

**Exhibit 300 (BY2008)**

<b>PART ONE</b>	
<b>OVERVIEW</b>	
<b>1. Date of Submission:</b>	2007-02-05
<b>2. Agency:</b>	009
<b>3. Bureau:</b>	38
<b>4. Investment Name:</b>	CMS Drug Claims (DDPS)
<b>5. UPI:</b>	009-38-01-04-01-1085-00
<b>6. What kind of investment will this be in FY2008?</b>	
Mixed Life Cycle	
<b>7. What was the first budget year this investment was submitted to OMB?</b>	
FY2007	
<b>8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.</b>	
<p>MMA provides new opportunities not only to ensure that seniors &amp; people with disabilities receive safe, up-to-date care involving prescription drugs, but also to develop better evidence on the risks, benefits &amp; costs of prescription drugs for Medicare beneficiaries using claims data. New features such as electronic prescribing &amp; electronic medication management provide new tools for using medicines effectively. The claims data functions will serve a number of critical purposes including effective management &amp; oversight of the Part D benefit (including quality &amp; cost), support of quality improvement &amp; medication therapy management activities, collection of new evidence about risks, benefits &amp; costs of prescription drugs &amp; prescribing practices, and reconciliation of payments made to plans in the areas of Low Income Cost Sharing (LICS), Federal Reinsurance, and risk sharing/risk corridors (when paired with prospective and actual claims data). Medicare will obtain a specific set of Part D claims data consisting of 30 data elements from all drug claims. The PDE records will be submitted electronically to CMS on a monthly basis, &amp; validated &amp; stored in a Drug Claims Data repository. The data will further be utilized in the payment reconciliation process of comparing actual expenditures to prospective payments made to plans and correcting any overages or underpayments to plans. The Drug Claims module will process all Medicare covered &amp; non-covered PDEs, including non-Medicare PDEs for Medicare beneficiaries. The module will consist of the transaction validation &amp; authentication processing, storing &amp; maintaining the PDE data in a large-scale database, &amp; staging the data into data marts to support beneficiary &amp; plan analysis of incurred payments. Each validated/authenticated PDE will be loaded into the National Medicare Drug Utilization Database (NMDUD). The PDE data will be replicated to the Drug Benefit Calculator (DBC). The PDE's will be further used to compute beneficiary &amp; plan utilization, in conjunction with other CMS data on prospective payments, for the purpose of payment reconciliation for Low Income Cost Sharing (LICS), Federal Reinsurance and risk sharing/risk corridor reconciliations. These reconciliations will be performed within the Payment Reconciliation System (PRS). This investment is in the CPIC control phase and was last reviewed by the ITIRB in May of 2006.</p>	
<b>9. Did the Agency's Executive/Investment Committee approve this request?</b>	
yes	
<b>9.a. If "yes," what was the date of this approval?</b>	
2006-06-23	
<b>10. Did the Project Manager review this Exhibit?</b>	
yes	
<b>12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.</b>	
no	
<b>12.a. Will this investment include electronic assets (including computers)?</b>	
yes	
<b>12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)</b>	
no	
<b>13. Does this investment support one of the PMA initiatives?</b>	

yes	
If yes, select the initiatives that apply:	
Budget Performance Integration	
Eliminating Improper Payments	
Expanded E-Government	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
DDPS will capture drug claims data (used to evaluate risks, benefits, & costs of prescription drugs & prescribing practices). DDPS will enable proper oversight of the Part D Claims process to ensure correct & accurate payments. The records will be submitted to CMS electronically on a monthly basis, thus increasing access. The data stored in this system will enable cost efficiency decisions & support quality improvement & medication therapy management activities.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 3	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a.1. If yes, which compliance area:	
Not Applicable	
19.a.2. If no, what does it address?	
Not Applicable	
19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.	
Not Applicable	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
<b>Hardware</b>	10
<b>Software</b>	2
<b>Services</b>	88
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
Name	
Maribel Franey	
Phone Number	
410-786-0757	
Title	
Director, Privacy Compliance	
Email	

maribel.franey@cms.hhs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

yes

**SUMMARY OF SPEND**

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
<b>Planning Budgetary Resources</b>	0.000	0.000	0.000	0.000
<b>Acquisition Budgetary Resources</b>	10.723	17.375	0.000	0.000
<b>Maintenance Budgetary Resources</b>	0.000	0.300	17.350	16.050
<b>Government FTE Cost</b>	0.750	0.760	2.800	5.000
<b># of FTEs</b>	2	2	6	10

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

2.a. If "yes," how many and in what year?

Not Applicable

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

Not Applicable

**PERFORMANCE**

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement	Actual Results
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						to the Baseline	
1	2006	Mission and Business Results	Health Care Delivery Services	Percentage of legislative requirements met	50% compliance	90% compliance	100% compliance
2	2006	Customer Results	Accuracy of Service or Product Delivered	Percentage of PDEs rejected.	20%	15%	TBD
3	2006	Processes and Activities	Errors	Accuracy rate of DDPS data reported and calculated.	New calculation based on new legislation	99%	100% (as of July, 2006)
4	2006	Technology	External Data Sharing	Percentage of claims processed electronically	50%	90%	100%
5	2006	Processes and Activities	Timeliness	Number of months where provision of response report within 72 hours has occurred more than once.	12	6	5 of 7 months met goal.
6	2007	Mission and Business Results	Health Care Administration	Percentage of legislative requirements met	100%	100% compliance	TBD
7	2007	Technology	External Data Sharing	Percentage of claims processed electronically	100%	100%	TBD
8	2007	Customer Results	Accuracy of Service or Product Delivered	Percentage of PDEs rejected.	15%	12%	TBD
9	2007	Processes and Activities	Errors	Accuracy rate of DDPS data reported and calculated.	TBD	99% accuracy	TBD
10	2007	Processes and Activities	Timeliness	Number of months where provision of response report within 72 hours has occurred more than once.	10	5	TBD

### EA

*In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.*

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

CMS MMA Title 1 and Title II Applications. In order to provide HHS more detail and insight into our investments, last year's major initiative was split out into a separate investment.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

*Component:* Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

*Reused Name and UPI:* A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

*Internal or External Reuse?:* Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

*Funding Percentage:* Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Change Management	MMA CCB	Management of Processes	Change Management			No Reuse	2
2	Information Retrieval	Description of drug event data collection	Knowledge Management	Information Retrieval			No Reuse	20
3	Information SHaring	Management and analytical reporting	Knowledge Management	Information Sharing			No Reuse	15
4	Data Exchange	Communication from CMS to Plans	Data Management	Data Exchange			Internal	40
5	NEW	Converts data into reports and graphics	Visualization	NEW			Internal	3
6	Access Control	CMS Infrastructure	Security Management	Access Control			No Reuse	0
7	Software Development	Software development for collection of data	Development and Integration	Software Development			No Reuse	0
8	Instrumentation and Testing	Supports the validation of application requirements	Development and Integration	Instrumentation and Testing			No Reuse	0
9	Data Integration	Ensure that data is accurately integrated	Development and Integration	Data Integration			No Reuse	0
10	Extraction and Transformation	Provide integrated data access for CMS drug data	Data Management	Extraction and Transformation			Internal	10
11	Data Classification	Provide integrated data access for CMS	Data Management	Data Classification			No Reuse	0

		drug data						
12	Data Mart	Provide drug data storage capabilities	Data Management	Data Mart			Internal	10

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	NEW	Component Framework	Presentation / Interface	Dynamic Server-Side Display	Cognos
2	Access Control	Component Framework	Security	Supporting Security Services	RACF EUA, IACS
3	Software Development	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Endeavor, MKS
4	Instrumentation and Testing	Service Platform and Infrastructure	Software Engineering	Test Management	Manual
5	Data Exchange	Component Framework	Data Interchange	Data Exchange	Connect Direct
6	Data Exchange	Component Framework	Data Management	Database Connectivity	DB2 Connect
7	Data Integration	Service Interface and Integration	Integration	Middleware	MQ Series
8	Extraction and Transformation	Service Interface and Integration	Interoperability	Data Transformation	Cobol, C, Java
9	Data Classification	Service Interface and Integration	Interoperability	Data Format / Classification	Erwin, Platinum
10	Data Mart	Service Platform and Infrastructure	Database / Storage	Database	DB2, Oracle, Teradata
11	Information Sharing	Service Access and Delivery	Access Channels	Other Electronic Channels	Network, C:D, Gentran
12	Information Retrieval	Service Access and Delivery	Access Channels	Other Electronic Channels	Gentran, C:D
13	Change Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	Endeavor, MKS

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

## PART TWO

## RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-05-23

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)

Not Applicable

## COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2.a. What is the Planned Value (PV)?

24.295

2.b. What is the Earned Value (EV)?

24.295

2.c. What is the actual cost of work performed (AC)?

24.263

What costs are included in the reported Cost/Schedule Performance information?

Contractor Only

2.e. As of date:

2006-12-10

3. What is the calculated Schedule Performance Index (SPI= EV/PV)?

1

4. What is the schedule variance (SV = EV-PV)?

0.000

5. What is the calculated Cost Performance Index (CPI = EV/AC)?

1

6. What is the cost variance (CV = EV-AC)?

0.032

7. Is the CV or SV greater than 10%?

no

7.b. If yes, explain the variance.

Cost and schedule variances are less than 10%

7.c. If yes, what corrective actions are being taken?

No corrective actions necessary

7.d. What is most current Estimate at Completion?

24.628

8. Have any significant changes been made to the baseline during the past fiscal year?

no