

ProviderOne payment computer takes over new role of reimbursing providers in Washington State

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OLYMPIA – The Department of Social and Health Services says a new Medicaid payment system called ProviderOne has exceeded expectations since going live in May and is already handling millions of dollars a day in reimbursements for doctors, dentists, hospitals and nursing homes across the state. The five-year development of ProviderOne allowed the state to replace a 30-year-old legacy mainframe system with limited functionality. By comparison, ProviderOne will be able to perform detailed adjudication of billings, eliminating errors and overpayments, automating many of the providers' administrative tasks, and organizing a wealth of data that will provide much stronger and more accurate decision support than before."This is the most advanced and demanding information technology project in the history of Washington State, and it works, " said Susan N. Dreyfus, Department Secretary.

"The federal government has told us that ProviderOne employed many best practices necessary to successfully launch this kind of project and carry it through. Our experience in these first

weeks has consistently exceeded expectations."Doug Porter, State Medicaid Director and Administrator of the Health Care Authority, shepherded the new payment system since it was first conceived. He noted proudly that Washington State was the first state to implement this kind of system without resorting to advance payments."Those payments – cutting prospective checks to many providers because they could not get actual payments from the new system initially – were not necessary here, because ProviderOne performed well from go live on, " Porter said. He said the program is still ironing out minor bugs and problems, especially from smaller provider practices that use paper claims and bill the state less frequently.

The state is encouraging them to switch over to electronic claims, which are being handled quickly and with fewer problems.Overall, Porter noted that ProviderOne has successfully completed a half dozen payment cycles, handling more than \$60 million a week without serious problems. He said much of the credit for that goes to those providers who took advantage of extensive training and testing opportunities as well as the Department staff for coming together and getting the new system up and running."In particular, I want to thank the project manager and his deputy, John Anderson and Gena Cruciani. They were project veterans who were familiar with Medicaid going into this project, and it paid dividends from the start, " said Porter.Porter also praised CNSI, a Maryland company that was the major contractor on the project and has also worked on Medicaid payment systems in three other states – Maine, Michigan and South Dakota. The Michigan Medicaid project debuted in late 2009, but ProviderOne is the most comprehensive system built by CNSI to date.Talking about the benefits of the new system, Dr. Vivek Gore, Senior Vice President of CNSI, said, "We know that the Department will be able to leverage ProviderOne's flexibility and scalability to reduce costs, improve payment accuracy, streamline reimbursement processes for their provider community and

increase access to appropriate care.”CNSI President Bishwajeet Chatterjee noted that ProviderOne is highly configurable, enabling the Department “to respond to the needs that will emerge during this era of historic change in the U.S. health care landscape.”

In addition, ProviderOne was built as a series of modules, which means the state will never again be faced with the major task of replacing an entire Medicaid payment system, noted Deputy Assistant Secretary Heidi Robbins Brown.”We had the choice of doing as many states have done – simply upgrading the system they had before. Instead, Washington state looked into the future and realized that a different kind of system could target program integrity goals as well as provide the flexibility to respond to changing policy and business needs to make better purchasing decisions.”The new computer system’s budgeted cost to date is \$161 million, with most of that supported by a 90 percent federal match. The federal government invests heavily in state Medicaid payment systems like ProviderOne because of the long-range efficiencies the upgraded systems bring to the federal-state Medicaid program.A second phase to ProviderOne will adapt the new payment system to begin handling billings for the Department’s social service programs. That part of the project will be completed over the next two and a half years.###