



STATE DEPARTMENT MINIMIZES COSTS AND MAXIMIZES HEALTHCARE IMPACT

KANSAS HEALTH POLICY AUTHORITY (HPA)

/// CASE STUDY



When Kansas needed to revamp its Medicaid Management Information System (MMIS) to meet federal regulations, it selected EDS, an HP company, to supply a modern, comprehensive, HIPAA-compliant solution. EDS' solution dramatically improved efficiency, with claims now processed 82 percent faster.

CLIENT PROFILE

www.khpa.ks.gov

The Kansas Health Policy Authority is responsible for coordinating a statewide health policy agenda that incorporates effective purchasing and administration with health promotion strategies.

Industry: Government

Established: July 1, 2005

Business Needs Addressed:
Productivity

"EDS provides the State of Kansas with a technological solution capable of meeting our goals to improve access to healthcare in a cost-effective, efficient way."

Scott Brunner
Director
Kansas Health Policy Authority

Kansas HPA sought cost-effective, HIPAA-compliant MMIS to improve efficiency

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 was designed to streamline medical insurance administrative processes and control escalating healthcare costs to both patients and providers. Yet for healthcare agencies, meeting HIPAA standards and processing Medicaid claims efficiently has often been a costly, complicated challenge. Kansas' mainframe MMIS was labor intensive, expensive to maintain and even more expensive to reprogram to reflect new policy initiatives. When the Kansas HPA set out to revamp its Medicaid Management Information System (MMIS), the state discovered that overhauling its existing mainframe-based system would cost more than replacing it altogether. Processing nearly 1 million Medicaid claims a month from about 19,000 providers across Kansas, the state needed an efficient, cost-effective plan of action to perpetuate its healthcare impact.

So Kansas looked to EDS' State and Local Government Health Portfolio to deliver a modern administrative solution that could both control program costs and fuel more efficient Medicaid claims processing. EDS proposed to design, deploy and manage a best-of-class, HIPAA-compliant MMIS that would replace Kansas' legacy systems. Most importantly, the interChange MMIS would be architected to allow the Kansas HPA to maintain all its healthcare programs and services from a single source within a scalable and flexible system that could grow and evolve with the state's needs.

EDS designed multiplatform MMIS to meet standards, improve accessibility

EDS' first task was to assume responsibility for the state's legacy-based MMIS and fiscal agent operations. This involved migrating systems operations to a new EDS-run facility in Topeka.

Then EDS designed an advanced, comprehensive, multiplatform MMIS that met rigorous standards. EDS simplified and streamlined Kansas' Medicaid-related administrative processes, enabling the agency to exchange information with healthcare providers electronically and in real time.

Services featured

- Applications Development Services
- Managed Server Services

"Kansas HPA is pleased to have collaborated with EDS in the development of a flexible system that will adapt to our rapidly changing needs. The ease of use for our staff and the improved access to data will be very beneficial to the management of our program."

Christiane Swartz
Administrator
Kansas Health Policy Authority

What's more, the interChange MMIS' Web-based claims submission enhancement extends the instantaneous adjudication of claims to all providers, a capability previously available only to pharmacy providers through the Point of Service system. In addition, claims submitted either on paper or through the batch process adjudicate every 15 minutes rather than nightly as was the case with the legacy mainframe MMIS. This improvement makes claim data available to both providers and the state in minutes, not weeks.

Implemented on time, EDS' interChange MMIS arms the agency with enhanced capabilities including many new Web-based applications. For instance, medical providers can now expeditiously submit and follow up on claims online. Plus, a fraud and abuse detection system and improved data reporting capabilities strengthen the agency's accountability to the community. With enhanced reporting, the state can adhere to and manage budgets more proficiently. Additionally, the Kansas HPA can also generate timely, more accurate reports to the Kansas Legislature concerning healthcare utilization. What's more, the system provides the flexibility to update and adapt processes to Kansas' rapidly changing healthcare environment.

New MMIS saves millions each year and processes claims five times faster

Well within budget, Kansas' new MMIS automates Medicaid claims processing while expanding systems functions for healthcare providers and state administrators. With EDS as its single fiscal agent, Kansas is now able to manage its healthcare offerings with an overarching MMIS from its new Topeka operations center.

Since EDS assumed the role of the Kansas Health Policy Authority's fiscal agent and launched the new MMIS, administrative costs dropped to 1.9 percent of benefit dollar expenditure in the first year alone. In addition, the EDS solution dramatically improved efficiency, processing Medicaid claims that once took 11 days with the old mainframe system in an average of less than two days. Improved claims processing efficiency helps Kansas channel resources away from costly administrative processes and toward improving the livelihood of its residents. In May 2005, the U.S. Centers for Medicare and Medicaid Services (CMS) certified Kansas' MMIS. With this certification, federal funding for the system increases to 75 percent, which saves Kansas and its taxpayers millions of dollars every year.

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