Medicaid Enterprise System (MES) Modernization Program

AHCCCS Medicaid Enterprise System (MES) Modernization Program Timeline

Since 2019, AHCCCS has been on a mission to modernize the Medicaid Enterprise System (MES), not just to upgrade technology, but to transform how we deliver care and improve outcomes for our members. This effort is about creating smarter, faster, and more secure systems that keep pace with the needs of Arizona's healthcare community and has one clear goal: **to improve how we deliver healthcare services and outcomes for our members by using modern technology and innovative processes.**

We recently introduced **four** projects that will help AHCCCS adapt quickly and continue providing high-quality care:

1. **Electronic Data Interchange (EDI)**
   A secure, streamlined way to exchange financial and administrative data between AHCCCS and its partners.
2. **Program Integrity (Fraud, Waste & Abuse)**
   Expanded tools for claims review and auditing:
   o **Phase 1:** Post-payment analysis to measure and identify areas for review.
   o **Phase 2:** Pre-payment auditing for consistent, proactive review before claims are paid.
3. **Customer Service System (CSS)**
   A "one-stop-shop" for Members, Providers, and Health Plans to update account information and communicate with AHCCCS.
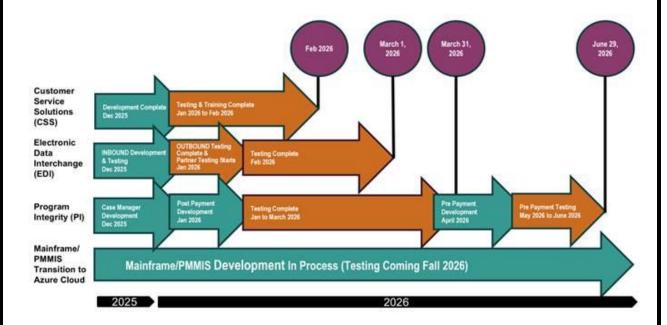4. **Mainframe Database Recoding**
   Migrating our mainframe system to a secure Cloud environment. Testing with internal teams and select partners begins Fall 2026.

Behind the scenes, AHCCCS has been working through the **technology development cycle** (see below):

- **Designing** the new technology through multiple rigorous sessions detailing the flow of work, people involved, and notifications needed for approvals and processing.
- **Developing** new technology and updating old programming and coding to include automation to assist with administrative work.
- **Testing** the new and upgraded technology using a "hands-on" approach to use it before it is implemented ("put into practice"). Select partners will be asked to test technology with AHCCCS staff for EDI and Mainframe Recoding.
- **Implementing** the technology or upgrades and making it available for end users.

Looking at the timeline of these projects, the **EDI** team will be reaching out to selected partners outside of AHCCCS to start testing January 15, 2026. Engaging external partners in EDI testing will ensure any issues are identified and resolved prior to implementation.

CSS will be tested prior to implementing, but training tools are being created and will be available when the technology is implemented. While the **Mainframe** recoding and transition is in the background, AHCCCS will reach out to selected external partners to help test the mainframe in its new Azure cloud environment during Fall of 2026.

In case you missed our previous email, all information on MES Modernization can be found here (https://www.azahcccs.gov/AHCCCS/Initiatives/MES/)

AHCCCS is still actively reviewing the **HR1** legislation, and additional guidance will be provided regarding its implications for MES Modernization.

AHCCCS is committed to staying ahead of the curve! By investing in innovation today, we're building a stronger foundation for tomorrow, one that supports quality care, protects sensitive information, and makes it easier for members and providers to connect with us.

Together, we're shaping a healthier future for our state!

If you have any question or comments about MES Modernization projects, please submit them here: Staff Feedback Form or type the link in your browser: https://forms.office.com/r/TFZhc9cfNk