Opportunities for California with Integration of DMH and ADP Functions into DHCS:

How Can Billing and Reporting Processes be Improved?

April 3, 2013
Meeting Agenda:

- Welcome and Introductions
- Building a Foundation for the Future
- Health Care Reform on the National Stage
- Embracing Change: The New DHCS
- Tomorrow’s Technology Today
- Moving California Forward
- Questions & Answers
- Closing Statements
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Introduction:
- Chris Cruz, Deputy Director/CIO, DHCS
- Leads a team of 550 staff across 5 DHCS branches
- Manages an annual IT budget of $150M and project portfolio of $1B
- Responsible for successfully delivering some of the largest IT projects in the nation
Building a Foundation for the Future...Together
Building a Foundation for the Future

• We are at an unprecedented time in the history of California’s health care
• We have an opportunity to make lasting change that will benefit generations to come
• While technology is important, it is only one part of the solution
• Collectively we will build a unified vision, that sets the course for the future
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Health Care Reform on the National Stage
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Health Care Reform on the National Stage

Legislation Goals:
• Put individuals, families and small business owners in control of their own health care
• Make health care more affordable for families and small business owners
• Promote prevention, wellness, and the public health
• Encourage innovation
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Health Care Reform on the National Stage

Legislation Outcomes:
- Affordable Care Act (ACA)
- Grant funding
- State Health Benefit Exchanges (HBE)
- Meaningful Use
- Medicaid Information Technology Architecture (MITA)
- Health Insurance Portability & Accountability Act (HIPAA) Rules
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Health Care Reform on the National Stage

Challenges Facing All States:
- Every health care entity has been impacted
- Direction, but no proven roadmap to follow
- Several states are leading the charge
- Other states are struggling to meet mandates
- No “silver bullet” – innovation, hard work, and dedication
Health Care Reform on the National Stage

California’s Responsibilities:
• Largest Medicaid provider in the nation
• 8.3 million beneficiaries
• $60 billion in public funds
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Health Care Reform on the National Stage

California’s Challenges:
• Reducing per capita cost of care
• 30+% growth in beneficiaries in 2014
• HBE implementation starts in 2014
• International Classification of Deceases (ICD-10)
• HIPAA mandates
• MITA Maturity
• Committee On Operating Rules Information Exchange (CORE)
• CA-MMIS Design, Development, Implementation
• MEDS Modernization
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Embracing Change: The New DHCS
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Embracing Change - The New DHCS

Where Are We Today?

• Committed to a partnership with stakeholders
• Flexible, county-focused delivery organization
• Innovative solutions
• Newly expanded and integrated DHCS
  – Department of Health Care Services, Department of Mental Health, Alcohol and Drug Program, Department of Public Health, California Medical Assistance Commission, and Office of the Patient Advocate
Embracing Change - The New DHCS

Stakeholder Partnership

- IT Committee
- Community Outreach
- CMHDA
- RFI
- CiMH
- SWAT Meetings
- County Directors Meeting

Collaboration
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Embracing Change - The New DHCS

County-focused delivery organization

- Public Good
- Cash Flow
- Mandates
- Sustainability
- Investment

Needs

Priorities

Actions
Embracing Change - The New DHCS

Innovative Solutions (2011-2013):

• Mobility
• Covered California (HBE)
• Security
• Infrastructure optimization
• Mission critical system development
• Organizational transformation
• Thin client
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Embracing Change - The New DHCS
Newly Expanded and Integrated DHCS

Phase 1
- Ensure business continuity by moving systems and relocating staff (Complete)

Phase 2
- Establish an enterprise IT strategy; migrate, consolidate and standardize systems, and simplify operations through process improvement (In Progress)

Phase 3
- Consolidate cost reporting, streamline payment processing, and increase collaboration (Next Steps)

Phase 4
- Achieve a fully unified IT enterprise and MITA 3.0 compliance
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Tomorrow’s Technology Today

Cost Reporting and Payment Processing Goals:

• Consolidate, standardize and simplify systems and processes
• Modernize current technologies
• Promote data consistency, quality and security
• Simplify maintenance
• Reduce costs
• Shared services
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Tomorrow’s Technology Today (Phase 3)

CORE Operating Rules - 2013 Priorities:
• Federally mandated standard
• Enforces secure system-to-system communications between HIPAA entities (e.g. Safe Harbor)
• Implements near real-time processing of HIPAA EDI transactions
• Sets the foundation for streamlined payment processing
• Piloting on the Short Doyle Medical System (SDMC)
Opportunities for California with Integration of DMH and ADP Functions into DHCS

**Tomorrow’s Technology Today (Phase 3)**

CORE Operating Rules - 2014 and Beyond:
- Expand EFT
- Timely ERA generation for reconciliation
- Improve provider enrollment processes
- Simplify interfaces and integration between DHCS accounting and SCO
- Reduce payment processing time for counties and providers
- Enhance transaction monitoring and transparency
- Streamline provider payment process
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Moving California Forward
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Moving California Forward:

- Continue to expand opportunities for stakeholder participation, collaboration, and innovation
- Engage stakeholders to streamline cash flow processes
- Identify partners to pilot mandated Phase 3 technologies
- Realize tangible financial benefits for stakeholders over the next 12-18 months
Opportunities for California with Integration of DMH and ADP Functions into DHCS

Time to hear from you!
“I believe strongly that the opportunity is here for us in America to finally have a healthcare system that we can really be proud of. But it's got to be one where everybody is involved. Everybody: consumers, employers, providers, health-insurance companies, everybody.”

- Max Baucus