DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

SHO # 18-008

RE: Transformed-Medicaid Statistical Information System (T-MSIS)

August 10, 2018

Dear State Health Official:

The Centers for Medicare & Medicaid Services (CMS) is issuing this letter to provide guidance to states regarding expectations for Medicaid and Children's Health Insurance Program (CHIP) data and ongoing Transformed-MSIS (T-MSIS) implementation. As discussed in the August 23, 2013 State Medicaid Directors letter,[1] all states are required by law to submit certain kinds of data.

CMS appreciates states' continued partnership on T-MSIS, now resulting in all states, the District of Columbia, and Puerto Rico successfully in production of T-MSIS data.[2] CMS continues to monitor ongoing monthly T-MSIS data submissions and to work with the remaining U.S. territories and entities not yet submitting data. CMS now is shifting our T-MSIS efforts to assessing and improving the quality of T-MSIS data.

The purpose of this SHO letter is to inform states and other stakeholders about steps CMS plans to take to assess, improve, and maintain T-MSIS data quality, our priorities for data quality, and how we and other stakeholders will begin to make use of T-MSIS data. Continuous T-MSIS data quality review and improvement will be an ongoing task, and CMS expects states to consider it a permanent and ongoing process of state operations.

CMS is committed to working with states on improving their data submissions by addressing known issues and through ongoing data integrity reviews. While CMS recognizes this initiative will require some flexibility in state approaches, CMS expects states to develop achievable goals and commit the necessary resources to make steady progress in improving the quality of their data submissions over reasonable timeframes.

The lack of access to high quality, timely Medicaid and CHIP data is a concern of the Government Accountability Office (GAO) and other oversight entities, and is routinely highlighted in their reports.[3] Ongoing availability of high-quality T-MSIS data is essential to

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[1] https://www.medicaid.gov/federal-policy-guidance/downloads/smd-13-004.pdf
[2] This excludes a few remaining entities (e.g., CHIP and Third Party Administrator (TPA), and other territories.
[3] Examples of relevant GAO and OIG reports include: Medicaid: Further Action Needed to Expedite Use of National Data for Program Oversight, GAO-18-70; Not All States Reported Medicaid Managed Care Encounter

ensure robust monitoring and oversight of Medicaid and CHIP programs, to enable evaluation of demonstrations under section 1115 of the Social Security Act (the Act) and to calculate quality measures and other metrics, including those reported through the new Medicaid and CHIP (MAC) Scorecard released on June 4, 2018.[4]

States should be aware ongoing access to enhanced funding for additional systems enhancements and operational costs is contingent upon the state's continued ability to meet T-MSIS requirements of complete, accurate, and timely data reporting. These requirements may be found in statute and federal regulations. Section 4753 of the Balanced Budget Act of 1997, P.L. 105-33, amended section 1903(r) of the Act to include a statutory requirement for states to submit claims data, enrollee encounter data, and supporting information. Section 6504 of the Patient Protection and Affordable Care Act, P.L. 111-148, as amended by the Health Care and Education Reconciliation Act, P.L. 111-152 (collectively, the Affordable Care Act) strengthened this provision by requiring states to include data elements the Secretary of Health and Human Services determines necessary for program integrity, program oversight, and administration. The Medicaid managed care regulation published in May 2016 further describes the requirements for the submission of encounter data (see 42 CFR 438.242, 438.604 and 438.818). As part of encounter data reporting, CMS expects states to report all actual payment-related fields stipulated in the T-MSIS documentation and referenced in the Medicaid managed care regulations. Proprietary or trade secret data will be protected appropriately. States should refer to Medicaid.gov for detailed information on submitting T-MSIS data, including the data dictionary and coding information.[5]

Ongoing State Commitments

T-MSIS data are reviewed through two data quality methods. The first is the T-MSIS system business rules review, performed for each monthly data submission by the state, which displays the results of the basic edits and identifies the obvious errors as the data are processed.[6] These errors are accessible to states through the T-MSIS operational dashboard. States are expected to proactively and continuously address errors identified by the system business rules review. The second method reviews each state's data through inferential validation. Inferential validation looks at patterns in each state's data and identifies "warnings" where data elements fall outside of a normal range. CMS is sharing these data quality results with states during meetings as part of its ongoing data quality monitoring efforts and expects states to make corrections to address identified issues.

States' ability to make complete, accurate, and timely T-MSIS data submissions is integral to the success of the Medicaid and CHIP programs. States should therefore consider how system changes and/or enhancements could impact T-MSIS data submission. States should notify CMS early of potential system or operational changes potentially impacting the quality, completeness, and/or timeliness of the state's T-MSIS data submissions, and then work with CMS to follow

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Data as Required, OEI-07-13-00120. For other examples and more information, please see https://www.gao.gov/ and https://oig.hhs.gov/

[4] https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2018-Press-releases-items/2018-06-04.html.

[5] https://www.medicaid.gov/medicaid/data-and-systems/macbis/tmsis/index.html

[6] Basic edits may include checking for valid data types (character, numeric, etc.) checking for valid data values, checking data related elements that are key to linking for meaningful results.

best practices in the planning, design, development, testing, and implementation of these changes. Through its vendor contracts, states should ensure changes to the state's systems or operations will not result in any degradation in the level of quality, completeness, and/or timeliness of its T-MSIS data submissions.

Data Quality Priorities

CMS has identified 12 Top Priority Items (TPI)[7] for post-production data quality all states should address. States should resolve any data quality item identified as a pre-production issue and implement an appropriate plan of action to address the issue. States should use the CMS-provided data quality tracking tool to document their plans of action and their planned compliance dates for fixing identified data quality issues. CMS expects each state to resolve data quality issues for these items no later than six months after release of this letter. If a state cannot resolve any issue identified with respect to these 12 TPI items within the six-month timeframe, CMS will request a corrective action plan from the state.

CMS will expand the data quality review from the 12 TPI items to a more comprehensive data quality approach later this year. CMS will work with states to determine the priority and the timeline for resolution of identified data quality items. States should refer to Medicaid.gov for detailed information[8] on submitting T-MSIS data, including the data dictionary, coding information, and new information posted regarding technical and data quality priorities.

Use of T-MSIS Data

States, oversight entities, Congress, policy researchers, entrepreneurs, and others are eager to access the T-MSIS data set. CMS intends to make T-MSIS data available through a variety of data products, such as analytic files, data marts, routine reports, and systems accessibility through open application program interface. CMS anticipates making T-MSIS research-ready files available in calendar year 2019.

CMS would like to thank states for their continued partnership in developing this robust repository of T-MSIS data. CMS looks forward to using and strengthening the T-MSIS data set for data-driven decision-making and improving health outcomes of Medicaid and CHIP beneficiaries.

Sincerely,

/S/

Tim Hill
Acting Director

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[7] Examples of these 12 Top Priority Items include: managed care encounter data, eligibility group coding, CHIP coding, duplicate claims, cross-file linkages. For more detail, please see https://www.medicaid.gov/medicaid/data-and-systems/macbis/tmsis/tmsis-blog/?entry=45422
[8] https://www.medicaid.gov/medicaid/data-and-systems/macbis/tmsis/index.html

cc:
National Association of Medicaid Directors
National Academy for State Health Policy
National Governors Association
American Public Human Services Association
Association of State Territorial Health Officials
Council of State Governments
National Conference of State Legislatures
Academy Health