

SD/MC

Phase II

Short-Doyle Medi-Cal is a computer system that adjudicates behavioral health claims for Federal funding



Current System – Phase I

- *How it works*
- *Limitations*
- *Cost model*
- *Brought DHCS closer to HIPAA Compliance, but...not fully compliant with HIPAA*

Business Process

- Claims are submitted
 - Counties
 - Direct Providers

- State Controllers Office cuts check
- DMH and ADP manage the payment to the Counties
- DMH and ADP Invoice DHCS for Claims

- Claims are sent to DHCS
- Data processing occurs
- Claims are adjudicated

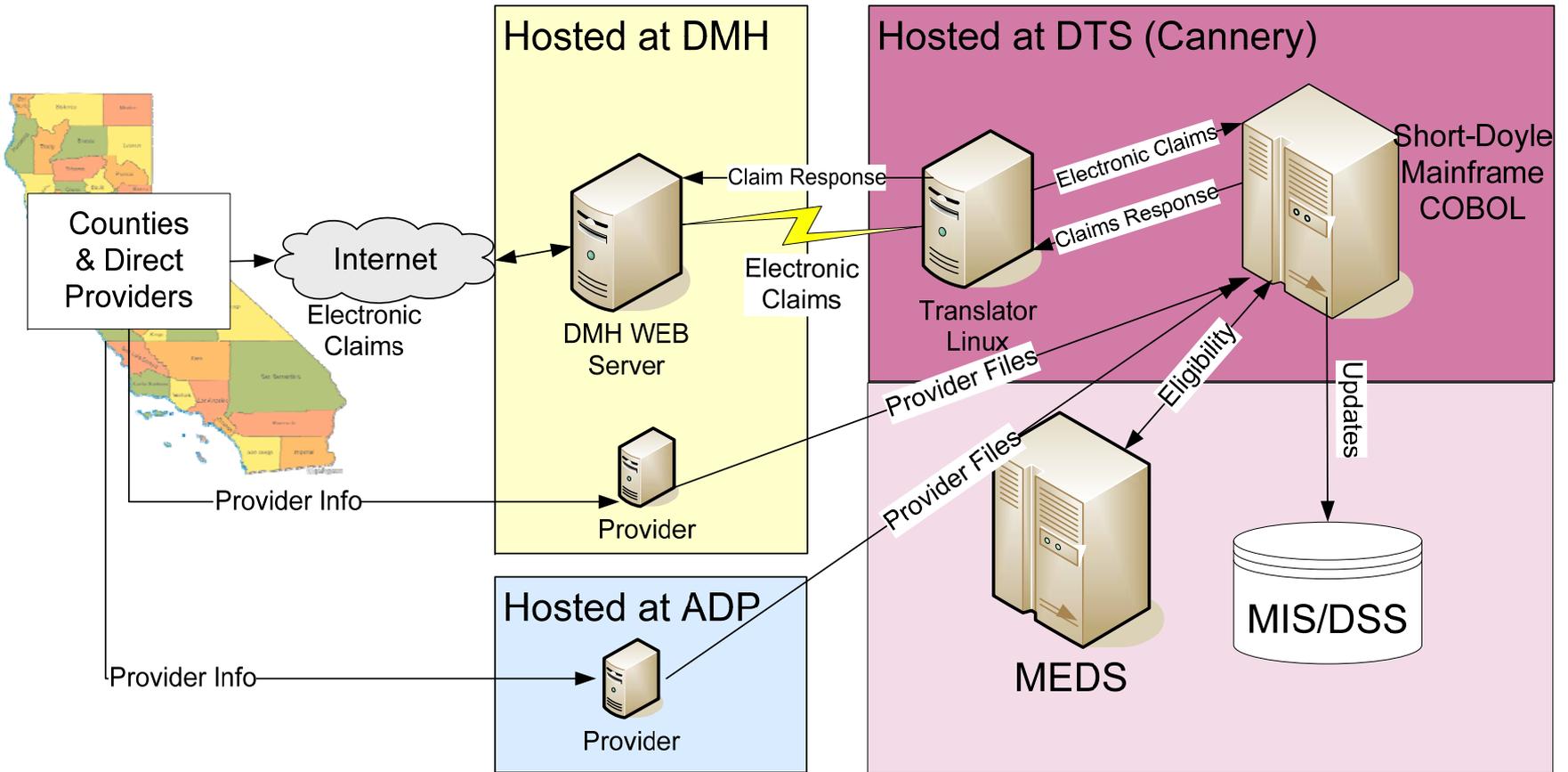
- Claims are received by DMH
 - Both DMH and ADP Claims
 - 15m annually (worth ≈ \$2B)
- This business process is maintained by DMH





Systems and Interfaces

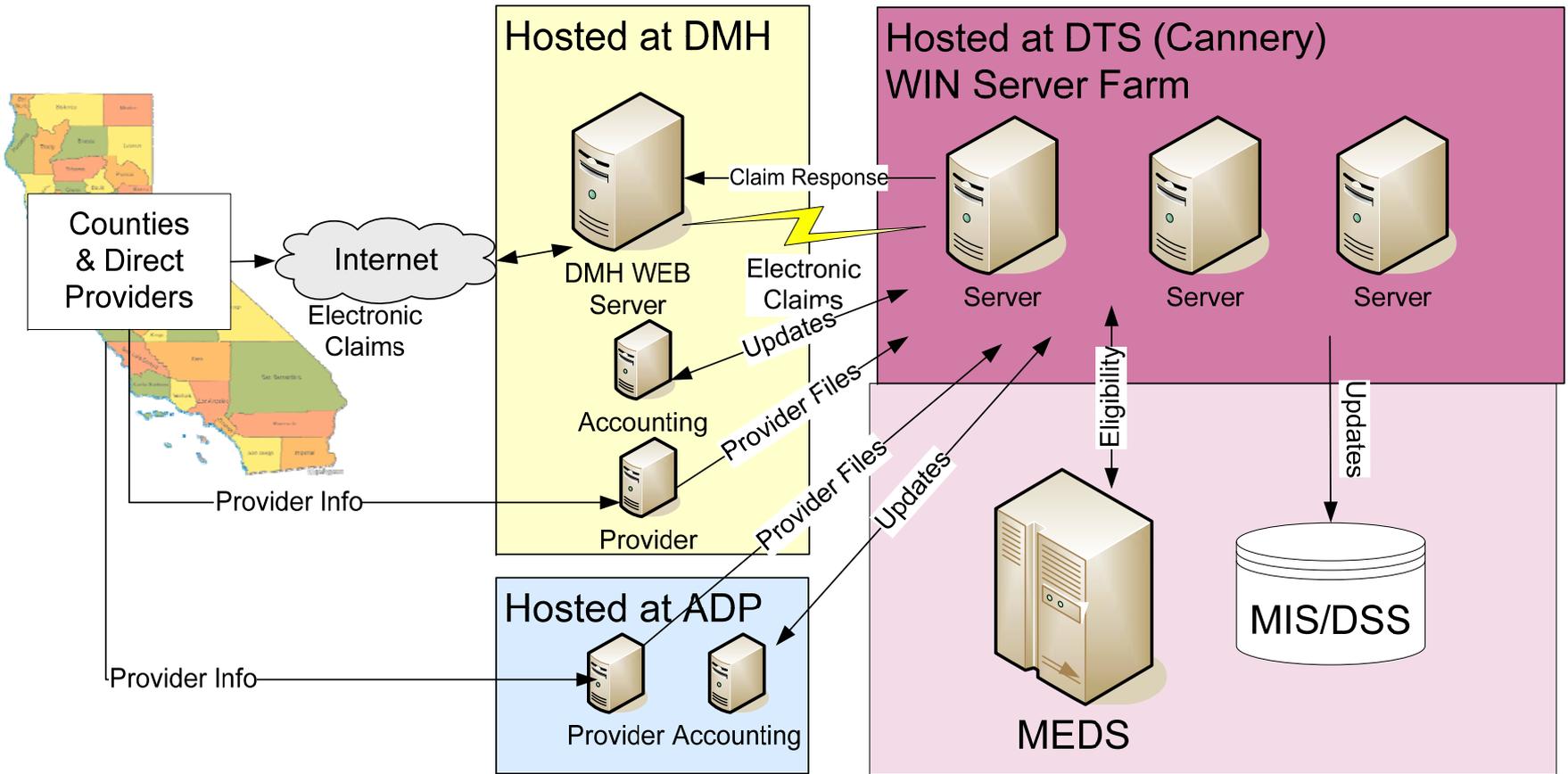
Current System

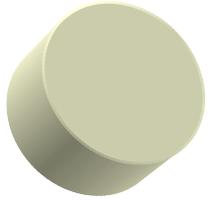




Systems and Interfaces

SD/MC Phase II





Problems with current SD/MC

- Its not fully HIPAA compliant
- Translator near its end of life
- Biz rules are embedded in code
- Full Financial information is not captured
- COBOL programmers are endangered species
- Legacy design – difficult to modify, maintain, and interoperate

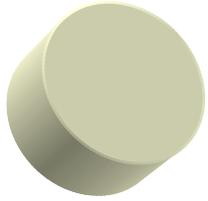


Cost of current system

- DMH pays for the Web Application
- DMH/ADP pay for the translator software configuration maintenance (two contracts) \$500K
- DHCS pays
 - Translator hardware (DTS charges) \$360K annualized
 - Translator 3rd party license
 - Mainframe hardware (DTS charges) \$700K annualized
 - Support staff to maintain COBOL

Annual cost of Current System \$1.5M annualized

Estimated Annual Cost of New System \$800K



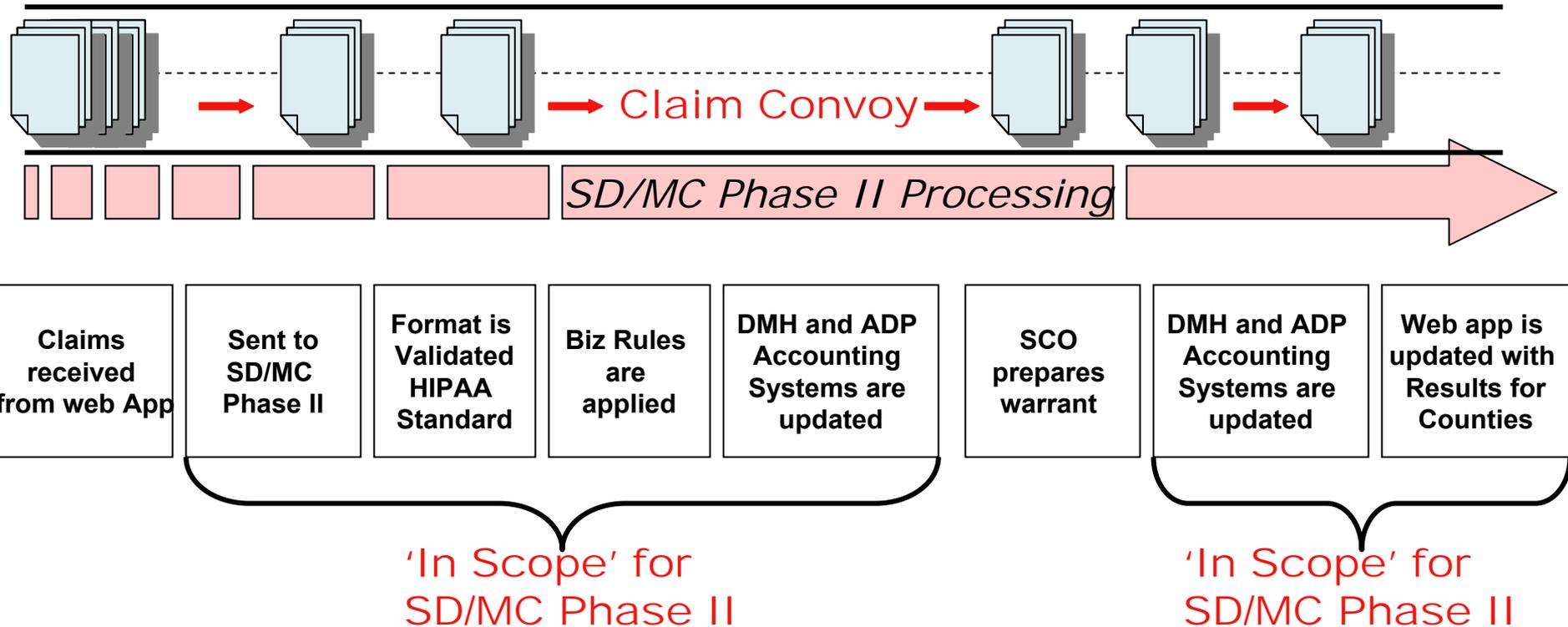
SD/MC Phase II

- Translator goes away
- No COBOL
- No Mainframe
- No legacy formatted data

- EDIFECS HIPAA Engine
- DHCS Standard - .NET
- Only HIPAA formats
- Biz rules maintained by MS BizTalk (Table Driven)
- SOA, MITA ready



SD/MC Phase II

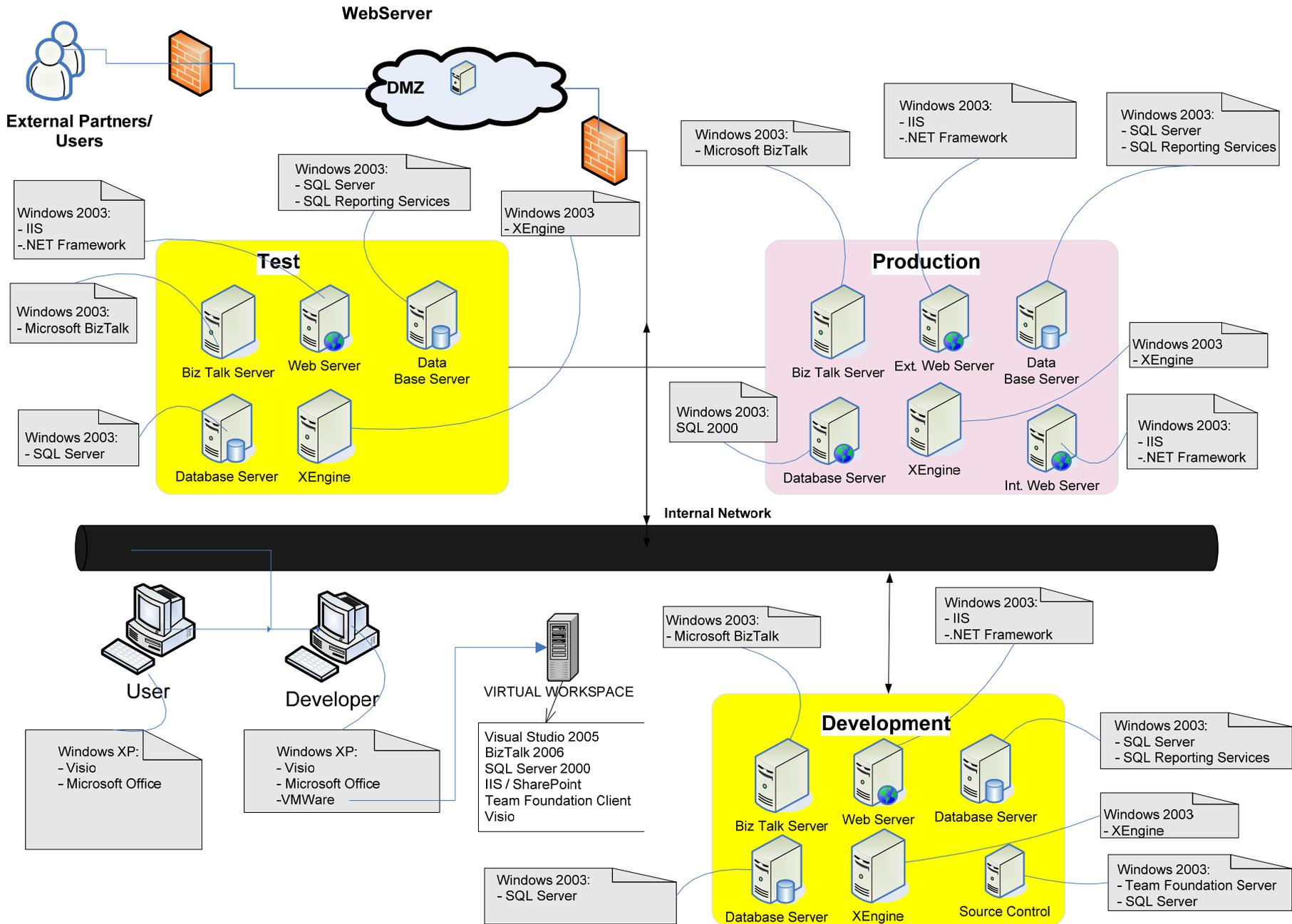


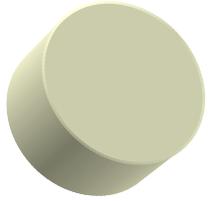
Claims are processed as they are received – **No more batch!**

Trading Partner Impacts

- HIPAA Transactions only
- HIPAA Transaction rule enforced
- Potential other impacts
- Testing environment will be available

SD-MC-Phase-II





SD/MC Phase II Cost

- Design, Development, and Implementation – \$3.6M
- Hardware and Support from DTS – (est. \$500K annual)
- Application support 3 PY's (Includes one existing and two new positions – effective 7/1/2008) - \$300K annual

Estimated Annual Cost of New System \$800K



SD/MC
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Questions?