

# Deltek Pulse: Health Care and Social Services August Review

Posted At : September 4, 2012 2:18 PM | Posted By : Aila Altman

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While the lazy days of summer came to an end, August remained a busy month in the health care arena. Most notably, the U.S. Department of Health and Human Services (HHS) shelled out **additional grant funding**, totaling more than \$765 million, for the establishment of health insurance exchanges (HIXs). This brings the grand funding total to about \$1.6 billion. In this round, four states – California, New York, Iowa and Hawaii – received Level I grants, while another four states -- Connecticut, Maryland, Nevada and Vermont -- were awarded Level II grants.

As funding rolled in, these and other states continued to release solicitations for all things HIX-related. Highlights included:

- **Vermont** released a request for information (RFI) for health benefit exchange premium bill processing. Among a myriad of services, the state is particularly interested in collecting information related to premium billing, payment collection and payment reconciliation.
- **Nevada**, which was awarded approximately \$50 million in Level II grant funding, issued a request for proposals (RFP) for consulting services related to the Affordable Care Act (ACA). Nevada's Board of Examiners approved the state's HIX, which will be implemented by Xerox through an approximately \$72 million contract, on August 14, 2012.
- **California** awarded its HIX project management and technical supporting services contract to First Data Government Solutions.
- **Colorado's** HIX board was given approval to apply for \$43 million in federal grant funding to build its HIX infrastructure. CGI was awarded an HIX services and technology solution contract earlier this summer.
- **Hawaii** plans to use the \$62.8 million grant funding it received to contract for the design and development of the IT infrastructure and user experience for individuals and small businesses.

Other notable procurement activities included:

- The **South Carolina** Department of Health and Human Services (SCDHHS) moved forward with its Dual Eligible Demonstration Project (SC DuE) with the release of an RFI to collect information from coordinated and integrated care organizations (CICOs).
- **SCDHHS** issued a statement of no award for its replacement MMIS procurement, initially released in December 2011. The statement proclaimed:

*"Since the time this solicitation was issued, SCDHHS has continued to move beneficiaries from fee-for-service to managed care models and has gained greater understanding of organizational and system requirements for running a Medicaid program that is nearly 100% managed care. Given these changes, SCDHHS will require some time to evaluate the business processes and systems required to carry out the needs of a primarily managed care Medicaid program and issue a solicitation that is consistent with those needs and is in the best interest of SCDHHS and the State."*

- The **Alabama** Medicaid Agency (AMA) released an RFI for health care consultative services to assist in the evaluation of the existing Medicaid program and to make recommendations regarding the option to expand Medicaid eligibility as a result of the ACA.
- The **Utah** Department of Health issued an award to CNSI for its Medicaid management information system (MMIS) contract.

August also saw Aetna's purchase of Coventry Health Care, in a deal valued at \$7.3 billion. The acquisition expands Aetna's footprint in the government-based health plan space, and adds to its well-known position in the commercial health care market. With states' options to expand Medicaid eligibility, the timing of the acquisition is well suited for Aetna as states increase their Medicaid populations and, subsequently, their need for contracted plan providers.

Deltek also attended two significant industry events in August: the Medicaid Enterprise Systems Conference (MESCC) held in Boston, Mass., and the IT Solutions Management (ISM) for Human Services Conference held in Baltimore, Md. Deltek subscribers should be on the lookout for recaps of these events in the coming days.

Lastly, September 10 kicks off of this year's National Health IT Week! Be on the lookout for daily blog posts from the Health Care and Human Services team!