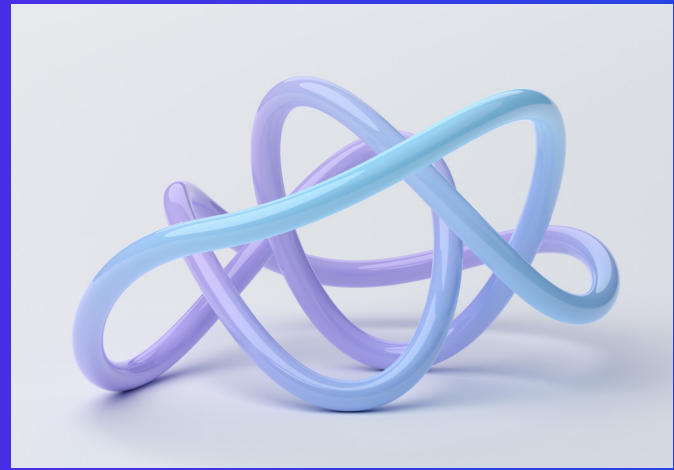




Five reasons MES modernization projects fail



As nearly every Medicaid program in the nation is undergoing massive transformations of their Medicaid enterprise systems (MES), the risk of failure seems to hang over program leadership. This concern is not unwarranted, as a number of MES projects have failed in the last decade. However, while there are countless reasons why your project might fail or stall, the tools to prevent are within your grasp, including your Systems Integrator (SI). Here are five common reasons MES projects might not succeed.

1

Disproportionate focus on technology

2

Inadequate roadmap

3

Project fatigue

4

Underestimating the effort

5

Confusing value and price

1. Disproportionate focus on technology

The federal government will pay for your new Medicaid enterprise systems, but they want you to focus first and foremost on business outcomes. MES projects are fundamentally business transformation efforts where technology enables and automates business rules. The role of a Systems Integrator is undeniably important in this regard as their key task is to ensure focused integration of the program requirements across module vendors. They

are a “neutral” player that will prioritize your program’s goals and facilitate communication between you and your modular vendors. Your SI should promote a “business-first” conversation from the onset; furthermore, this methodology should be reflected in your roadmap, as it is a key document that guides your modernization efforts.

It is rare that state staff has the time and energy to take on an SI role, so choosing your SI “change agent” for this multiyear transformation project that has your business as a primary focus, is that much more important.

2. Inadequate roadmap

MES modernization projects are very complex as defined. Long timelines and potential for changes midflight amplify the complexity even further. What your Medicaid program looks like today likely will not be the same two years from now, given the dynamic healthcare regulatory environment at the federal and even state levels. An experienced SI will have the knowledge to create a robust roadmap for your program and consider nuances that you may not be thinking of. For example, your roadmap should account for levels of complexity, and contain strategies for addressing a multitude of possible impacts on program operations, policy, and governance—all prior to technology. Some of the key areas that the roadmap should include are:

- Aligning with other Health and Human Services programs that you share your Medicaid population with, specifically, high utilizers or specialized consumers of healthcare services
- Aligning the roadmap with the Enterprise Architecture standards that the Center for Medicare & Medicaid Services (CMS) and your module vendors will be familiar with. This way, all parties understand what is being built.

Simplicity is a virtue, but when it comes to MES projects, you will need these details to help anticipate future hurdles and impacts, as well as guide you through organizational changes and module certification. Additionally, your roadmap cannot remain static; it needs to accommodate the inevitable changes in your Medicaid program environment.

3. Project fatigue

A MES modernization project is a marathon. It may feel tedious, and frankly boring, for long periods of time. Even your most ardent project supporters may lose faith and interest in time. You may want to consider developing a plan that incorporates “early wins” as they maintain stakeholder buy-in and keep them excited for more. Your SI vendor should be able to assist you with the identification of these quick-win projects because again, they should have familiarity with your specific Medicaid program needs. Early wins can also be viewed as “rehearsals” for implementing organizational change. They will reveal “people changes” that were not accounted for in the roadmap. Furthermore, they will allow you to glean early experience in effectuating change and provide lessons learned for the remainder of the MES modernization project.

Another way to mitigate project fatigue is by constantly providing communication, including sharing the successes of your project, whether big or small, with your stakeholders. Regularly communicating the business value that the project delivers now and will deliver in the future to your program, is invaluable. Communicating the coming changes, progress toward goals, tangible results, and specific examples of improvements is what people need to see to be inspired to keep going. A strong stakeholder communications plan will help you achieve that.

4. Underestimating the effort

Your state staff will have to take on additional tasks supporting your MES transformation while still having to keep up with their regular jobs. States that do not recognize the need to adjust the workloads of key resources are setting themselves up for major challenges. Your SI vendor should be providing you with ideas and strategies on how to address organizational change before you start gathering requirements for your first module’s Request for Proposal.

On the other hand, your vendor might be the one underestimating the effort of implementation. There may be two reasons why:

- Your requirements in the RFP were too vague or high-level, leading the vendor to believe implementation will be straightforward
- Your vendor has a flawed approach that doesn’t account for the intricacies of your program’s specific requirements.

Sometimes, these factors are two sides of the same coin. The truth is, even though about 80 percent of Medicaid programs’ federal requirements are the same, state-specific rules and policies create the most work for the vendor and result in unplanned scope changes on the project. Unlike legacy vendor(s) who might be able to read and translate vague requests, your new vendor may not have that ability. This brings us back to the original point—you should have dedicated staff for the effort who are trained to communicate clear requirements. Your SI vendor should advise you on the strategies you can employ to address these resource needs.

5. Confusing value and price

MES modernization contracts are among the highest-value contracts a state entity can procure. Even so, the value you receive may not match the high price tag of vendor services.

States are often limited in their ability to procure high-value contracts. The core issue is likely procurement laws and regulations. Regardless of whether you are required to pick a certain value contract, or if you are making a deliberate choice, you should take the following risk into consideration when vendors submit their proposals:

- Not understanding your business objectives or current state and future state may result in an inferior roadmap, inevitably leading to gaps and implementation challenges
- An inadequately-staffed team may force state staff to cover tasks they didn’t plan for or aren’t capable of carrying out
- Trimmed scope or shortened implementation timeframes (i.e., lower cost) may result in abusive change requests later.

To minimize the delta between value and cost, states should inquire about SI vendor experience and staffing assumptions, verify references, and most importantly, confirm their understanding of your current challenges and the desired to-be state. While states often have the upper hand in matters of procurement and contract management, it is also their responsibility to utilize proper internal planning to avoid failures, negative media coverage, and above all, to prevent interruptions in delivering care to already vulnerable citizens.

Conclusion

While there are many reasons why an MES project might fail, you have the ability to choose who to enlist in this endeavor to mitigate the risk of failure. Your SI should help anticipate issues early and bring a team with the right experience to make your Medicaid program more efficient and make you feel more at ease.

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