



Medicaid Enterprise System transformation

Achieving value through a three-step business-first approach



Embarking on a Medicaid Enterprise System (MES) transformation through a streamlined, business-first approach provides extensible benefits in achieving value for your organization and stakeholders. Such initiatives require alignment of business strategies, program priorities, and enabling solutions through agile and pragmatic planning, policy, and technology expertise to achieve programmatic outcomes and address complex challenges. Approaching your transformation with the following framework will help streamline complexity and realize true benefits to your transformation strategy.

Step 1

Prioritize your business – the people, processes, and policies

The MES supports all aspects of your program operations—from enrolling providers to adjudicating claims and administering payments—the technology of the MES is central to support your complex Medicaid business functions. While it may seemingly feel natural to first consider the technology, a technology-centric approach to modernization has proven unsuccessful in delivering on program needs and business outcomes.

Medicaid programs continue to increase in complexity, driven in part by changing political, policy, and program priorities. Whether through federal declarations, such as the Public Health Emergency (PHE) in 2020 or through programmatic flexibility in Section 1115 Medicaid demonstration waivers, nearly all 56 Medicaid programs currently have active

eligibility-, benefit-, and population health-focused transformation initiatives grounded in the need for flexibility in meeting the challenges of tomorrow.¹ The technology is important, but the business value is paramount.

As such, the first step must be putting your business at the center of your transformation—the people, processes, and policies. The KPMG Transformation Advisory Services (TAS) framework enables alignment on shared goals and measurable success that drives holistic change across six pillars aligned with the MES transformation journey. TAS provides lasting business value at predictable points in your MES transformation for modernizing your business processes followed by technology alignment to accelerate results.

¹ Source: KFF, “Medicaid Waiver Tracker: Approved and Pending Section 1115 Waivers by State,” August 11, 2023

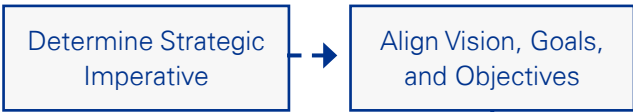


Step 2 Design your future state

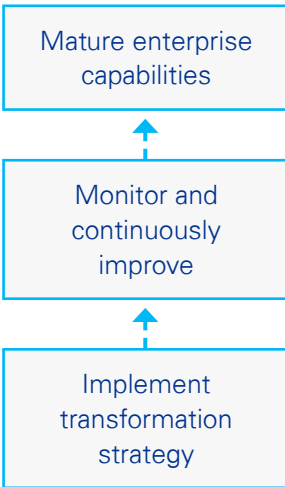
With your business priorities established, you are ready to design your future state and align technology to advance your programmatic objectives. This is executed through an enterprise architecture that applies architecture principles and practices to guide your organization through the people, data, process, and technology changes necessary. While at first blush this can seem like a daunting task, the KPMG Enterprise Reference Architecture (KERA) accelerates your effort.

KERA is both a methodology and set of tools that allows your organization to begin with a baseline architecture that is then tailored to your business priorities. KERA is preconfigured for MES transformations and is aligned with the Medicaid Information Technology Architecture (MITA) standards. This helps to prevent starting with a blank slate, brings structure to planning, documents your business operations (including both business and technical requirements), and decreases project risks by establishing an extensive strategy aligned to your future business and technology needs. The resulting output is the blueprint for your future-state target operating model (TOM).

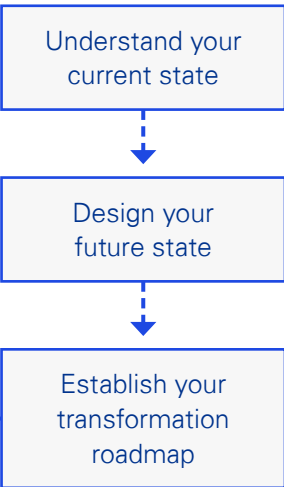
Strategy



Execute



Plan



Step 3

Think about your data now, not later

Data is a key component of the enterprise architecture; however, it can and often does get shortchanged. Addressing the myriad of data issues including quality, governance, and management is complex, and it is easy to deprioritize these decisions and “think about it later.”

But data is the cornerstone to running a Medicaid program—from using data to drive decisions, evaluate policies and interventions, and derive insights for program operations—data is the foundation. Further, the need for quality data that is accessible across systems, organizations, and by people is ever increasing as many Medicaid programs advance population health-focused

Establishing a data roadmap and data governance strategy within your MES transformation framework is essential. It is paramount to understand what data is needed for your business operations, program monitoring, and decision-making, as well as prioritizing and sequencing access to such needed sources. The KPMG Resource Integration Suite (KRIS) Connected Platform centralizes data management and streamlines sourcing, quality validation, and data management across the Medicaid enterprise. Data governance will enforce standardization across data policies and use aligned with your business needs. These combined capabilities can lead to more accurate business intelligence capabilities including policy design, program monitoring, and decision analysis.



Through a business-first approach, your MES transformation will be built from a stable foundation that provides the necessary framework to achieve tangible outputs and realized outcomes. The result will be a well-informed enterprise transformation strategy aligning your program and policy, business, data, and technology needs to achieve tomorrow’s vision.

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