



# Transforming Medicaid

Modular, modernized  
systems for enhanced  
user experience

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## The shift to modularity

More than 75 million people access comprehensive and cost-effective care through Medicaid, including low-income families, older adults, and individuals with disabilities or chronic conditions. Given the program's importance in addressing the health needs of vulnerable populations, optimizing the experiences of Medicaid members and providers is critical. How they interact with the program can impact many outcomes, from member access and care utilization to provider participation and compliance.

State Medicaid Management Information Systems (MMIS) were originally designed to automate labor-intensive administrative tasks and processes, and provide users with a portal framework to interact with the program. This model ran for decades on large, customized systems. While many core engines remain functional, years of customizations and older architectures have made it difficult to modify these legacy systems.

Simply put, yesterday's solutions are no longer optimal for today's Medicaid program needs.

By **Donna Migoni**, Executive Managing Director,  
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As states move from integrated Medicaid Management Information Systems (MMIS) to modular Medicaid Enterprise Services (MES) frameworks, opportunities to improve the experience lifecycle are found in the MES components that most directly touch members and providers. With this focus on experience, state Medicaid leaders can align their MES solutions to support the overall program mission and improve the wellness of members.





## With change, come some challenges

While some states are experiencing success in adopting modularity, others are encountering challenges with multi-vendor implementations, legacy data conversion, cross-vendor module functionality, and solutions that cannot fully incorporate program policies and business rules. These challenges have led to delays, project cancellations, increased budgets, and program risks.

For example, legacy MMIS core claims capabilities have evolved technologically and policy-wise over decades; however, much business logic is embedded in old programming code. This original complexity is often lost when subsystems are modularized, an issue worsened by staff turnover and loss of institutional knowledge. The use

“*Today’s MES solutions bring the ability to drive efficiencies and prioritize an improved user experience for Medicaid members, providers, and state operations teams.*”

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of commercial-off-the-shelf terminology perpetuates the misconception that old logic and policies are obsolete. New MES module vendors must understand and replicate these business rules and key program policies in their modules.

As some state Medicaid programs face implementation challenges reminiscent of historical MMIS rollouts, they must also address the complexities of deploying separate modules. When implementing multiple modules simultaneously, states must be prepared to manage numerous vendors, integrate various systems, and handle complex data transformations.

## With change, come many benefits

Although these tasks can be challenging, there are benefits to glean from a modular approach. Modernization initiatives strengthen the capabilities of modular solutions, enabling Medicaid programs to derive actionable insights from data sources, adopt emerging technologies like artificial intelligence and machine learning, and make future modifications easier – reducing state risk and maintenance efforts.

Evolving fiscal agent capabilities can help Medicaid programs shift from being reactive to proactive, better aligning with their mission of improving lives and health experiences.

To achieve these benefits, states should have a well-thought-out modernization roadmap to help alleviate the challenges of simultaneous module implementations. They should bring in additional support for vendor management and confirm that procured modules can fully incorporate program policies and business rules. In addition, states should ensure that procured modules satisfy all elements of the MITA, defined state and CMS certification outcomes, and CMS' Seven Conditions for Enhanced Funding standards.



# Four steps for modernizing your MMIS

## 1. Analyze and prioritize.

As state Medicaid programs evolve and implementation risks arise, it's essential to prioritize areas where change can yield the greatest potential benefit. Think about the areas that can optimize provider empowerment and self-service, reduce hassle factors, and enhance the member program lifecycle experience. Target areas that can improve quality and increase program agility. And identify areas, functions, and capabilities that could become standalone modules with integrated capabilities.

Taking a combined modernization and modular approach can mitigate risk and unintended negative impacts on your program. For example, while it may be too difficult to replace the claims component, modernizing the financial functions can improve flexibility. Modernization efforts that incorporate self-service capabilities, improve communication flow, and increase the efficiency of transactional processing can empower providers and reduce their obstacles.

## 2. Separate fiscal agent and program operations.

As you prioritize modernization, consider separating traditional Medicaid operations (or "fiscal agent" functions) from the technology solutions that support your program. After all, the vendor that brings the best technology module may not have the experience or expertise to offer the best operations and engagement solution to support your member and provider interactions. Instead, choose a vendor that shares your mindset of improving member and provider experience. Together, you can apply a "program operations" lens that focuses on customer service, prior authorizations, claims and encounter adjudication support, appeals, provider services, and outreach.

Beyond these provider and member touch points, consider including support for program policies, provider financial functions, reporting, analysis, managed care organization support, enterprise data standardization and strategy, and other services key to your program's mission. They represent opportunities to improve communication, workflow, quality, and efficiency, aligned with your state's Medicaid goals for a comprehensive "end-to-end" program view.

### 3. Focus on provider and member experiences.

Next, consider carving out the provider services functions as standalone enrollment and self-service portal modules. Modernizing this capability can greatly enhance the provider experience by streamlining their processes and focusing on their program interactions. It offers providers empowerment and efficiency through self-service eligibility verification, claims submission, adjustment and status verification, prior authorization submission, remittance, and status reporting, as well as access to fee schedules, communications capabilities, and integrated enrollment and credentialing processes. In short, it makes it easier for providers to be part of your Medicaid program.

### 4. But don't forget the data.

With modernization and modularization, your enterprise data strategy becomes even more important. Every modernization project must ensure accurate use, integration, and exchange of data across modules and proper data management by and between vendors. Conversion and transformation of legacy data into repositories of new modules can be both complex and risky. Having a defined enterprise data strategy to guide your modernization effort helps mitigate possible delays.

As technology advances and data science techniques – including artificial intelligence and machine learning – mature, use them to illuminate Medicaid program trends, data correlations, and potential fraud that may have been previously unknown. These insights can support program effectiveness, provider adequacy, outcomes analysis, and program integrity – all areas that impact member and provider experience.





## Modernization in support of the mission

Medicaid programs are complex and critical. Implementing new MES modules and modernizing program capabilities can be a major undertaking that may feel perilous. But leveraging modernization techniques, technologies, and modular solutions can streamline and optimize critical functions that enhance the program life-cycle experience for providers and members.

Even with a well-crafted modernization roadmap, some challenges are inevitable, and the support of a strategic partner is invaluable. The right partner, equipped with deep domain knowledge, an understanding of the program's mission criticality, and a strong focus on member and provider experiences, can support states with their modernization vision, planning, data strategy and integration, risk mitigation, and quality assurance.

Through meticulous oversight and expert guidance, states can achieve success in their modularity and modernization goals, improve program efficiency and effectiveness, and ultimately support Medicaid's mission.



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### About the Author

Donna Migoni brings over 35 years of experience in steering product vision, capabilities, service delivery, and technology initiatives within government health and human services programs.

## Learn more about our solutions.

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