

Improvements Needed to the Minnesota Eligibility Technology System (METS)

Anoka County Legislative Summary

December, 2016

AMC/MACSSA Summary Position:

- **The effectiveness, efficiency, and reliability of METS must be improved more rapidly.**
Counties provide eligibility determinations and management services for over 1.1 million Minnesotans enrolled in Medical Assistance. The inefficiencies in the current METS tools are unmanageable, causing many manual work-around and poor customer service outcomes. Because METS does not function well, counties have been forced to add staff to meet the requirements. **Since the inception of METS, hundreds of staff have been added to county payrolls. As of 2017, the projected total cost of these staffing increases will be over \$27M statewide per year. This cost is primarily paid by federal and state sources. The difference is paid by counties.***
- **Eliminating or replacing METS for eligibility work is not a realistic option at this time.**
Management of the Medical Assistance system requires a functional electronic technology backbone. Returning to the outdated MAXIS system is not feasible. Moving to a new system would require extensive investment of time and money without guarantee of improvements.

Background

In Minnesota, Medical Assistance (also known as “Medicaid” at a federal level) has been administered at a county level with State supervision since it was founded in 1965. Approximately 1.1 million Minnesotans receive health care through the Medical Assistance (MA) program. This is a 40% increase in cases and a 58% increase in people on Medical Assistance

Counties do the work of determining whether or not applicants meet eligibility requirements. County staff interact with the public to open cases for eligible people, handle changes, annual renewals, and updates in a person’s case. Rules established by DHS and administered by the county staff are complicated and require constant reevaluation of individual eligibility and life changes.

The first statewide computer system for managing MA cases was installed in 1990 and is known as “MAXIS”. MAXIS is a mainframe application that does not have the functionality of a “windows” application. While MAXIS was a big improvement over paper case files, there are many eligibility and case management functions that remain time consuming and manual for workers due to the technical limitations of MAXIS. The MAXIS system is out-of-date and difficult to modify.

The State has tried to replace the MA eligibility and case management function of MAXIS in the past. Most recently, the State spent tens of millions of dollars on a system called Healthmatch. In the end, this development was discontinued because of the complexity of the public health insurance programs and the major expense to create a workable system.

In 2013, the State unveiled the Minnesota Eligibility Technology System (METS). This system was intended to serve not only as the MA eligibility software, but also as the eligibility and case management software for all health programs obtained through the State Health Insurance Exchange (known as "MNsure"). While only 14 States created their own comprehensive exchanges, all states were required to make major changes to their MA eligibility systems. Because of the magnitude of the changes 34 states replaced their old MA eligibility systems with new computer systems and the rest of the states had to make major modifications to their existing MA eligibility systems. If Minnesota decides to use the Federal Exchange, a system with new MA functions such as METS would still be needed.

Issues

METS does not work well for management of MA cases. The software was not well designed for the complex case management of MA and is currently inadequate in many ways for the work required of counties. Following are some of the inadequacies:

- The work of MA eligibility using METS requires significant time-consuming and inefficient manual work-arounds
- Technology flaws lead to incorrect program assignments
- The system requires manual processing of over 80% of the applicants and 60% of the renewals
- The system has inadequate interfaces with the health care payment system
- Notices give incomplete direction to clients
- There is insufficient information standardization to prevent duplication of records
- Case management and reporting functions need significant improvement to be useful to manage cases
- The system is not yet modified to serve special MA populations such as the aged and disabled
- Many functions to make case changes have not been developed

As a result of the inefficiencies and limits of METS and the increase in caseloads, counties have been forced to increase staffing. **Since the inception of METS, hundreds of staff have been added to county payrolls. As of 2017, the projected total cost of these staffing increases will be over \$27M statewide per year. This cost is primarily paid by federal sources and the difference is the responsibility of counties.**

The Periodic Data Match requirement, passed by the 2015 State Legislature, was intended to increase the fidelity of the system. However, without improvements to the case management functions of METS, this new requirement will require significantly more staff time dedicated to METS eligibility work. Without improvements to the basic function of the system, the process of data matching will have much less value. Improving the functions identified by the counties would add the most value to the integrity of the system.

Many people and organizations have been involved in the struggle to improve METS. Counties have worked closely with DHS, MNsure, and MNIT to identify and fix software problems while continuing to process MA cases.

Proposed Solution

In order to meet the requirements of a well-functioning Medical Assistance eligibility system, investment is needed to accelerate improvements in the MA functions of METS beyond what is currently scheduled for 2017. The Association of Minnesota County (AMC) has convened a workgroup of County Commissioners and staff who are studying the amount of funding required to move METS to a functional system for counties and clients. Only \$1.1 million in state funding has been budgeted for the first year of the next biennium for development of MA METS functions. Counties are asking that the FY 2017 State DHS development budget for METS of \$5.808 million per year be continued for the next biennium. This level of funding is needed to improve the system to an acceptable level of customer service, efficiency and program integrity. This investment would also provide a more stable platform to make modifications if any future MA changes are made at the federal level. This funding is eligible for an enhanced match of 90%.

*Between 2013 and 2016, there were 249 FTEs added to 9 of the 10 largest counties to handle increased workload related to METS. The calculation of county costs assumes the ratio of new FTE's to MA caseload in those 9 counties is the same across the state. The assumed average cost for salary and benefits for 1 FTE is \$65,000.

Calculating the exact cost increase to counties is difficult for several reasons. The State reimburses counties based on a survey of workers' activity known as "Random Moments Survey". Because all MA work on eligibility determinations has been reimbursed at a higher rate (75%) since 2013 whether it is METS or MAXIS system work, it is difficult to determine the increase to counties that has occurred.

Assessing the Options for Improving Minnesota Eligibility Technology System (METS) – An overview

OPTION	WHAT WOULD BE THE CONSEQUENCES TO CONSIDER?
<p>Status Quo</p> <p>Maintain use of METS in its current state for Medical Assistance cases with MAGI (Modified Adjusted Gross Income) eligibility</p>	<ul style="list-style-type: none"> ✘ MA eligibility work for MAGI populations will continue to be staff intensive, inefficient and costly for counties. ✘ MA system will not be integrated with other public assistance systems. ✘ Customers will continue to struggle with the inadequacies of METS. ✘ Continued large cost per year for operations. ✘ The integrity of the eligibility determinations will continue to be limited.
<p>Improve METS</p> <p>Continue technology improvements to METS until it functions optimally for eligibility and case management functions for all MA cases (MAGI and non-MAGI).</p>	<ul style="list-style-type: none"> ✘ It will take several years and significantly more funding to improve METS. ✔ The the system will be more automated, efficient and improve integrity. Counties will be able to control staffing requirements. ✔ All MA cases (MAGI and non-MAGI) will be integrated and provide efficiencies for counties. ✔ This is the cheapest option for the state to develop an adequate system and is the only option that can draw 90% federal match. ✔ Eventually, clients enrolled on multiple systems will see improved access and timeliness when cases are managed in one system. ✔ Investments in the basic MA functions will create a more stable base for future MA program changes that are likely.
<p>Dispose of METS and return to MAXIS</p> <p>Discontinue the use of METS for any MA eligibility work and move MAGI cases from METS to the MAXIS system.</p>	<ul style="list-style-type: none"> ✘ Substantial work and chaos for counties and customers to move METS cases to MAXIS. ✘ MAXIS would need major programming changes to allow it to process MA cases using the MAGI criteria and would cost a large amount of state funding (estimated cost of over \$60m in state funds). ✘ The Software program that runs MAXIS was built in the 1980's and is, for the most part, obsolete and not supported. ✘ There is no easy customer portal for clients to access MAXIS. ✘ Maxis does not have the automation to support the complexity of the MA programs and many workarounds are required because of the limitations of the technology. ✔ Workforce is trained on MAXIS. ✔ Maxis has developed some of the necessary case management functions.

Assessing the Options for Improving Minnesota Eligibility Technology System (METS) – An overview

OPTION	WHAT WOULD BE THE CONSEQUENCES TO CONSIDER?
<p>Dispose of METS and develop new a new system</p> <p>Discontinue the use of METS for MA eligibility work and find an alternative to MAXIS for MAGI cases currently in METS.</p>	<ul style="list-style-type: none"> ✘ Without METS or MAXIS, another system would be needed in order to maintain an electronic MA system. This would be very costly. It is unlikely that the federal government would help pay for this system. (Estimated cost of over \$100m in state funding.) ✘ Development of another system would also take significant time—likely years. ✘ Substantial work and chaos for counties and customers to move MA cases out of METS. ✘ We would have to continue to operate MA using the METS and Maxis systems until the new system is built, which will be costly to operate and we will not have resources to improve. ✘ There is no guarantee that a new system would operate better when initially rolled out. “Healthmatch”, the last attempt to replace MAXIS, failed.

Those pesky acronyms.... What do they mean?

ACA	The Patient Protection and Affordable Care Act (PPACA), commonly called the Affordable Care Act (ACA) or Obamacare, is a United States federal statute enacted by President Barack Obama on March 23, 2010.
DHS	The State of Minnesota’s Department of Human Services
MA	Medical Assistance. Minnesota's Medicaid program for people with low income.
MAGI	Modified Adjusted Gross Income. Unless a person is elderly or disabled, his or her eligibility for public health care is determined based on his or her income level. The standard measure of income used is the Modified Adjusted Gross Income. Generally, your Modified Adjusted Gross Income (MAGI) is the total of your household's Adjusted Gross Income and any tax-exempt interest income you may have (these are the amounts on lines 37 and 8b of IRS form 1040).
MAXIS	MAXIS is a computer system used by state and county workers to determine eligibility for public assistance and health care. For cash assistance and food support programs, MAXIS also determines the appropriate benefit level and issues benefits.
METS	Minnesota Eligibility Technology System. This is the system introduced in 2013 to handle eligibility determinations and case management for people requesting public health care programs.
MMIS	Medicaid Management Information System. This is the electronic system that automatically pays medical claims and payments for Minnesota Health Care Program.
MNSure	MNSure is Minnesota’s Health Insurance Exchange, set up as required by the ACA.
PDM	Periodic Data Match. This is a new requirement passed by legislation in 2015. It will require an additional review on each METS case each year.