

Presentation to the 2025 Health and Human Services Joint Appropriations Subcommittee

Medicaid Enterprise Systems (MES) Status



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**

Greg Gianforte, Governor | Charlie Brereton, Director

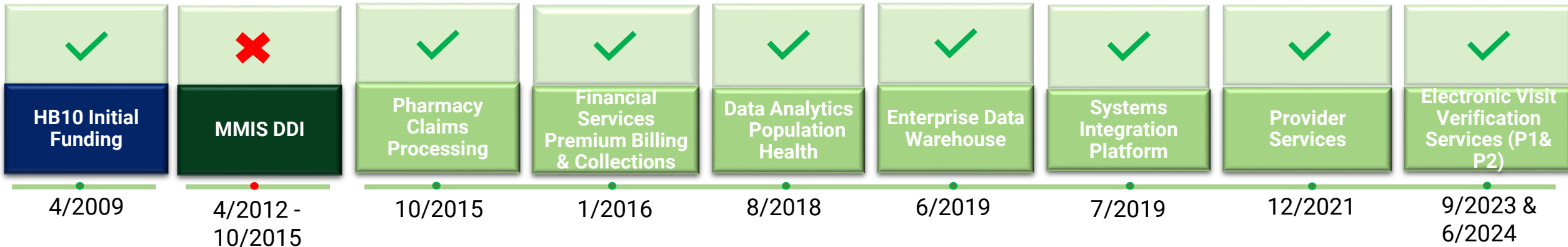
Status of Medicaid Enterprise Systems (MES) Deployments

Shellie McCann, Medicaid Systems Administrator

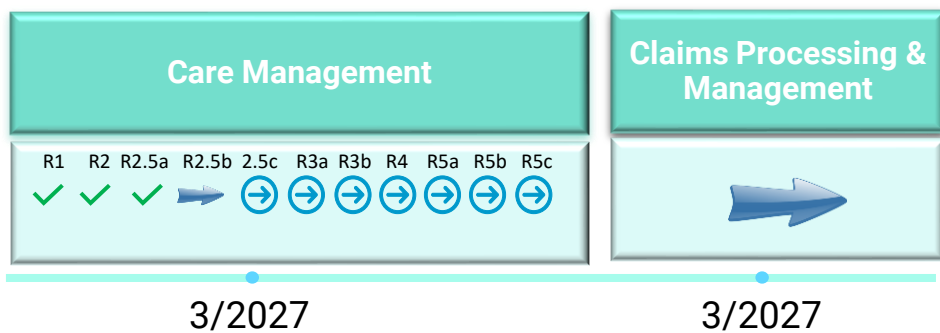
Medicaid Enterprise Systems (MES)

Current Status of Deployments

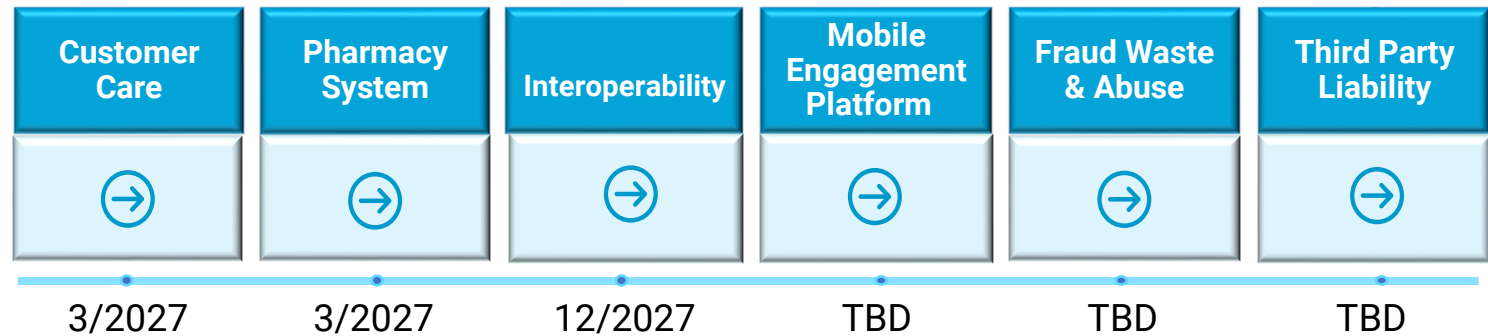
Status Legend: ■ ✓ Completed ■ ➔ In Progress ■ ⌚ In Planning ■ ✗ Cancelled



In Progress



In Planning

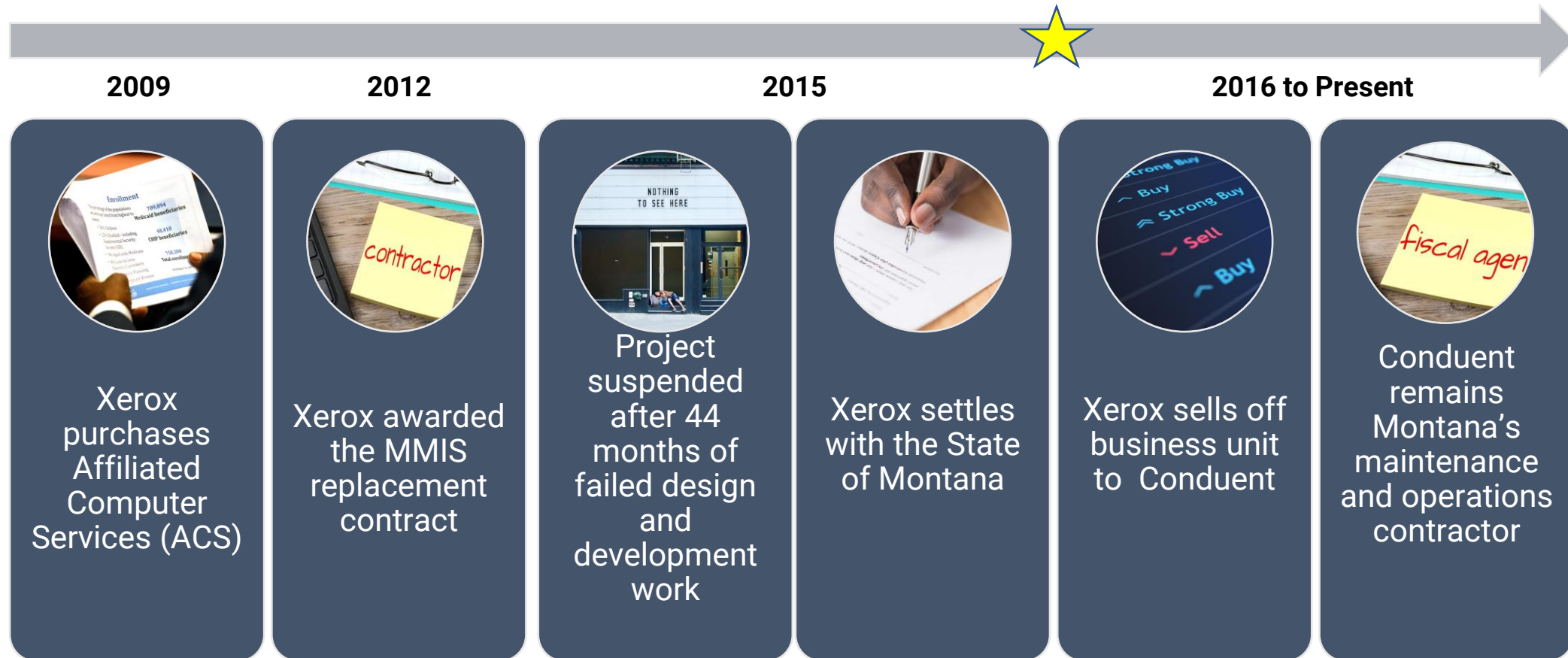


Flex Rx Pharmacy Replacement



DEPARTMENT OF
PUBLIC HEALTH &
HUMAN SERVICES

Overview - MMIS Replacement Project



Overview - MMIS Replacement Project

Original funds for the MMIS Replacement project were awarded in 2009 through HB10 Appropriation for a Medicaid Management Information System (MMIS), Decision Support System (DSS), and Prescription Drug Card System (PDCS).

Medicaid Management Information System MMIS	Prescription Drug Card System (PDCS)	Decision Support System
<ul style="list-style-type: none">• Processes healthcare claims• 39-year-old customized system• Pending replacement planned for 2027	<ul style="list-style-type: none">• Processed pharmacy claims• Originally implemented in 2003• PDCSx2 migrated to Flex Rx in 2015	<ul style="list-style-type: none">• Stores claims data from the MMIS and PDCS for reporting• Replaced by the Enterprise Data Warehouse (2019)

FlexRx Background

- The FlexRx solution was included as part of the 2012 MMIS Replacement Project.
- It is an updated version of Xerox's Prescription Drug Card System (PDCS).

FlexRx – Pharmacy Claims Processing System

Flex Rx accepts claims submitted electronically from enrolled pharmacies for Montana Medicaid members.

- The system processes each claim in real time, confirming required information, verifying provider and member enrollment, and applying necessary edits to determine approval or denial.
- This ensures members receive medications without delay.

FlexRx – Pharmacy Claims Processing System (cont.)

Pharmacy claims are sent to the Medicaid Management Information System (MMIS) to facilitate provider payment processing and support federal reporting requirements.

FlexRx Replacement – Considerations

A variety of key factors prompted the Department’s request for funding to replace FlexibleRx.

Consideration	Rationale
Contractual limitations	In March 2022, the Flex Rx contract reached the maximum allowable ten-year contract term per Montana Code Annotated 2021 Title 18 Chapter 4 Part 3 18-4-3-13

FlexRx Replacement – Considerations (cont.)

Consideration	Rationale
System Instability	<ol style="list-style-type: none"><li data-bbox="861 529 2440 686">1. Flex Rx processes claims in real time to enable fast prescription fulfillment.<li data-bbox="861 708 2440 946">2. If the system goes down, pharmacies won't have the information needed to fill the prescription(s).

FlexRx Replacement – Considerations (cont.)

Consideration	Rationale
High Cost of Hardware and System Updates	Necessary hardware and system updates to enhance security can cost up to \$548,000 per upgrade.

FlexRx Replacement – Considerations (cont.)

Consideration	Rationale
Dependency on the MMIS to Pay Claims and Support Federal Reporting	The MMIS will be retired in 2027, requiring the Department to decide whether to invest millions in updating Flex Rx for federal reporting and payment processing or allocate funds toward procuring a cloud-based Commercial Off the Shelf (COTS) solution that complies with the CMS Modularity Final Rule.

Benefits and Efficiencies

Benefits and Efficiencies of Replacing FlexRx:

- **Greater efficiency and automation:** Automated drug rebate processing and streamlined claims handling reduce administrative burden and enhance operational efficiency.
- **Improved accuracy:** Advanced claims validation minimizes processing errors, ensuring better payment integrity.
- **Enhanced flexibility and scalability:** A COTS/cloud-based solution adapts to evolving healthcare regulations and security standards.
- **Fewer system outages:** Increased system stability reduces disruptions, ensuring timely access to critical medications for Medicaid beneficiaries.

Questions



DEPARTMENT OF
**PUBLIC HEALTH &
HUMAN SERVICES**