Part I – BUSINESS ARCHITECTURE
Chapter 4 – BUSINESS PROCESS MODEL

Table of Contents

List of Figures

List of Tables

Introduction

This chapter presents the Medicaid IT Architecture (MITA) Business Process Model (BPM) and explains the role of the BPM in the MITA Framework. A business process model is a visual diagram or narrative representation of the sequential flow and control logic of a set of related activities or actions.

This topics covered in this chapter include:

❖ Business Process Model

❖ MITA Business Process Model

❖ Medicaid Enterprise

❖ MITA Business Process

❖ Transformation of Business Processes

Purpose

This chapter focuses on communicating the structure of and rationale for the MITA BPM and the role of the BPM in the MITA Framework. The BPM consists of ten (10) business areas that accommodate desired operational activities of the Medicaid Enterprise. The BPM bases business activities on key enterprise operations and standard business practices.

Scope

The MITA Framework delivers a baseline model with business area and descriptions of business processes common to all State Medicaid Enterprises. (See Part I, Appendix C, Business Process Model Details for more information.) In the MITA Framework, the emphasis is on defining business processes for the State Medicaid Agency (SMA) as they are today. The BPM model describes new business processes as the business matures (e.g., at Maturity Level 3, where SMA coordinates with other state and local agencies to create a "no wrong door" beneficiary intake process). Many business processes that States engage in today will change and adapt in the future (e.g., at Maturity Level 4, claims processing conducts message exchange directly between a provider's electronic medical record or other source of clinical information and a payer's reimbursement process).

The MITA Business Architecture (BA) defines the common operations of all State Medicaid Enterprises that are the foundation for creating the Information Architecture (IA) Conceptual Data Model (CDM) and Logical Data Model (LDM). The BPM also provides critical information (e.g., triggers, business rules, and shared data) that the Technical Architecture (TA) needs to develop and provide services.

Business Process Model

A BPM describes what an organization or business does, including the events that initiate those processes (i.e., the trigger event). A BPM also describes the results of those processes. The MITA Team chose a process-oriented business model because it fits best in a framework that supports over 51 State Medicaid Agencies, each with its own

organizational structure, policies, and operational procedures. The MITA process-oriented approach views the business cross-functionally and organizes the actions of the business as a set of activities that respond to business events. Opportunities for real process improvements and dramatic business changes are more likely to emerge from this perspective because it dismantles existing organizational structures that do not share information readily. The BPM does not care what the business organizational structure is, who does the work, or where the organization performs the work. Its focus is on the activity itself (i.e., what initiates the activity and what the activity produces). In this sense, the BPM offers a one-size-fits-all solution because it focuses on the core business activity of the Medicaid Enterprise and not the quality attributes, design and implementation constraints, or external interfaces the system will have.

MITA Business Process Model

The MITA BPM is a model representing the operations of the Medicaid Enterprise for the SMA. It describes the typical Medicaid business processes found in a state and organizes them into various categories of common functionality or focus called Business Areas (e.g., Provider Management, Member Management, and Operations Management). The role of the MITA BPM is to provide a common reference point for the SMA. The SMA and their vendors can then map their current processes to the BPM, which lets them describe their business processes in a standard way and use a common vocabulary. See Part I, Appendix C, Business Process Model Details, for more information.

The Business Process Hierarchy

The MITA business process hierarchy is a structure that groups together business processes that have a common purpose and share data. Provider Management, for example, focuses on provider information management and support activities (distinct from payment or auditing) and is responsible for a designated provider data store. **Figure 4-1** illustrates the tiers, hierarchy, and groupings used by the MITA BPM. Tier 1 is the business area grouping, Tier 2 is the business category grouping, and Tier 3 is the business process.
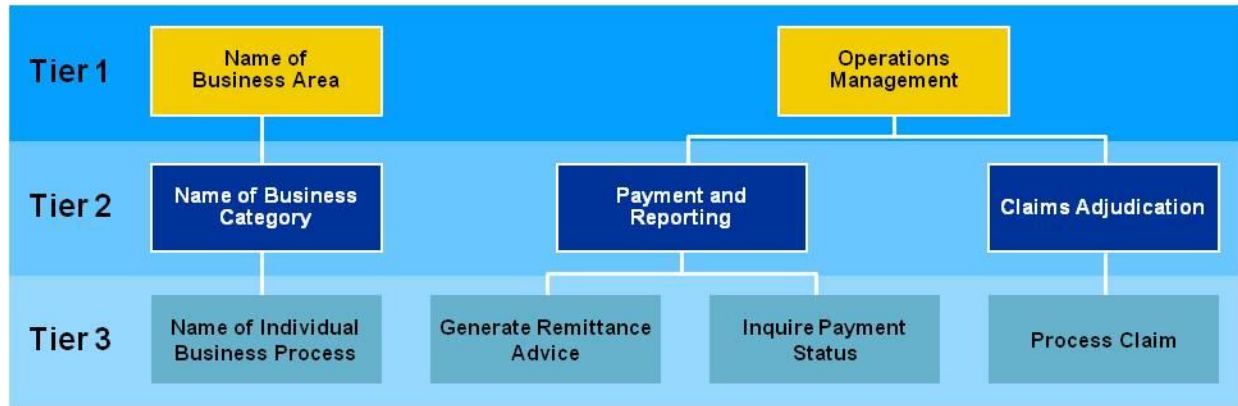
Figure 4-1. MITA Business Process Model Hierarchy

> *The title of a business area or a Tier 1 grouping of business areas appears as a noun (e.g., Operations Management, Provider Management). Tier 2 is a grouping of related business categories and appears as a noun (e.g., Payment and Reporting, Claims Adjudication). The business process appears in Tier 3 as a verb + object (e.g., Generate Remittance Advice, Process Claim).*

Medicaid Enterprise

The Medicaid Enterprise consists of ten (10) business areas that contain 80 individual business processes. **Figure 4-2** shows the first tier of hierarchy with each of the MITA business areas that show the boundaries of the Medicaid Enterprise according to the MITA Initiative.

Figure 4-2. Medicaid Enterprise Business Process Model

Figure 4-3 provides an overview of the MITA Framework 3.0 Business Process Model with business areas and business processes.

NOTE: The diagram exhibits Tiers 1 and 3 of the MITA BPM in order to present the BPM on a single page.

Business Relationship Management (4)

| Establish Business Relationship | Terminate Business Relationship |
| Manage Business Relationship Information | Manage Business Relationship Comm. |

Care Management (9)

Establish Case	Perform Screening and Assessment
Manage Case Information	Manage Treatment Plan and Outcomes
Manage Population Health Outreach	Authorize Referral
Manage Registry	Authorize Service
Authorize Treatment Plan	

Contractor Management (9)

Inquire Contractor Information	Award Contract
Manage Contractor Information	Close Out Contract
Manage Contractor Communication	Manage Contract
Perform Contractor Outreach	Produce Solicitation
Manage Contractor Grievance and Appeal	

Eligibility and Enrollment Management (8)

Determine Member Eligibility	Determine Provider Eligibility
Enroll Member	Enroll Provider
Inquire Member Eligibility	Inquire Provider Information
Disenroll Member	Disenroll Provider

Financial Management (19)

Manage Provider Recoupment	Manage Capitation Payment
Manage TPL Recovery	Manage Incentive Payment
Manage Estate Recovery	Manage Accounts Payable Information
Manage Drug Rebate	Manage Accounts Payable Disbursement
Manage Cost Settlement	Manage 1099
Manage Accounts Receivable Information	Formulate Budget
Prepare Member Premium Invoice	Manage Budget Information
Manage Contractor Payment	Manage Fund
Manage Member Financial Participation	Generate Financial Report
Manage Accounts Receivable Funds	

Member Management (4)

| Manage Member Information | Manage Applicant and Member Communication |
| Manage Member Grievance and Appeal | Perform Population and Member Outreach |

Operations Management (9)

Generate Remittance Advice	Process Claim
Inquire Payment Status	Process Encounter
Prepare Provider Payment	Calculate Spend-Down Amount
Manage Data	Submit Electronic Attachment
Apply Mass Adjustment	

Performance Management (5)

Identify Utilization Anomalies	Manage Compliance Incident Information
Establish Compliance Incident	Determine Adverse Action Incident
Prepare REOMB	

Plan Management (8)

Develop Agency Goals and Objectives	Manage Performance Measures
Maintain Program Policy	Manage Health Benefit Information
Maintain State Plan	Manage Reference Information
Manage Health Plan Information	Manage Rate Setting

Provider Management (5)

Manage Provider Information	Manage Provider Communication
Terminate Provider	Manage Provider Grievance and Appeal
Perform Provider Outreach	

BA - 4 - 15

Figure 4-3. MITA Framework 3.0 Business Process Model

Business Relationship Management

The Business Relationship Management business area is a collection of business processes that facilitates the coordination of standards of interoperability. This business area defines the exchange of information and Trading Partner Agreements (TPA) between the SMA and its partners, including collaboration among intrastate agencies, interstate agencies, and federal agencies. These agreements contain functionality for interoperability, establishment of inter-agency Service Level Agreements (SLA), identification of the types of information exchanged, and security and privacy requirements. The Business Relationship Management business area has a common focus (e.g., data exchange standards and SLA) and is responsible for the business relationship data store.

Figure 4-4 illustrates the Business Relationship Management BPM.
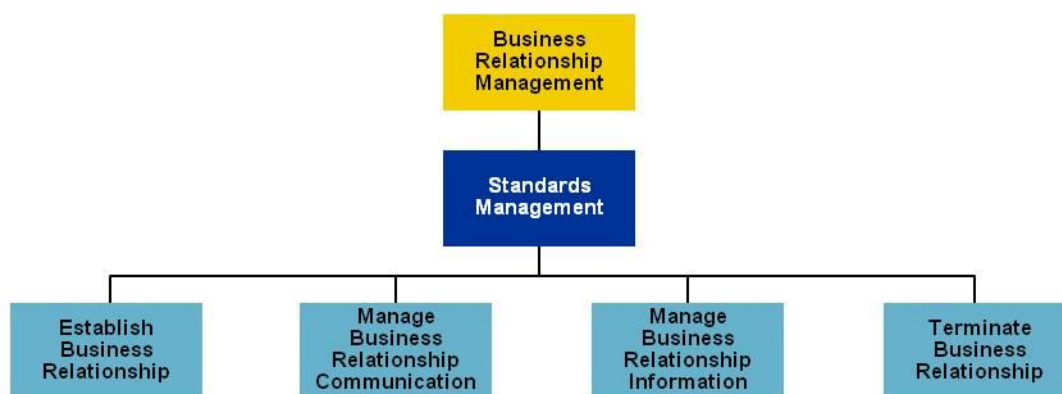
**Figure 4-4. Business Relationship Management Business Process Model**

Care Management Business Area

The Care Management business area illustrates the increasing shift away from the fee-for-service model of care. Care Management collects information about the needs of the individual member, plan of treatment, targeted outcomes, and the individual's health status. It also contains business processes that have a common purpose (e.g., identify members with special needs, assess needs, develop treatment plan, monitor and manage the plan, and report outcomes). This business area includes processes that support individual care management and population management. Population management targets groups of individuals with similar characteristics to promote health education and awareness. The Electronic Health Record (EHR), Electronic Medical Record (EMR), and Personal Health Record (PHR) are primary sources of individual health information from the Health Information Exchange (HIE).

Care Management includes Disease Management, Catastrophic Case Management, Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), Population Management, Patient Self-Directed Care Management, national health registries, and Waiver Program Case Management. The Care Management business area is responsible for the case

management, authorizations, referrals, and treatment plans data stores. Care Management also contains business processes for authorization determination including authorizing referrals, service and treatment plans.

Figure 4-5 illustrates the Care Management BPM.
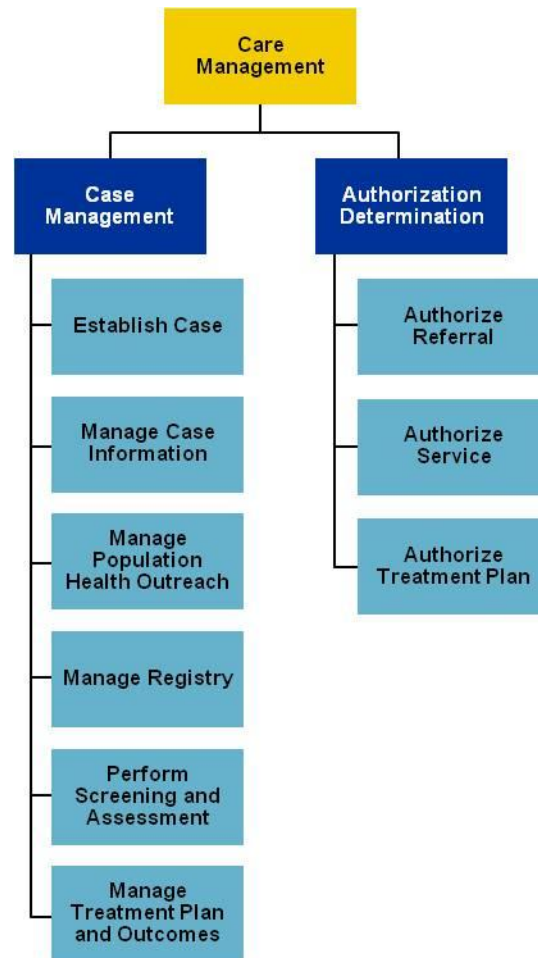
BA-4-4

Figure 4-5. Care Management Business Process Model

Contractor Management Business Area

The Contractor Management business area accommodates a SMA that has managed care contracts or a variety of outsourced contracts. The Contractor Management business area has a common focus on Medicaid contractors (e.g., managed care, at-risk mental health or dental care, primary care physician), is responsible for contractor data store, and uses business processes that have a common purpose (e.g., fiscal agent, enrollment broker, Fraud Enforcement Agency, and third-party recovery).

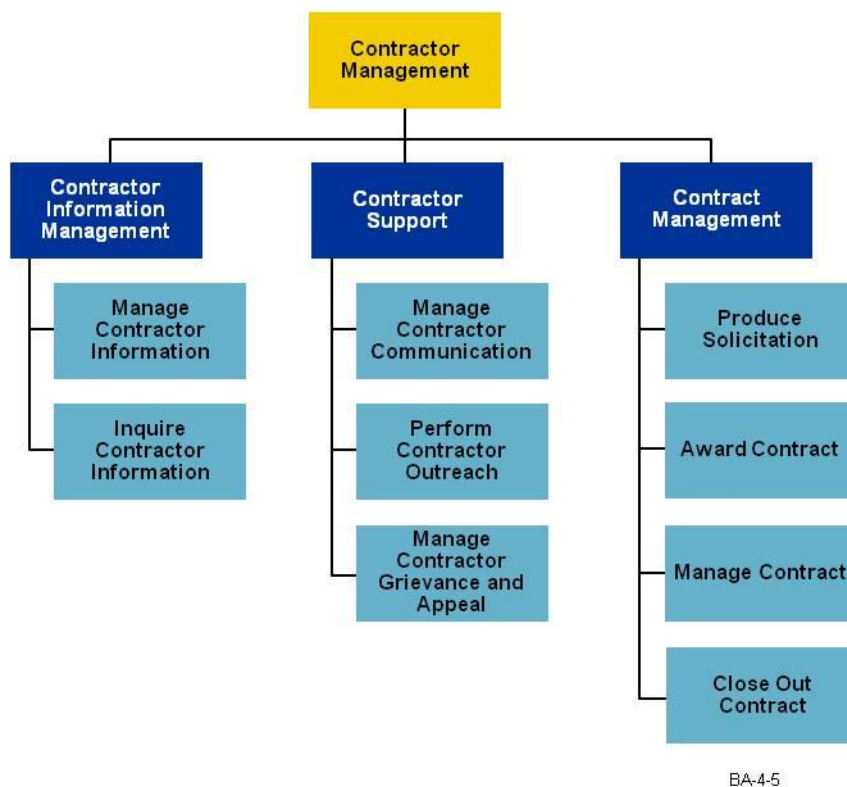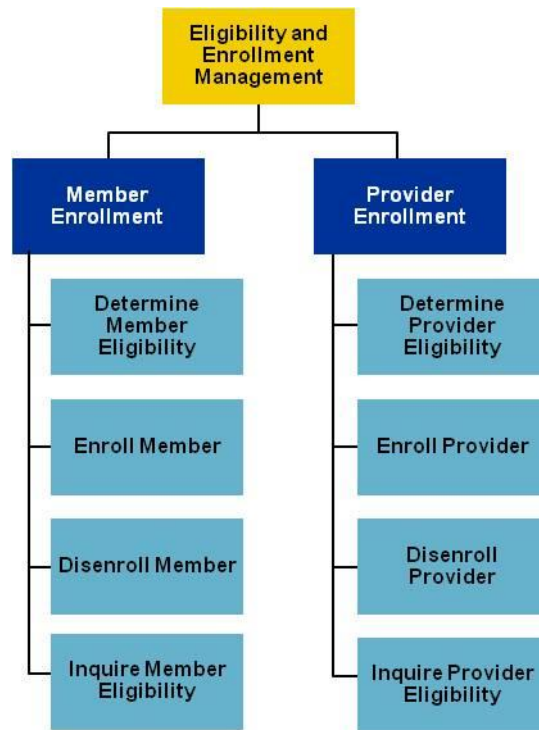Figure 4-6 illustrates the Contractor Management BPM.

BA-4-5

Figure 4-6. Contractor Management Business Process Model

Eligibility and Enrollment Management

The Eligibility and Enrollment Management business area is a collection of business processes involved in the activity for determination of eligibility and enrollment for new applicants, redetermination of existing members, enrolling new providers, and revalidation of existing providers. The Provider Enrollment business category and related business processes focus on patient safety and fraud prevention through functions such as determining screening level (i.e., limited, moderate or high) for provider verifications. These processes share a common set of provider-related data for determination of eligibility, enrollment, and inquiry to provide services. The Eligibility and Enrollment Management business area is responsible for the eligibility and enrollment information of the member data store as well as the provider data store.

Figure 4-7 illustrates the Eligibility and Enrollment Management BPM.

NOTE: Due to the regulation rule-making efforts underway at Centers for Medicare & Medicaid Services (CMS), the MITA Framework 3.0 does not include the Eligibility & Enrollment (Member), the Member Management business processes or business capability matrices, and a portion of the Concept of Operations (COO) outlining the "to-be" for eligibility, enrollment, and insurance exchange information. CMS will update the MITA Framework 3.0 with appropriate information from the final rules in 2012.
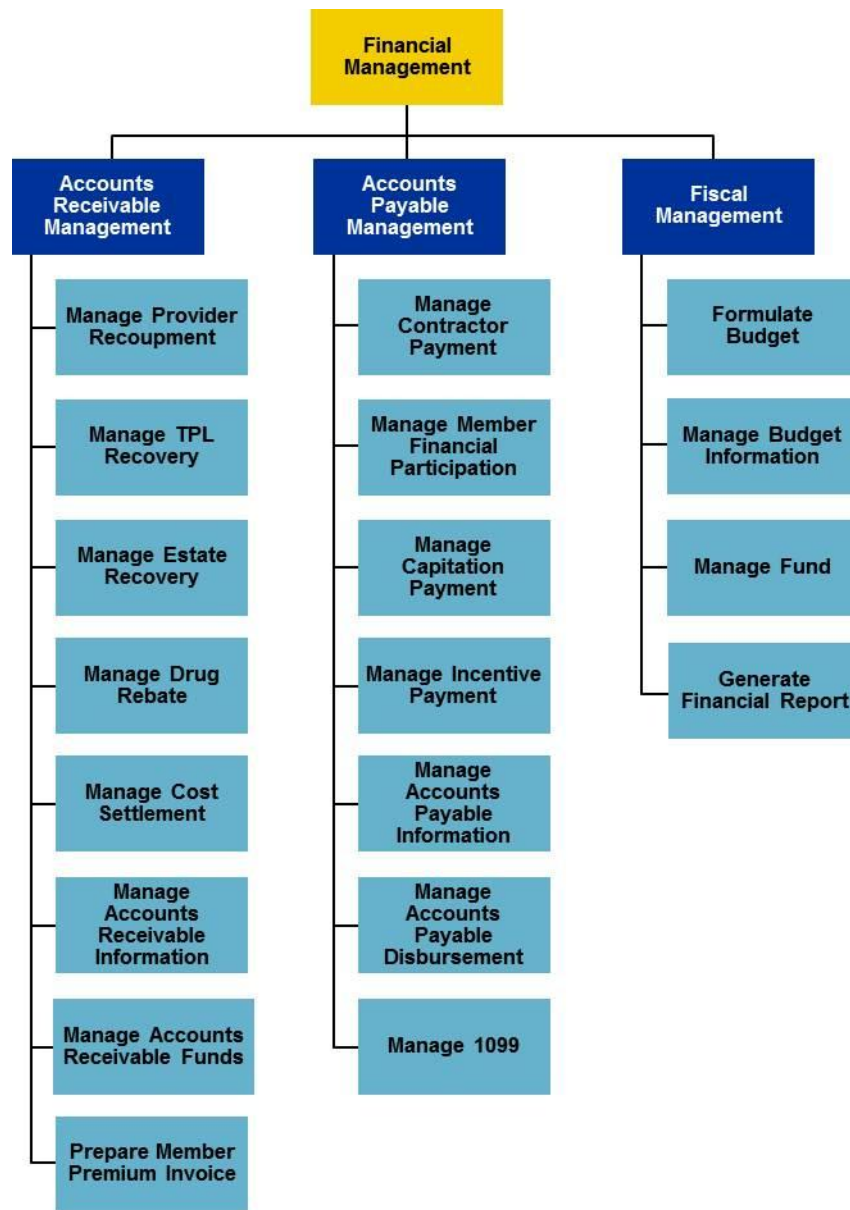
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Figure 4-7. Eligibility and Enrollment Management Business Process Model

Financial Management

The Financial Management business area is a collection of business processes to support the payment of providers, managed care organizations, other agencies, insurers, Medicare premiums, and supports the receipt of payments from other insurers, providers, and member premiums and financial participation. These processes share a common set of payment- and receivables-related data. The Financial Management business area is responsible for the financial data store.

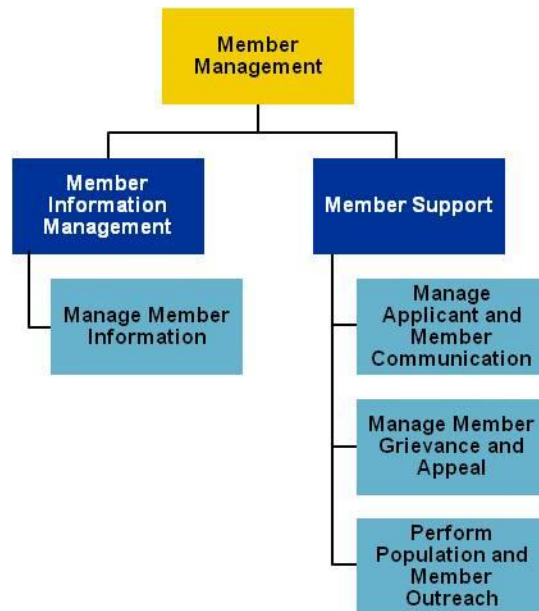**Figure 4-8** illustrates the Financial Management BPM.

BA-4-7

Figure 4-8. Financial Management Business Process Model

Member Management Business Area

The Member Management business area is a collection of business processes involved in communications between the SMA and the prospective or enrolled member and actions that the agency takes on behalf of the member. This business area is responsible for managing the member data store, coordinating communications with both prospective and current members, outreach to current and potential members, and dealing with member grievance and appeals issues.

Figure 4-9 illustrates the Member Management BPM.

NOTE: *Due to the regulation rule-making efforts underway at CMS, the MITA Framework 3.0 does not include the Eligibility & Enrollment (Member), the Member Management business processes or business capability matrices, and a portion of the Concept of Operations (COO) outlining the "to-be" for eligibility, enrollment, and insurance exchange information. CMS will update the MITA Framework 3.0 with appropriate information from the final rules in 2012.*
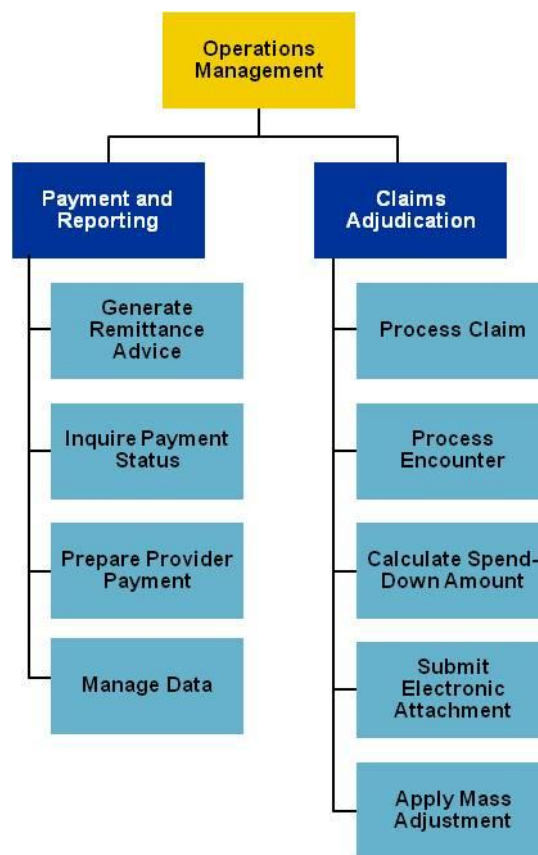

BA-4-8

Figure 4-9. Member Management Business Process Model

Operations Management Business Area

The Operations Management business area is a collection of business processes that manage claims and prepare premium payments. This business area uses a specific set of claims-related data and includes processing (i.e., editing, auditing and pricing) a variety of claim forms including professional, dental, institutional, drug and encounters, as well as sending payment information to the provider. All claim processing activity incorporates compatible methodologies of the National Correct Coding Initiative (NCCI). The Operations Management business area is responsible for the claims data store.

Figure 4-10 illustrates the Operations Management BPM.

BA-4-9

Figure 4-10. Operations Management Business Process Model

Performance Management Business Area

The Performance Management business area is a collection of business processes involved in the assessment of program compliance (e.g., auditing and tracking medical necessity and appropriateness of care, quality of care, patient safety, fraud and abuse, erroneous payments, and administrative anomalies). This business area uses information about an individual provider or member (e.g., demographics, information about the case itself such as case manager ID, dates, actions, and status, and information about parties associated with the case) and uses this information to perform functions related to utilization and performance. The Performance Management business area is responsible for the business activity and compliance data stores.

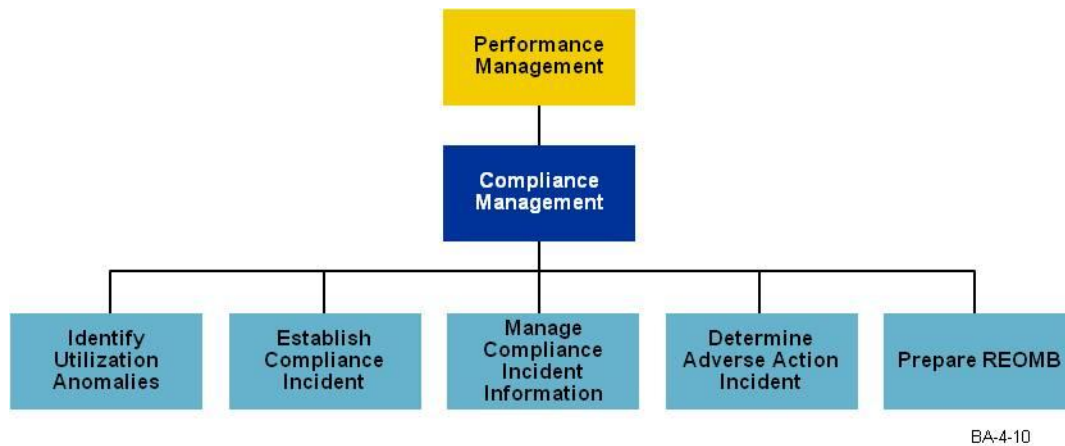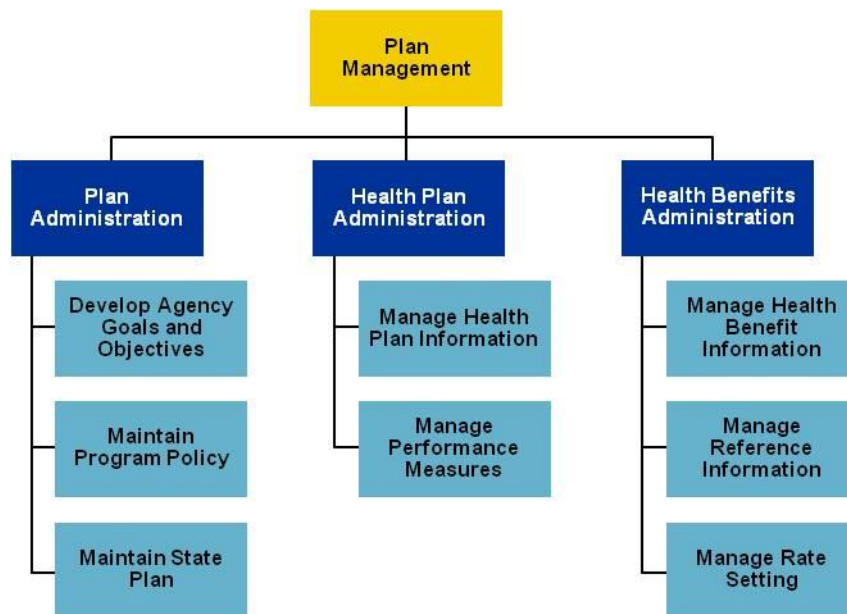**Figure 4-11** illustrates the Performance Management BPM.

BA-4-10

Figure 4-11. Performance Management Business Process Model

Plan Management Business Area

The Plan Management business area includes the strategic planning, policymaking, monitoring, and oversight business processes of the agency. This business area is responsible for the primary data stores (e.g., Medicaid State Plan, health plans and health benefits) as well as performance measures, reference information, and rate setting data stores. The business processes includes a wide range of planning, analysis, and decision-making activities. These activities include service needs and goals, health care outcome targets, quality assessment, performance and outcome analysis, and information management.

As the Medicaid Enterprise matures, Plan Management benefits from immediate access to information, addition of clinical records, use of nationally recognized standards, and interoperability with other programs. The Medicaid Program is moving from a focus on daily operations (e.g., number of claims paid) to a strategic focus on how to meet the needs of the population within a prescribed budget.

Figure 4-12 illustrates the Plan Management BPM.

Figure 4-12. Plan Management Business Process Model

Provider Management Business Area

The Provider Management business area is a collection of business processes involved in communications between the SMA and the prospective or enrolled provider and actions that the agency takes on behalf of the provider. Business processes focus on terminating providers, communications with providers, dealing with provider grievances and appeals issues, and performing outreach services to providers. The Provider Management business area is responsible for the provider data store.

**Figure 4-13** illustrates the Provider Management BPM.
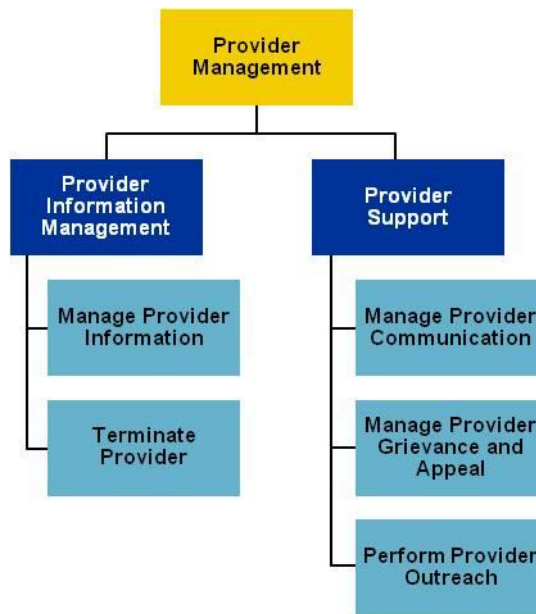
BA-4-12

Figure 4-13. Provider Management Business Process Model

MITA Business Process

The MITA business process is Tier 3 in the BPM. A MITA business process defines a series of activities that start with one or more events, manipulate a set of data, and end with one or more results. The MITA BPM describes all of the business processes in a standard business process template that captures the trigger, result, and business rules. The trigger is the initiating event defined in terms of input data or a schedule that is due. The result is the output of the process and describes the information produced by the business process. The business rules define a sequence or series of steps (i.e., activity). A business rule is a specific, actionable, testable directive that is under the control of the business and supports a business policy. Business rules describe the operations, definitions, and constraints that apply to an organization. Business rules can apply to people, processes, corporate behavior and computing systems in an organization, and are in place to help the organization achieve its goals.

Figure 4-14 illustrates the components of the business process.
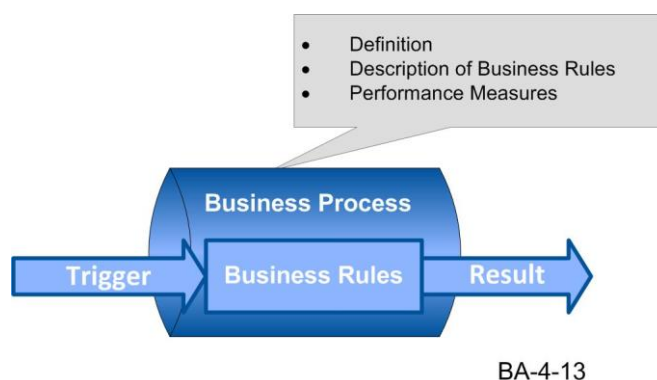
Figure 4-14. Description of Business Activity

An example of a MITA business process is Determine Provider Eligibility. The trigger is the receipt of enrollment application information. The result of the business process is the provider's eligibility determination. The business rules include validation of key data, collection of the application fee, provider screening, a check for enrollment moratoriums, verification of federal and state enrollment requirements, and notification of eligibility for enrollment. One measurement of business process performance is the time elapsed between the trigger and the result. Shared data includes the information from the SMA Provider Network, external validation agencies, National Plan and Provider Enumeration System (NPPES) database, and license/credential boards.

A trigger event starts a business process that carries out one or more steps, and produces one or more results or outcomes. For example, the business process Determine Provider Eligibility contains the following elements:

❖ One or more triggers (e.g., receiving a provider enrollment application, revalidation due).

❖ A series of steps (e.g., maintain enrollment application information, collect application fee, validate credentials based on category risk, check enrollment moratoriums, notify of eligibility).

❖ One or more results (e.g., authorize or deny enrollment, request more information, and notify provider of result).

The MITA BPM contains the following items:

❖ A statement describing the objective and purpose of the business process.

❖ A listing of the input data that triggers the business process.

❖ A listing of the output data (i.e., data in motion) contained in the results.

❖ A sequence of steps (i.e., data at rest) describing the business rules.

❖ A listing of failure points where a business process may stop before completion.

❖ A description of constraints that may affect the performance of the business process.

❖ A definition of performance standards that allows all stakeholders to measure the same activity in the same manner.

In the BPM, the business processes represent the typical operations of the SMA. These processes evolve over time. As the SMA matures, some processes transform, and the SMA will replace others. Stakeholders develop new business processes for effectiveness and efficiency.

Table 4-1 illustrates the Business Process Template (BPT) describing a MITA business process. Part I, Appendix C, Business Process Model Details, contains the complete set of business processes for the MITA Framework.

Table 4-1. MITA Business Process Template

Tier 1: Business Area Abbreviation - Tier 2: Business Category Title	
Item	*Details*
Tier 3: Business Process Title	
Description	A brief statement that describes active roles and the activity the role conducts during the business process.
Trigger Event	• One or more events that directly start a business process (e.g., Receive a request, phone call, or a scheduled date). • The trigger is definable information.
Result	• One or more outcomes from the execution of the business rules (results define *data in motion* and are the immediate output from the business process, not the ultimate, downstream result).

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Tier 1: Business Area Abbreviation - Tier 2: Business Category Title	
Item	*Details*
Tier 3: Business Process Title	
	• The result is definable information.
Business Process Steps	A sequence of steps that execute the successful completion of the business process (steps start with a verb).
Shared Data	Shared data is *data at rest* (i.e., data stores accessed to complete a step in the business process). Shared data is a defined data store with specific information.
Predecessor	The preceding business process to the activity conducted in this process. The result of the previous business process is a trigger to this business process.
Successor	The succeeding business process to the activity conducted in this process. The result of this business process is a trigger for the next business process.
Constraints	Conditions that CMS expects States to meet for this generalized process to execute (e.g., enrolling institutional providers requires different information from enrolling pharmacies).
Failures	An identification of the exit points throughout the business process where the business rules specify that the process terminates because of failure of one or more steps.
Performance Measures	Key Performance Indicators (KPI) may include the following: • **Quantitative indicators** are usually numerical. • **Practical indicators** interface with existing processes. • **Directional indicators** specify whether an agency is getting better or not. • **Actionable indicators** are sufficiently in an agency's control to effect change. • **Financial indicators** CMS and the SMA use in performance measurement and when looking at an operating index. Measures that describe what to measure, but that are not specific measures in themselves, such as the following examples: • Time to complete process (e.g. real-time response = within ___ seconds; batch response = within ___ days) • Accuracy of decisions = ___% • Consistency of decisions and disposition = ___% • Error rate = ___% or less The MITA business template specifies the type of measure, but not the actual benchmark. See Part I, Appendix D, Business Capability Matrix Details, for specific benchmarks for business capabilities.

Transformation of Business Processes

The MITA BPM describes the common business activities and functions of the Medicaid Enterprise. As the Medicaid Enterprise matures, business processes evolve to include relevant business capabilities to satisfy the SMA needs. The Business Capability Matrix (BCM) tracks the progression of this transformation. **Figure 4-15** illustrates the relationship between the business process and the different levels of capability. See Part I, Chapter 5, Business Capability Matrix, for more information on business capabilities and Part I, Appendix D, Business Capability Matrix Details, for a full list of capabilities associated with each business process.
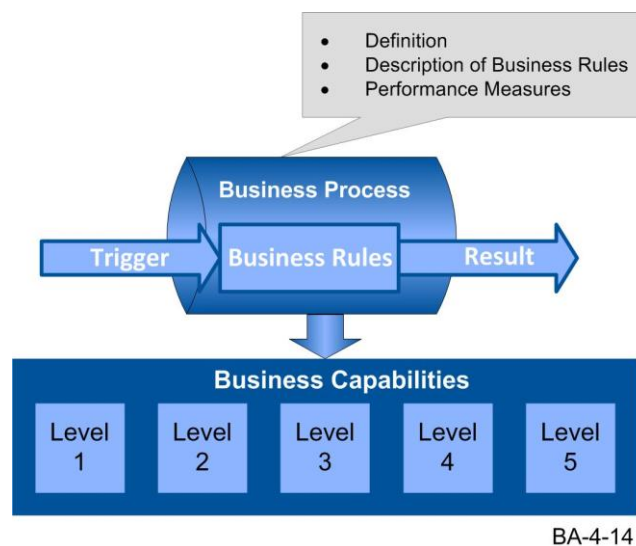
Figure 4-15. Business Processes and Business Capabilities

The MITA BPM will continue to evolve and change as MITA identifies and adds new business processes. A change in the industry, such as adoption of EHR, PHR, Health Insurance Exchange (HIX), or Health Information Exchange (HIE) may create a new process. These innovations change the way the Medicaid Enterprise does business. (For example, direct access to clinical data may alter the performance of service authorization and claims adjudication). The new business processes replace or make an existing process obsolete. For example, online coordination of benefits eliminates the need for cost recovery (i.e., pay and chase).