

Client Alert

January 15, 2016

If you read one thing:

- The Centers for Medicare & Medicaid Services (CMS) is investing heavily in Medicaid information technology (IT) solutions to address health care delivery and payment system reforms and coverage expansions.
- Ample opportunities are available for private-sector technology firms, especially those wishing to invest in the future of Medicaid.
- CMS is looking for input from the IT vendor community on how to invest to meet states' technology needs.



New Opportunities in Medicaid for Information Technology Firms

The Centers for Medicare & Medicaid Services (CMS) invests more than \$5 billion each year in state Medicaid information technology (IT) solutions, with further growth expected as states undertake major reforms to Medicaid's health care delivery and payment systems while expanding coverage under the program. These ongoing initiatives, paired with increased funding provided by CMS and the states, are transforming Medicaid IT and ultimately are presenting significant business opportunities for private-sector technology firms.

In a recent blog titled "[Encouraging Investment in Medicaid Information Technology](#)," CMS Acting Administrator Slavitt emphasized that 2016 will be the most active year to date for Medicaid growth and new IT prospects. In his words, "Investing in the future of Medicaid is one of the single biggest opportunities in the health care sector."

To promote innovation in Medicaid IT, CMS is actively encouraging private-sector companies to take advantage of opportunities to participate in this sizeable market. To that end, CMS has launched a "one-stop shop" to provide easy access to state Medicaid procurement websites and open [state Medicaid IT requests for proposals](#).

More than 30 states currently are redesigning their Medicaid eligibility, claims processing and/or information retrieval systems. As part of that process, CMS has called on states to effectively leverage reusable solutions and to adopt industry-proven IT methods as best practices under Medicaid. CMS also is seeking feedback from the broader IT vendor community about how best to position its investments to meet states' technology needs.

IT industry stakeholders should proactively engage CMS and the states to encourage the adoption of their solutions as essential tools in support of efforts to strengthen the delivery of health care under Medicaid.

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