

OM – Claims Adjudication					
Process Claim					
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 scans or manually enters claims into an electronic record format.	SMA uses a mix of manual and automatic processes to accomplish tasks. SMA continues to accept paper claims, but most providers submit claims electronically.	SMA automates process to the full extent possible within the intrastate. Providers submit claims electronically. SMA adjudicates claims via standardized business rules definitions according to methodologies of the National Correct Coding Initiative (NCCI).	SMA automates process to the full extent possible via regional standardized business rules definitions.	SMA automates process to the full extent possible across the nation via national standardized business rules definitions.
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 Accredited Standards Committee (ASC) X12 837 Health Care Claim and National Council for Prescription Drug Programs (NCPDP) and state-specific standards.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards (e.g., code sets) for claim processing.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards for clinical and interstate claim processing.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards for national claim processing.

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How integrated is the process?	There is little coordination between the portions of SMA responsible for claims processing.	SMA centralizes common processes to achieve economies of scale and increase coordination.	SMA fully integrates process between intrastate agencies and other entities.	SMA integrates process to the full extent possible across the interstate.	SMA integrates process to the full extent possible across the nation.
How easy is it to change edit business rules and criteria?	SMA embeds business rules and validations directly into the source code. Changes are difficult, lengthy, and costly to implement.	SMA has mix of automatic business rules definitions and embedded business rules and validation directly into the source code. Changes to edits, audits and pricing business rules results in unintended downstream processing consequences. Average change takes fewer business days than Level 1.	SMA automates process to the full extent possible across the intrastate. Related processes are decoupled, allowing changes to editing, auditing and pricing standardized business rules definitions without affecting downstream processes. Average changes take less time than Level 2.	SMA automates process to the full extent possible by using regional standardized business rules definitions. Average changes take less time than Level 3.	SMA automates process to the full extent possible by using national standardized business rules definitions. Average changes take less time than Level 4.
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	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	SMA collaborates with other interstate agencies and entities to adopt national standards, and to develop and share	SMA collaborates with agencies and entities for national (and international) interoperability improvements that

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process?	or business tasks.	transactions.	reusable business services.	reusable processes including clinical information.	maximize automation of routine operations.
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). Manual-processing steps may require multiple business days to complete claims edits, audits, or pricing. Suspended claims require lengthy manual resolution.	Process timeliness improves through use of automation. Timeliness exceeds legal requirements. Electronic claim processing and Point of Sale (POS) adjudication greatly increase timeliness. The entire claim process completes within 24 hours or less.	Timeliness improves via state and federal collaboration, use of information sharing, standards, and regional information exchange hubs. Timeliness exceeds Level 2.	Information is available in near real time. Processes that use clinical information result in immediate action, response, and results. SMA has interstate interoperability, which further improves timeliness over Level 3.	Information is available in real time. Processes improve further through connectivity with other States and with federal agencies. Most processes execute at the point of service. Results are almost immediate.
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	HIPAA standard transactions improve accuracy of information but the	Automation of information collection increases the reliability of SMA's	Automation of information collection increases the reliability of SMA's	SMA adopts MITA Framework and industry standards for information exchange

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	susceptible to inconsistent or incorrect information. Stakeholders are unable to rely on information for decision-making. It is difficult for reviewers to consistently interpret and apply adjudication business rules manually. Attachment data is unstructured, which increases inconsistency of the review process.	decision-making process may be erroneous or misleading. Accuracy is higher than at Level 1.	internal information. External sources of information use MITA Framework and industry standards for information exchange. Decision-making is automatic using standardized business rules definitions. Accuracy rating is at 99% or higher.	internal and external sources of information. SMA adopts MITA Framework and industry standards for information exchange with interstate agencies. Decision-making is automatic using regional standardized business rules definitions. Accuracy rating is at 99% or higher.	with national agencies. Decision-making is automatic using national 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	SMA obtains information easily and exchanges with interstate agencies and entities. Accessibility is greater than Level 3.	SMA obtains information easily and exchanges with national agencies and entities. Accessibility is greater than Level 4.

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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 further improving cost effectiveness ratio over Level 2.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards for interstate information exchange. SMA increases cost effectiveness ratio over Level 3.	SMA adopts MITA Framework, industry standards, and other nationally recognized standards for national (and international) information exchange. SMA increases cost effectiveness ratio over level 4.
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, by intrastate agencies and entities improving efficiency to 95% or higher.	SMA adopts MITA Framework, industry standards, by interstate agencies and entities improving efficiency to 98% or higher.	SMA adopts MITA Framework, industry standards, by national agencies and entities improving efficiency to 98% or higher.

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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 business rules engines by intrastate agencies and entities improving accuracy to 90% or higher.	SMA adopts MITA Framework, industry standards, and business rules engines by interstate agencies and entities improving accuracy to 98% or higher.	SMA adopts MITA Framework, industry standards, and business rules engines, by national agencies and entities improving accuracy to 98% or higher.
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, by intrastate agencies and entities improving stakeholder satisfaction to 90% or higher. SMA uses survey or questionnaire for information collection.	SMA adopts MITA Framework, industry standards, by interstate agencies and entities improving stakeholder satisfaction to 95% or higher.	SMA adopts MITA Framework, industry standards, by national agencies and entities improving stakeholder satisfaction to 98% or higher.