What is a Medicaid Fiscal Agent:

A Medicaid Fiscal Agent is a private contractor to the State normally selected through a competitive procurement process which operates all or part of the states approved Medicaid management information system (MMIS). Fiscal Agent agreements always include claims processing and may offer other services like data warehousing and managed care enrollment services.

What is a Medicaid Management Information System (MMIS):

A MMIS is a closely-knit integrated system containing six defined core subsystems or functional areas:

- Claims Processing: Reviews all provider invoice claims and edits them against the other MMIS subsystems for proper reimbursement.
- Management and Administrative Reporting: Provides management with financial and statistical data from the claims information.
- Provider Enrollment: Processes and maintains files of qualified providers enrolled in the Medicaid program.
- Recipient Eligibility: Contains comprehensive profiles of each recipient for use in invoice processing.
- Reference File: Consists of nine reference files that are used by the Claims Processing subsystem to monitor and check provider claims for proper processing in accordance with state and federal requirements. Includes pricing, procedure and diagnosis files.
- Surveillances and Utilization Review: Assists management in monitoring providers and recipients to help identify potential abuse of the Medicaid programs.

What is a Medicaid Enterprise System:

The MMIS of the 21st Century is very different from the original model. In the current Medicaid environment, a core functionality manages the payment of claims (and capitation payments in states with managed care programs), while many other applications (often developed and/or operated under separate contracts) manage pharmacy, dental, and mental health benefits; operate managed care programs; identify fraud and abuse; manages electronic health records; manage eligibility and enrollment; manage the treatment of diseases; and operate data warehouses and decision support systems. This comprehensive integration and connectivity of these systems which all share information is called the Medicaid Enterprise, and at the hub of this enterprise is the MMIS.

Funding a MMIS System:

Under the Medicaid program, a state receives 90% Federal financial participation (FFP) for design, development, or installation, and 75% FFP for operation of a state mechanized claims processing and information retrieval system. This system is known as a MMIS and, unless this requirement is waived by the Secretary, all states must operate a MMIS.

What is MMIS Certification:

Federal MMIS certification is the procedure by which CMS validates that State Medicaid systems are designed to support the efficient and effective management of the program and satisfy specific requirements and regulations. The certification process also validates that the systems are operating as required by CMS in order to receive federal funds. In the absence of Federal certification, Medicaid systems are not authorized to receive enhanced Federal matching funds for their operation.