

OM – Claims Adjudication					
Calculate Spend-Down Amount					
Capability Question	Level 1	Level 2	Level 3	Level 4	Level 5
Business Capability Descriptions					
Is the process primarily manual or automatic?	The process consists primarily of manual paper-based activity to accomplish tasks.	SMA uses a mix of manual and automatic processes to accomplish tasks.	SMA automates process to the full extent possible within the intrastate.	Maturity level is not applicable.	Maturity level is not applicable.
What methodology is used for managing spend down calculations?	The member submits the claims and receipts to SMA. There is a manual process for tallying claim amounts, subtracting disallowed amounts, and determining if member has met the spend down in a given period.	An electronic tally adds member bills and reports on progress toward spend-down threshold.	Members are eligible for Medicaid coverage with a deductible amount equal to their spend-down requirements for the specified period. Spend down is essentially eliminated as a distinct process.	Maturity level is not applicable.	Maturity level is not applicable.
How does the member present proof that it has incurred and/or paid health care bills?	The member submits the claims/bill and/or receipts to SMA.	Members may submit electronic spend-down reports, and either scan, facsimile, or mail health care bills and receipts. SMA keys data into an electronic system. Providers submit claims and system automatically applies to	SMA uses SMA adopts MITA Framework, industry standards, and other nationally recognized standards for access to Health Information Exchange (HIE) for direct billing to payer.	Maturity level is not applicable.	Maturity level is not applicable.

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	spend down.				
How does the State Medicaid Agency track payments for health care bills?	SMA tracks a member's costs for health services by tallying paper bills by staff and receipts until member meets spend-down amount for each period.	An electronic tally adds member's bills and reports on progress toward spend-down threshold. Staff enters information and the system calculates.	SMA tracks deductible until member meets spend-down threshold. System notifies staff and/or claims payment system when member meets spend-down the threshold.	Maturity level is not applicable.	Maturity level is not applicable.
How does the agency determine that the member has met the spend-down target?	Staff applies spend down business rules to decide whether the submitted costs are allowable and in the appropriate period to apply the costs, sometimes resulting in inconsistent determinations or controversy with the member. The process is manual.	SMA tests claims submitted by the member against Medicaid Program payment business rules. SMA identifies services and amounts that Medicaid will not pay.	The deductible calculation is automatic. SMA receives signal when member will soon reach or has reached the spend-down threshold.	Maturity level is not applicable.	Maturity level is not applicable.

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How does the State Medicaid Agency transmit that the member has met spend-down requirements to the claims payment processes and the provider community?	If member meets the spend-down, staff keys change in eligibility status into the member's record so that provider claims will pay for a specified period. Providers submit denied claims for billing to the member until member meets spend down.	If member meets spend down, staff keys change in eligibility status into the member's record so that subsequent claims will pay for a specified period. Providers have difficulty determining whether the member has met spend-down requirements and the remaining amount the member has to pay before the provider may bill Medicaid.	Providers are able to determine spend down amount when they verify eligibility. SMA automatically adjusts the member's spend-down amount during claims processing.	Maturity level is not applicable.	Maturity level is not applicable.
Does the State Medicaid Agency use standards in the process?	SMA focuses on meeting compliance thresholds for state and federal regulations using state-specific standards.	SMA applies a mix of HIPAA and state-specific standards.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards for intrastate exchange of information.	Maturity level is not applicable.	Maturity level is not applicable.
How does the State Medicaid Agency collaborate with other agencies or entities in performing the	Very little collaboration occurs with other agencies to standardize information exchange or	SMA collaborates with other agencies and entities to adopt HIPAA standards and Electronic Data Interchange (EDI)	SMA collaborates with other intrastate agencies and entities to adopt national standards, and to develop and share	Maturity level is not applicable.	Maturity level is not applicable.

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process?	business tasks.	transactions.	reusable business services.		
Business Capability Quality: Timeliness of Process					
How timely is the end-to-end process?	Process meets threshold or mandated requirements for timeliness (i.e., the process achieves results within the time specified by law or regulation).	Process timeliness improves through use of automation. Timeliness exceeds legal requirements.	Timeliness improves via state and federal collaboration, use of information sharing, standards, and regional information exchange hubs. Switch to auto-deductible accounting supports real-time reporting of spend down totals. Timeliness exceeds Level 2.	Maturity level is not applicable.	Maturity level is not applicable.
Business Capability Quality: Data Access and Accuracy					
How accurate is the information in the process?	Use of direct data entry for information collection is manually intensive and susceptible to inconsistent or incorrect information. Stakeholders are	HIPAA standard transactions improve accuracy of information but the decision-making process may be erroneous or misleading. Accuracy is higher than at Level 1.	Automation of information collection increases the reliability of SMA's internal information. External sources of information use MITA Framework and	Maturity level is not applicable.	Maturity level is not applicable.

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	unable to rely on information for decision-making.		industry standards for information exchange. Decision-making is automatic using standardized business rules definitions. Accuracy rating is at 99% or higher.		
How accessible is the information in the process?	SMA stores information in disparate systems including paper storage and obtains information manually.	SMA stores information in disparate systems, but automation and HIPAA standards increase accessibility over Level 1.	SMA obtains information easily and exchanges with intrastate agencies and entities based on MITA Framework and industry standards. Accessibility is greater than Level 2.	Maturity level is not applicable.	Maturity level is not applicable.
Business Capability Quality: Cost-Effectiveness					
What is the cost of the process compared to the benefits of its results?	High relative cost due to low number of automatic, standardized tasks.	Automation improves process and allows focus on exception resolution, improving cost effectiveness ratio over Level 1.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards. Auto-deductible accounting further	Maturity level is not applicable.	Maturity level is not applicable.

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			improving cost effectiveness ratio over Level 2.		
Business Capability Quality: Effort to Perform; Efficiency					
How efficient is the process?	Process is labor intensive. There is wasted effort or expense to accomplish tasks. Process meets minimum state process guidelines and SMA performance standards. Efficiency is low.	Automation and state standards increase productivity. Efficiency is higher than Level 1.	SMA adopts MITA Framework, industry standards and information exchange with intrastate agencies and entities improving efficiency to 95% or higher.	Maturity level is not applicable.	Maturity level is not applicable.
Business Capability Quality: Accuracy of Process Results					
How accurate are the results of the process?	Manual processes result in greater opportunity for human error. Accuracy is low.	Automation and standardized business rules definitions reduce error and improve accuracy above Level 1.	SMA adopts MITA Framework, industry standards and information exchange with intrastate agencies and entities improving accuracy to 90% or higher.	Maturity level is not applicable.	Maturity level is not applicable.

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Business Capability Quality: Utility or Value to Stakeholders					
Does the business process satisfy stakeholders?	Stakeholders lack confidence in information negatively affecting stakeholder satisfaction with the process.	Automation and standardization provides clear and useful information. Stakeholder satisfaction is greater than Level 1.	SMA adopts MITA Framework, industry standards and information exchange with intrastate agencies and entities improving stakeholder satisfaction to 90% or higher. SMA uses survey or questionnaire for information collection.	Maturity level is not applicable.	Maturity level is not applicable.