Congress of the United States
Washington, DC 20515

March 16, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Administrator Verma:

As leaders of the committees with Congressional jurisdiction over the Medicaid program, we are writing to request more information on implementation of the Transformed Medicaid Statistical Information System (T-MSIS) at the Centers for Medicare & Medicaid Services (CMS). We specifically write to you based on new findings from the Government Accountability Office's (GAO) new report, *Further Action Needed to Expedite Use of National Data for Program Oversight* (GAO-18-70).

Certainly, there has been a long-standing bipartisan interest in improving the quality of data available at the federal level in Medicaid. This issue has been the focus of several reports from both GAO and the Office of Inspector General of the Department of Health and Human Services.[1] The lack of quality Medicaid data may potentially hinder more robust program oversight, policy development, quality improvement, and other efforts.

With that in mind, we requested that GAO undertake an examination of the T-MSIS initiative. Our hope is that GAO's review can assist the agency and us in continuing to make progress toward the broader shared goal of improving CMS's ability to identify improper payments, helping ensure beneficiaries' access to services, and advancing program transparency and integrity.

The new GAO report carefully examined (1) states' experiences regarding T-MSIS implementation, and (2) challenges to CMS's and states' use of T-MSIS data for oversight. As GAO explained:

T-MSIS is designed to capture significantly more data from states than is the case with MSIS, thereby collecting data not previously reported that should provide CMS and

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[1] The Government Accountability Office, *Program Oversight Hampered by Data Challenges, Underscoring Need for Continued Improvements*, January 2017, available online: https://www.gao.gov/products/GAO-17-173 and Department of Health and Human Services Office of Inspector General, *T-MSIS Data Not Yet Available for Overseeing Medicaid*, June 2017, available online: https://oig.hhs.gov/oei/reports/oei-05-15-00050.asp

states with information to enhance their oversight efforts. T-MSIS includes the five data files that were collected through MSIS: an eligibility file and four claims files (inpatient, long-term care, pharmacy, and other). The scope of data to be collected from these five previously defined MSIS files has expanded to include more detailed information on enrollees, such as their citizenship, immigration, and disability status; and expanded diagnosis and procedure codes associated with their treatments.

Additionally, T-MSIS requires states to report three new data files on (1) providers, (2) third-party liability, and (3) managed care organizations.[2]

Many of the GAO's findings in its new report positively reflect on the agency's consistent efforts to implement T-MSIS in recent years. According to the report, 49 states had begun reporting T-MSIS data as of November 2017, a significant achievement. The report also highlights the fact that the agency is working hard to ensure that the implementation of T-MSIS will reduce the reporting burden states face, a goal the committees have long held. As GAO summarized, "CMS has taken important steps toward developing a reliable national repository for Medicaid data. T-MSIS has the potential to improve CMS's ability to identify improper payments, help ensure beneficiaries' access to services, and improve program transparency, among other benefits."[3]

Yet, at the same time, the report also documents the fact that work still has to be done to fully operationalize T-MSIS and realize its potential by ensuring that CMS and states can use the data for program oversight, quality improvement, and other efforts. Based on the findings of this report and conversations with state Medicaid directors and other Medicaid stakeholders, we seek further information to ensure successful implementation of T-MSIS continues in a manner that ensures the final T-MSIS system is useful, operationally viable, and sustainable. Thus we respectfully request a response to the following questions outlined below.

1. In its 2017 report, GAO recommended that CMS, "refin[e] the overall data priority areas in T-MSIS to better identify those variables that are most critical for reducing improper payments, and expedit[e] efforts to assess and ensure the quality of these T-MSIS data."[4] CMS agreed with the recommendation, but as of September 2017, the agency had not implemented it. What is CMS's plan to implement the recommendation? Please provide us with a concrete work plan and specific timeframes and milestones for implementing this recommendation.

2. One step CMS has taken to ensure the quality of T-MSIS data is creating a Technical Expert Panel of outside experts whose goal is to provide a report regarding any inconsistencies in the T-MSIS data. We were pleased to learn experts from the Office of the Actuary at CMS, the Congressional Budget Office, and the Medicaid and CHIP

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[2] The Government Accountability Office, *Medicaid: Further Action Needed to Expedite Use of National Data for Program Oversight*, January 2018, forthcoming
[3] Id.
[4] The Government Accountability Office, *Medicaid: Program Oversight Hampered by Data Challenges, Underscoring Need for Continued Improvements*, January 2017, available online: https://www.gao.gov/products/GAO-17-173

Payment and Access Commission (MACPAC) were represented on the panel. We are interested in better understanding the specific expertise available to CMS through the Technical Expert Panel, such as what number of participants had previous experience operating and/or advising on information technology systems, the breadth of experience in handling legacy data management systems, etc. Please provide the names and backgrounds of the Panel's participants. Additionally, please explain how the panel will be used in the future. For example, what are the goals for the panel's next round of review, and when will it provide recommendations to CMS?

3. GAO reports that changes in CMS's data reporting requirements further complicated some states' efforts to convert their data to the T-MSIS format. According to GAO, "CMS updated the T-MSIS data dictionary—the document that defines the required T-MSIS elements and their reporting formats—twice in 2013 and again in November 2015. This led to delays in some states reporting." While some iterative improvements are inherently necessary in large collaborative system changes of this scope and scale, to what degree does CMS anticipate any further updates to the data dictionary that could increase states' implementation timeframes? How will CMS help states come into compliance with the November 2017 dictionary and successive updates?

4. One factor impacting the quality of the data is the fact that a significant number of states are apparently not reporting complete data to CMS. According to GAO, "although CMS requires states to report all T-MSIS data elements applicable to their program, CMS officials said they did not specify a reporting deadline for states, and selected states' documentation to CMS did not always include the reasons they did not report certain elements, or whether or when they planned to report them."

   a. Please explain CMS's work plan and timeframe to address this issue. Does CMS believe that a reporting deadline would help incentivize states to report the data that CMS needs to conduct more robust oversight of the program?

   b. Of particular concern is the fact that some states are not reporting critical oversight data elements, such as National Provider Identifiers, Immigration Status, and Supplemental Payments—all of which are crucial to ensure that the integrity of the Medicaid program is upheld. Without such data, the usefulness of T-MSIS as an oversight tool for aiding program integrity could be significantly reduced. GAO noted that CMS could refine their T-MSIS data priority areas to identify those that are critical for reducing improper payments and expedite efforts to assess and ensure their quality. CMS agreed with this recommendation, but as of September 2017, the agency had not implemented it. What steps has CMS taken to ensure that at a minimum, critical pieces of data significant to program integrity efforts—such as the three mentioned above—are reported by every single state? What is CMS's workplan and timeframe to ensure every state is reporting every essential data field?
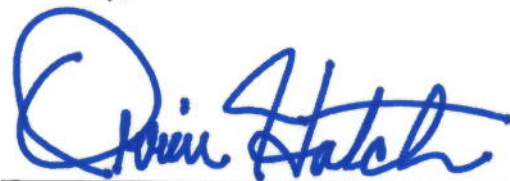
5. The committees applaud CMS's plan, as outlined in the GAO report, to launch a Learning Collaborative with states to facilitate feedback and collaboration. We would like to learn more about this promising effort.

   a. As part of that collaborative or separately, will CMS be publishing a work plan to help inform the states of future goals and deadlines for the full implementation of the T-MSIS program? As GAO states, "absent a specific plan and time frames, CMS's ability to use these data to oversee the program, including ensuring proper payments and beneficiaries' access to services, is limited."

   b. Please provide the concrete steps and timeline that CMS will be taking to move forward on GAO's recommendation to create such a work plan.

6. Understanding that the T-MSIS constitutes a significant programmatic shift for both the states and CMS, the committees would like to better understand the resources CMS has (or may still need) to implement the T-MSIS initiative.

   a. How many full-time equivalents (FTEs) does CMS dedicate to managing and developing T-MSIS and bringing states into compliance?

   b. How much funding has CMS obligated for contractors to provide technical assistance to states, review and clean data submissions, and advise CMS?

   c. What funding authorities and total amount of funds are available to T-MSIS implementation for CMS? Please provide some context as to how these totals compare with Medicare data investments.

   d. Does CMS believe additional FTEs, authorities, or funding will be necessary to ensure a successful implementation of the program?

We respectfully request a response to this letter no later than 30 days after its receipt. While we understand this is a relatively brief timeframe for a detailed response, we believe the timeframe is appropriate and warranted.
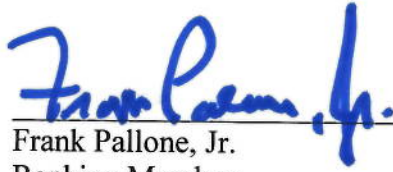
Sincerely,

Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives

Orrin G. Hatch
Chairman
Senate Committee on Finance
U.S. Senate

Frank Pallone, Jr.
Ranking Member
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