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9.4 COMPUTER SYSTEM

RFP Reference: 8.

AHCCCS requires a contractor able to follow information security protocols and secure the Personal Health Information (PHI) and data of their members. With over 30 years providing TPL services to similar agencies across the nation and over 25 years working with AHCCCS, HMS has the knowledge, experience, established security protocols, and computer system to meet these requirements. The following pages detail our computer system.

MEETING HIPAA COMPUTER FACILITY REQUIREMENTS

RFP Reference: 8.

The Contractor shall lease, own, or have access to computer facilities that can meet the requirements of this contract and HIPAA. The Contractor's computer facilities shall have the capability of accepting and processing all referred accounts in the format provided by AHCCCS utilizing Electronic Data Interchange (EDI). The file format and content may be revised from time to time to comply with HIPAA and with AHCCCS data requirements. See Attachment C for current information on files.

HMS COMPUTER FACILITIES AND ACCEPTANCE/PROCESSING OF FILES

Information security is extremely important when working in the healthcare industry. HMS's information systems and security infrastructure are designed to maintain an environment that provides all required elements to meet Health Insurance Portability and Accountability Act (HIPAA) requirements. We have addressed this concern as part of our overall Security program by earning Health Information Trust Alliance (HITRUST) Common Security Framework (CSF) certification, which is explain later in this section.

HMS owns computer facilities that meet the requirements outlined for this engagement, including those of the HIPAA. HMS's internal Electronic Data Interchange (EDI) group is dedicated to establishing secure electronic data transfers with our clients.

We currently exchange data from the State in AHCCCS's format via Secure File Transfer Protocol (SFTP) on a daily, weekly, monthly, and ad-hoc basis. Our in-place exchange process supports the data file layout requirement in Attachment C. HMS exchanges (inbound/outbound) AHCCCS's Commercial TPL Coverage Record Data on a daily basis. We remain prepared to accommodate any file format and content revisions by AHCCCS to comply with HIPAA and AHCCCS data requirements.

Our EDI group will continue to work with the State to review any new connection requirements for this engagement. Since our current connection with AHCCCS secure FTP server is fully tested and in place, we anticipate minimal changes and will immediately start this project. Any other vendor would have to start this process from scratch, which would likely negatively impact recoveries.

HITRUST BACKGROUND

In collaboration with healthcare, business technology, and information-security leaders, the HITRUST Alliance developed a CSF that specifically addresses security and compliance concerns faced by organizations that handle PHI. **HITRUST CSF certification is widely recognized as the leading independent-assessment certification in the healthcare systems industry.**

HITRUST has developed a set of common requirements, methodologies, and tools that enable healthcare organizations and business associates to take a consistent approach to managing compliance via the HITRUST CSF Assurance Program. HITRUST, in collaboration with healthcare, business, technology, and security leaders, has established the Common Security Framework (CSF), a certifiable information security framework that can be used by organizations that create, access, store or exchange personal health and financial information. The CSF harmonizes the requirements of existing standards and regulations. As a framework, the CSF provides organizations with the structure and detail relating to information security controls that are tailored to the healthcare industry. Individuals can access the CSF through HITRUST Central or with a subscription to MyCSF, a secure, web-based solution for performing assessments, managing remediation activities, and reporting and tracking compliance. HITRUST is led by a seasoned management team and governed by a Board of Directors made up of leaders from across the healthcare industry. These leaders ensure that the CSF framework meets short- and long-term industry needs. Beyond the establishment of the CSF, HITRUST is also driving adoption and widespread confidence in the framework and in risk management practices through education and advocacy. An organization's adoption of the CSF demonstrates confidence in its ability to ensure the security of PHI.

The CSF security framework incorporates and leverages existing security requirements placed on healthcare organizations, including:

- Federal Legislation (e.g., HIPAA and ARRA)
- Federal Agency Rules and Guidance (e.g., NIST, FTC and CMS)
- State Legislation
- Other Industry Framework (e.g., PCI and COBIT)

HITRUST CERTIFIED

This certification provides a prescriptive framework for complying with security requirements affecting the healthcare industry, including those of HIPAA, International Organization for Standardization, and National Institute of Standards and Technology. **We received our HITRUST CSF Assurance Program Certification in August 2014 and were recently recertified through 2019**.

To maintain this certification, we undergo an assessment conducted by a HITRUST-approved assessor every two years, with a one-year interim reassessment. The assessment validates that no material changes to our core IT infrastructure and/or other technology components exist that would result in us no longer meeting the certification criteria of the CSF Assurance program. The first step in the certification process

is to conduct a self-assessment using HITRUST methodologies. Based on organizational and system scoping factors determined during the self-assessment, 299 controls across 19 security domains were in scope for the assessment. Assessment of controls occurred in five key areas—policy, process, implemented, measured, and managed—to reduce ambiguity and subjective interpretation, which are common issues during audits and assessments.

To validate the successful completion of our HITRUST CSF assessment, HMS has included our latest Recertification Letter in **Attachment 6.**

SFTP Connection and AHCCS Affirmation Statement

RFP Reference: 8.

AHCCCS requires a secure connection to its Secured File Transfer Protocol (SFTP) server. This requires adherence to the External User Affirmation Statement found on AHCCCS' website.

In Arizona, we have developed our expertise about Arizona Medicaid and data through many years of providing recovery and cost avoidance services for the State. We anchor our data analysis capabilities on our solid understanding of the State's PMMIS and program data. Through our current contract with AHCCCS, we receive claim, eligibility, provider, carrier, and resource data through SFTP. Our solution meets the interface needs and requirements of the current and any subsequent PMMIS.

Our IT infrastructure consists of two Data Processing Centers; the primary is located in Richardson, Texas, and the secondary hosted center in Las Vegas, Nevada. The dual, connected centers have dedicated network service connections to certify interconnectivity and provide the processing power for all major business applications. Our data processing will easily accommodate future growth, ongoing maintenance and troubleshooting, software installations and/or updates, and flexible audits at no cost to AHCCCS.

AHCCCS requires a secure connection to its SFTP server. HMS understands that this requires adherence to the External User Affirmation Statement found on AHCCCS's website. We have reviewed and adhere to this statement under our current engagement, and we will continue to adhere to it under a new engagement.

We have an established connection to AHCCCS's SFTP server and support multiple telecommunications connectivity capabilities:

- Momentum Systems EDI automation management software to manage incoming and outgoing EDI transmissions and alert us when it encounters a problem
- FTP transmissions through secure Internet Protocol (IP) connectivity (Virtual Private Network [VPN]). We can connect to a State FTP server, or the State can connect to one of several of our SFTP servers.
- Transmissions through value-added networks, such as AT&T Global Network Services (formerly Advantis, using Sterling Commerce's Connect Direct file transfer software)
- FTP or Connect Direct transmissions across dedicated communication circuits between HMS and the State, with speeds up to full T1 throughput.

Our EDI group will work with the State to revise any connection requirements for this engagement. Since our current connection with AHCCCS is fully tested and in place, we anticipate minimal changes and can immediately start work on this new contract.

AUTHORIZATION TO EXCHANGE DATA WITH AHCCCS

RFP Reference: 8.

> The Contractor is authorized to exchange data with AHCCCS relating to the information requirements of this contract and as required to support the data elements to be provided in the format specified. The information so recorded and submitted to AHCCCS shall be in accordance with all procedures, policies, rules, or statutes in effect during the term of this contract. If any of these procedures, policies, rules, or statutes are hereinafter changed, both parties agree to conform to these changes following appropriate notification to both parties by AHCCCS. The Contractor shall be responsible for any incorrect data, delayed submission or payment and/or penalty applied due to any error, omission, deletion, or erroneous insert caused by Contractor submitted data. Any data that does not meet the standards required by AHCCCS shall not be accepted by AHCCCS.

HMS understands that the information submitted to AHCCCS will be in accordance with all procedures, policies, rules, or statutes in effect during the term of this contract. If any of these procedures, policies, rules, or statutes are hereinafter changed, both parties agree to conform to those changes following appropriate notification to both parties by AHCCCS. HMS also understands that we will be responsible for any incorrect data, delayed submission or payment and/or penalty applied due to any error, omission, deletion, or erroneous insertion caused by HMS-submitted data. We understand that any data that does not meet the standards required by AHCCCS will not be accepted by AHCCCS.

IDENTIFICATION OF INCONSISTENCIES

RFP Reference: 8.

> The Contractor shall be responsible for identifying any inconsistencies immediately upon receipt of data from AHCCCS and communicating to AHCCCS those inconsistencies within ten (10) days. If any unreported inconsistencies are subsequently discovered, the Contractor shall be responsible for the necessary adjustments to correct its records at its own expense.

HMS will be responsible for identifying any inconsistencies immediately upon receipt of data from AHCCCS and communicating to AHCCCS those inconsistencies within ten (10) days. If any unreported inconsistencies are subsequently discover. For example change in file layout, change in field length, encryptions software, added claim type(s), incomplete data, inconsistent file size, hex characters, etc. HMS will be responsible for making the adjustments required to correct our records at our own expense.

ACCEPTANCE OF ELIGIBILITY AND ENROLLMENT EVIDENCE

RFP Reference: 8.

> The Contractor shall accept from AHCCCS original evidence of eligibility and enrollment in a form appropriate for electronic data exchange.

As current contractor, we have a process place to accept monthly electronic data eligibility and enrollment files from AHCCCS. On the first week of the month, our Momentum System EDI automation software logs in to Arizona's SFTP folder and retrieves data files from the State and saves them in our HMS EDI server. In addition to retrieving the files, Momentum also generates a receipt and archives in our system for future reference and auditing purposes.

HMS understands that in the new contract, we will continue to accept original evidence of eligibility and enrollment and third party coverage information, and authorized to exchange data with AHCCCS relating to the information requirements of this contract and required to support the data elements to be provided in current or future formats.

Prior Written Consent

RFP Reference: 8.

> The use of any of the above files for purposes other than identified herein is prohibited without prior written consent from AHCCCS.

In the new contract term, HMS understands that the use of AHCCCS files for purposes other than identified in the RFP and resulting contract is prohibited without written consent from AHCCCS. HMS will continue to abide by this requirement if awarded the new contract.

Transmission of Third Party Coverage Information

RFP Reference: 8.

> The Contractor's computer facilities shall be able to transmit third party coverage information to AHCCCS computer system in a format acceptable to AHCCCS and to receive third party liability information from AHCCCS computer system.

We have an established connection to AHCCCS's SFTP server and support multiple telecommunications connectivity capabilities as outlined in the sections above. Under our current connection, HMS securely delivers third party coverage information in a daily file that is placed in a SFTP folder and uploaded to Arizona's PMMIS.

Recovery Database and Recovery Extract

RFP Reference: 8.

> The Contractor shall maintain a database of all cases where recovery has been attempted or completed. The format and content of the data will be established through mutual agreement. The Contractor's database pertaining to AHCCCS cases shall be accessible online to the AHCCCS TPL Section staff.
> The Contractor shall maintain and transmit to AHCCCS an electronic extract in a format, content, and time frames as prescribed by AHCCCS that contains valid recovery data pertaining to recoveries. The contractor shall write standardized queries for use by AHCCCS in monitoring contractor activities.

HMS has specifically selected and configured our data processing resources to support recovery and cost savings initiatives. We offer our clients a data-processing environment that:

- Is fully (100%) dedicated to supporting HMS revenue recovery and cost savings projects
- Consistently meets HMS's 99.9% goal for system availability/operability: system downtime is minimal
- Effectively connects and supports HMS's nationwide network of clients, employees, and data processing centers

As we describe in **Attachment 5**, our proprietary case management system, Maestro™ houses the database of all cases, including current status of recoveries, either attempted or completed. The format and content of the data is established through mutual agreement with AHCCCS. Our database pertaining to AHCCCS cases is accessible online to AHCCCS TPL staff. In addition, we will maintain and continue

to transmit to AHCCCS a monthly electronic extract (flat file) that contains valid recovery data pertaining to recoveries in a format, content, and time frame as prescribed by AHCCCS.

In addition to our case management system, HMS offers a unique A/R system to house all billed claims and their adjudication results. Our system is the result of years of ongoing investment in new technology to better serve and report to all of our more than 40 existing Medicaid and state agency clients, including AHCCCS. It is the cornerstone of our claims status, financial, and management reporting system for all revenue recovery and financial reporting requirements.

Our A/R management process utilizes a balanced combination of technology and manual verification to post, track, and reconcile payments from initial receipt through monthly invoicing. Recent upgrades in our A/R and case-management systems provide enhanced posting, document imaging, reconciling, and import/export functionality. Beyond internally providing new functionality and reporting capabilities to HMS, these systems directly provide new levels of web-based reporting options to our clients and allow us to provide a wide variety of both standard and customized report generation and to maintain financial accuracy. **Our accounting system complies with Generally Accepted Accounting Principles (GAAP).**

HMS's A/R systems provide the rich functionality required to ensure maximum recoveries while providing financial controls and complete tracking and reporting capabilities.