

MediCal Managed Care Capitated Payment Calculation System

In the state of California there are 12 million Medi-Cal beneficiaries enrolled in roughly 180 managed care plans. With annual payments currently approaching \$40 billion and increasing, TrinityTG's Managed Care Capitated Payment system (CapMan) provides an automated solution to manage and process payments, beneficiary management, and eligibility data in accordance with The Health Insurance Portability and Accountability Act (HIPAA). HIPAA requires that managed care plans receive detailed remittance advice from paying agencies reporting all beneficiaries and the associated payment amounts covered by the monthly capitation payments. CapMan also enhances user experience and efficiency.

Overview

Federal regulations require that the State maintain an accounting for all capitated payments for a 24-month period by source of funds. The payments include complex calculations for retroactive net changes in eligibility, retroactive rate adjustments, multiple coverage types and corresponding rates, different state-federal funding splits, funding shifts, and federal waiver coverage for the various payment categories. TrinityTG was contracted by the California Department of Health Care Services' Office of HIPAA Compliance to develop a next-generation payment calculation system with the ability to assign retroactive adjustments to the appropriate account and month of coverage, send out HIPAA-compliant 820 transactions reporting payment details at the beneficiary-level, and prepare the HIPAA compliant 5010 X.12 820 remittance advice for each of the @180 Medi-Cal Managed Care Plans.

Key Benefits to the Client

- **Built to scale** – CapMan was tested for stress and load using 10-times the historical level of activity. Designed to account for perceived growth (15 million by 2016), CapMan implemented support of transparent hardware addition in the future.
- **Automated invoice generation** – Automates complex manual payment calculation and promotes invoice accuracy.
- **Management of Contracts** – Maintains date-effective negotiated payment rates (including retroactive changes) for each type of coverage and beneficiary. Users can add amendments, change orders, view disbursement registers, managed encumbrances, and transfer funds.
- **Automation of Eligibility Data** – CapMan provides an automated solution for receiving and processing eligibility data from a mainframe system (MEDS).
- **Population and Generation of 820 Remittance Advice Transactions** – Utilizing latest X.12 5010 HIPAA Standards, all Medi-Cal Managed Care Plans and HIPPP/BCCTP vendors will receive 820 Remittance Advice Transactions, which detail all invoice amounts paid for each beneficiary.

TrinityTG collaborated with DHCS in assessing and identifying the numerous complex requirements spanning multiple entities and perceived future needs. In addition to boasting the largest payment system in California State government and the largest managed care payment system in the nation, CapMan provides these additional benefits including the following:

CapMan Capabilities



Figure 1. CapMan's model allows for the seamless integration and incorporation of multiple entities across multiple departments in order to orchestrate and automate accurate payments each month for roughly 12 million beneficiaries in a timely and efficient manner. From Beneficiary Management, Contract Management, Complex High-level calculations, and Reporting, CapMan's system is a multi-directional portal that transports and processes data cross-sectionally while proffering multi-functionality.

Integrated Beneficiary Management Module:

- System performs Pre-Processing and Beneficiary Eligibility validation from the enrollment files received from MEDS (a legacy enrollment system).
- Manages eligibility validation for beneficiaries taking into consideration multiple complex business rules such as: beneficiary movement between multiple Health Care Plans (HCP), dual eligibility, expanding health care programs and continuously changing legislation.

Pre-processing and Beneficiary Validation



Health Care Plan Validation



Adjudication



Total Capitation Payment and Document Generation



Figure 2. CapMan also verifies that the payment instructions, fund source instructions, actual amounts paid by the State controller, and amounts requested from the federal government for reimbursement are reconciled. Approximately \$35 BILLION was processed in 2014.

Improved Accounting Interface:

- Replaced existing Access Database and manual invoice generation processes for both Health Insurance Premium (HIPP) and Breast and Cervical Cancer Treatment Program (BCCTP) with automation.
- Performs high-level and complex Calculation Logic in adherence to requirements and business rules governing multiple entities.
- Established interface with Medi-Cal Beneficiary Master File (MEDS) to identify the approximate 12 million Beneficiaries included in the current month's capitation payments.
- Calculates capitation payment amounts per beneficiary for current service month plus any retroactive changes in eligibility **for the prior 12 service months**, while incorporating all retroactive rate adjustments for the prior 24 service months.
- Generates Supplemental Invoices for High-Cost and Event-Based payments such as Maternity deliveries and AIDS beneficiaries.
- Identifies and performs Exception Processing to prevent duplicate payments and ensures invoicing accuracy.

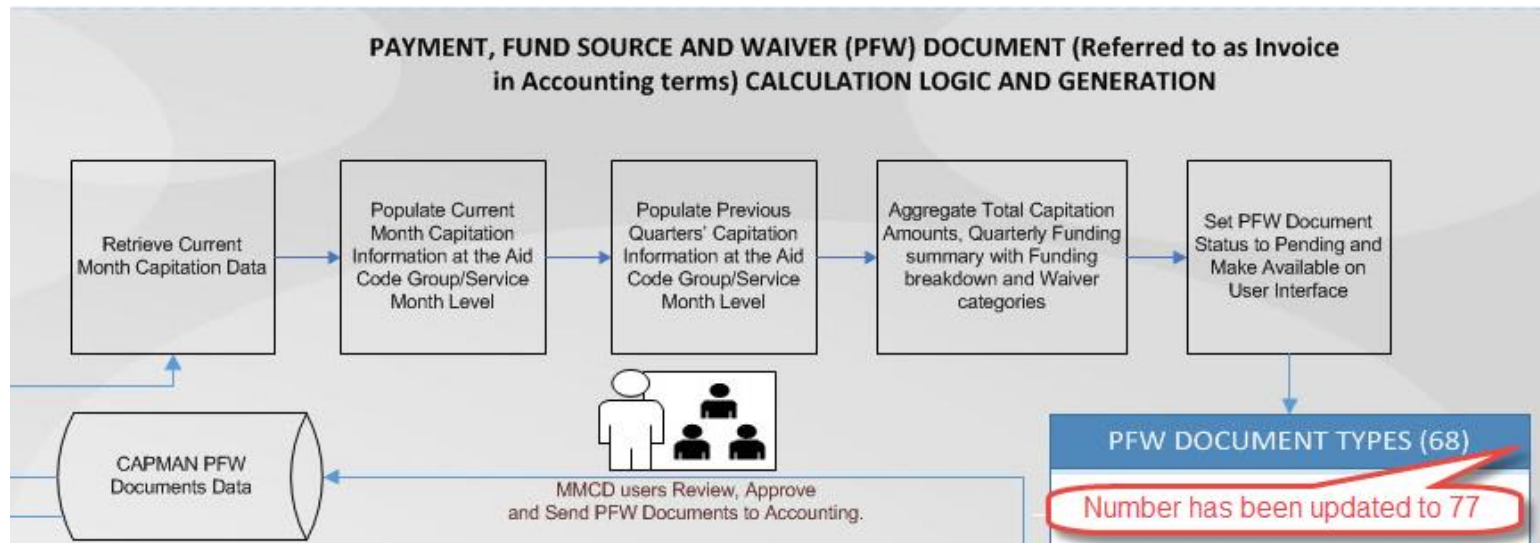


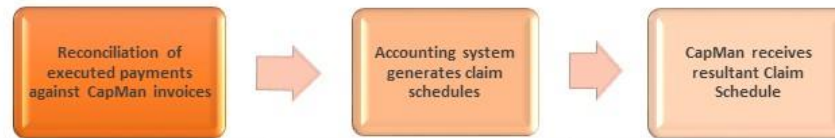
Figure 3. Accounting is concerned with questions related to Fund Source, Waivers, or buckets from which invoice payments are made. Invoices sent to Accounting have been reviewed and approved, and are ready to be submitted to produce a CMS64 Report. The CMS64 report data is checked against the data in CapMan which informs Users of Accounting processing invoices. Upon verification and completion, a CD102 Received/Error is produced and the SCO issues a Warrant and the invoice status is updated.

Automated Payment, Fund Source, and Waiver Generation:

- Reconciliation of Payment, Fund Source, and Waiver with Payments from State Controller's Office, Claim Schedules, and Warrants.
- Parses payment amounts on each invoice, according to fund source (State/Federal percentages) and Federal Waiver categories.

Invoice Reconciliation and Exception Processing:

Invoice Reconciliation



Claim Schedule Processing



SCO Payment Processing



Remittance Advice Generation



Figure 4. Once the invoices have been reviewed and approved by the User/Supervisor, the invoices are sent to Accounting for reconciliation against CapMan Payments. CapMan matches specific invoice information and statuses with data received from Claim Schedule and State Controller's Office.

Robust Reporting Module:

- Generates detailed Accounting Report that enables tracking and auditing of all amounts paid per funding source for each of the past 36 months.
- Produces over many detailed ad hoc reports so that business users can track: enrollment, expenditures, federal waiver amounts, contracted payment rates, rate increments, and more.

Approach

TrinityTG built the solution on several environments which focus on providing multi-functionality.

- A Web Environment working in ASP.Net allows a three tiers isolation, increased functionality, easy data access, and administration of Role-based security measures to ensure the confidentiality of PHI of beneficiary information.
- A .Net framework, C#, and BizTalk provided the ability to suspend orchestrations, maintain Event Logs, Load Balance, and keep Capitation Logs.
- TrinityTG's use of SQL Server facilitates separate reporting servers, reference table updates, and offers a storage solution of payment history up to three years. SQL Server Reporting Services allows the generation of canned reports that provide analytics on the data being capture.
- TrinityTG's use of an EDI Environment with EdifecXengine allows full SNIP validation.

Figure 5. Reports are based on User Group and/or User Role ensuring that Personal Health Information (PHI) is accessible only to the authorized relevant parties. Commonly used reports examples include, Invoice Backup Report, Beneficiary Detail Report, or Disbursement Register Report.



MEDI-CAL MANAGED CARE DIVISION Expenditures by Waiver Authority - Summary Report



Run Date: Monday, August 12, 2013
Default Date Range: 7/1/2013 - 7/31/2013

			Eligibility Group											
			Families		Existing SPD		Newly Mandatory SPD		CBAS		No Waiver		Totals per Funding Source/Payment Type	
Funding Source	Payment Type	State Fiscal Year	Amount	Member Months	Amount	Member Months	Amount	Member Months	Amount	Member Months	Amount	Member Month	Total Amount	Total Member Months
Regular FMAP	Medi-Cal Only	7/1/13	\$1,454,288.25	8	\$1,454,288.25	8	\$1,454,288.25	8	\$1,454,288.25	8	\$1,454,288.25	8	\$1,454,288.25	8
Regular FMAP	Dual	7/1/13	\$4,287.51	20	\$4,287.51	20	\$4,287.51	20	\$4,287.51	20	\$4,287.51	20	\$4,287.51	20
BCCTP 100% State	Medi-Cal Only	7/1/13	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1
BCCTP 100% State	Dual	7/1/13	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1
BCCTP 65/35 GF	Medi-Cal Only	7/1/13	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1	\$4.00	1
Enh T21 65/35 - MCHIP	Medi-Cal Only	7/1/13	\$1,234,567.89	5	\$1,234,567.89	5	\$1,234,567.89	5	\$1,234,567.89	5	\$1,234,567.89	5	\$1,234,567.89	5
Family Planning 90%/10%	Medi-Cal Only	7/1/13	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3
Family Planning 90%/10%	Dual	7/1/13	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3	\$12,345.67	3
Alien Non-Emergency Services FMAP - 39.87%	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
Refugee (100% Federal)	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
100% State	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
100% State	Dual	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
Regular FMAP	Medi-Cal Only	7/1/13	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000
Regular FMAP	Dual	7/1/13	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000	\$10,000,000.00	100,000
BCCTP 100% State	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
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BCCTP 65/35 GF	Medi-Cal Only	7/1/13	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000
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Enh T21 65/35 - MCHIP	Dual	7/1/13	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000
Hlthy Fmly Enh T21 65/35 - SCHIP	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
Family Planning 90%/10%	Medi-Cal Only	7/1/13	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000
Family Planning 90%/10%	Dual	7/1/13	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000	\$10,000,000.00	1,000
Alien Non-Emergency Services Title XXI - 39.87%	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
Alien Non-Emergency Services FMAP - 39.87%	Medi-Cal Only	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
Alien Non-Emergency Services FMAP - 39.87%	Dual	7/1/13	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10	\$10,000.00	10
Total of all Funding Sources														

The undersigned employee of the State of California, Department of Health Care Services, hereby certifies that the attached pages are true and correct copies of the original electronic records kept within the State of California by the Department, of which the Department has legal custody.

Signature

Title

Date

Trinity Technology Group Provides Innovative Solutions

We Build Things. We build working IT solutions that solve real business problems. We leave the sidewalk supervision to others.

We Build for You. For each solution, we determine what will work best for you, not what will look best in our marketing materials. We employ a strategic planning approach that focuses on re-use and adaptation first. We are practiced and adept at establishing what technologies and strategies will be most effective for you.

We Build With You. We encourage and facilitate collaboration between our team and yours by producing together formal plans for each critical process. Our team of over 90 highly talented professionals – from business analysts to seasoned developers, from quality assurance analysts to project managers – work hand-in-hand with you, not in vacuum without your participation.

We Build Complete Solutions. We provide full life cycle, systems integration, and software development services that intelligently leverage Service-Oriented Architecture, GIS, Project Management, Enterprise Technical Architecture, Enterprise Business Architecture, Cloud Architecture, Test Management, Organizational Change Management, and Business Intelligence.

We Build Real Solutions. Our projects do not end with whitepapers. Our clients get real automated solutions that deliver business value. One of our most recent successes was at the Department of Business Oversight. There we utilized Microsoft Dynamics xRM, SharePoint, and Adxstudios Portal to implement an Enterprise Licensing System that allowed the department to sunset 50 disparate legacy data sources.

We are Sacramento-based and have successfully served California State clients for over 16 years. Visit our website to learn more at trinitytg.com.

Our clients include:



We Listen.
We Produce.
And We Deliver Extraordinary Results.

