

## C.6 Management Information System

### REQUIREMENT: RFP Section 60.7.C.6

#### 6. Management Information System (Section 15 Management Information System)

- a. Provide a detailed description, diagrams and flowcharts of the Management Information System (MIS) the Vendor will use to support all aspects of Kentucky's Medicaid managed care program including the following subsystems:
  - i. Enrollee Subsystem;
  - ii. Third Party Liability (TPL);
  - iii. Provider Subsystem;
  - iv. Reference Subsystem;
  - v. Claims Processing Subsystem (to include Encounter Data);
  - vi. Financial Subsystem;
  - vii. Utilization/Quality Improvement Subsystem; and
  - viii. Surveillance Utilization Review Subsystem (SURS).

As part of the response, include information about the following:

- i. Required interfaces, how the system will share and receive information with the Department, how the Vendor's system will use files provided by the Department, Subcontractors, providers, and other supporting entities.
  - ii. Capability to store and use large amounts of data, to support data analyses, and to create standard and ad hoc reports.
  - iii. Extent to which these systems are currently implemented and integrated with other systems, internal and external, and the Vendor's approach for assuring systems that are not fully implemented and integrated will be ready to begin operations on required timeframes.
- Diagrams and flowcharts should show each component of the MIS and the interfacing support systems used to ensure compliance with Contract requirements.
- b. Provide a description for and list of potential risks and mitigation strategies for implementing new information systems and changes to existing systems to support the Kentucky Medicaid managed care program.
  - c. Describe the Vendor's current and planned use and support of new and existing technology in health information exchange (HIE), electronic health records (EHR), and personal health records (PHR).
  - d. Describe the Vendor's approach to assessing integrity, accuracy, and completeness of data submitted by providers and Subcontractors.
  - e. Provide a description of the Vendor's data security approach and how the Vendor will comply with Health Insurance Portability and Accountability Act (HIPAA) standards including the protection of data in motion and at rest, staff training and security audits.
  - f. Describe any proposed system changes or enhancements that the Vendor is contemplating making during the anticipated Contract Term, including subcontracting all or part of the system. Describe how the Vendor will ensure operations are not disrupted.

**MHI's use of the Azure Cloud, API Integration Platforms, mobile solutions, and security fabrics demonstrates a commitment to modern and scalable technologies—and, positions Molina to deliver a tailored technology strategy to provide optimal services for Kentucky, Enrollees, and providers.**

Molina's parent company, MHI, invests in best-in-class technology solutions to ensure the stability, security, and scalability of its systems, positioning us to take good care of Enrollees, providers, and the Commonwealth at a reasonable cost. ***For the period January 2015 through December 2019, that technology investment totaled almost \$1.2 billion dollars.***

Drawing on the expertise of an innovative managed care pioneer with 40 years of overall healthcare experience, and proven ability serving approximately 3 million Medicaid Enrollees through 14 health plans, MHI has designed a Management Information System (MIS) and digital platforms to rapidly deliver capabilities that exceed all requirements of Kentucky Medicaid. We offer Kentucky Medicaid additional value because, as Medicaid experts, MHI's MIS seamlessly integrates information and data components, enabling us to put that information to use to achieve superior outcomes for Kentucky Medicaid.

Evidence of MHI's commitment to continuously improving MIS operations can be found in recent enhancements to foundation capabilities such as core claims, care management, utilization management, and electronic data interchange (EDI) platforms, as well as in efforts to accelerate the modernization of

capabilities such as payment integrity and digital systems. This all contributes to a significantly improved cost structure and delivery model, benefitting the Commonwealth, providers, and Enrollees.

At the foundation of MHI's IT core processes are systems that enable it to quickly refine configuration, resulting in more streamlined and efficient reporting capabilities that will benefit Kentucky Medicaid. For example, MHI will deliver a Kentucky-specific reporting dashboard; the Molina Mobile app to provide improved access for Enrollees in rural areas; and Kentucky-specific configurations to best address the Commonwealth's reporting needs.

We will further optimize support for the Kentucky Medicaid program, drive true cost control, and improve the Enrollee and provider experience in two major ways:

- Establishing a Regional Operations Center in Louisville that will **provide approximately 700 jobs in addition to those at our Kentucky health plan**. The Regional Operations Center will support all health plan operations including IT infrastructure. It will also address back office operations such as enrollment processing and claims payments for Molina's health plans in the Eastern Time zone.
- Building Molina One-Stop Help Centers for the Kentucky health plan that will employ staff in Covington, Bowling Green, Hazard, Lexington, Louisville, and Owensboro to address both rural needs and underserved communities by offering easy-to-access resources and services for Enrollees and providers.

The MIS's automation and intelligence capabilities are an essential component enabling all business process operations to provide superior services and outcomes to both Enrollees and providers. We employ cutting edge technologies, such as machine learning, robotic process automation, and artificial intelligence. For example, by using robotic process automation, we have automated manual, repetitive operational processes to undertake rules-based/deterministic tasks such as primary care provider (PCP) auto assignment, worker alerts, and data reconciliation between state and other agencies.

MHI has led by example with the implementation of a Development Security Operations framework in the Azure cloud. This shift involves integrating advanced software development practices with end-to-end automation to decrease implementation time, deliver Kentucky priorities quickly, and embed security in the development process, such as through automated code scanning. This will ensure the stability and security of our operations in the Commonwealth and our ability to deliver operational and service excellence. **For instance, MHI's overall 12-month availability average for its major systems is 99.98% with a recovery time objective of 0 to 24 hours.**

Security is paramount in all aspects of MHI's end-to-end processes. MHI's multi-faceted philosophy leverages best-of-breed, proven technologies with zero trust design principles at the core of its cybersecurity program. The zero-trust security model maintains strict access controls that, by default, question the presence of even those who already have access to a network, promoting greater security throughout the network. MHI employs identity management, a rigorous multi-factor access control/process, single sign on, and data loss prevention, all monitored 24/7 by its Security Operations Center.

Integration platforms transition from point-to-point integrations to modernized global and secure services using an EDI framework and API gateway. These technologies are configured in Azure, using a highly

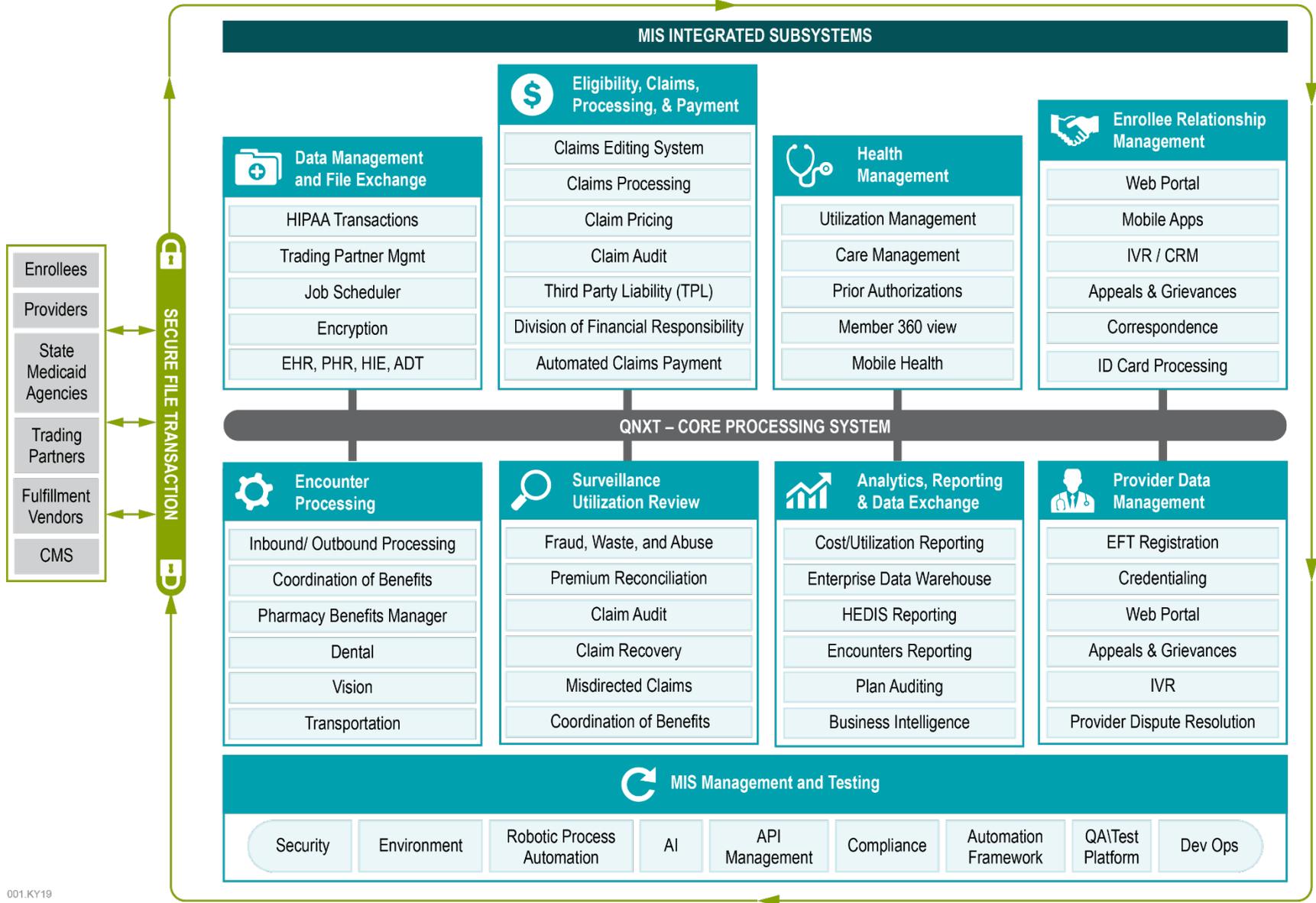
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### MIS Value for Kentucky

- Enrollee and provider access to consistent, near-real-time digital information via their device of choice
  - Modern automation and integration capabilities to quickly deliver and enhance the Enrollee experience
  - Single core processing platform supports data integrity/availability via Kentucky reporting dashboards
  - Multi-layered cyber-security program built into systems and daily practices to protect Kentucky Enrollee PHI
  - Proven ability to deliver requirements on-time, with quality and agility, ensuring day-one success and ongoing reliability for Kentucky
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available active-active configuration that allows MHI to monitor service availability in real time. In addition, integration is a key strategic principle enabling MHI to rapidly adopt new technologies and foster partnerships to deliver improved capabilities for Enrollees and providers. For example, MHI's use of Salesforce.com improves Call Center information-sharing to quickly resolve Enrollee and provider inquiries. Similarly, partnerships with world-class technology providers deliver a seamless, personalized, and data-driven digital experience providing stakeholders a choice in how they interact with us.

Exhibit C.6-1 depicts MHI's MIS, which is based on a design informed by CMS' Medicaid Information Technology Architecture (MITA). It shows the relationships between MHI's integrated subsystems and external systems, including the Commonwealth's (as a state Medicaid agency). It also depicts the interaction with associated applications and subsystems as well as the data and process flows for all key business processing functions.



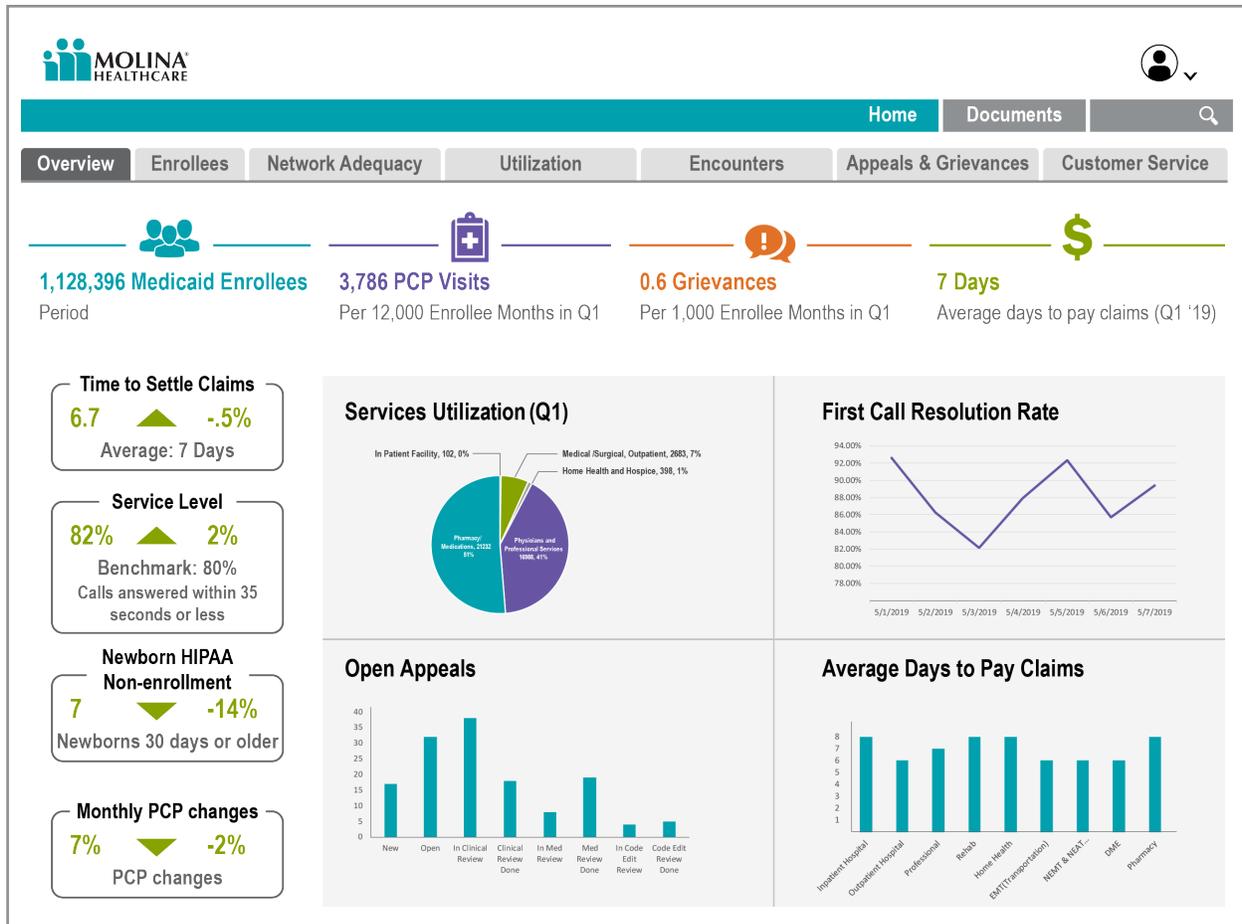
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**Exhibit C.6-1 Diagram of MHI's Management Information System**

The core information systems are fully integrated, scalable, and compliant with all EDI and HIPAA requirements for privacy, security, and data exchange. Integrated systems serve as ongoing data sources for continuous program monitoring and evaluation. Moreover, these systems are consistent and compliant with all requirements in Attachment C, Draft Medicaid Managed Care Contract and Appendices, Section 15, Management Information System, including Appendix G, Management Information System Requirements, as well as with Kentucky and federal laws and regulations.

### MIS Access

We will provide the Department with log-in credentials to allow HIPAA-compliant access to our claims and customer service systems on a read-only basis at our Louisville headquarters during normal business hours. In addition, *as part of our commitment to transparency and partnership with Kentucky, we developed an online Kentucky-focused dashboard, shown below in Exhibit C.6-2, which will enable Department staff to access snapshots of key data 24 hours a day, 7 days a week.* We designed the dashboard based on our extensive Medicaid managed care experience and Kentucky’s needs, including access to monthly reports as required by the state. Molina’s goal is to make key areas of state reporting readily available and easily accessible.



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Exhibit C.6-2. Example of Proposed Kentucky Reporting Dashboard

**a. DETAILED DESCRIPTION OF THE MANAGEMENT INFORMATION SYSTEM (MIS) THE VENDOR WILL USE TO SUPPORT KENTUCKY MEDICAID**

Supporting the Commonwealth’s aim to deliver high quality healthcare services to Enrollees, Molina’s MIS facilitates compliant information sharing among all stakeholders, simplifying interactions with providers, Enrollees and the Commonwealth, while adhering to and meeting all contractual requirements as set forth in the Draft Contract , Section 15, Management Information System, including Appendix G, Management Information System Requirements. Additionally, the MIS meets all requirements of Kentucky Medicaid, complies with EDI requirements, HIPAA, the Health Information Technology for Economic and Clinical Health Act (HITECH), Section 6504(a) of the Affordable Care Act, and applicable Kentucky and federal laws and regulations.

The integrated MIS is actually structured to address clinical and operational needs beyond those associated with the eight subsystems noted in RFP Section 60.7.C.6.

In Table C.6-1, below, we describe the specific systems and solutions MHI will employ in support of Kentucky Medicaid, encompassing the Enrollee, third party liability (TPL), provider, reference, claims processing, financial, utilization/quality improvement, and the surveillance utilization review subsystems specified in the RFP.

As is the case with the launch of any new health plan, contractual obligations will require us to make state specific configurations, but this does not impact the integration of our systems. All applications and systems are currently implemented, integrated, and will be available for use in the Commonwealth for day-one operations.

**Table C.6-1. Subsystems and Functionality**

| Key Systems and Applications                   | Description of Core Functionality   | Kentucky Sub-Systems Served   | Will be Implemented and Integrated for Day-1 |
|--|---|---|--|
| <b>Claims Engine (QNXT)</b>                    | A modern core claims administration system configured to address government healthcare functions, our core processing system, QNXT, includes claims, Enrollee, provider, authorization, and other encounter and eligibility/enrollment information.   | Enrollee, TPL, Provider, Claims Processing, Financial, Utilization Data, Reporting, Testing | ✓  |
| <b>Care Management (Clinical Care Advance)</b> | Clinical Care Advance is a fully integrated and comprehensive care management system that coordinates Enrollee care, services, and outcomes at the individual and systemic level. The solution unites care management functions for increased productivity, efficiency, and accurate and timely reporting. The system maintains accurate Enrollee care and disease management data, care plans, and stratification and interventions, consistent with Medicaid and Medicare requirements. | Enrollee, Reporting   | ✓  |
| <b>Workflow Management (UMK2)</b>              | A web-based workflow management system, UMK2, supports prior authorization, concurrent review, care management, pharmacy, and behavioral health activities. The system integrates with clinical guidelines and QNXT (for eligibility information) and has configurable escalation rules, a user access management function, and comprehensive search functions.   | Utilization Data \ Quality Improvement  | ✓  |

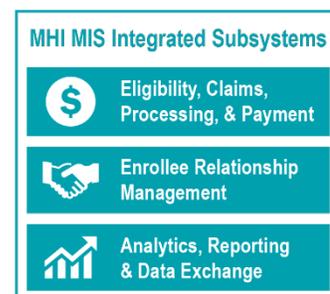
| Key Systems and Applications                         | Description of Core Functionality  | Kentucky Sub-Systems Served                                | Will be Implemented and Integrated for Day-1 |
|--|--|--|--|
| <b>Claims Encounters Management System (CEMS)</b>    | A custom-developed Web-based application, CEMS offers a 360-degree view of claims and encounters, collects encounter data from all systems at a common gateway entry (for example, raw 837 files), and processes data through submission.  | Encounter, Claims Processing, Reporting, Testing           | ✓  |
| <b>Payment Integrity</b>                             | Our MIS platform supports both pre-pay and post-pay utilization reviews by leveraging best-of-class integrated vendor solutions. This provides us true cost avoidance measures as well as comprehensive machine learning algorithms to analyze post-payment data from multiple claims so we can identify suspicious billing patterns within our claims systems.        | Surveillance Utilization Review Subsystem                  | ✓  |
| <b>Core Financial System (JD Edwards)</b>            | JD Edwards Enterprise is our core financial system. All JD Edwards system modules facilitate the flow of financial information. All data is integrated with QNXT and extracts from the finance subsystems can be published.  | Financial, Provider, Testing                               | ✓  |
| <b>Appeals and Grievances Application</b>            | The application houses all grievances and appeals information, including associated care-related documents. All system activity is date-stamped and auditable within the user interface.   | Surveillance Utilization Review Subsystem                  | ✓  |
| <b>Quality Spectrum Insight (QSI) HEDIS platform</b> | QSI, our healthcare quality application, calculates performance on each HEDIS measure. Administrative data (such as claims/encounters, labs, and pharmacy information) and supplemental data is fed into QSI, and data is refreshed monthly.   | Quality Improvement, Reporting                             | ✓  |
| <b>Provider Portal</b>                               | The provider engagement portal offers a consolidated payer platform for providers across the country. It provides a single source for eligibility and claims processing with a common user interface regardless of the underlying Molina health plan.  | Provider, Reporting, Claims Processing, Utilization Review | ✓  |
| <b>Enrollee Mobile App</b>                           | Our Molina Mobile app provides Enrollees with the same features as our Enrollee portal, but on their mobile device. Also offers live agent support and mobile chat features to empower Enrollees to take charge of their healthcare.   | Enrollee, Reporting, Claims Processing,                    | ✓  |
| <b>Mobile Assessment Application (mCare)</b>         | mCare, our mobile assessment application, supports assessments and care planning during face-to-face and field-based site visits from Molina staff working in the community with our Enrollees. Care managers can enter information and access data, including claims, pharmacy, lab results, past assessments, visit logs, and current care or care plan information. | Enrollee, Reporting, Testing                               | ✓  |
| <b>Molina Claims Gateway (MCG)</b>                   | All received claims go through MCG, which will apply Commonwealth-specific criteria. The tool screens the claim and sends it to QNXT for adjudication. This system is compliant with all regulatory standards and has proven scalability across all Molina health plans.   | Encounter, Claims Processing                               | ✓  |
| <b>Molina Eligibility Gateway (MEG)</b>              | MEG automates the end-to-end eligibility inbound processes, which decreases processing time and improves overall performance.  | Enrollee   | ✓  |

| Key Systems and Applications                  | Description of Core Functionality  | Kentucky Sub-Systems Served               | Will be Implemented and Integrated for Day-1 |
|---|--|---|--|
| <b>Customer Relationship Management (CRM)</b> | CRM facilitates call tracking for Call Center agent workflows, including welcome calls, demographic changes, PCP change requests, ID card requests, eligibility verification, and benefits clarification.        | Enrollee, Provider, Reporting             | ✓  |
| <b>Credentialing (Cactus)</b>                 | Our provider credentialing solution, Cactus, enables us to quickly analyze provider qualifications and validate credentials. Its workflow tools support efficient record maintenance and rapid provider updates. | Enrollee, TPL, Provider                   | ✓  |
| <b>Compliance Management Tool (Inovaare)</b>  | Inovaare is a state-of-the-art compliance management tool that provides automated comprehensive compliance oversight and proactive identification of risk  | Surveillance Utilization Review Subsystem | ✓  |

In the following sections, we summarize the functionality and process flows for each of the eight subsystems specified in RFP Section 60.7.C.6.a and provide detailed descriptions, diagrams, and flowcharts.

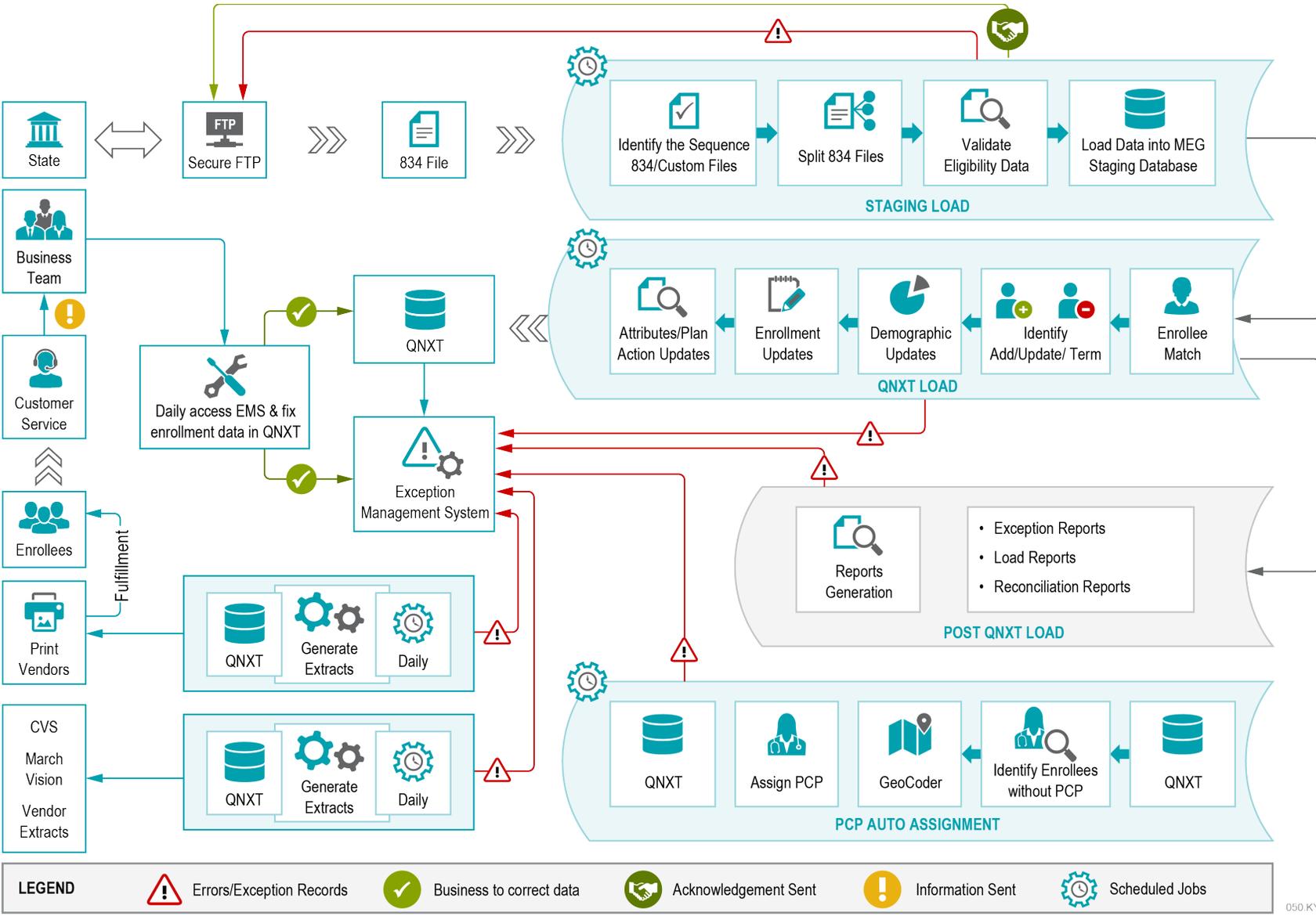
### a.i. ENROLLEE SUBSYSTEM

MHI's established enrollment/eligibility data management methodology resolves discrepancies between Enrollee eligibility files and internal Enrollee records and, via an automated load process, uses this data to drive downstream processes such as PCP auto assignment (when applicable), ID card generation, and Welcome Kit generation. MHI does this through system jobs that download HIPAA compliant 834 and/or proprietary eligibility data file(s) into QNXT. They ensure quality via full monthly audits of eligibility files against our systems and comprehensive discrepancy processing, as well as detailed comparison reports for full versus incremental processing.



The Enrollee subsystem, Molina Eligibility Gateway (MEG), accepts, processes, and loads HIPAA ACS X12, 834, and 5010 enrollment files daily, weekly, and monthly to the core system, QNXT. The Enrollee function processes electronic data transmission and adds, deletes, or modifies Enrollee records with accurate begin and end dates based on data from the 834 files. If we do not receive the Enrollee's PCP choice via the state enrollment file, we will reassign them to a PCP they had a historical relationship with, if applicable. If we do not have information on an Enrollee's historical relationship with a PCP, we initiate auto-assignment, considering any family member PCP assignments and the Enrollee's location, gender, language preference, special needs, and Contract requirements. Enrollees also have the option to change their PCP assignment online through our Enrollee portal, Molina Mobile app, during a face-to-face encounter with a Molina employee, or by calling our Call Center. Although the Draft Contract allows MCOs to limit the number of times an Enrollee can change PCPs to once per year, Molina will not limit the number of times they can change PCPs to make sure Enrollees are satisfied with their PCP.

Once Enrollee information is loaded into the system and validated, Enrollee ID cards are mailed out. The enrollment data is also sent to partner vendors (for example, pharmacy, vision, dental) in the standard HIPAA X12 834 file format. Finally, a vendor reconciliation process ensures that the vendor receives accurate information. We detail the enrollment process for our Enrollees in Exhibit C.6-3, Eligibility Inbound Process Flow, below.

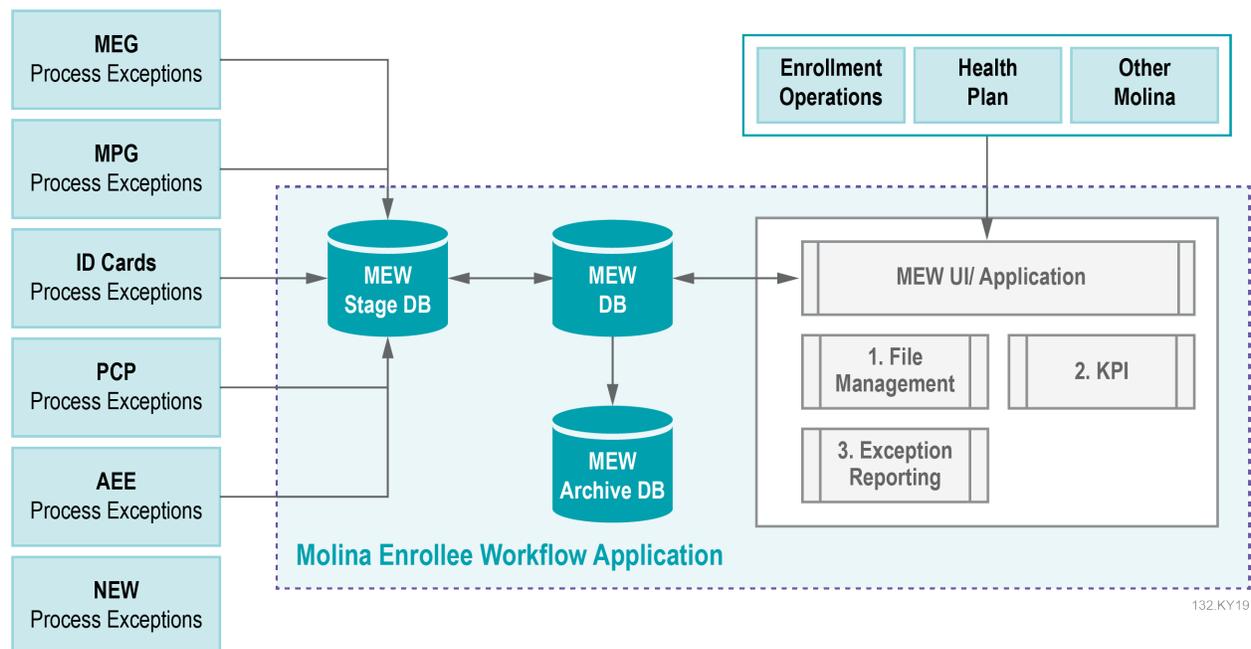


**Exhibit C.6-3. Eligibility Inbound Process Flow**

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The monthly eligibility files are full replacement files and show current status for each Enrollee. Our process reads each record and validates the information currently in our system. If a change is found, the system is updated with the new information. Daily eligibility files contain new, changed, and terminated Enrollees, whose information we load to our core system, QNXT, before the next business day. As part of our standard process, we reconcile the data on each file with what is loaded into our eligibility system, check for duplication, and report any discrepancies to our Enrollment team in an operational dashboard called Molina Enrollee Workflow (MEW).

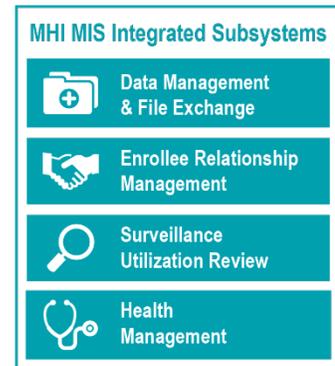
If exceptions are generated during any part of the enrollment data load, including 834 file load, PCP assignment, and vendor extracts, an exception is generated. The exception is then made available to the enrollment team and Molina health plan in MEW to resolve the conflict and process the record. A view is available in MEW to monitor the enrollment file loads and vendor extracts. This process is outlined in Exhibit C.6-4, below.



**Exhibit C.6-4. The Molina Enrollee Workflow Application**

## a.ii. THIRD PARTY LIABILITY

Molina brings extensive experience with coordinating benefits and facilitating post-payment recoveries for TPL which enables us to maximize cost avoidance and cost recovery for claims. We pay for covered services and make every effort to recover payments when other health insurance is in effect and care has been rendered. Because Molina has dedicated Payment Integrity Teams for our TPL/COB and cost-avoidance systems, we correctly identify the primary insurance of Enrollees. ***In fact, our enterprise wide program integrity processes for cost avoidance and overpayment recoveries have saved our Medicaid managed care programs across 15 states \$946.1 million (\$317.85 per member per year) in 2018, and \$1.1 billion (\$386.55 per member per year) in 2019.***



To maintain the integrity of Kentucky Medicaid funds, we will deploy TPL and COB and controls, which ensure that we provide medically necessary covered services to Enrollees and that Medicaid is the payer of last resort. Resourceful systems and processes identify, determine, and coordinate benefits with other payers. They also identify opportunities to recover—and obtain recoveries of—amounts due from other health insurance coverage sources. Validated processes and procedures coordinate benefits with other insurers and facilitate post-payment recovery of TPL. MHI also has the process flexibility to receive information from the state as well as their vendor partners. Drawing upon both in-house solutions and the payment integrity capabilities of best-in-class vendors maximize results.

Molina will maintain a current TPL Resource File which contains the Enrollee’s current TPL information including coverage that has ended for the Enrollee, share TPL information with Subcontractors that are responsible for payment of Covered Services for Enrollees, and provide TPL information to the Department on a monthly file.

### Third Party Liability (TPL)

Multiple TPL controls maintain program integrity and to control program costs:

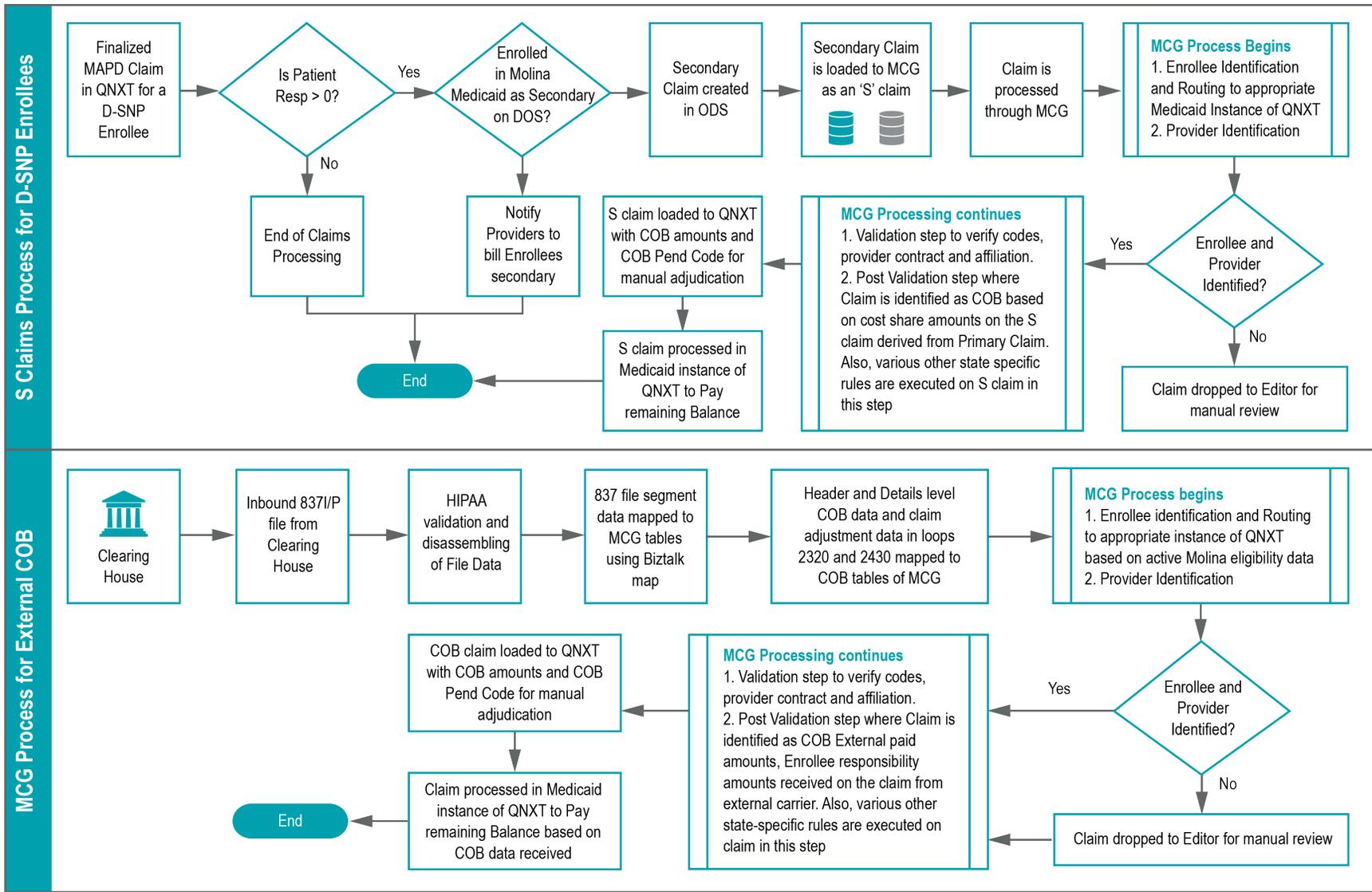
- **Enrollment Identification.** This system coordinates claims through state-provided eligibility data and data from other coverage to support full COB functionality, including when Medicare is deemed the primary insurance coverage. Enrollee eligibility is received using the Molina Enrollment Gateway (MEG). MHI’s systems can support both HIPAA compliant and proprietary transactions.
- **Automated claims.** The claims processing system identifies Enrollees with other available health insurance/TPL or if the alternative insurance has been designated as “primary.” The system processes TPL-related data from claims, claim attachments, and claims history files.
- **Cost Avoidance.** The system can review claims before being loaded into our core system, QNXT.
- **Subrogation.** The subrogation capability leverages machine learning to continuously score claims and actively investigate them for responsible parties. MHI’s vendor partner helps review and determine TPL/third party recovery cases associated with accidents or trauma and they forward refunds to MHI for posting into the claims administration system.

In addition, the system also includes the following capabilities:

- **Pre-Pay.** Coding Advisor targets outlier providers and suspect billing to reduce behavior errors in claims coding before they are submitted to Molina. Emergency Department Analyzer reviews claims for the submitted diagnoses and facility services to determine accurate reimbursement. Prospective Claims Accuracy Solution uses an algorithm aligned to Molina’s payment policies to prospectively check claims for accuracy.

- **Pause and Pay.** Pre-Pay Audit Solution employs industry expertise and advanced analytics to identify and review errors before a claim is paid. It uses predictive modeling, medical policy analytics, provider flagging, itemized bills, DRG audits, and peer-to-peer physician review.
- **Post-Pay.** Audits retrospectively analyze claims for potentially improper payment and recoveries. Datamining combs through Molina's provider agreements, fee schedules, and payment policies to review paid claims for aberrancies. Audit and Recovery leverages analytic tools to identify and recover improperly paid claims leverages machine learning.
- **Fraud, Waste, and Abuse (FWA).** The FWA program identifies existing fraudulent, wasteful, and abusive programs and subsequent areas of improvement and fulfills required contractual and regulatory reporting.

Furthermore, our claims recovery applications initiate, track, and report recoveries that are identified through various sources for overpaid claims. Processes identify previously paid claims for recovery when TPL resources are identified or verified retroactively, and initiate recovery within 60 days of the date the TPL resource is identified. Exhibit C.6-5, below, identifies MHI's automated claims and key cost avoidance processes.



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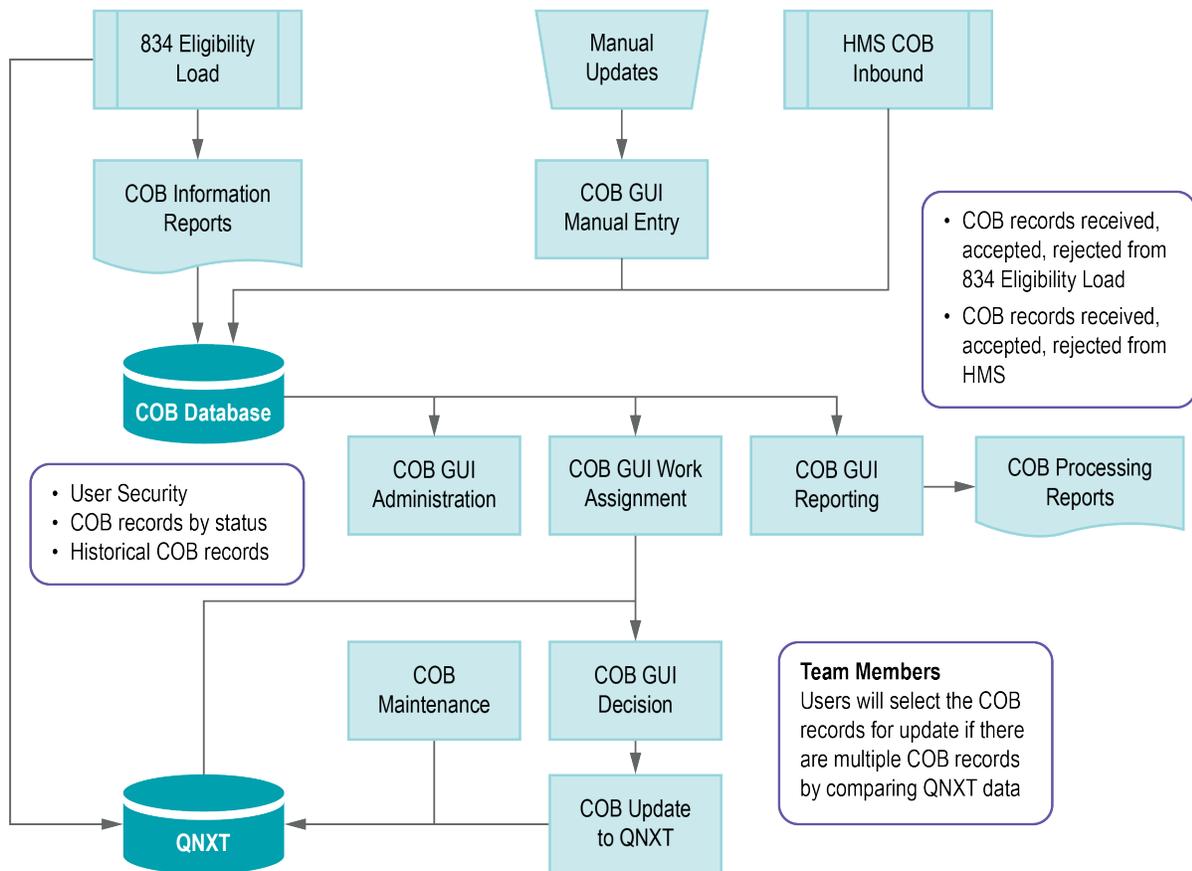
**Exhibit C.6-5. MHI’s Automated Claims and Key Cost Avoidance Processes**

## Coordination of Benefits (COB)

The COB Application allows real-time loading of COB data received from multiple sources, such as HMS, STATE (TPL), and Accurate MSP (CMS), as well as data manually created by Molina’s Enrollment Accounting department. The data is then uploaded into our core system, QNXT.

The system supports full COB functionality, including Medicare as primary coverage. MHI also contracts with specialty vendors to verify additional insurance coverage for Enrollees. The COB system can identify coverage overlaps and coverage hierarchies as well.

Vendor partners verify Enrollee eligibility on a monthly basis, and when other insurance coverages are identified, they add the information to the Enrollee’s record. MHI’s system posts recovered funds and applies those funds against the related claim. They bill the primary insurance carrier to alleviate provider abrasion and avoid any billing issues for the provider of service. If the provider of service does not submit a requested refund, the claims processing system supports off-setting claims payments against monies to be recovered. Exhibit C.6-6, below, outlines the end-to-end COB application workflow including exchanges with third parties.

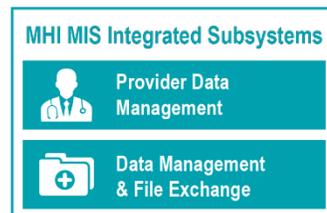


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**Exhibit C.6-6. COB Application Workflow**

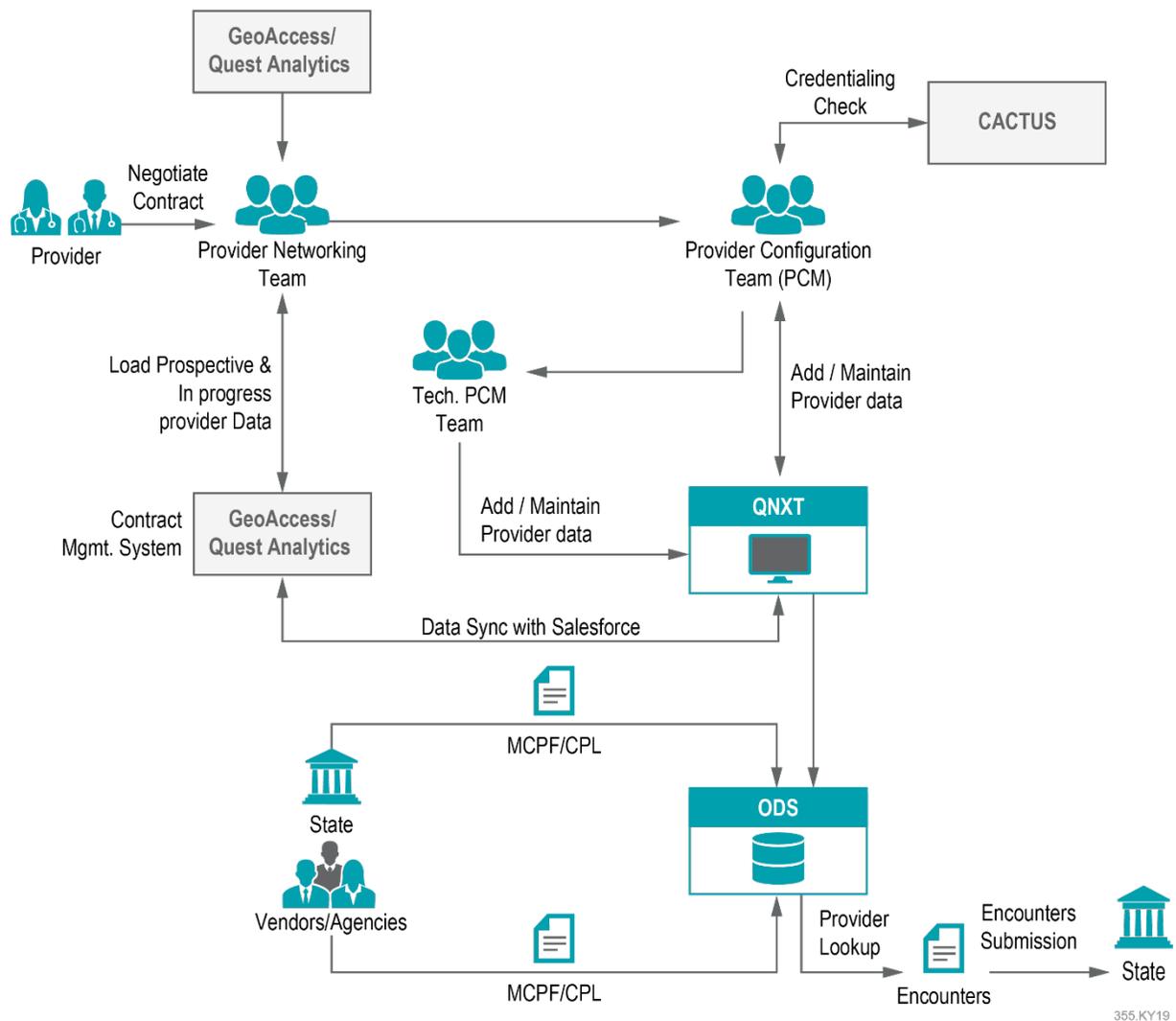
### a.iii. PROVIDER SUBSYSTEM

A streamlined contracting and credentialing process provides a seamless and efficient provider experience, allowing Molina to build a comprehensive and diverse network of high-quality hospitals, PCPs, specialists, and ancillary providers to ensure Enrollees receive quality care when and where they need it. Our Kentucky Medicaid provider network will meet the physical and behavioral health needs of our Enrollees, considering provider and Enrollee geographic location, distance and travel time, as well as cultural, ethnic, language, and other special needs. We will employ best-in-class geographic mapping solutions and analytics to: 1) monitor network accessibility in all service areas (even in remote, rural locations, and bordering state areas); 2) identify and fill gaps and deficiencies; and 3) verify compliance with time and distance standards set by the Commonwealth.



The industry-leading contract lifecycle management system accelerates the contracting process with efficient self-service tools to help reduce provider administrative burden and potential contract data inaccuracies that may affect provider accessibility and payment. This includes internal automation of the entire contracts and contract lifecycle management process, from the initial request through drafting, redlining, e-Signature, secure storage, obligation management, and renewal.

The provider credentialing solution allows quick analysis of provider qualifications and validates credentials. MHI loads all information for participating fully contracted and credentialed providers into QNXT within 14 calendar days of receiving it from a health plan. Contracted providers are effective in the network as of the date they are approved by a medical director or the Credentialing Committee. Exhibit C.6-7, shows the process flow for onboarding and maintenance of provider data.



**Exhibit C.6-7. Provider Process Flow**

Once credentialed and a part of our network, providers can submit real-time claims data through EDI and the provider portal.

**The secure 24/7 provider portal aggregates critical information from disparate sources and offers a seamless, single-pane view of extensive Enrollee information.** It allows providers to perform many vital functions electronically through self-service functionality, including conducting Enrollee eligibility inquiries, submitting referrals, viewing care plans, conducting referral follow-up, viewing authorization requests, obtaining real-time approvals, checking claims receipt and status, generating a listing of Enrollee panels, and viewing HEDIS services reports, including gaps in care reports.

The provider portal streamlines the billing and claims submission process, allowing providers to submit corrected claims electronically and, if necessary, to upload required documentation and information with the claim. Through the portal, providers can receive electronic funds transfer and remittance advice (EFT/ERA) for faster and safer payment and explanation of payment. Providers have the convenience of accessing their remittance advice via the portal at any time for any date of payment.

MHI's operational data store, which is an extension of QNXT, CCA, and other core systems, manages the state-provided master certified provider files and manages the encounter submission to meet state requirements.

### **Provider Services**

Molina's Kentucky-based Call Center, will deliver efficient and personalized services to providers through staff trained on program-specific operations and the needs of our provider network. A HIPAA-compliant interactive voice response phone system is available 24/7 and gives providers access to self-service options over the phone, including eligibility verification, claim status, and authorization status. The phone system is integrated with QNXT, so information is exchanged in real time and accessible on a 24/7 basis.

Finally, MHI leverages the 3M Transformation Suite, providing best-in-class proprietary grouper software (for example, potentially preventable readmissions, population-focused preventables, and potentially preventable events) and analytics tools that accurately capture relevant utilization datasets (such as complications, readmissions, admissions, emergency department visits, and ambulatory services). This technology supports generation of smarter value-based payment (VBP) goals and incentives that align with provider needs and care objectives. VBP capabilities include:

- Performance of VBP arrangements to reduce potentially preventable events
- Identification of performance gaps to generate appropriate improvement plans
- Identification of high risk/need Enrollees to set equitable (risk-adjusted) VBP goals and incentives
- Support bundled payment with sophisticated algorithms that include risk adjustment, outlier thresholds, and empirically derived relative payment weights based on actual historical expenditures
- Comparison of provider costs by calculating expected resource use with consideration for the clinical risk of a patient's chronic illness and co-morbid conditions

Molina also shares robust data with providers via our secure provider portal, allowing access to dashboards and actionable reports for greater transparency.

### **a.iv. REFERENCE SUBSYSTEM**

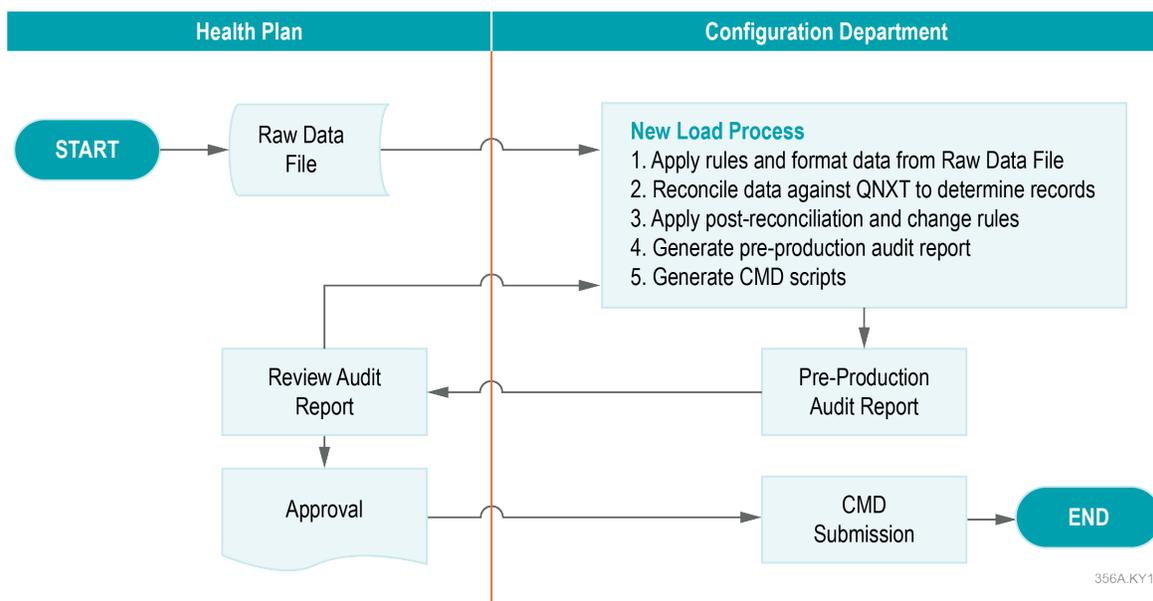
MHI contracts with healthcare partners and leading vendors to secure the data files needed to ensure the claim payment system is up to date and compliant with state requirements. The updates are managed by code type according to these standard releases:



- Annual updates include ICD-10 and Healthcare Common Procedure Coding System (HCPCS) dental codes
- Quarterly updates include HCPCS and CPT codes
- Monthly updates include National Drug Code
- All other codes are typically performed annually but are updated upon receipt of notification. These include supporting codes such as modifiers, revenue codes, occurrence codes, value codes, and type of bill codes.

All code values are current to industry standards and include new codes, terminated codes, and current descriptions. MHI receives these files one month in advance of each update. As part of this process, MHI loads new codes with their corresponding effective date (and termination dates for retired codes) into its core claims system, QNXT, and staging tables, and then generates a comparison to determine differences in code values. The system produces audit reports that are reviewed and approved by Molina staff before moving the code changes into production. All changes are accounted for and documented in each load process per the configuration policy. Any changes required off-cycle are subject to the same process.

MHI adheres to industry standards but has also built in exception processing to customize efforts based on state requirements. Exhibit C.6-8 summarizes the reference data load process.



**Exhibit C.6-8. Reference Data Load Process**

### a.v. CLAIMS PROCESSING SUBSYSTEM (TO INCLUDE ENCOUNTER DATA)

MHI tracks covered services as part of its comprehensive claims and encounters processing workflows, aggregating information within the core claims processing system, QNXT.

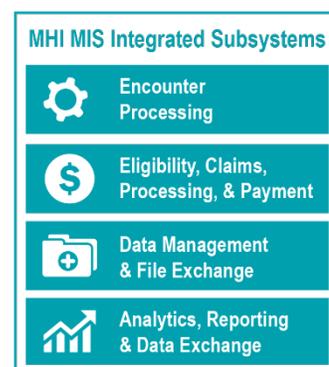
#### Claims

Providers can submit claims using: 1) Standard HIPAA compliant 837 I/P transactions via Clearinghouse; 2) Direct Data Entry via the secure provider portal; and 3) Paper UB04 or HCFA 1500 forms.

All fee-for-service claims received are loaded timely and accurately using a proprietary system called Molina Claims Gateway (MCG). **One hundred percent of all EDI files are loaded within 24 hours of a file's receipt and 97% of all claims are received electronically.** Claims are validated for data integrity/accuracy and go through a business-rule engine before loading to QNXT for processing. Claims received via the Web portal are also loaded in MCG for validation before loading to QNXT.

Paper claims are scanned, with images stored and transferred to MHI. Claim image data is picked up using OCR and sent in EDI 837 I/P format to MHI from our paper claims clearinghouse.

Paper and electronic claims are adjudicated in a timely, accurate manner using the comprehensive claims payment/health information adjudication system, QNXT. **In fact, 80% of all claims are auto-adjudicated.** The HIPAA-compliant solution meets all program requirements and collects, analyzes, integrates, and reports data while also providing information on areas such as service utilization, claims, and appeals. The system integrates Enrollee demographic data, care management information, provider information, service provisions, and claims submission and reimbursement. It has modules that collect, store, and produce information for the purposes of financial, medical, and operational management.

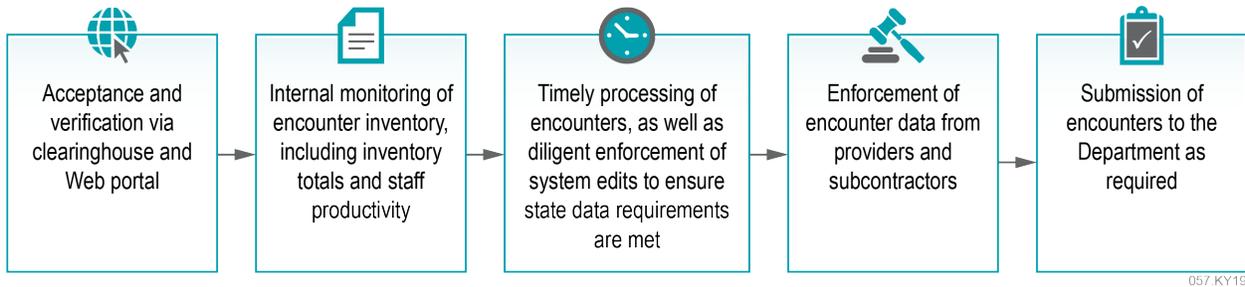


## Encounters

Vendor encounters, including pharmacy data, are validated and loaded in the Operational Data Store timely and accurately, with 100% of all vendor files loaded within 24 hours of file receipt.

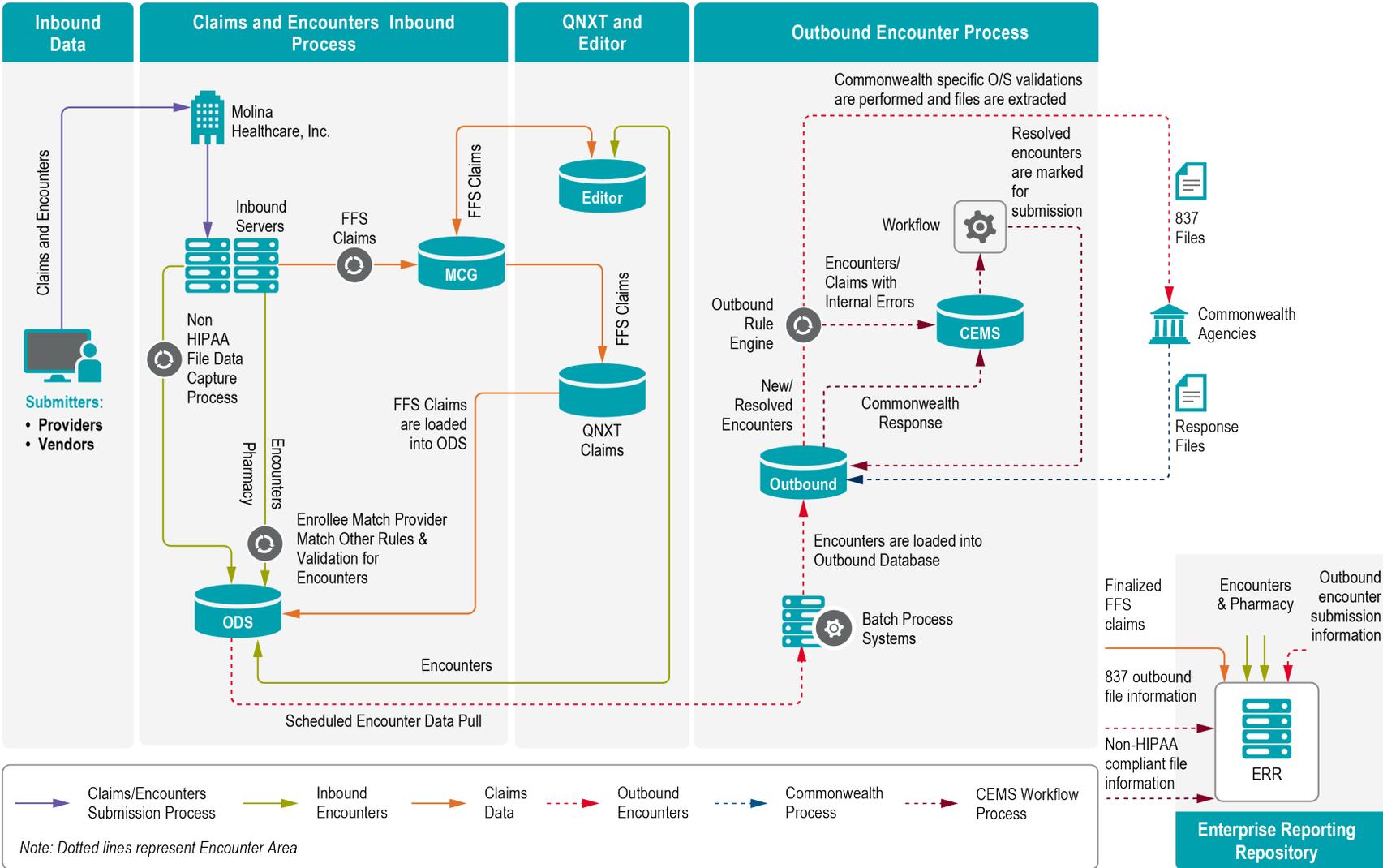
Molina will report encounters to the Department in the required format and frequency per Contract requirements. Kentucky-dedicated Encounters staff will monitor the encounters process. Using its Claims Encounter Management System (CEMS), we can track the progress of all claims and encounter transactions to ensure that they meet and exceed all encounter submission standards.

As required, we send encounter data transactions via network transmission in HIPAA-compliant format and we will send and receive encounter data transactions securely, using encryption as specified by the Department. Exhibit C.6-9 provides a high-level overview of our encounters process.



**Exhibit C.6-9. Encounters Process**

See Exhibit C.6-10, Encounters and Claims Data Flow, on the following page, for an overview of our entire claims and encounters processing workflow.



**Exhibit C.6-10. Encounters and Claims Data Flow**

### **a.vi. FINANCIAL SUBSYSTEM**

JD Edwards Enterprise serves as MHI’s core financial system with multiple other systems in supporting roles. Various JD Edwards system modules facilitate the flow of financial information. There are multiple interfaces to integrate QNXT data, including premium reconciliation data, into JD Edwards.

MHI uses the world’s leading business-spend platform, Coupa, for managing the procurement process. Coupa incorporates approvals and workflows to give better control over spend.

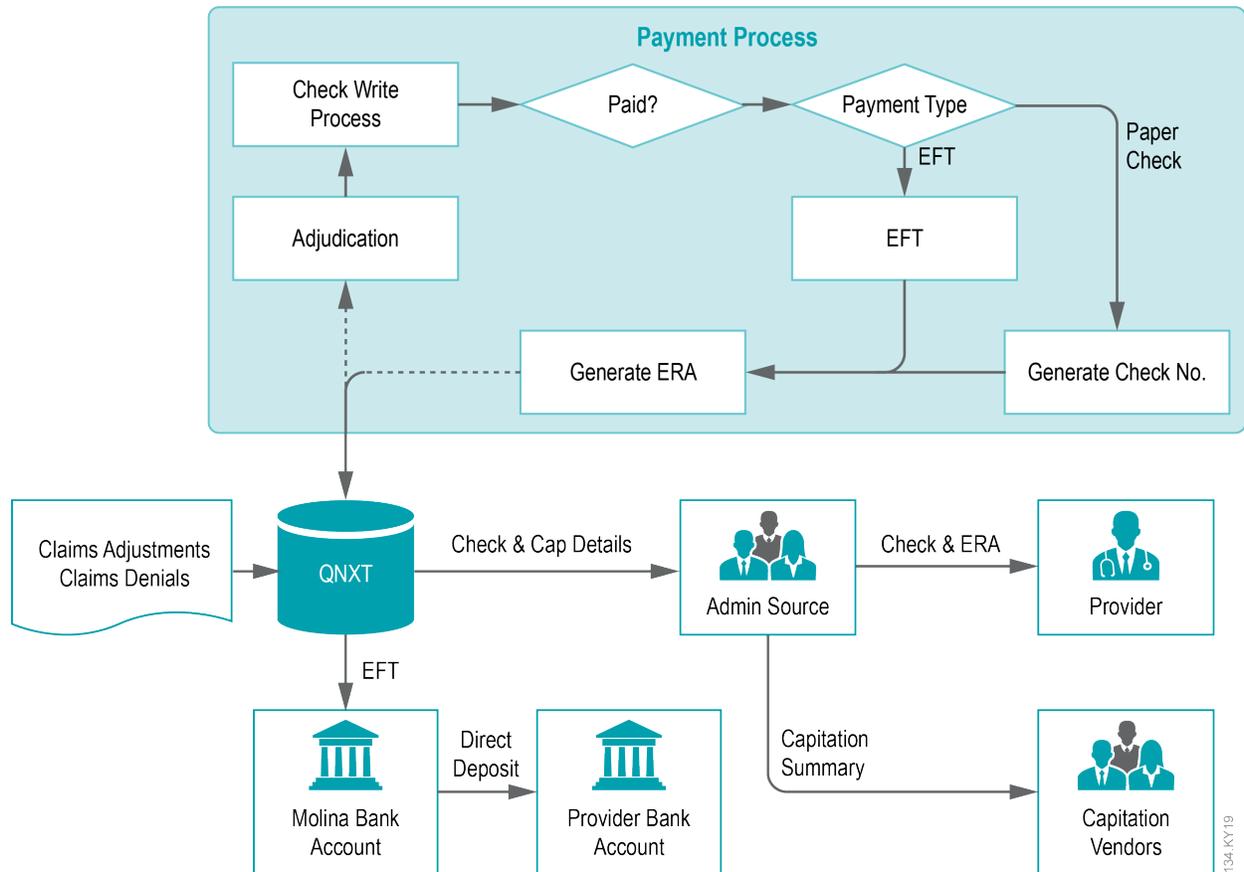
Planon facilities management software assists MHI with lease management, space planning, maintenance management, and related coordination and accounting of these services.

MHI also uses additional financial software systems as well as in-house-developed software that are integrated with JD Edwards. These financial systems facilitate online reporting as well as the publishing of reporting information using Microsoft Excel, PDF, and HTML files.

#### ***Accounting Activities***

While QNXT remains the primary system for eligibility, authorization, and claims administration, financial payment data is fed from the system into JD Edwards. The integration of claims check information into JD Edwards creates a single environment for combined reporting of claims and non-claims payment activities. This helps to streamline reporting for GAAP, tax (including 1099), and certain ad hoc uses of data. Key internal controls include formal approval processes, formal and routinely performed reconciliation processes, segregation of duties, and internal audit review. While data from QNXT comprises the largest expense category posted to the JD Edwards system, there is a wide range of other transactions handled in JD Edwards to reflect MHI’s complete financial activities. Exhibit C.6-11, details our financial management and accounting process.



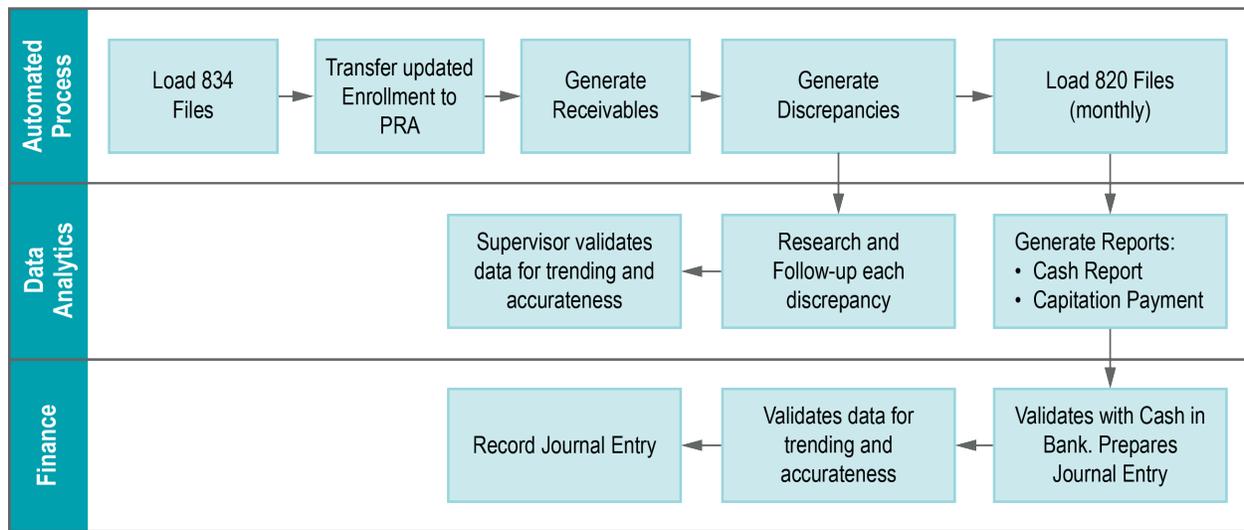


**Exhibit C.6-11. Financial Management and Accounting Process**

**Premium Reconciliation Activities**

Using its premium reconciliation application, MHI reconciles premiums received from state partners based on the eligibility information in QNXT. The application looks for a premium per Enrollee per month based on the rate structure published by the state. If the expected premium does not match the premium received from a state, the discrepancy is noted as an overpayment or underpayment. The finance team then works with various business entities to resolve these discrepancies. The application ensures that retro payments and recoupments are rolled up to per Enrollee per month for reconciliation.

At a summary level, the application generates receivables based on QNXT eligibility data and the rate code under which the Enrollee is enrolled. This will be validated against the payment files to generate discrepancies to be worked on. We provide a high-level premium reconciliation process outline in Exhibit C.6-12.



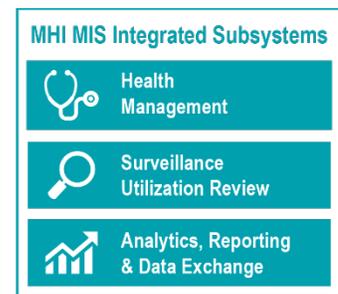
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**Exhibit C.6-12. Premium Reconciliation Process**

**a.vii. UTILIZATION/QUALITY IMPROVEMENT SUBSYSTEM**

MHI’s integrated platform for care management, utilization management, pharmacy, Medication Therapy Management, and care access and monitoring enables workflows across risk, care, and quality management. In a single view, clinicians and authorized representatives can view each Enrollee’s current and historical records of services, including services performed by subcontractors such as vision and dental providers.

The platform aggregates and organizes data from disparate sources into a single integrated platform and ensures compliance with NCQA standards and regulatory agencies.



**Utilization and Care Management**

The suite of health information technologies enables our care managers and other clinicians to effectively manage services for our Enrollees, regardless of the complexity of their medical care or social needs.

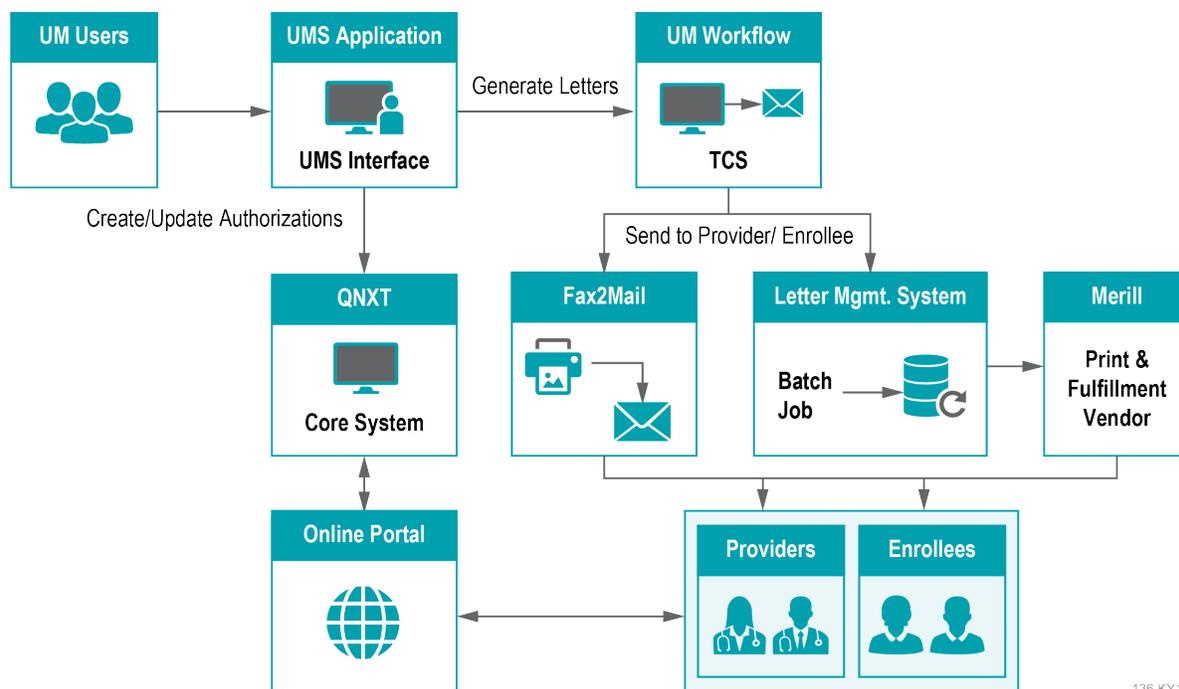
Compliant with NCQA standards and those of regulatory agencies, QNXT 5.6 and Clinical Care Advance (CCA) 5.6, along with our custom solution for prior authorizations (UMK2), offer a rich range of capabilities. They provide users with an integrated view of Enrollee information, provider information, claims authorizations, Enrollee contact information, pharmacy data, and lab data, all organized in an Enrollee-centered way to facilitate improved health delivery.

MHI continues to draw upon long-term partnerships using InterQual® and Hearst MCG criteria for evaluating medical necessity.

The Care Evolution-Member360 portal provides a consolidated view of historical Enrollee data within a single, web-based solution. Member360 is used by Enrollee Services, and by Care Managers in our Utilization Management, Disease Management, Care Management, and Quality departments.

The UMK2 platform supports the management of the referral/utilization control processes and procedures. It integrates seamlessly with CCA and QNXT to provide our staff a view where they can identify and monitor PCP referral patterns. It also provides access to coordination of services information (for example, actions of peer review and service utilization per visit). Users can view PAR/NONPAR alerts to quickly identify unsatisfactory providers, leading to more cost-effective provider selection. In addition, UMK2 provides integrated views showing information from commonly used systems such as Care Select, CMS Manuals, CMS Medicare Home Website, MHI Behavioral Health data sources, and more.

In addition, MHI’s utilization and care management systems are highly accessible by both providers and Enrollees. Exhibit C.6-13 outlines how we give providers and Enrollees the flexibility to access information in the manner they choose, either online/digitally or in a traditional manner such as fax/mail. All our solutions are HIPAA compliant and allow for seamless/data integration.



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**Exhibit C.6-13. Utilization Data Process Flow**

### Utilization Data and Quality Improvement

The integrated and cross-functional health information system enables the Quality Improvement team and other teams throughout the company to collect, integrate, analyze, and report data necessary to implement and evaluate Quality Assurance and Performance Improvement (QAPI) program and Utilization Management program activities. This health information system provides the data needed to support program goals and principles that align with Kentucky’s key priorities.

For example, from MHI’s core administrative system, QNXT, valuable data can be harvested, including population demographics and physical and behavioral health utilization data from across the entire continuum of care (for example, outpatient physician and specialist offices, diagnostic testing centers, emergency departments, home-based care, laboratories, pharmacies, and inpatient settings). Other system data that drive our QAPI efforts is outlined in Table C.6-2.

**Table C.6-2. Data Systems that Drive Quality Improvement**

| Application Data Source           | Data Type   |
|-----------------------------------|---|
| QNXT (Core administrative system) | Enrollee data and demographics, enrollment/disenrollment, claims and encounters, immunizations and other health data, provider profiling, disparities data, Enrollee and provider services operational data, Population Health Management program data, utilization management process data |
| Appeals and Grievance Application | Grievances and appeals trends and history, utilization management process data  |

| Application Data Source   | Data Type  |
|---|--|
| Cactus (Credentialing)  | Credentialing and recredentialing history, Enrollee and provider services operational data   |
| Quality Spectrum Insight (healthcare quality application for HEDIS performance) and QSHR (captures and monitors HEDIS data from medical records)  | HEDIS performance data trends and history  |
| <ul style="list-style-type: none"> <li>• Geo Access (geographic mapping and analysis tool)</li> <li>• Provider portal (enables providers to view quality data, such as HEDIS service gaps)</li> </ul> | Network adequacy and provider records  |
| UMK2  | Utilization management process data  |
| <ul style="list-style-type: none"> <li>• CCA (our care management application)</li> <li>• Member 360 (provides a consolidated view of Enrollee data)</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Health risk assessments</li> <li>• Care management and care plans</li> <li>• Population health management program data</li> </ul> |
| CHAMP (Quality of care critical incidents tracking)   | Potential quality of care issues/critical incidents  |
| External vendor satisfaction survey   | Enrollee and provider satisfaction surveys   |

The utilization data housed in these systems are foundational to our QAPI efforts. They are used to monitor and evaluate the demographics and specific needs of Enrollee populations and to continuously manage the effectiveness of clinical programs and activities. For example, clinical and operational leaders review key indicators daily on the Executive Dashboard to evaluate program effectiveness and to monitor areas for potential improvement. The dashboard view (see Exhibit C.6-14 for an example) shares inpatient utilization for Molina’s affiliate health plans, including days, admissions, and rates for days per 1,000 Enrollees and admissions per 1,000 Enrollees. Dashboards like this allow our leaders to drill down to the institutional level to evaluate variances and determine appropriate actions.

**Inpatient Utilization By Provider - Based on Complete Authorizations from QNXT**

Completion Factor (IBNR)  Bed Type  Days Distribution  Is Network  Period

Estimated Complete  ACUTE R... BH 00 01 02 Y May 2018 - May 2019 MONTHS

Raw  Hospice ICU/CCU 03 04-05 06-10 N 2018 2019

State  LTAC MED/SU... 11-15 16-30 31-90 Unknown SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

CA FL ID 91+

IL MI MS

NM NY OH

PR SC TX

Primary Lob  Discharge Facility

|                  | Days      |           |              | Admits  |             |              | Days Per K |                 |              | Admits Per K |                  |              | ALOS |           |              |
|------------------|-----------|-----------|--------------|---------|-------------|--------------|------------|-----------------|--------------|--------------|------------------|--------------|------|-----------|--------------|
|                  | Days      | Days (PP) | Variance (%) | Admits  | Admits (PP) | Variance (%) | Days Per K | Days Per K (PP) | Variance (%) | Admit Per K  | Admit Per K (PP) | Variance (%) | ALOS | ALOS (PP) | Variance (%) |
| MarketPlace      | 1,633,761 | 1,677,247 | -2.6%        | 293,017 | 306,598     | -4.4%        | 508.0      | 489.4           | 3.8%         | 91.1         | 89.5             | 1.8%         | 5.6  | 5.5       | 1.9%         |
| Medicaid         | 22,022    | 30,667    | -28.2%       | 4,522   | 5,923       | -23.7%       | 6.8        | 8.9             | -23.5%       | 1.4          | 1.7              | -18.6%       | 4.9  | 5.2       | -5.9%        |
| Medicare         | 23,939    | 20,644    | 16.0%        | 4,160   | 3,434       | 21.1%        | 7.4        | 6.0             | 23.6%        | 1.3          | 1.0              | 29.1%        | 5.8  | 6.0       | -4.3%        |
| (blank)          | 11,960    | 12,513    | -4.4%        | 3,185   | 3,174       | 0.3%         | 3.7        | 3.7             | 1.9%         | 1.0          | 0.9              | 6.9%         | 3.8  | 3.9       | -4.7%        |
| Product          | 16,858    | 17,365    | -2.9%        | 3,114   | 3,306       | -5.8%        | 5.2        | 5.1             | 3.4%         | 1.0          | 1.0              | 0.4%         | 5.4  | 5.3       | 3.1%         |
| ABD BH           | 14,433    | 14,341    | 0.6%         | 3,098   | 3,166       | -2.1%        | 4.5        | 4.2             | 7.2%         | 1.0          | 0.9              | 4.3%         | 4.7  | 4.5       | 2.8%         |
| ABD Kids         | 14,193    | 13,817    | 2.7%         | 2,847   | 2,722       | 4.6%         | 4.4        | 4.0             | 9.5%         | 0.9          | 0.8              | 11.5%        | 5.0  | 5.1       | -1.8%        |
| ABD LTC Non-Dual | 15,985    | 15,690    | 1.9%         | 2,700   | 2,613       | 3.3%         | 5.0        | 4.6             | 8.6%         | 0.8          | 0.8              | 10.1%        | 5.9  | 6.0       | -1.4%        |
| ABD Non-Dual     | 12,328    | 16,238    | -24.1%       | 2,610   | 3,370       | -26.9%       | 3.8        | 4.7             | -19.1%       | 0.8          | 1.0              | -22.1%       | 4.7  | 4.5       | 3.8%         |
| Region           | 11,172    | 15,018    | -25.6%       | 2,541   | 3,362       | -24.4%       | 3.5        | 4.4             | -20.7%       | 0.8          | 1.0              | -19.5%       | 4.4  | 4.5       | -1.6%        |
| CA - IMP         | 12,000    | 11,158    | 7.7%         | 2,446   | 2,285       | 7.1%         | 3.7        | 3.3             | 14.8%        | 0.8          | 0.7              | 14.1%        | 4.9  | 4.9       | 0.0%         |
| CA - LA          | 15,250    | 14,618    | 4.3%         | 2,301   | 2,264       | 1.6%         | 4.7        | 4.3             | 11.2%        | 0.7          | 0.7              | 8.3%         | 6.6  | 6.5       | 2.2%         |
| CA - RIV         | 15,461    | 19,252    | -19.7%       | 2,290   | 2,619       | -12.6%       | 4.8        | 5.6             | -14.4%       | 0.7          | 0.8              | -6.8%        | 6.8  | 7.4       | -8.1%        |
| CA - SAC         | 10,124    | 15,881    | -36.3%       | 2,196   | 3,229       | -32.0%       | 3.1        | 4.6             | -32.1%       | 0.7          | 0.9              | -27.5%       | 4.6  | 4.9       | -6.3%        |
| GrandTotal       | 19,347    | 19,395    | -0.2%        | 2,169   | 2,095       | 3.5%         | 6.0        | 5.7             | 6.3%         | 0.7          | 0.6              | 10.3%        | 8.9  | 8.9       | -3.6%        |
| CA - IMP         | 8,508     | 9,703     | -12.3%       | 2,152   | 2,326       | -7.5%        | 2.6        | 2.8             | -6.6%        | 0.7          | 0.7              | -1.4%        | 4.0  | 4.0       | -5.2%        |
| CA - LA          | 10,957    | 11,572    | -5.3%        | 2,132   | 2,029       | 5.1%         | 3.4        | 3.4             | 0.9%         | 0.7          | 0.6              | 11.9%        | 5.1  | 5.7       | -9.9%        |
| CA - RIV         | 9,564     | 9,735     | -1.8%        | 1,916   | 1,927       | -0.6%        | 3.0        | 2.8             | 4.7%         | 0.6          | 0.6              | 5.9%         | 5.0  | 5.1       | -1.2%        |
| CA - SAC         | 7,532     | 8,246     | -8.7%        | 1,792   | 1,981       | -9.5%        | 2.3        | 2.4             | -2.7%        | 0.6          | 0.6              | -3.6%        | 4.2  | 4.2       | 1.0%         |
| GrandTotal       | 10,054    | 11,876    | -15.3%       | 1,768   | 2,007       | -11.9%       | 3.1        | 3.5             | -9.8%        | 0.5          | 0.6              | -6.1%        | 5.7  | 5.9       | -3.9%        |
| GrandTotal       | 9,482     | 10,318    | -8.1%        | 1,753   | 2,084       | -15.9%       | 2.9        | 3.0             | -2.1%        | 0.5          | 0.6              | -10.3%       | 5.4  | 5.0       | 9.2%         |
| GrandTotal       | 7,620     | 5,752     | 32.5%        | 1,710   | 1,377       | 24.2%        | 2.4        | 1.7             | 41.2%        | 0.5          | 0.4              | 32.4%        | 4.5  | 4.2       | 6.7%         |

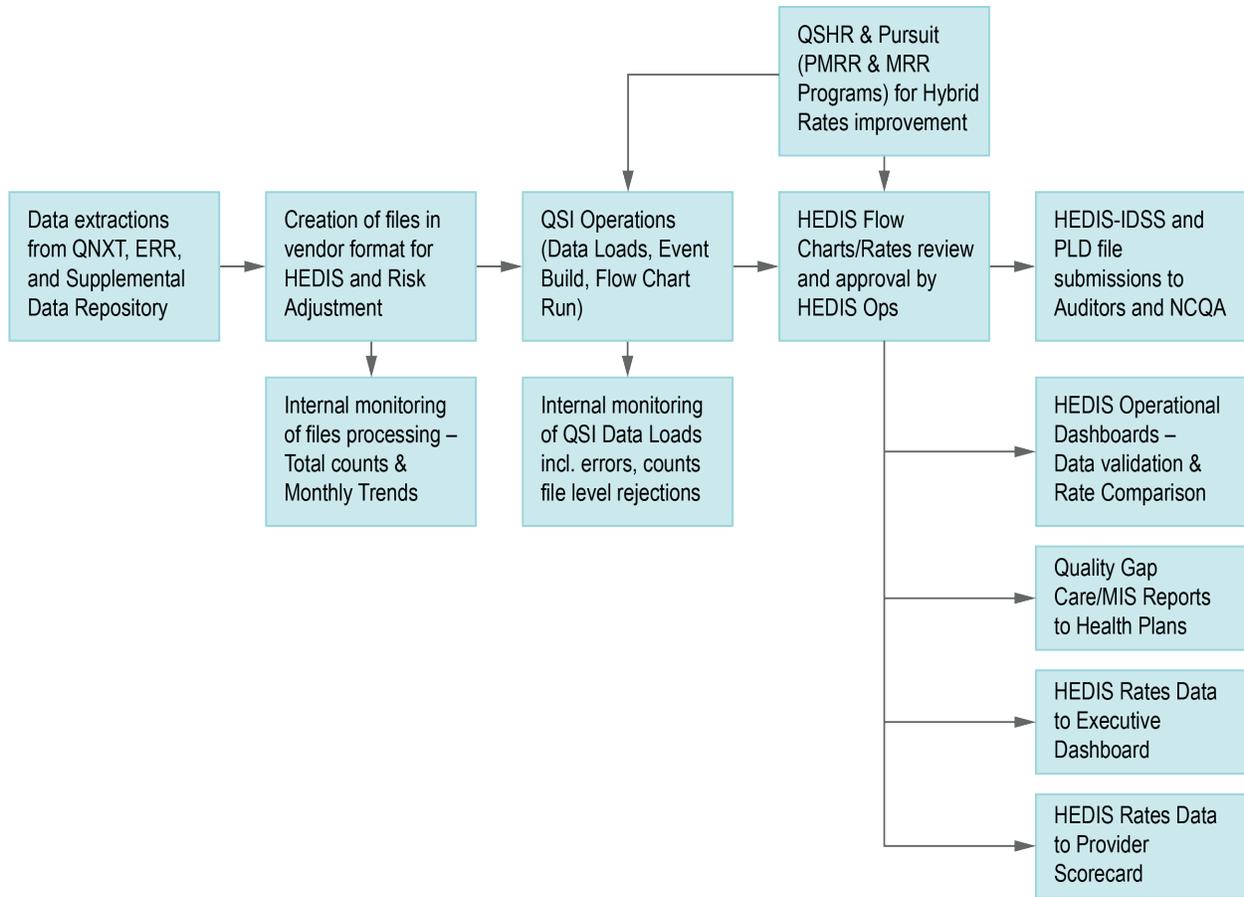
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**Exhibit C.6-14. Sample Executive Dashboard showing Inpatient Utilization Across Molina's Affiliate Health Plans HEDIS Data Collection and Reporting**

Integrated work flows and processes also support Molina's QAPI program for important quality of care and quality improvement activities. One key example is the data and process flow that supports HEDIS data collection and reporting. We proactively monitor HEDIS rates and results on a monthly basis and annually as part of our formal evaluation of the QAPI program. The HEDIS data and process work flow demonstrate the critical nature of data integration and reporting.

The quality and risk platform provides aggregate performance and outcome measures using standardized quality indicators like Medicaid HEDIS, as specified by the Department. They use Quality Spectrum Insight to load HEDIS data, assess performance, and show historical trends. Then the custom-built central medical charts application (CMCM) is used to link incoming Medical charts with QNXT claims and capitated encounters for submission of linked chart reviews to CMS.

The FileNet System Files (FSF) received from the CMCM team with chart-review encounters are loaded into MHI's operational data store environment. Before loading into the Operational Data Store, an exhaustive set of data validations, claim ID generation, and data enrichment are performed on the source data. Exhibit C.6-15 shows the end-to-end process to obtain and process HEDIS data for CMS submission.



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**Exhibit C.6-15. HEDIS IT Process Flow**

We use the Quality Data Repository to manage, track, and maintain data used for quality improvement and leverage data across Molina to design, implement, and evaluate program effectiveness. MHI is expanding the scope of available data to include social determinants of health to conduct a more granular analysis of the impact of social determinants in our quality reporting and improvement processes. This solution will leverage predictive modeling and proprietary social determinant indices (examples of which are shown in Table C.6-3 below) to provide valuable data to improve care and services for Enrollees.

**Table C.6-3. Using Social Determinants of Health to Assess Enrollee Risk Levels**

| Indices  | Social Determinants of Health  |
|--|--|
| <ul style="list-style-type: none"> <li>Propensity to engage</li> <li>Health ownership</li> <li>Social isolation</li> <li>Homelessness</li> </ul> | <ul style="list-style-type: none"> <li>Ethnicity</li> <li>Language</li> <li>Socioeconomic status</li> <li>Race</li> <li>Education</li> </ul> |

## Internal Technology Tools Enable Data-driven Quality Initiatives

Molina’s Kentucky quality improvement team will have access to an array of tools to analyze, track, and improve quality performance. Complementing our quality improvement supports, we will maintain tools to engage others (such as health plan leadership, other departments, and providers) to support improvement, promoting a holistic and comprehensive QAPI model. Tools to support our program include:

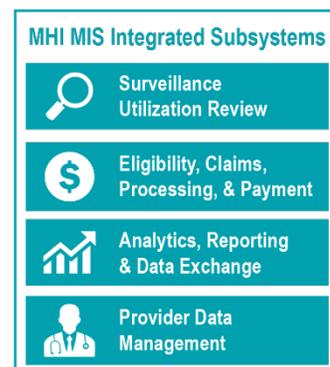
- **QAPI Work Plan Performance Metrics.** Guide program evaluation and development and also stratify measures to identify disparities and target improvement activities to specific populations.
- **HEDIS Dashboard.** Enables rapid identification of emerging trends and impact of quality interventions by specific region; provides granular HEDIS service completion rates and heat map gap data by zip code to develop solutions that are tailored to the local area.
- **Gaps in Care.** Highlights missing preventive services and chronic care screenings and services and is shared with PCPs and our staff to coordinate missing services, boost access to care, and provide timely services.
- **Quality Operations Dashboard.** Provides an up-to-date snapshot of current QAPI projects, offering drill-down statistics across a multitude of population health categories for Molina’s 14 affiliate Medicaid health plans across the nation, including progress. Specialized dashboards include:
  - **Substance Use Disorder (SUD) Dashboard.** Summarizes key performance metrics for our SUD Model of Care, including our performance relative to Enrollees with opioid use disorder.
  - **Potential Quality of Care Dashboard.** Enables ongoing tracking of potential quality to support identification and remediation of any emerging trend.

Molina will also offer tools that promote gains in quality and performance measures by engaging Enrollees. Promoting Enrollee empowerment, *our Molina Mobile app for Enrollees incorporates features like Care Cards that deliver a comprehensive to-do list of activities and reminders and an online risk assessment. It includes reminders for scheduling appointments (such as prenatal or postpartum visits), completing risk assessments, and taking medications.* Complementing the reminder, the app provides instructions and educational materials to empower Enrollees to act. Enrollees will also be able to view reminders for preventive services (for example, immunizations, cancer screenings, and flu shots) and access a “Symptom Checker.”

### a.viii. SURVEILLANCE UTILIZATION REVIEW SUBSYSTEM (SURS)

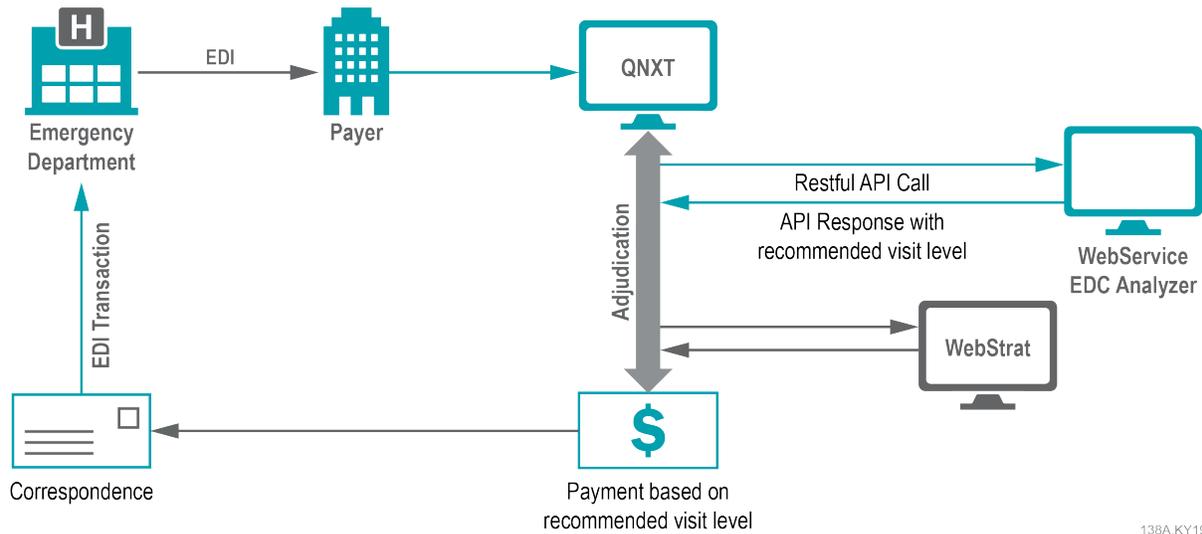
MHI’s Payment Integrity Office is consistent with the SURS function described in the Draft Contract and in accordance with 42 CFR 455. Our payment integrity activities intersect with an array of our corporate and local health plan functions and are governed in a manner that collaboratively supports success, progress tracking, and transformation.

Within that context, MHI’s MIS platform supports both pre-pay and post-pay utilization reviews by leveraging best-in-class integrated vendor solutions from our strategic partners. Together, these solutions provide powerful cost avoidance measures as well as comprehensive machine learning algorithms that can identify suspicious billing patterns within our claims systems by analyzing post-payment data from multiple claims.



MHI’s payment integrity solution achieves compliance with 42 CFR 455.20 (a) through its SURS function, which identifies potential fraud and/or abuse of providers or Enrollees. For example, the claims editor grouping application enables staff to profile random samplings and groupers (for example, the Episode Treatment Grouper) as well as ad-hoc and targeted queries. We also leverage an Emergency

Department Analyzer solution, outlined in Exhibit C.6-16, below, which reviews submitted diagnoses and facility services performed to determine accurate reimbursement.



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**Exhibit C.6-16. High Level Emergency Department Analyzer Workflow**

The Emergency Department Analyzer supports tracking utilization control function(s) and monitoring activities for inpatient admissions, Emergency Department use, and out-of-area services. It completes provider profiles, occurrence reporting, monitoring and evaluation studies, and Enrollee/provider satisfaction survey compilations. The subsystem integrates and automates processes and incorporates software reporting and/or analysis programs to deliver geo-mapping, claims bundling, provider contract management, and network modeling. For more about related systems and capabilities, please refer to Proposal Section C.6.a.ii, Third Party Liability, above.

### ADDITIONAL SUBSYSTEMS: REPORTING

**Integrated reporting systems enable us to produce intelligent, reliable, and compliant reports that will meet the Department’s requirements.** It further allows us to transparently manage our business and communicate data-driven excellence to the Commonwealth. The report generation components of the MIS fully support all quality and compliance-related program reporting, as well as our Population Health Management program. We produce reports for all operational and functional areas in accordance with all requirements specified in the RFP and Draft Contract.

To ensure the accurate, complete, and timely submission of records to the Department, all reports will be developed according to the Department’s specifications (for example, instructions and formats) and submitted in compliance with the submission methods and timeline indicated by the Department.

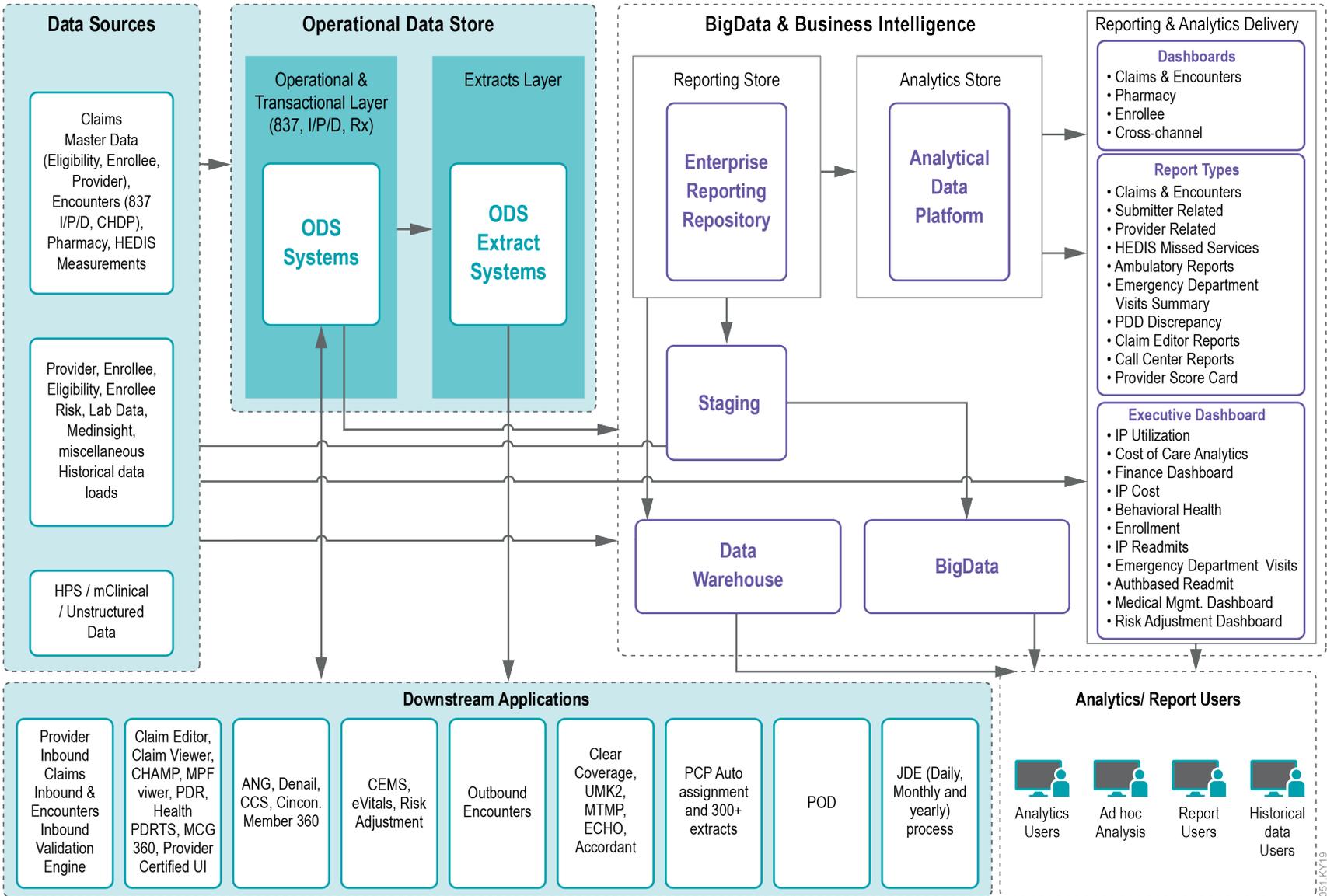
MHI’s systems and software generate standard and ad hoc reports in various formats from low, medium, and high-volume data sets. **The reporting environment has unlimited capacity** and the capability to store and use large amounts of data to support data analyses and create standard and ad hoc reports.



Some reports include internally produced data; others have data received from subcontractors or external entities (for example, lab, pharmacy, and past medical history). We use the following data sources and reporting systems to produce reports, with the Molina Data Lake as the source for most reports produced:

- **Molina Data Lake** integrates internal MHI reporting data environments as well as any relevant external data. *The storage and processing capacity within the Molina Data Lake environment is highly scalable and comprises multiple servers and nodes linked by big data technology employing the industry-standard Hadoop distributed processing framework.* Unlike proprietary data warehouse solutions, there is no limit to the expandability and capacity of this environment with additional nodes since each additional node comes with more storage and processing power. There is also *no limit* to the number of nodes that can be added to the Hadoop system. Overall, *we manage several hundred petabytes of data and house more than 10 years of healthcare data*, which supports various reporting and analytical needs. MHI also uses various analytics and business intelligence technologies, such as R, Python, and Microsoft Power BI, to integrate its data and analytics environments into one cohesive environment.
- **QNXT Reporting** is a custom report administrator tool that enhances cataloging, viewing, and printing reports, forms, cards, and letters. Its Reporting Services link permits users to generate call tracking, claims activity, and utilization management activity reports.
- **Operational Data Store (ODS)** is used for external and subcontractor data such as capitated medical, dental, vision, and prescription encounters, and HIPAA non-compliant encounter data. It is an extension of the QNXT database for claims and reference data, and supplemental claims information. ODS also provides data to various downstream applications such as vendor extracts, regulatory and statutory reporting, and the Molina Data Lake.

MHI and Molina will leverage all reporting systems and functionality to support Kentucky Medicaid reporting requirements. Exhibit C.6-17 depicts our reporting management subsystems and processes.



**Exhibit C.6-17. Reporting Management Subsystems and Processes**

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To demonstrate our commitment to transparency and partnership with Kentucky, MHI developed an online Kentucky-focused dashboard, described earlier in this section and depicted in Exhibit C.6-2. The dashboard will enable Department staff to access snapshots of key data around the clock. MHI designed the dashboard based on previous Medicaid program experience and Kentucky needs, and it includes access to monthly reports as required by the state. The goal is to make key areas of state reporting more readily available and easily accessible.

### **ADDITIONAL SUBSYSTEMS: TESTING**

An integrated, adaptable Quality Management Office focuses on improving application delivery and protecting data security and data accuracy to state partners and agencies. MHI's philosophy for testing and quality management is integrated in all areas of IT and all phases of the software development life cycle. The quality management organization drives continued measurable improvements based on a best-in-class quality framework and oversight model.



#### ***Testing and Quality Management Philosophy and Framework***

The goal of MHI's testing philosophy and framework is to achieve greater efficiency and effectiveness of the testing process to protect applications and customer data.

The testing governance structure, inclusive of people, process and tools, is based on producing a scalable operating model with resources skilled across shared aspects of testing to provide 24-hour test cycle coverage. MHI maintains standardized and consistent testing through a hybrid Quality Management Office and test center of excellence that allows for increased integration with development. Software development engineers in tests (SDET's) are involved in every step of the software development process, supported by Quality Management Office. MHI bases documentation on best-of-breed industry standards, including the IEEE 829-2008 standard for software and system test documentation.

At the center of the Quality Management Office is a test framework that provides layers of re-usable, object-orientated testing spanning all application layers to support continuous testing.

MHI uses shared testing patterns and templates to drive automation through the software development life cycle (SDLC) and support modern DevOps and continuous integration. Within this framework, they drive continuous improvement in test coverage by focusing on:

- **Data Accuracy.** A structured data mapping exercise is performed on the source and target data elements. A library of test scripts is utilized to validate assumptions on data elements and data conversion rules and document discrepancies.
- **Rigorous Managing Test Environments.** As part of the software development life cycle process, MHI maintains a central repository of test-environments. These support a clear path to production and enable changes to be pushed in a timely and effective manner while providing masked data supporting security in non-production environments.
- **Early Testing.** Early testing in the software development lifecycle eliminates duplication and prevents defects from reaching production environments.

#### ***Quality Assurance Test Centers of Excellence***

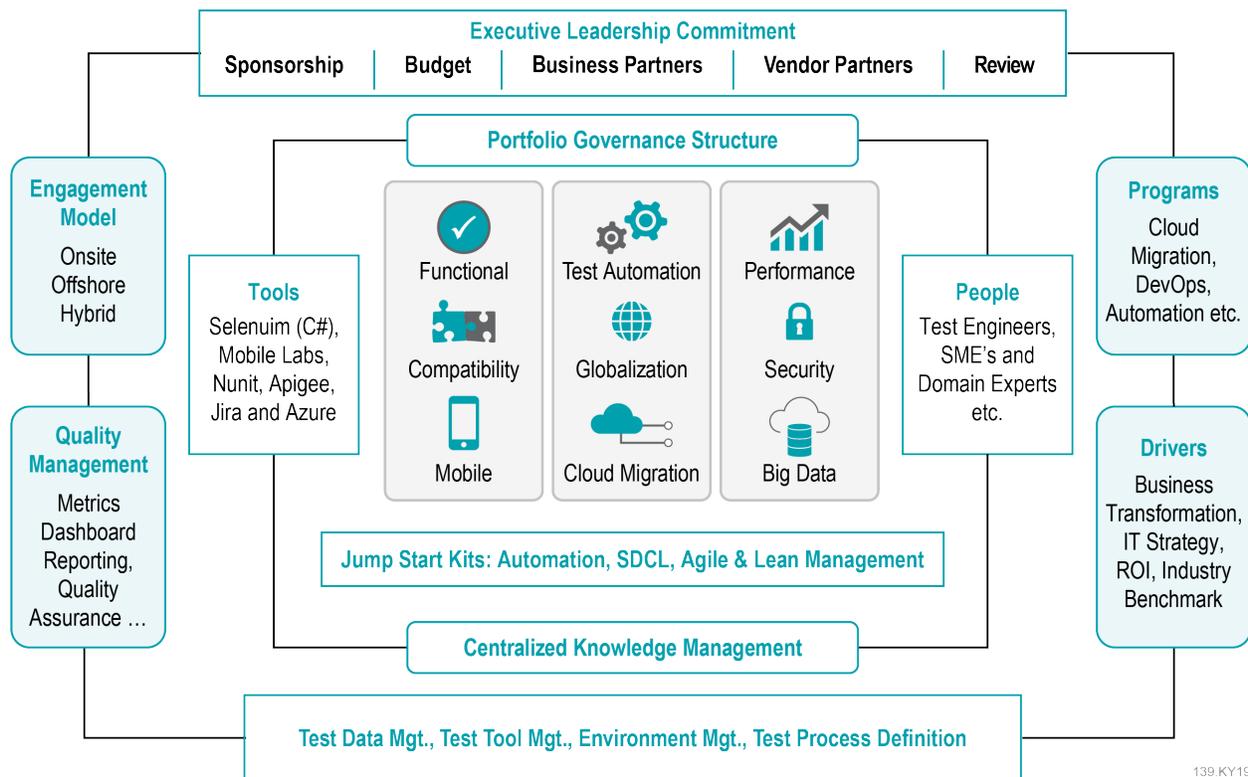
MHI's Testing Center of Excellence effectively combines best-in-class processes, robust tools that are specifically optimized for the Medicaid environment, and a highly trained team dedicated to the implementation and rigorous post go-live support. The Testing Center of Excellence is sponsored by a cross-functional team of executives who meet regularly to ensure that budgets, goals, and key performance indicators exceed customer expectations.

To achieve near zero defect performance levels, MHI uses leading industry software to automate the test management lifecycle, including test cases and issues management and tracking test results.

Daily, the Testing Center of Excellence actively monitors performance indicators and solutions root causes. Testing dashboard reports are available on a real-time basis and are used to turn provider trends and statistics into summarized data for easy consumption and decision making. MHI monitors:

- **Defect Rejection Percentage.** Measures percentage of defects identified by the Testing team that are subsequently rejected by Development team
- **Test Deliverable Execution Rate.** Measures the percentage of test cases executed
- **Testing Schedule Adherence.** Percentage of testing milestones delivered on-time
- **Test Automation Penetration.** Measures extent of Test automation
- **Defect Removal Efficiency.** Measures the efficiency of the development team to remove defects before release
- **Project Defect Aging.** Elapsed time for assigned or accepted defects by priority and application
- **Test Data Availability.** Measures the availability of Test data
- **Performance Testing.** Percentage of releases performance tested
- **Test Execution Productivity.** Measures Productivity of Testing execution

Exhibit C.6-18 highlights the various components of the quality assurance Testing Center of Excellence, as described above.



**Exhibit C.6-18. Test Center of Excellence Governance**

### Application Testing Methods

To enhance the quality of our applications while reducing costs, maximizing efficiency, and saving development time, the Quality Management Office conducts comprehensive software tests:

- **Interface Testing.** Verifies the data flow between two different software systems preserves data accuracy

- **Webservices Testing.** Provides full-cycle API Testing, performed via a visual trace tool to interface with other technologies and vendors
- **Regression Testing.** Automated Regression Tests are conducted several times a day to ensure new changes do not destabilize the code base
- **Security Testing.** Leverages continuous feedback using patterns in the developers integrated development environment (IDE)'s to proactively identify code security defects
- **Functional Testing.** Conducted for all MHI applications and are performed against functional specifications with full traceability
- **End-To-End/Integration Testing.** Simulates the real user scenario and validates the system under test and its components for integration and data integrity
- **Performance and Scalability Testing.** Determines if the system can meet the maximum performance and capacity requirements in production like environments
- **Parallel Testing.** Concurrently tests multiple applications or subcomponents of one application, which allows us to significantly reduce the test time, and test applications more efficiently
- **User Acceptance Testing (UAT).** Verifies that the solution works for the end user and meets minimal viable product requirements
- **Operational Readiness Testing.** Performed at the final stage of testing after all other testing activities are complete and verifies the build is ready for live deployment

## i. REQUIRED INTERFACES

The MIS and its components collect critical information from disparate data sources (for example, state, provider, and subcontractor systems), while complying with EDI and HIPAA requirements. Its system architecture and platforms will provide the Department and other program stakeholders (for example, Enrollees, care management team participants, providers, and subcontractors) with superior operational functionality and ensure secure, HIPAA-compliant exchange of health information. Table C.6-4 outlines the key HIPAA EDI transactions that Molina supports.

**Table C.6-4. Supported HIPAA Transactions**

| HIPAA Transaction   | Transaction Standard |
|---|----------------------|
| Benefit Enrollment and Maintenance  | 834/5010             |
| Electronic Claims and COB Claims  | 837P and I 5010      |
| Eligibility Verification  | 270/271 5010         |
| Claims Status Inquiry/Response  | 276/277 5010         |
| Electronic Remittance Advice, including claims payments via electronic funds transfer | 835 5010             |
| Prior Authorization Requests  | 278 5010             |
| Retail Pharmacy Claims  | NCPCP D.0            |

**Sharing and receiving information from the Department.** MHI's highly configurable MIS will interface with the Department's systems and provides services in accordance with Department standards and requirements. Molina will transit all data – including any data from providers and subcontractors – to the Department in accordance with 42 CFR 438 and will meet all the Department's systems requirements, including any changes and required testing. In addition, MHI's MIS offers the flexibility to support future IT architecture or program changes. For example, MHI's systems were able to meet and comply with the complex requirements of the Patient Protection and Affordable Care Act (ACA) on time and without incident, and our flexible architecture enabled us to update from ICD-9 to ICD-10 on schedule.

**Use of files provided by the Department, subcontractors, providers, and other supporting entities.** As an MCO exclusively focused on Medicaid and government programs, we offer Kentucky Medicaid

additional value because MHI's MIS seamlessly integrates information and data components, enabling us to put that information to use to achieve superior health outcomes for Kentucky Medicaid. With almost four decades of experience, MHI brings state-of-the-art technologies and valuable partnerships to support electronic submission and exchange of health information data with our providers, subcontractors, state Medicaid departments, and other agencies. For example, MHI's health information exchange (HIE) platform enables us to share health-related information with external entities such as pharmacies, hospitals, and other organizations. We will also interface with other operational systems, as required by the Department, to access, inquire, and bi-directionally share information such as Enrollee eligibility and enrollment; claims and encounters data; and provider profiles and demographic data.

These capabilities provide streamlined administrative functionality that, for instance, enables care managers to develop plans, track data, and make decisions quickly, resulting in better care for Enrollees. For example, MHI's comprehensive care management system, Clinical Care Advance, provides our care managers with a single interface to access critical Enrollee information, including physical and behavioral health information. With access to data that enables a 360-degree view of the Enrollee, the Clinical Care Advance platform enhances our ability to individually tailor care management and disease management (for example, behavioral health services and supports) to meet the specific needs of each Enrollee, thereby supporting and enabling superior health outcomes for the Kentucky Medicaid population.

MHI continues to modernize systems that support secure real-time transactions on the provider portal, using services-based integration. This simplifies transactions via Web services and traditional batch file transfers systems; therefore, allowing providers, the state, and other stakeholders to interact with us in the way that is most comfortable for them.

## ii. CAPABILITY TO STORE AND USE LARGE AMOUNTS OF DATA

As noted above in our description of our broader reporting subsystem, MHI integrates internal reporting data environments and relevant external data to form the Molina Data Lake. The storage capacity and processing power within the Molina Data Lake environment is highly scalable and comprises multiple servers and nodes linked together by big data technology employing the industry-standard Hadoop distributed processing framework. Unlike proprietary data warehouse solutions, there is no limit to the expandability and capacity of this environment with additional nodes since each additional node comes with more storage and processing power. There is also *no limit* to the number of nodes that can be added to the Hadoop system. Overall, *we manage several hundred petabytes of data and house more than 10 years of healthcare data*, which supports various reporting and analytical needs. MHI also uses various analytics and business intelligence technologies such as R, Python, and Microsoft Power BI to integrate its data and analytics environments into one cohesive environment. Additional information about our data capabilities can be found in our Proposal Section C.27, Contractor Reporting Requirements.

## iii. EXTENT TO WHICH SYSTEMS ARE CURRENTLY IMPLEMENTED AND INTEGRATED WITH OTHER SYSTEMS

As is the case with the launch of any new health plan, contractual obligations require us to make state specific configurations, but this does not impact the integration of our systems. *All applications and systems are currently implemented, integrated, and will be available for use by the Commonwealth for day-one operations.*

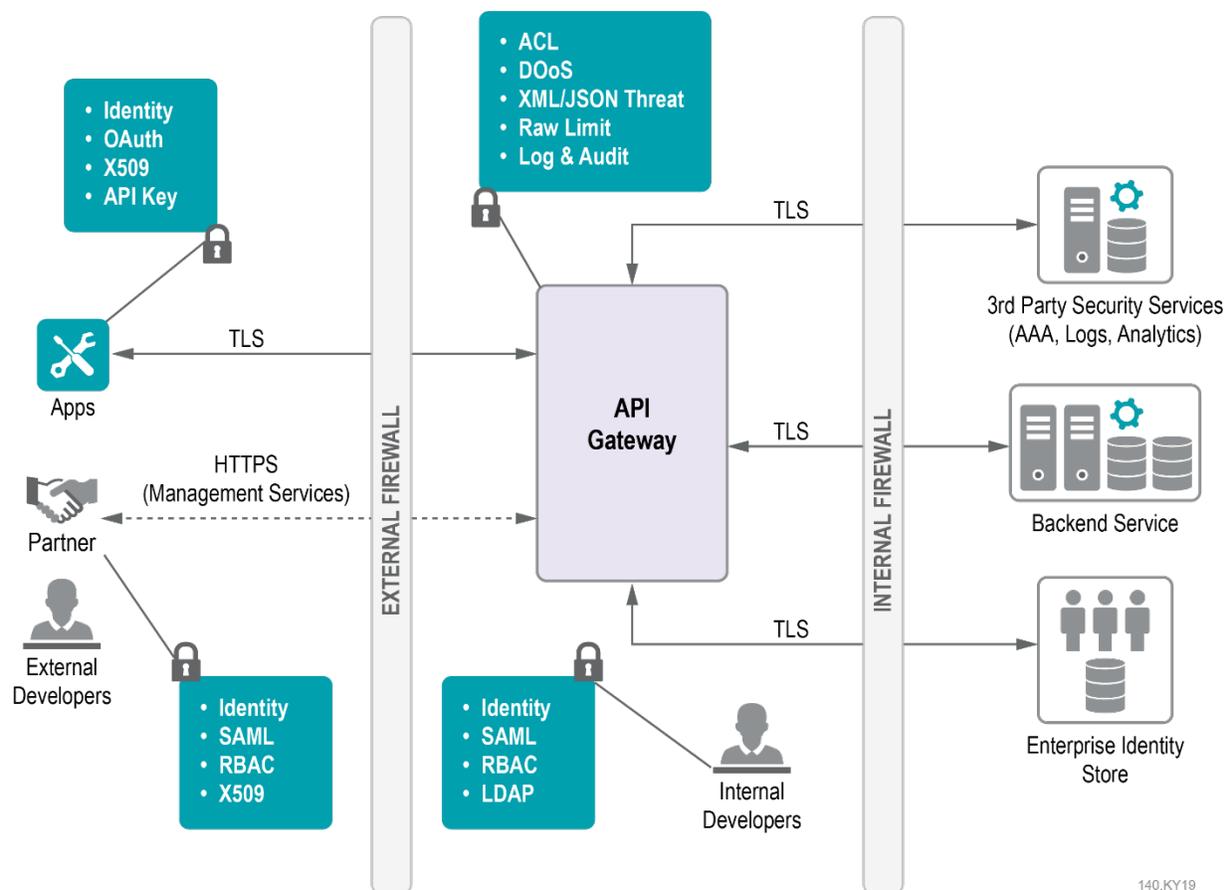
We have successfully brought online all corporate locations as well as health plans in 15 states encompassing our Medicaid, Medicare, and Marketplace lines of business. We recently implemented a statewide Medicaid program in Mississippi as well as an integrated managed care program in Washington that combines both physical and behavioral health. *All readiness reviews were successfully completed on time with 100% accuracy.*

MHI's MIS combines custom proprietary applications, best-of-breed custom commercial off-the-shelf applications, and Software as a Service products and platforms. Its API Gateway uses industry leading technology to govern Web services, connects us to the Internet, and controls security access. As depicted

in Exhibit C.6-19, below, the API Gateway is our universal access point for all service-to-service integration between systems internally and externally. This helps ensure Enrollees have access to care from program day one; enables us to pay claims accurately, timely, and within state guidelines; reduces risk by ensuring all systems have been thoroughly reviewed for security and compliance considerations; and allows us to scale our infrastructure in an agile, efficient, and cost-effective manner—ultimately providing program savings to the Commonwealth through reduced administrative costs.

Systems requiring integration or interaction with the MIS systems that are unable to integrate/interact with our API Gateway may use our SFTP (Secure File Transfer Protocol) services.

The API Gateway also ensures that both data and business services are highly reliable, secure, and monitored. MHI has deployed its gateway in a highly available configuration within our Microsoft Azure Cloud. Services are tied to identity management and OAuth 2.0 security for both individual and system-to-system authorization. This enables us to include our API Gateway in our “Zero Trust” security fabric, which maintains strict access controls that, by default, question the presence of even those who already have access to a network, thereby promoting greater security throughout the network.



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**Exhibit C.6-19. Molina's API Gateway**

The API Gateway is an essential component to MHI's MIS systems and ensures that the digital services we extend to our providers and Enrollees are reliable, safe, and adaptable. It protects against malicious traffic via Distributed Denial of Service (spikes in requests to stop legitimate requests for service), and MHI actively monitors the gateway for service access, utilization, and performance metrics down to a single service level.

### **Molina IT Hybrid Cloud**

MHI distributes technology systems and services across a hybrid cloud composed of multiple geographic locations:

- **Primary:** Microsoft Azure South Central Region
- **Secondary/Disaster Recovery:** Microsoft Azure North Central Region
- **Legacy Systems:** Southwest – Molina owned and operated

MHI’s claims, care management, utilization management, financial, quality, and technology systems and services reside and integrate within the Primary and Secondary/Disaster Recovery sites and include local high availability with remote disaster recovery. This means users will not experience outages outside of scheduled maintenance periods.

If a disaster-recovery declaration by an authorized company executive, systems will be available within 24 hours and data will be current to a point just moments before the disaster-causing event. Additional information about our disaster recovery capabilities can be found in our Proposal Section E, Emergency Response and Disaster Recovery Plan.

The Molina IT Hybrid Cloud is already deployed enterprise-wide, including our most recent implementations in Washington and Mississippi.

### **b. POTENTIAL RISKS AND MITIGATION STRATEGIES FOR IMPLEMENTING NEW INFORMATION SYSTEMS AND CHANGES TO EXISTING SYSTEMS.**

Drawing upon a comprehensive readiness review process, close collaboration with the Commonwealth, and longstanding experience in new program implementations, we are confident in our ability to successfully mitigate – and address in a timely manner – any operational and IT risks during our partnership with the Department.

#### **Risk Management Strategy**

We will identify risks during all phases of the project. Risk identification involves determining the risks that are most likely to influence the outcome of the project, describing their triggers or symptoms, and categorizing them as scope-, schedule-, or resource-related. We then record them in our Risks Register.

Risk response planning outlines steps that are planned or taken to reduce the probability/impact of the risk. This entails: avoidance – acting to avoid the risk; mitigation – defining what actions to take when the risk occurs; transfer – having someone else handle the risk; or acceptance – acknowledging the risk as acceptable and letting it occur.

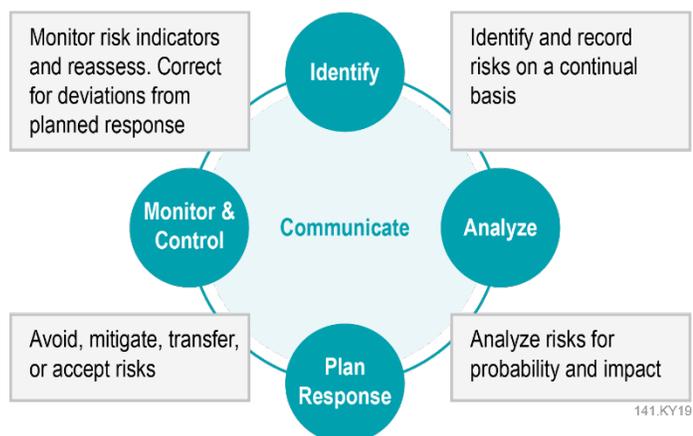


Table C.6-5 describes three key risks and outlines possible mitigation strategies for each.

**Table C.6-5. Key Risks and Mitigation Strategies**

|   | Risk                           | Risk Description  | Mitigation Strategy  |
|---|--------------------------------|---|--|
| 1 | Integration with new Vendors   | State may have preferred Vendors for specific Medicaid Services.<br>Molina needs to establish new network connectivity, perform files exchange testing before Go-Live | <ul style="list-style-type: none"> <li>Set up network connectivity, to exchange data, well in advance.</li> <li>Establish meeting cadence to track progress, issues, and risks.</li> <li>Perform extensive vendor testing covering all possible scenarios.</li> </ul>  |
| 2 | Contract revisions             | Any major changes to the contractual requirements during implementation phase could add risk to the project schedule  | <ul style="list-style-type: none"> <li>Maintain a process to track contract changes and try to minimize bringing in major changes unless critical.</li> <li>Work with Department to incorporate new requirements in to a fast follow release after initial Go-Live, where possible.</li> </ul>               |
| 3 | Contract Finalization Timeline | Delay in finalizing the contract will result in a shorter window for Kentucky Go-Live   | <ul style="list-style-type: none"> <li>Incorporate learning from prior Medicaid program start-up implementations (for example, Mississippi and Puerto Rico)</li> <li>Prioritize requirements for Day-One Go-Live</li> <li>Use tried and tested Agile methodology for successful project execution</li> </ul> |

**c. USE OF INFORMATION EXCHANGE (HIE), ELECTRONIC HEALTH RECORDS (EHR), AND PERSONAL HEALTH RECORDS (PHR) TECHNOLOGY**

MHI continually strives to be an innovator and leader in the promotion and use of HIE and electronic health record (EHR) data to provide Enrollees, its health plans, and other stakeholders the best possible information available to improve health outcomes and reduce costs. Using this information, MHI leverages its MIS system integration to provide personal health records (PHR) to Enrollees, giving them informed and transparent views of the most current, accurate, and updated information to promote healthy outcomes and empower them to self-manage their care.

**HIE/EHR**

We believe that, by strengthening local-level data contributions through the engagement of community and regional data exchange platforms, we can impact and improve the health of all Kentucky residents.

Using the Meaningful Use Stage 2 Consolidated Clinical Document Architecture (C-CDA), as defined by Health Level Seven (HL7) standards, MHI can send clinical summaries and consolidated clinical documents (CCDs) to state HIE organizations, including Michigan (where we partnered with other MCOs, the state, and our own providers to develop what is now a mature HIE). Most recently, MHI has collaborated with the state of Mississippi to help them define their HIE technology and data exchanges. And, for partners who are prepared to adopt the Fast Healthcare Interoperability Resources standard, MHI is exploring leading edge technology to support the next generation of HIEs.

Further, in support of electronic health record data exchange, we recognize the foundation of Meaningful Use clinical documents and their importance to the provider community. As evidence, MHI participates and leads the way in virtual real-time exchange of information about our Medicaid Enrollees to encourage better understanding of how therapies or procedures affect health outcomes and the cost of care. MHI does this to pave the way for future transmission of data, improve the continuum of care, and reduce

unnecessary costs. It benefits both Molina and the Commonwealth when more informed decisions are made while actively managing the health of Kentucky’s Medicaid population.

Our goal in working and partnering with the Kentucky Health Information Exchange (KHIE) will be to bring a best-practice approach to drive the same data-exchange model that MHI and our affiliate health plans use in other states to send clinical summary data, as outlined in Table C.6-6.

**Table C.6-6. Shows the Clinical Summary Data from Our Best Practice Approach**

| Clinical Summary Data  | Addressed |
|--|-----------|
| When an Enrollee disenrolls  | ✓         |
| When an Enrollee has a claim with a key diagnosis code   | ✓         |
| When an Enrollee has a claim for a Wellness exam   | ✓         |
| RXNorm data to the Clinical Summary (RXNorm is a standardized code set for medication descriptions)              | ✓         |
| Crosswalk between CPT code and LOINC code (to bridge the gap between code sets across multiple trading partners) | ✓         |
| Inclusion of Enrollee Social History data points in the Clinical Summary   | ✓         |
| CCDs when an Enrollee enrolls  | ✓         |
| CCDs when an Enrollee is added to a Care Management program including assessment                                 | ✓         |
| CCDs when a prior authorization request is received related to key diagnosis                                     | ✓         |
| Provider requests a clinical summary for an Enrollee   | ✓         |
| Provider push of a clinical summary at the time of an encounter  | ✓         |

As stated, our HIE platform enables us to share health-related information with external entities, such as pharmacies, hospitals, and other MCOs. We also interface with required operational systems to access, inquire, and bi-directionally share information such as Enrollee eligibility and enrollment; claims and encounters data; and provider profiles and demographic data.

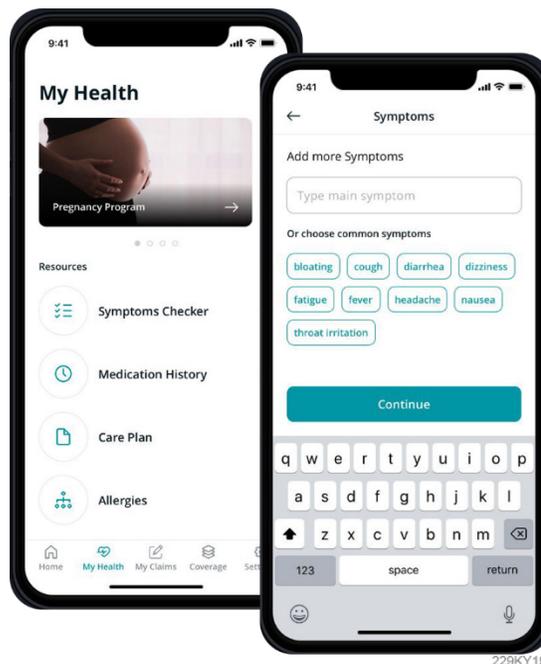
MHI’s MIS gives us the ability to integrate private and public HIE and EHR HL7 data within our care management and core claims platforms, including claim-based information from providers, pharmacies, and labs. This gives us the ability to capture data such as ADT information, Enrollee demographics, medical history, diagnoses and procedures, prescriptions, allergies, immunizations, laboratory results, and other clinical flags. The platform also allows for predictive analytics to be extrapolated and merged with clinical data, which creates opportunities to analyze and determine effective Enrollee care planning that can be shared with state and provider partners.

### **Personal Health Record (PHR)**

By leveraging the power of our connected enterprise, we offer our secure Molina Mobile app, which will allow Enrollees to easily access the breadth of MHI resources, including our Call Center and Nurse Advice Line.

Enrollees can also:

- View and use the benefits at glance and benefit summary documents, prescription mail order form, and Enrollee Handbook
- Access care plans, assessments, inpatient admissions, enrollment history, allergies, health records printing, health records search, the electronic consent process, and Symptom Checker
- View/save/print ID card as a PDF, make new ID card requests
- See care management information, family/care team members data, and a provider directory
- Access My Doctor information, search providers, change PCPs, get directions to the doctor, and view health education content
- Use two-way messaging with care teams and/or Enrollee services



The overall goal is to promote data sharing across all technology platforms. To help accomplish this, Molina is committed to engaging with the Department and other MCOs to discuss potential models to incentivize hospitals and providers to use and submit standardized KHIE-defined data elements and share that information. Our strategy and discussion of incentives to do so can be found in our Proposal Section C.8, Kentucky Health Information Exchange (KHIE) and Electronic Health Records.

### **d. ASSESSING DATA INTEGRITY, ACCURACY, AND COMPLETENESS OF PROVIDER AND SUBCONTRACTOR DATA**

As described earlier in the Claims Processing and Reference Subsystem subsections, we assess the integrity, accuracy, and completeness of data submitted by providers and subcontractors through our claims submission process. MHI's claims adjudication process ensures claims that pass the validation processes of our electronic data interchange system are loaded into QNXT. All claims are processed in order of date received. Processes are established to ensure a prompt and accurate turnaround, meeting all regulatory and program compliance standards. To continually meet accuracy and timeliness standards, our claims and encounters processes include:

- Inbound Claims/Encounter Processing Completeness Checks – implemented quality and completeness checks throughout the claims/encounter process to ensure that encounter submissions meet Kentucky-required standards
- Acceptance and verification of encounter data via paper (for example, scanning/imaging), including all paper CMS1500 and UB04 claims
- Enforcement of timely submission of encounter data from providers and subcontractors
- Timely processing of claims and encounters, and diligent enforcement of system edits to ensure department data requirements are met

We also work closely with providers and subcontractors to ensure they abide by our claims and encounter data submission requirements in compliance with 42 CFR 438.242. Our processes include training, technical assistance, and other activities to support providers and subcontractors to ensure compliance with the HIPAA 837 format. We identify opportunities to assist providers in the use of electronic claims submission and improve the quality, timeliness, and accuracy of claims submitted. Furthermore, our secure provider portal enables providers to submit electronic claims and encounters directly to us.

## e. DATA SECURITY APPROACH

MHI is embarking upon a new Digital Journey, having reinvented systems and applications to embrace a new digital experience for Enrollees that provides greater access to remote communities through advanced mobile applications and telephone solutions, and introduces robotic automation to increase process efficiencies. With digital, there is a need for a new approach to security that does not promote outdated ideas. ***That is why Molina has embraced an advanced and contemporary security model known as Zero Trust, which, by default, maintains strict access controls that question the presence of even those who already have access to a network, thereby promoting greater security throughout the network.*** MHI's rationale for such a significant paradigm shift comes from the realization that the old model to protect healthcare networks by building a 'fortress wall and moat' with a hard network perimeter has not worked. For example, adversaries now use techniques such as email phishing to infiltrate otherwise secure networks.

### Zero Trust Digital Security Model

"Our strategy to embrace zero trust is unique in the industry but boils down to MHI kicking to the curb the old security models that trust everything inside of a network. With Zero Trust, we cut off network access to all IP addresses, machines and applications anywhere until we know who the user is, where they are coming from and if they are authorized."

Molina CISO

Additionally, MHI has taken steps to increase the governance over cybersecurity and elevate issues within the company associated with these risks. A dedicated board-level cybersecurity committee oversees management's cybersecurity and IT risk efforts. The committee meets on a semi-annual basis and requires chief information officer (CIO) attendance and a formal written assessment by the chief information security officer (CISO) and attendance of Molina's CIO.

Recognizing the need for transparency and the sharing of intelligence related to healthcare information security, we welcome opportunities to partner with the Department and other key Kentucky Medicaid stakeholders on events such as joint incident response sessions.

### ***Approach to prevent and identify data breaches***

MHI has undergone a security transformation over the last two years, investing heavily in new contemporary security technologies while confirming that the basics are operating effectively. For example, MHI maintains a non-emergency daily and weekly patch security cycle that strives to keep outstanding patches to no later than 30 days. Also, systems are automatically monitored for their compliance with NIST 800-53 controls and MHI's CISO and CIO have a daily dashboard to identify areas of non-compliance or trends. MHI believes transparency on the efficacy of controls implemented is important to combat cyber criminals. Therefore, in addition to making available the annual HIPAA security and privacy assessments for Kentucky, as well as an independent Ernst and Young SOC 2 report, we are committed to sharing relevant security metrics pertaining to the Commonwealth on regular intervals via a dashboard that includes the status of any internal corrective actions.

Cyber Defense and Security Operations centers (includes Symantec Managed Security Services) work together to prevent and identify data breaches 24x7x365. Functioning as a certified threat hunting team, they work continuously to review event logs and audit trails for malicious activities, malware, unauthorized intrusion, and phishing attempts. Additionally, MHI has invested in a variety of security

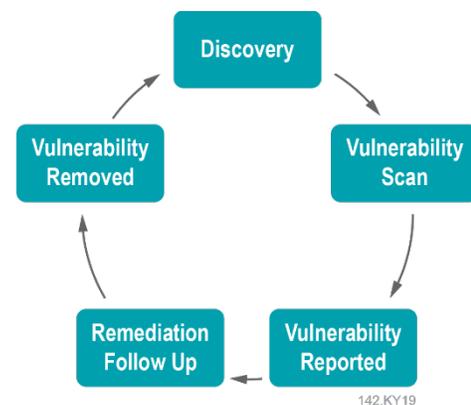
tools to prevent and detect incidents and potential breaches. Table C.6-7 provides example of Molina’s various prevention and detection methods and tools.

**Table C.6-7. Prevention and Detection Methods and Tools**

| Method or Tool Name Example |   |  |                           |
|-----------------------------|---|--|---------------------------|
| Employee Security Awareness | Data Encryption and Masking                 | Data Access Gateway – Leakage protection and Data Governance | Email Security            |
| Web Security                | Azure Cloud Security Model                  | Database and Data Lake Access Protection                     | Two Factor Authentication |
| Identity Management         | Privilege Access management and Multifactor | Threat and Vulnerability Management/App Security             | Data Loss Prevention      |
| Endpoint Security           | Network Security and Intrusion Detection    | Security Information Event Management                        | Secure File Exchange      |

Annually the company undergoes an incident response exercise with a third party that conducts the exercise. MHI will work with the Commonwealth as needed to identify incident escalation and emergency response protocols beyond Molina’s standard procedures.

Given that a key risk area is the protection of our Enrollees’ PHI, we have implemented a series of prevention and monitoring controls to protect data while in motion and at rest. For example, a data loss prevention tool monitors and blocks PHI that is not encrypted from leaving the network via email or other protocol. Other tools encrypt data at rest in databases, while masking tools hide data from individuals that should not be able to view PHI. PHI at rest within non-production environments is masked and no PHI data can be used for testing or development outside of production ready environments where encryption and access controls are deployed.



**Exhibit C.6-20. Application Security**

MHI has also implemented an advanced data access gateway solution that manages access to unstructured data repositories such as directory shares, Microsoft SharePoint, and Microsoft OneDrive. They perform user behavior machine learning (UEBA) to understand and block unusual access to PHI.

They also promote policies and standards that have been mapped to NIST 800-53 and state regulations such as the NY DFS cybersecurity rule and also mapped to control procedures. These control procedures will be adapted as needed to meet any specific Kentucky security requirements. ***Employees and contractors are made aware of their security and privacy obligations (includes HIPAA training) when they commence employment and on an annual basis.*** Every quarter a ‘Fake’ email phish is sent to every employee and click-through rates are monitored with repeat offenders required to complete phishing training. The PhishMe tool is used to manage this awareness campaign, which allows us to compare our performance against other healthcare organizations that have completed the same phishing email campaigns.

## Approach to Securing Applications

MHI's Application Threat and Vulnerability Management effectively remediates identified security vulnerabilities on a timely basis. The premise to this approach is the inclusion of a security testing process within the Azure DevOps Continuous Integration/Continuous Deployment (CI/CD) pipeline, which we call SecDevOps. SecDevOps automates the previously manual security testing of developed code and deployment of hardened servers/infrastructure. A variety of specialized tools are used to test the security of our applications; WhiteHat Dynamic Application Security Testing (DAST) scans, MicroFocus Fortify Static Application Security Assessments of all applications custom code (SAST), Black Duck Structured Composition Analysis of the developed code (open source review), and the use of third-party security assessment vendors to confirm systems are secure from unauthorized access or disclosure

Additionally, all Internet facing systems are scanned daily on a rotational basis and a comprehensive weekly security scan is performed for all Web portals. Any identified issues are prioritized and remediated in a timely manner, usually within two weeks for non-critical issues.

Approach to CyberSecurity Compliance MHI attests that all our systems and processes comply with all federal and state privacy and security provisions. They receive, create, access, store, and transmit all health information data in a manner that is compliant with HIPAA standards. Further, all systems and processes comply with the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH Act). If a breach or other security incident occurs, MHI has a tested Security Incident Response plan to mitigate potential Enrollee harm and meet state and federal reporting obligations. We comply with all applicable State and federal laws, rules, and regulations governing the handling of Enrollee privacy and PHI. The Molina EDI Gateway complies with all EDI and HIPAA requirements for data transfer and acquisition. Highlights of our compliance EDI Gateway include:

- **Compliant Security Processes and Tools.** MHI employs advanced security technology and policies to protect Enrollee data, including security and antivirus systems.
- **HIPAA Security and Privacy Training.** MHI trains all employees on PHI, including the HIPAA security and privacy, as part of our overall efforts to promote a culture compliance and awareness.
- **Business Continuity and Disaster Recovery.** MHI has established processes, policies, and procedures to recover IT systems and operations after a declared disaster event. Refer to Proposal Section E, Emergency Response and Disaster Recovery Plan, for more information.
- **Periodic Audits.** MHI engages in annual internal and external audits and several State audits that oversee IT controls for administrative, physical, and technical security. We also leverage those audits to identify areas to improve both our security and our operational posture.
- **5010 and ICD-10 Compliance.** MHI is 5010 and ICD-10 compliant.

### SecDevOps – Application Security

- All applications are security assessed
- Vulnerabilities are fixed before applications are deployed
- Build Security In Maturity Model (BSIMM) coupled with CMMi is used to benchmark maturity

### Molina Compliance Record

- Molina complies with NIST 800-53, HIPAA, State Reg.'s and PCI
- Molina makes available to the State an independent SOC 2 AIPCA report where E&Y attests the systems control efficacy
- Molina has a record of being compliant with State and federal regulations. Most recently Molina satisfied the NY DFS Cybersecurity
- Molina encrypts all PHI at rest
- Molina requires 2 Factor Authentication
- Molina requires third parties to comply with security requirements ~215 vendors audited in last twelve months

MHI's MIS allows access to all Enrollee health information in a secure and confidential manner. To ensure the accuracy of Enrollee information, MHI has engineered and implemented an eligibility data management methodology and technology solution for the resolution of discrepancies that may exist between Enrollee eligibility files and internal Enrollee records.

Security measures are also applied across MHI and its affiliate health plans and across all applications. For example, Enrollees must register to log into our Enrollee portal and, once registered, are provided with an assigned user name and password. Enrollees are only able to see their health information after logging on. Further, once an Enrollee has logged in, our portal features a local session timeout that requires re-authentication after a period of inactivity.

#### **f. SYSTEM CHANGES OR ENHANCEMENTS THAT MAY TAKE PLACE DURING THE ANTICIPATED CONTRACT TERM**

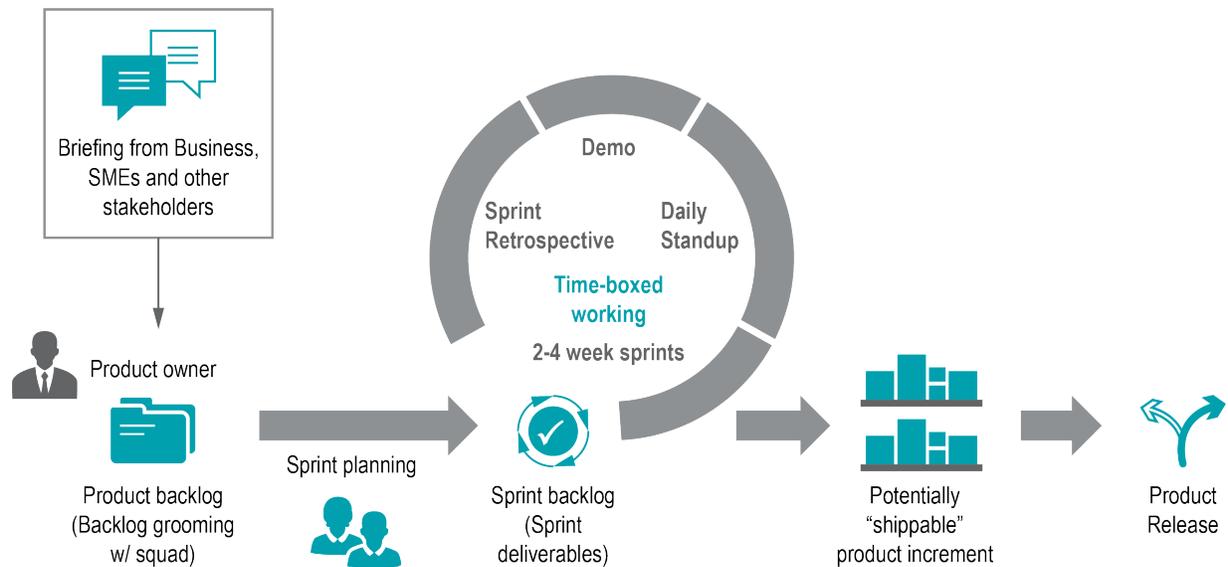
MHI recognizes that organizations need to respond rapidly to change to remain relevant and ensures that its IT applications are based on the latest industry trends and a digital architecture. Given Molina's MIS transformation over the last year, the Commonwealth would realize benefits day one from best-in-class healthcare platforms. In the spirit of continuous improvement, MHI continues to further enhance the experience at the health plan level and will enhance those attributes of its delivery model that further improve scalability, security, and the ability to more quickly integrate new technologies that benefit the Commonwealth, providers, and all stakeholders.

For more than two decades, we have developed and refined program implementation and management processes, tools, and techniques and tailored them to serve the complex needs of our state clients, providers, and Enrollees. As Medicaid experts who specialize in government programs we understand the stakes and the impact on Enrollees, providers and the entire healthcare system if things go wrong. That is why an effective implementation will transition Kentucky Medicaid Enrollees without disruption to the critical services they need, and stable operations will ensure continuous access to care and timely, accurate provider payment. A solid, proven management and control strategy creates a stable foundation that ensures high availability and service stability to promote good provider relationships, which in turn increases access to care.

We have successfully implemented healthcare programs across the nation, with recent successful implementations in Washington and Mississippi. We offer a proven, best practice implementation model to ensure Kentucky Medicaid program success and use a similar approach to prevent any disruption to operations when systems are upgraded and/or replaced. We also are transparent—effectively communicating about proposed system changes with state agencies and gaining approval before moving forward with them.

In recent years, we have adopted and applied Agile Project Management methodology to our implementations. This enables our team to be responsive, iterative, value-driven and better positioned to adjust and be flexible while maintaining the controls essential to deliver complex project implementations.

Our Agile cross-functional development teams (squads) consist of developers, testers, subject matter experts, a scrum master and a product owner. Each squad performs work in two to four-week sprints in which user stories are committed during Sprint Planning and followed by daily standup meetings. A showcase of working software is conducted via Demo followed by the sprint wrap up, including lessons learned during the retrospective. Exhibit C.6-21 depicts Molina's Agile project management methodology.



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### Exhibit C.6-21. MHI's Agile Project Management Methodology

The Agile approach increases our adaptability to more quickly respond to changing regulations. This was demonstrated during MHI's recent entry into the Mississippi Medicaid program, where they received late review topics from the state. Our Agile squads were able to quickly analyze the feedback and incorporate new requirements into the sprints to deliver a close to defect-free day-one go-live.

During the post-implementation phase, we continue with dedicated resources to monitor all capabilities and systems to ensure stability. We then complete our operational transition, which includes knowledge transfer and documentation, training, operations guide(s), and post production support procedures.

Both during implementation as well as after the post implementation phase, Molina leverages additional best practices to ensure the integrity, stability and reliability of the live production environment:

- **Release Management** provides the necessary controls to ensure that correct components are released. This uses processes such as cutover planning, forward schedule of changes, standard operating procedures, and rollback planning. Additionally, we use Development Operations concepts to enable continuous development and integration, continuous testing, and continuous release/deployment. This allows vigilant control during the move of code from non-production to production environments.
- **Requirements Management** facilitates the traceability of requirements throughout their lifecycle. This includes tracking of requirement changes, impact analysis as well as mapping to the quality assurance test cases and outcomes to ensure the end product is fit for use.
- **Quality Management** is integrated throughout IT, including all phases of the SDLC. Supported by a rigorous and automated environment management process, we maintain a central repository of test-environments aligned with the pipeline of demand, and in conjunction with continuous integration and release planning processes. This approach supports a clear path to production and enables changes to be pushed in a fast and efficient, but controlled manner.
- **Governance and control programs** ensure the processes described are operating within quality standards. This approach encompasses program oversight, risk management, performance management and stakeholder management throughout the SDLC.

Molina proactively avoids disruption via our Network Operations Center, a 24/7 function in which staff monitor systems, including applications, databases, network, and routers/switches. We employ a suite of enterprise monitoring tools that, in real time, report performance of our systems, applications, and infrastructure, and detect problematic episodes so they can be addressed before they impact operations.

Finally, Molina continuously optimizes the distribution of services across the hybrid cloud to ensure the best Enrollee and provider experience. All critical services are deployed into both a primary and a disaster recovery site and feature local high availability with remote disaster recovery. This means that Enrollees and providers will not typically experience outages outside of scheduled maintenance periods and declared disaster recovery incidents.