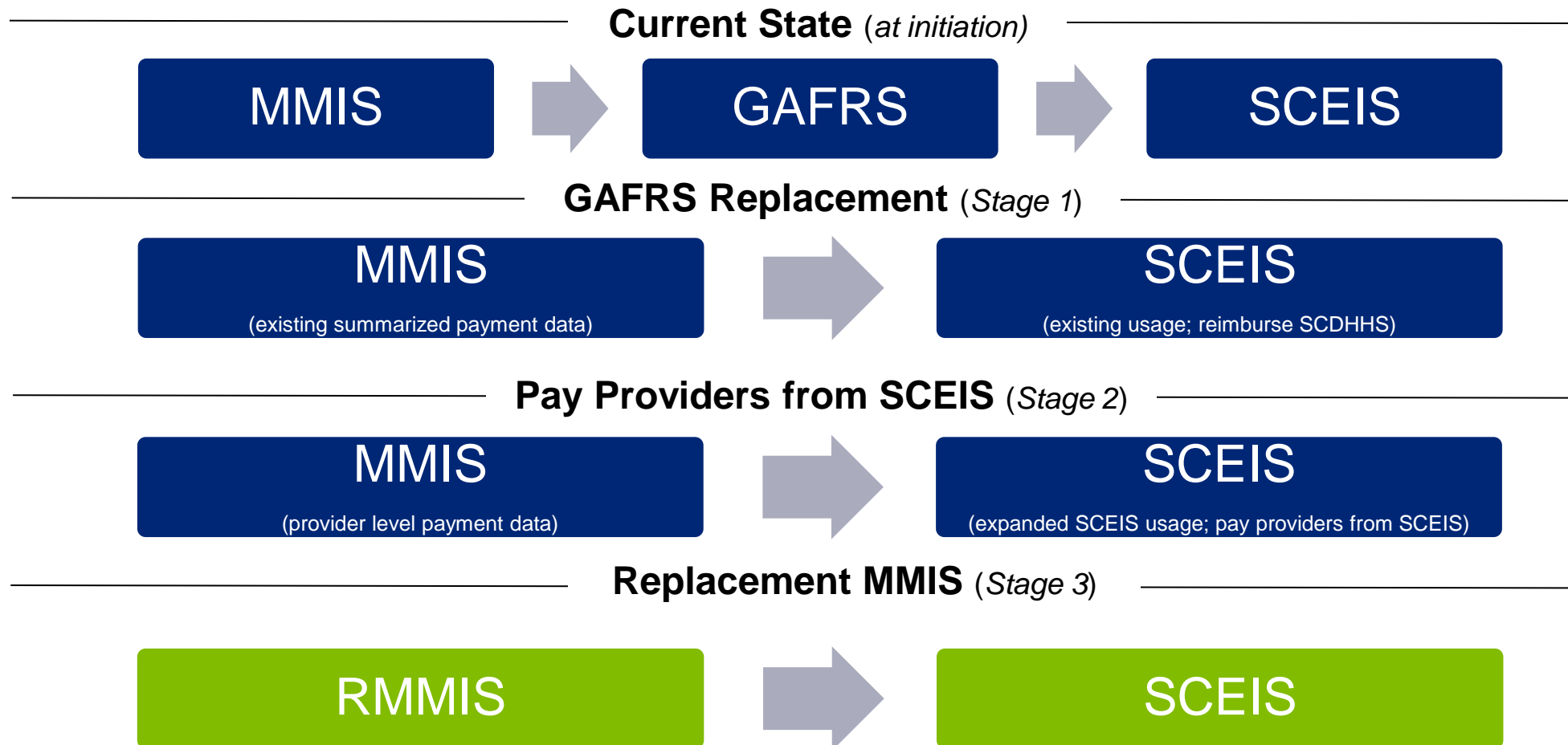
# Legacy Accounting System Replacement Assessment and Implementation Project

Stage 2: Interface Replacement and Integration –  
RFC Presentation to SCEIS Executive Oversight Committee

August 16, 2016

# Interface Replacement Project will improve Medicaid Payment Processes

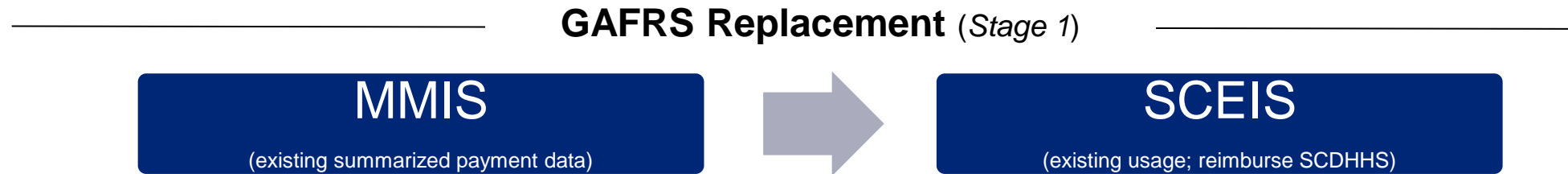
The vision for the Interface Replacement project is to streamline the process by which Medicaid providers are paid, better leverage the State's investment in SAP/SCEIS, and relieve dependence on aging systems



# Delivery Stages

The GAFRS Replacement stage focuses on integrating MMIS with SCEIS to record summarized Medicaid financial transactions; Medicaid providers continue to be paid by SCDHHS via MMIS and the current ASO

## Stage 1 is complete



The Pay Providers from SCEIS stage focuses on integrating MMIS with SCEIS to pay Medicaid providers directly from SCEIS, and includes transfer of the Medicaid bank account from SCDHHS to the State Treasurer's Office (STO) along with establishing and maintaining Medicaid providers as vendors in SCEIS through the Comptroller General (CG)



## Delivery Stages (continued)

The final stage in the transformation would be the replacement of the existing MMIS (replacement MMIS project). The replacement MMIS (RMMIS) design would be expected to integrate with SCEIS for paying providers and pursue additional opportunities to leverage accounting and finance functionality available in SAP/SCEIS (e.g., accounts receivable and collections), eliminating the need to build or acquire redundant functionality. RMMIS would be positioned as a claims processing system and SCEIS as the accounting system of record for SCDHHS



# Stage 2 Request for Change: Benefits

## **SCDHHS proposes to leverage existing accounting and finance functionality in SCEIS to pay Medicaid providers for services delivered to the State's Medicaid recipients**

*Implementing the proposal provides the following benefits to SCDHHS and the State:*

- Generates higher ROI by more fully leveraging the State's investment in SAP and existing SAP-enabled business processes, achieving a key objective of the Department of Administration to retire redundant systems and move the functions performed by those systems to the SCEIS enterprise platform
  - *Moves the Medicaid claims accounts payable function (including 1099 generation) from MMIS and a third party ASO to SCEIS*
- Reduces the scope of services that are currently performed by a third party ASO
  - *Moves the check-printing function from a third party ASO to SCEIS and the State's centralized print facilities*
- Improves the State's cash management and treasury functions by placing the Medicaid bank account under the control of the STO
  - *The current Medicaid bank account will be closed; the STO will open a new Medicaid bank account and will use standardized processes to manage the account; the Medicaid bank account will now be on the State's general ledger, eliminating manual reporting processes*
- Reduces inefficient manual processes performed by SCDHHS staff and enables resources to focus on higher value business activities
  - *Existing SCDHHS manual bank account management and exception processes will be replaced by standard processes shared across the STO, CG, and SCDHHS*

## Stage 2 Request for Change: Benefits (continued)

### **SCDHHS proposes to leverage existing accounting and finance functionality in SCEIS to pay Medicaid providers for services delivered to the State's Medicaid recipients**

*Implementing the proposal provides the following benefits to SCDHHS and the State (continued):*

- Eliminates the need for redundant functionality in MMIS which will no longer need to be operated and maintained and can be retired or decommissioned
  - *The following redundant functions will be de-activated in MMIS: 1099 generation; payment register (checks and EFT); EFT interface with the bank; EFT pre-note; annual provider verification with IRS*
- Streamlines the processing flow from claims payment to accounting with fewer points of potential failure or error and the accompanying resource requirements to address these issues
  - *SCEIS becomes the primary interface partner for MMIS to enable issuing payments to Medicaid providers*
- Reduces the future effort needed to replace the existing MMIS (i.e., reduction in scope for the RMMIS project as redundant functionality need not be built or acquired)
  - *RMMIS need not build or acquire redundant accounts payable functionality (i.e., SCEIS becomes the accounting and finance module for RMMIS)*
  - *As a result of implementing this proposal, the business process designs and requirements for integration with SCEIS will be documented and need not be re-created as part of the RMMIS project*

# Stage 2 Request for Change: Impacts

## **SCDHHS proposes to leverage existing accounting and finance functionality in SCEIS to pay Medicaid providers for services delivered to the State's Medicaid recipients**

*The following entities would be impacted by implementation of the proposal:*

- SCEIS
  - *SCEIS already preforms or has the capability to perform the required business functions outlined in the proposal. Using SCEIS to perform these business functions leverages the State's existing technology investment and common business processes as opposed to maintaining redundant business processes and functionality in MMIS, building or acquiring this functionality in RMMIS, and / or contracting with a third party ASO to perform these functions*
- Comptroller General
  - *Incremental volume of vendor master records, segregated through the use of a separate vendor account group for SCDHHS Medicaid providers*
  - *Administration of tax levies for SCDHHS Medicaid providers*
  - *Batch approval of SCDHHS Medicaid providers' vouchers for payment*
- State Treasurer's Office
  - *Moves the check-printing function from a third party ASO to SCEIS and State's centralized print facilities*
  - *Management of the Medicaid bank account*
  - *Approval and release of payments by check and EFT to SCDHHS Medicaid providers*
  - *Administration of EFT pre-note process for SCDHHS Medicaid providers that will be paid electronically*

# Stage 2 Request for Change: Impacts (continued)

## **SCDHHS proposes to leverage existing accounting and finance functionality in SCEIS to pay Medicaid providers for services delivered to the State's Medicaid recipients**

*The following entities would be impacted by implementation of the proposal (continued):*

- SCDHHS Fiscal
  - *Reduction in manual processes; adoption of automated or more streamlined standardized business processes already in place within the CG and STO*
- SCDHHS Provider Enrollment
  - *Handle exceptions in SCDHHS Medicaid provider vendor master data (IRS validation, EFT pre-note) facilitated by existing G and STO business processes*
  - *MMIS will remain as the system of record for SCDHHS Medicaid provider master data*
- Medicaid Providers
  - *While Medicaid providers will receive notification, the changes are largely expected to be transparent with the exception of the origin of the payment (from the State Treasury vs. SCDHHS)*
- MITS at CCIT (Clemson)
  - *Reduction in functions to be performed and maintained*
- SCDHHS IT
  - *Simplification of the overall SCDHHS technology landscape*
  - *Achieves integration with SCEIS in advance of the RMMIS project*