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HIGLAS *highlights*

MODERNIZING MEDICARE ACCOUNTING

Message from Janet L.D. Vogel Director, Financial Management Systems Group

May 4, 2009 marked the 4-year anniversary for implementation of the Healthcare Integrated General Ledger Accounting System (HIGLAS)! HIGLAS represents a major information technology investment for CMS, and provides a single integrated general ledger accounting system for all financial transactions. HIGLAS currently accounts for approximately 62.2% of total CMS program dollars, and we continue the phased implementation of this effort. Since its inception, we have transitioned 14 of the traditional fee-for-service Medicare contractors onto HIGLAS, as well as implemented accounting for State Medicaid and State Children's Health Insurance Program (CHIP) State grant payments.

Pictured above is Janet L.D. Vogel

In addition to standard accounting, HIGLAS has the ability to examine payables (potential CMS payments) against what an organization/entity owes the government (receivables) in order to calculate the final payment amount. This is the essence of the "netting" functionality of the system. As a result, CMS is able to calculate payments that more accurately reflect the immediate financial situation and reduce the amount of activity needed to recover funds. CMS has benefited from this capability by retaining over $15 Billion in the Medicare Trust Funds that might have required "recovery" if initially paid without the "netting" function.

HIGLAS has been expanded to calculate and withhold monies owed for Federal tax debt. Debt owed to the Internal Revenue Service can now be off-set against Medicare payments. CMS has worked closely with the Department of the Treasury to accomplish a pay-back of tax debt of over $23 million within the first seven months of operation.

A separate article in this newsletter announces the ability of HIGLAS to produce the financial statements for CMS. While we plan to run the functionality in parallel with the legacy system at first, this represents a major milestone in meeting requirements of the Federal Financial Management Integrity Act (FFMIA).

We continue working closely with CMM and OIS leadership and staff towards our continued integration planning and implementation of the Agency's Medicare Administrative Contractor effort and the Enterprise Data Center effort with HIGLAS (MAC/EDC/HIGLAS). We are also continuing our rigorous efforts to build out Administrative Program Accounting functionality to include the implementation of Medicare Part C and Part D accounting transactions in HIGLAS. Based on our highly talented and dedicated CMS staff, we are confident that we can further our successful track record of enabling HIGLAS to continue meeting the Agency's future challenges. We still have many exciting challenges ahead, and want to thank everyone that has worked with us to make the program successful!

Launch of Federal Payment Levy Program (FPLP) In HIGLAS

On October 6, 2008, CMS joined the ranks as an active participant in Treasury's FPLP initiative through the implementation of new withholding functionality in HIGLAS to automatically offset Medicare Fee-For-Service (FFS) payments for Federal Tax debts owed by Medicare Providers. CMS elected to participate in the FPLP under the Non-Treasury Disbursing Office (NTDO) method that is used by Federal agencies who do not make payments through a Treasury FMS Disbursing Center. New interfaces were developed and implemented between HIGLAS and Treasury FMS to facilitate the daily exchange of FPLP debt and collection information.

Through a valiant team effort between the IRS, Treasury FMS, CMS, the HIGLAS systems integration contractor and the FISS/MCS shared system maintainers, CMS completed the roll-out of the new FPLP withholding functionality to all of the current HIGLAS Medicare contractors on November 7, 2008.

As of March 31, 2009, the NTDO/FPLP effort has recouped $20.4 million of Federal Tax debts from Medicare Provider FFS payments.

The HIGLAS FPLP functionality is slated to be enhanced in the October 2009 release to implement Administrative Offsets of Federal Non-Tax debts that was recently mandated under Section 189 of the Medicare Improvements for Patients and Providers Act (MIPPA) enacted in July 2008.

HIGLAS Quarterly Release Highlights

HIGLAS planned releases continue to follow the Office of Information Services (OIS) quarterly release schedule to align with Medicare FFS shared system maintainer changes. Occasionally, expedited enhancements—also tracked as HIGLAS Change Requests (HCRs)—are released outside of the quarterly schedule.

April 2009 Release

- Was successfully deployed into production 4/6/09.

- 17 HIGLAS Change Requests (HCRs) were implemented for enhanced Medicare Benefits functionality. The majority of these changes were initiated to support HIPAA 5010 interfaces; MMA appeals processing; MAC transition renames; and various edits for improvements to HIGLAS capabilities in accounts receivable (AR), accounts payable (AP) and general ledger transfers.

July 2009 Release

- Design and Development phase for Alpha Test kick-off was completed during the week of 4/6/09.

- 13 HCRs were implemented for enhanced Medicare Benefits functionality. The majority of these changes supported HIPAA 5010/WebSphere upgrades; improved error handling for accounting file interfaces; general report enchancments for financial reconciliations; operational enhancements to improve AP and GL performance; and Oracle patch upgrades and enhancements.

Mac Workload Splits

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 requires that CMS replace the current fiscal intermediary (FI) and carrier contracts with competitively procured contracts that conform to the Federal Acquisition Regulation (FAR). The new contractors are referred to as Medicare Administrative Contractor (MACs).

The transitioning of the FIs and Carriers to each of the MACs includes the movement of existing HIGLAS data from one HIGLAS Organization to another. In many cases, the existing HIGLAS workload moves to multiple MAC jurisdictions. When a single existing HIGLAS contractor/organization is split among multiple MACs, it is called a "Workload Split."

We have already initiated the start-up of two more HIGLAS transitions with the J3 MAC, Noridian, for its ND, SD, WY, UT, AZ and MT A workloads and with the J1 MAC, Palmetto, for its CA, HI and NV B workloads. The J3 A work will transition to HIGLAS in November 2009. The J1 B work will transition to HIGLAS in December 2009. Additional MAC transitions will start up this year. CMS will announce additional transitions as the schedules are finalized.

HIGLAS Implementation News

Transitions/Deployment Status:

Pilot-1	Palmetto (A)	In Production Since May 4, 2005	3rd Quarter 2005
Pilot-2	Empire (B)	In Production Since July 6, 2005	4th Quarter 2005
Wave 1-1	Empire (A)	In Production Since August 5, 2005	4th Quarter 2005
Wave 1-2	First Coast (A)	In Production Since September 9, 2005	4th Quarter 2005
Wave 1-3	Trailblazer (A)	In Production Since November 4, 2005	1st Quarter 2006
Wave 1-4	Mutual of Omaha (A)	In Production Since February 10, 2006	3rd Quarter 2006
Wave 2-1	TrailBlazer (B)	In Production Since September 8, 2006	4th Quarter 2006
Grants	Medicaid & CHIP Grants	In Production Since September 21, 2006	4th Quarter 2006
Wave 2-2	Palmetto (B)	In Production Since December 11, 2006	1st Quarter 2007
Wave 2-3	Highmark (B)	In Production Since March 12, 2007	2nd Quarter 2007
Wave 2-4	UGS (A)	In Production Since August 14, 2007	3rd Quarter 2007
Wave 3-1	Wisconsin Physician Services (B)	In Production Since December 10, 2007	1st Quarter 2008
Wave 3-2	Anthem Maine (A)	In Production Since March 10, 2008	2nd Quarter 2008
Wave 3-3	Anthem KY, OH, IL, IN (A)	In Production Since June 16, 2008	3rd Quarter 2008
Wave 3-4	Cahaba AL (A) and RHHI	In Production Since August 8, 2008	4th Quarter 2008
MAC	J4 B TX	Completed June 2008	3rd Quarter 2008
MAC	VA B (TrailBlazer carrier)	Completed July 2008	4th Quarter 2008
MAC	J1 A CA, HI, NV	Completed August 2008	4th Quarter 2008
MAC	J12 A DE	Completed November 2008	1st Quarter 2009
MAC	J4 A OK	Scheduled for August 2009 Cut-Over	In Process
MAC	J3 A (Noridian Administrative Services)	Scheduled for November 2009 Cut-Over	In Process
MAC	J1 B (Palmetto)	Scheduled for December 2009 Cut-Over	In Process
MAC	J5 A KS, MO, NE, IA	Scheduled for January 2010 Cut-Over	In Process
Splits & Renames	Workload Splits and Renames	4 Workload Splits and 4 Renames Completed	On-Going

The UK Tour Stops at HIGLAS!

On February 26-27, 2009 government officials from the United Kingdom's Department for Work and Pensions (DWP/UK) requested a follow-up visit from their previous visit on April 28-29, 2008 with senior leadership and managers from the Office of Financial Management's Financial Management Systems Group (FMSG). The purpose of this recent visit was to discuss the current status of HIGLAS implementation of the Oracle Federal Financials application for Medicare accounting, and also discuss other operations and application maintenance activities and lessons learned.

Also in attendance during this visit were vendor representatives under contract with DWP/UK from Oracle and EDS, as well as representatives from the HIGLAS systems integration contractor (IBM). Among the topics discussed were HIGLAS architecture and disaster recovery overview; database tuning approaches; batch, schedule, and testing approaches; HIGLAS history in the areas of software defects and incidents; HIGLAS Oracle interfaces and extensions; security measures; and overall lessons learned. The meeting was very well received by all participants, and marked another example of the continuing and collegial relationship CMS has established with the UK government.

HIGLAS Users Group (HUG)

The HIGLAS Users Group (HUG) embraces the following objectives:

- Enhance communication and building a stronger partnership between CMS and the business partners (Contractors, Maintainers, Data Centers, and the System Integrator)

- Discuss improvements that have been made for the past year

- Discuss concerns and identify solutions collectively

We recently held our scheduled HUG Webinar on April 8th, 2009. The following topics were discussed:

- Responsibility and Access to Archive Data

- HIGLAS User Self Generated Issues

- See Beyond Replacement Project

In addition, we will conducting our HUG face-to-face meeting as part of OFM's Annual "CMS Financial Management Conference" that is scheduled for May 18-26, 2009 in Chicago, IL.

If you have any HUG meeting, or Webinar related comments and concerns; please contact Steve Hornsby at: Steven.Hornsby@cms.hhs.gov

Data Archive Restore Launched

Healthcare systems are constantly challenged with meeting governance regulations requiring access to and retention of data. HIGLAS currently processes approximately 1.7 million claims per day and is ultimately expected to process over 5 million claims on a daily basis within the next three years. An Oracle commercial off-the-shelf (COTS) certified solution was urgently needed to intelligently manage regulatory and agency data retention requirements while ensuring that Medicare Contractors would have continuous access to their claims data whether current or historical (closed and older than 18 months) in nature.

The "HP LiveArchive" product was implemented in HIGLAS late last year in order to remove historical (older) transactions from the HIGLAS production database and archive those transactions in an archive history database which is accessible using the same user interface. The archive solution provides significant gains in processing efficiency for the current data transactions and improved savings from decreased storage requirements for historical data. To date, over 225 million closed transactions have been archived thus achieving a storage savings of over 1.7 terabytes. The current monthly archival rate is nearing 60 million closed transactions with almost 70% of the historical backlog archived. Run time performance for several data intensive batch jobs has significantly improved as smaller amounts of transactional data are required to be scanned even as the transaction data levels increase.

Administrative Program Accounting

The HIGLAS Administrative Program Accounting (APA) solution is based on the Department-wide United Financial Management System (UFMS) effort.

In FY 2007, State Medicaid and CHIP Grants processing was implemented in HIGLAS. Medicaid and CHIP grants activity accounts for approximately 32.7% of CMS outlays; the largest dollars transitioned to HIGLAS.

In April 2009, we achieved a major milestone by successfully generating parallel CMS Financial Statements for the 1st quarter of FY 2009 in HIGLAS. CMS is currently conducting Production Simulation testing of Financial Statement generation for FY 2009 and plans to complete the testing with the FY 2009 4th Quarter Financial Statements. The first HIGLAS CMS Financial Statements for submission will be the FY 2010 1st Quarter statements produced in January 2010. We also remain committed to continuing efforts for making HIGLAS the system of record for Financial Statement generation and accounting for Parts C & D payments in HIGLAS by January 2010.

The CMS-APA team has made enormous progress during the past quarter. We have completed several of the Unit Test Demonstrations (UTD) of the key Oracle Modules required to support the scheduled January 2010 go-live date of producing the agencies financial Statements from HIGLAS. The entire CMS team continues working hard to ensure the APA development activities continue to moving forward and maintain production accounting efforts.

User Access Software Upgrade

In order for end-users to access HIGLAS, we had previously utilized Oracle Corporation's "J-Initiator" that enables end users to run Oracle Developer Server applications directly within Netscape Navigator or Internet Explorer on the Windows95/98/2000 and Windows NT4.0 platforms. Last year, CMS replaced J-Initiator with Oracle's Java Runtime Environment (JRE) for HIGLAS.

HIGLAS is currently in the process of migrating to a new version of the JRE Plug-In for accessing HIGLAS. Therefore, all end-user workstations that access HIGLAS must install Sun JRE Plug-In version 1.6.0_11 by June 30, 2009, just prior to the July 2009 quarterly release. In addition, Sun JRE version 1.5.0_13 must remain installed on all end-user workstations until the July Release is successfully implemented. The upgrade to version 1.6.0_11 will require that all end-user desktops be upgraded. The JRE upgrade will be implemented for HIGLAS during the July 2009 Quarterly Release. This change applies to all CMS, Medicare Contractor, Single Testing Contractor, IBM System Integrator, Shared System Maintainers, and all other Contractors who provide user access the HIGLAS system.

Websphere Upgrade

One of the core capabilities of HIGLAS is to interface with a number of claims, administrative and third party systems. More specifically, HIGLAS interfaces with a number of claims and external systems to facilitate payment for adjudicated claims and benefits accounting and support CMS administrative functions. The SeeBeyond Integration product was initially implemented as the electronic data interface (EDI) solution for HIGLAS.

Due to de-support of the SeeBeyond product, we are currently in the process of replacing the existing product with something new -- another product i.e., the IBM WebSphere tools (WebSphere Message Broker (WMB) and WebSphere Transformation Extender (WTX)).

The WebSphere application resides on the WebSphere Application server. Its primary goal will be to provide integration between the Medicare data center's mainframe applications (via WebSphere Message Broker), and the HIGLAS Oracle Federal Financials application. WebSphere will provide the ability to facilitate data transfer between disparate applications as well as data translation and transformation. WebSphere Message Broker (WMB) and WebSphere Transformer Extender (WTX) guarantees better delivery of data.

HIGLAS Statistics

HIGLAS Production Processing Year-To-Date Total: (As of 03/31/09)

Period	# of Claims Processed	Claims $ Amount	# of Payments Processed	Payment Totals
May 2005 through March 2009 Totals	1,034,576,111	$499,823,765,206	42,267,143	$452,722,864,148.28

Questions? Comments?

Your input, feedback, and story ideas are welcome.
Please provide all comments to:

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