

WHITE PAPER

How States Can Get More Value From Modularity

Integrated Modularity Unlocks Exponential Value From Medicaid Enterprise Systems

gainwell

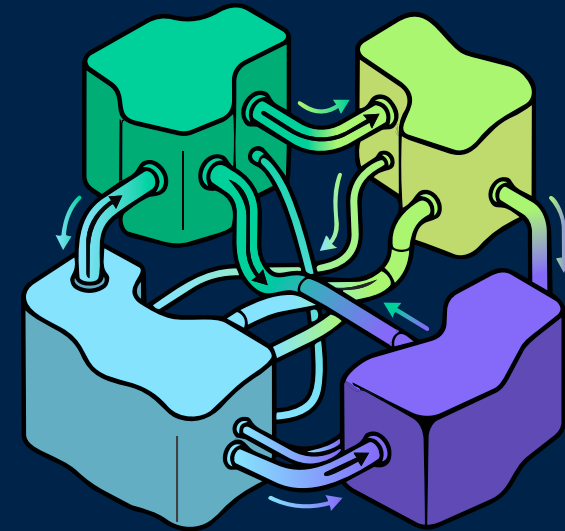


Not All Modularity is the Same

The Centers for Medicare and Medicaid Services (CMS) expect states to operate distinct Medicaid Enterprise Systems (MES) modules for claims, encounters, and financials (CEF); pharmacy; and provider management. But not every approach delivers equally.

Modularity should reduce fragmentation, not increase it. Medicaid agencies that build on a shared architecture can unlock something that others can't: the exponential value of modules designed to work together from the start.

States have two approaches for implementing MES modularity, assembled modularity or integrated modularity.

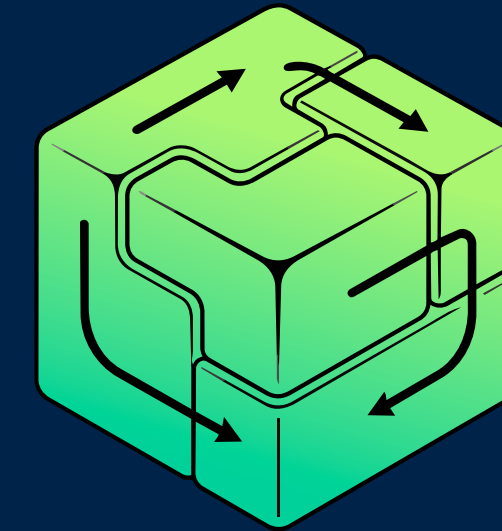


Assembled Modularity:

MES Modules on Different Architectures

States implement distinct CEF, provider, and pharmacy modules that function well but aren't designed to work together. They have different architectures and require ongoing translation. Data must pass through middleware, integration layers, and transformation engines. Each point is a potential failure point, bottleneck, or ongoing maintenance challenge. Often, policy changes must be manually synchronized across modules.

Assembled modularity is like working with puzzle pieces from different puzzles. The edges don't align.



Integrated Modularity:

MES Modules on the Same Architecture

States deploy separate CEF, pharmacy, and provider modules that are expressly designed to work together. These modules are built on a common architecture. Data flows between modules without translations. Analytics pull from shared data, and there is no need for reconciliation across disparate sources. Policy changes automatically and accurately cascade across modules.

Integrated modularity is like working with puzzle pieces from the same puzzle, forming a complete, clear picture.

Integrated Modularity Delivers Exponential Value

The value of a modular system goes beyond the modules themselves. It also comes from how they connect. This point is often overlooked in discussions about modularity, but it's a powerful value generator.

Integrated modularity creates a new layer of value: exponential value. When CEF, provider, and pharmacy modules work in tandem, their common architecture unlocks additional value from the seamless way they work together. With integrated modularity, each module delivers value, but so does the “mortar” between them. Integrated modularity amplifies the return on a Medicaid agency's MES investment in important ways:



01

Reduced Modernization Risk



Transitioning from a traditional Medicaid Management Information System (MMIS) to a modular MES is a mammoth undertaking that affects all facets of Medicaid operations. In CEF, for example, conversion defects can incur adjudication errors, break financial balancing, and corrupt encounter reporting. Electronic data interchange (EDI) failures make it hard to trace the origin of the defects. Without one owner, defects across varied modules often go unresolved. All of this enhances the risk of failure. That's millions of wasted dollars, delayed modernization timetables, and delayed member, provider, and prescriber care and time.

Integrated modularity significantly reduces these risks. It requires one operating model

for configuration, support, and upgrades across modules. Conversion, adjudication, and reporting are validated against the same data model. Data synchronizes across the ecosystem, and defects surface immediately instead of compounding.

Operations shift as a result. Governance is simpler, escalations resolve faster, and release cycles align. Integrated healthcare, eligibility, and enrollment data improves analytics, care coordination, and quality. With one accountable partner for all Medicaid systems, states spend less time managing the seams between modules and more time focused on program outcomes. This all makes it easier for agencies to stick to timetables and modernize without risking failure.



02

Quicker Implementation

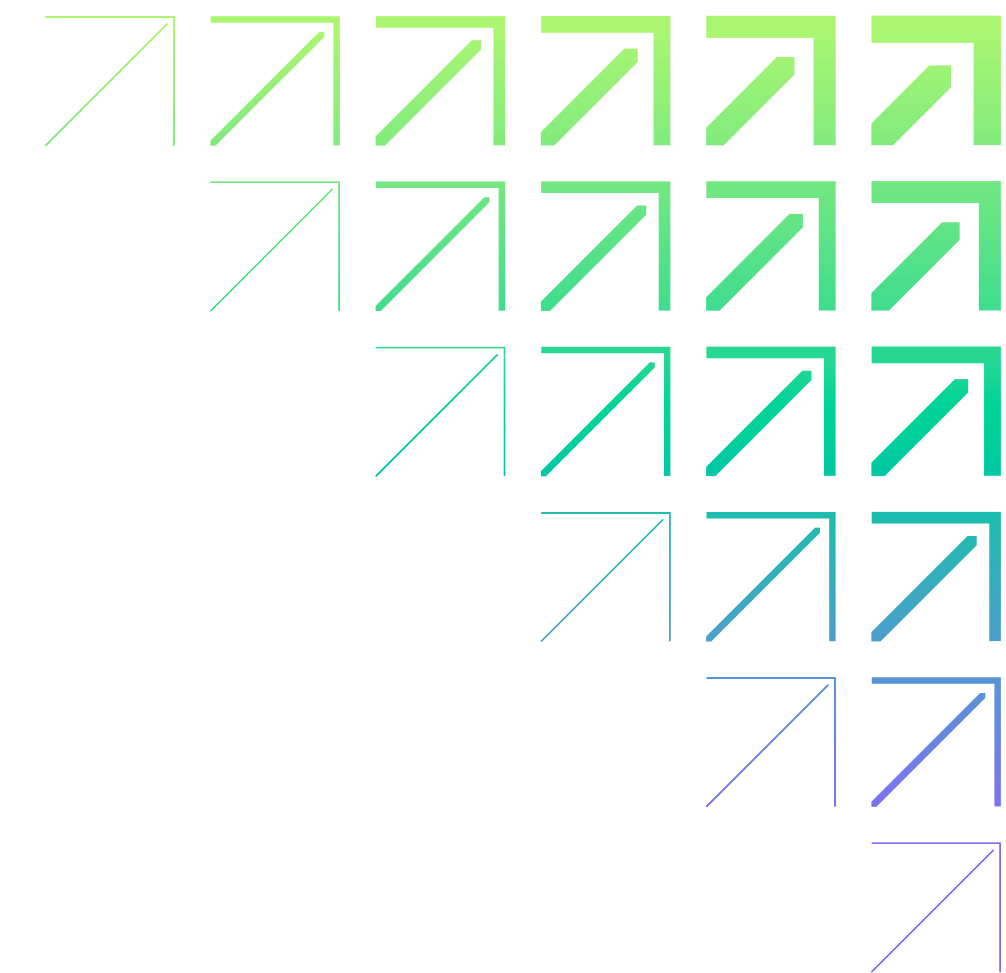


Implementation of MES modules built on different architectures is inherently complex, which extends implementation timelines. Every module requires its own discovery and analysis cycle of separate assessments and separate interface mapping. Instead of a single, unified process, multiple sequential efforts add time and risk before any of the modules go live.

Integrated modularity makes implementation faster because it starts with reusable patterns. A common architecture and shared data models mean that discovery and analysis happen once. Pre-built, proven integrations replace custom interface mapping for each new module. Less bespoke changes speed the path to production and reduce rework.

With integrated modularity, states can expect a shorter and more predictable path

to go-live. It's a straightforward operational upgrade rather than complex risk management. As such, Medicaid agencies spend less time on pre-implementation and realize value sooner from their MES investment.



03

Lower Costs



Running MES modules on different architectures means paying for the same capabilities more than once, such as contact centers, claim adjudication, data warehouses, member eligibility data, and reporting. States end up with duplicative fees for separate electronic data exchange platforms and support charges. Vendor management overhead is higher; operating costs from coordination across contracts, ticket routing, and testing across vendors add up quickly.

States can avoid duplicative fees with integrated modularity. Shared infrastructure and platform services operate once across all modules instead of separately for each. And there is the option of one vendor relationship to manage, one contract structure, and one support model, which inherently lowers costs.

But the benefits don't stop there. Integrated modularity also unlocks greater visibility and empowers stronger tactics to fight fraud, waste, and abuse. Greater visibility, when paired with artificial intelligence (AI) that detects mistakes proactively, results in more accurate payments and fewer unnecessary claims at the start, as well as identification of overpayments sooner. Less money going out prevents rework later.

The potential cost savings of integrated modularity go beyond a one-time gain. States can expect lower total cost of ownership with structural improvement that delivers meaningful cost savings over time.



04

Better Interconnectivity Across Support Teams

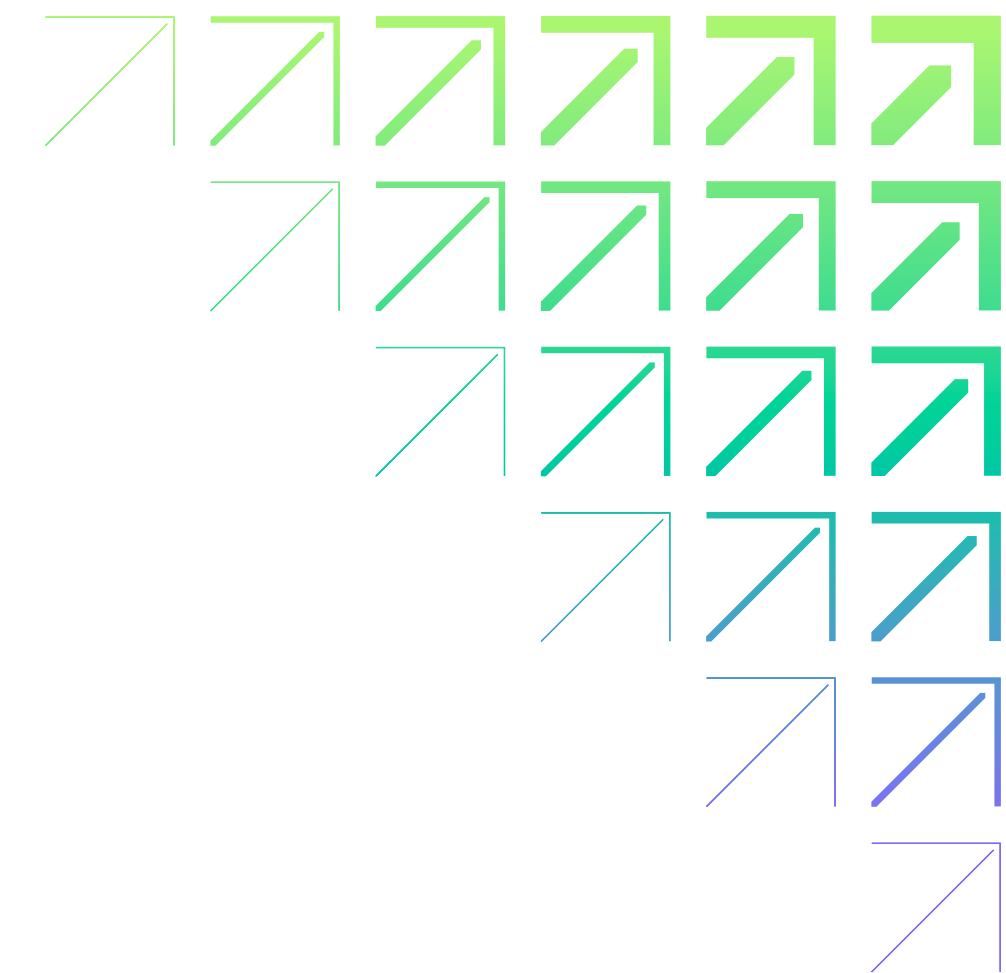


When modules run on different architectures, support teams operate in silos. Communication is poor, and release schedules aren't aligned. Keeping modules in sync takes extensive compatibility management and coordination. This introduces unnecessary operational risk, making something that should be straightforward complex.

This complexity isn't an issue with integrated modularity. Teams work with

common integration assumptions rather than having to work around each other's systems. It's a shared support model that speeds the triage of issues that cross module boundaries and reduces the time to resolution.

Without cross-module friction, states can expect predictable operations with fewer escalations. When issues do arise, resolution is faster because support teams share context, terminology, and systems.



Better Visibility and Analytics

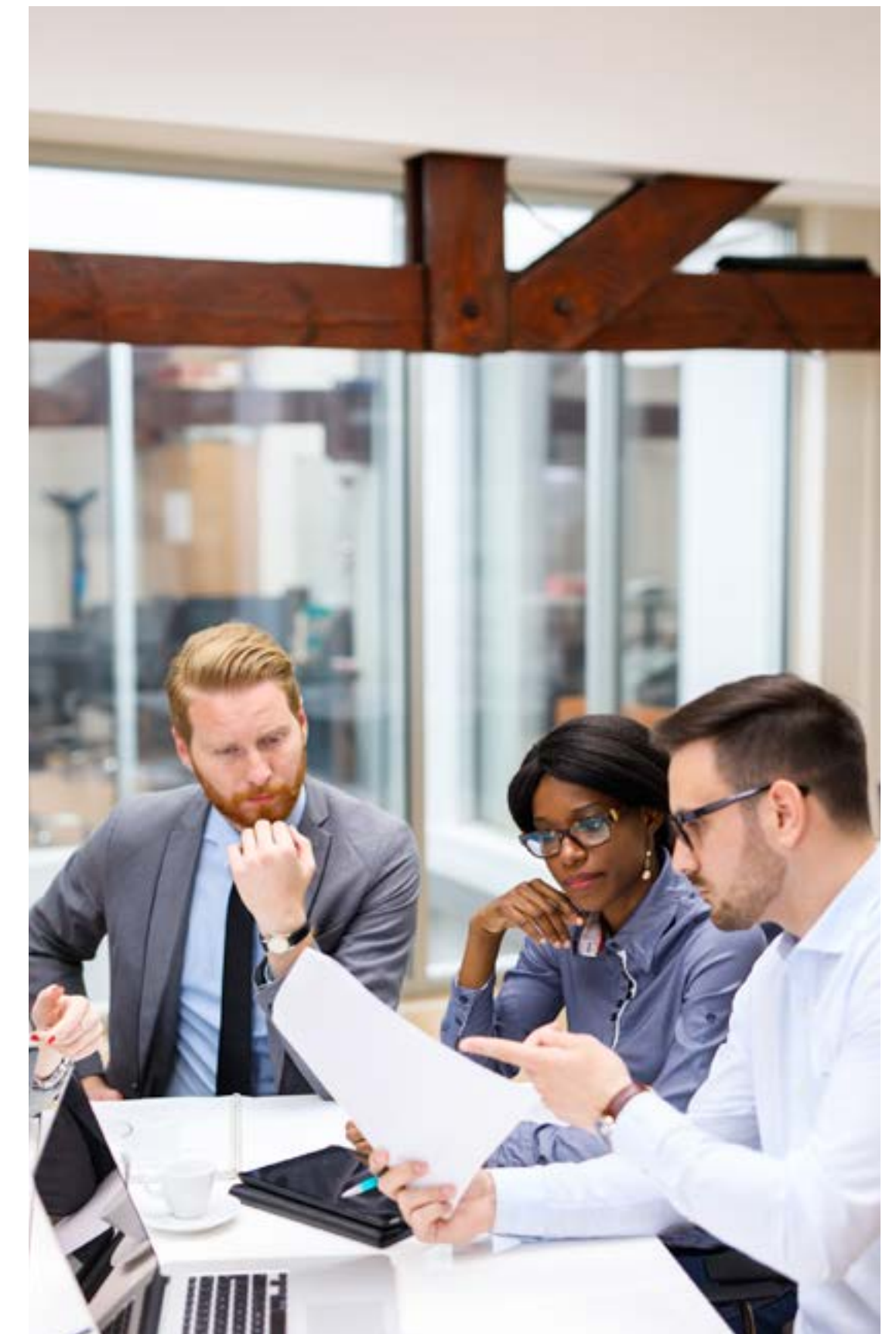


Fragmented MES architectures produce fragmented data. To understand overall program performance, leaders must consult multiple analytic dashboards, reconcile competing metrics, and manually compile insights across vendors and modules. Even then, the picture is often incomplete.

A shared data and analytics foundation gives complete program visibility. States can trust that each data field has a consistent definition across all reporting assets; no need for formal, slow data governance forums. Dynamic dashboards draw from a single source of truth across Medicaid operations and outcomes. On-demand reports include parameters, filters, and audit trails across MITA business areas. From an operational perspective, agencies

can better monitor claims lifecycles, encounter quality, financial reporting, and payment accuracy. Even more importantly, unified data provides a complete picture of utilization trends and clinical outcomes. For example, CEF data might show members with avoidable ED utilization, but pharmacy data would show which members have poor medication adherence.

All of this gives decision-makers true visibility into Medicaid systems and operations. CEF, pharmacy, and provider operations appear in a single view without reconciliation or delay. States get the clarity they need for confident decisions and meaningful program improvements.





Why Would States Want Conflicting Claims Systems?

Across the healthcare industry, separate systems manage pharmacy and medical/dental claims, and for good reason. Each requires different functionality tailored to how claims are structured, priced, and processed. But separate systems don't have to be conflicting. And they shouldn't be.

Medical and pharmacy claims systems that aren't integrated create inefficiencies that have very real consequences. Limited synchronization, such as once a day or once a week, can break down coordination of benefits (COB). Members risk overspending on COB and copays, and states risk violating federal rules that cap household spend at 5% of income. Inaccurate data can also cause errors in eligibility. And having two systems operate under different methodologies often involves separate EDI platforms, duplicate support teams, and unnecessary costs.

Implementing pharmacy and CEF systems with integrated modularity avoids these issues, keeping states compliant and reducing the number of external teams involved. The benefits are clear:

- Synchronized data for better integration across claim types
- Easier management and monitoring of total drug spend
- Greater visibility into clinical services management and administration
- Lower infrastructure and servicing costs through shared resources
- Faster implementation; only one survey and analysis of existing systems
- Consolidated accountability
- Better management of physician-administered drugs

06

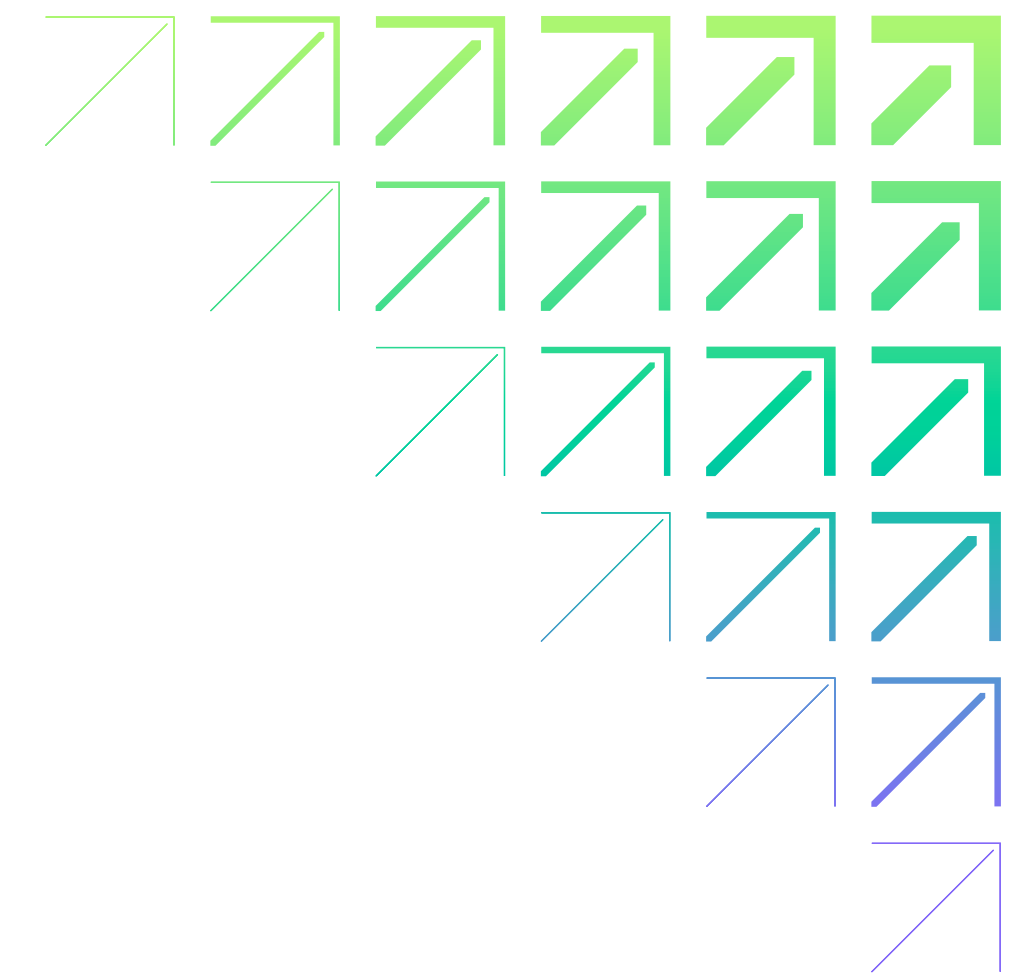
More Consistent User Experience



When MES modules have different user interfaces, there's a different learning curve for each one. Staff who support claims navigate one system, while those handling pharmacy or provider management work in different environments. Cross-training is a burden, proficiency takes longer, and there's little flexibility to move staff between systems when demand shifts.

Integrated modularity eliminates this burden by making the user experience consistent. The dashboard and user interfaces are the same. The ecosystem is unified. Workflows are predictable. Agents can view the claim, payment, provider, eligibility, and benefit context to resolve issues without multiple handoffs. And the learning curve shrinks with a modern and transparent user experience built just for Medicaid.

Consistency pays off in workforce flexibility. States can easily cross-train staff to support multiple modules. It's a reliable way to shift call center resources to meet demand. By making better use of existing staff, states can increase workforce capacity without adding more people.



07

Better Population Health



Because pharmacy claims are adjudicated much faster than medical claims, pharmacy data offers valuable member insights long before medical claims data can. For example, a prescription for prenatal vitamins signals a pregnancy early, while a medical claim indicating pregnancy for the same member might not surface for months. These early signals get lost when

pharmacy and medical data are in disparate systems. States miss windows for timely intervention, which are key for improving outcomes and managing costs.

Integrated modularity interprets these signals and makes it possible for states to act on them much faster. When pharmacy and medical data are structured and organized under a common architecture,

the connections between them are visible. States can see and infer insights from combined data that neither source could reveal on its own.

The result is a more proactive approach to member health. States get a fuller picture of their population and the tools to act.



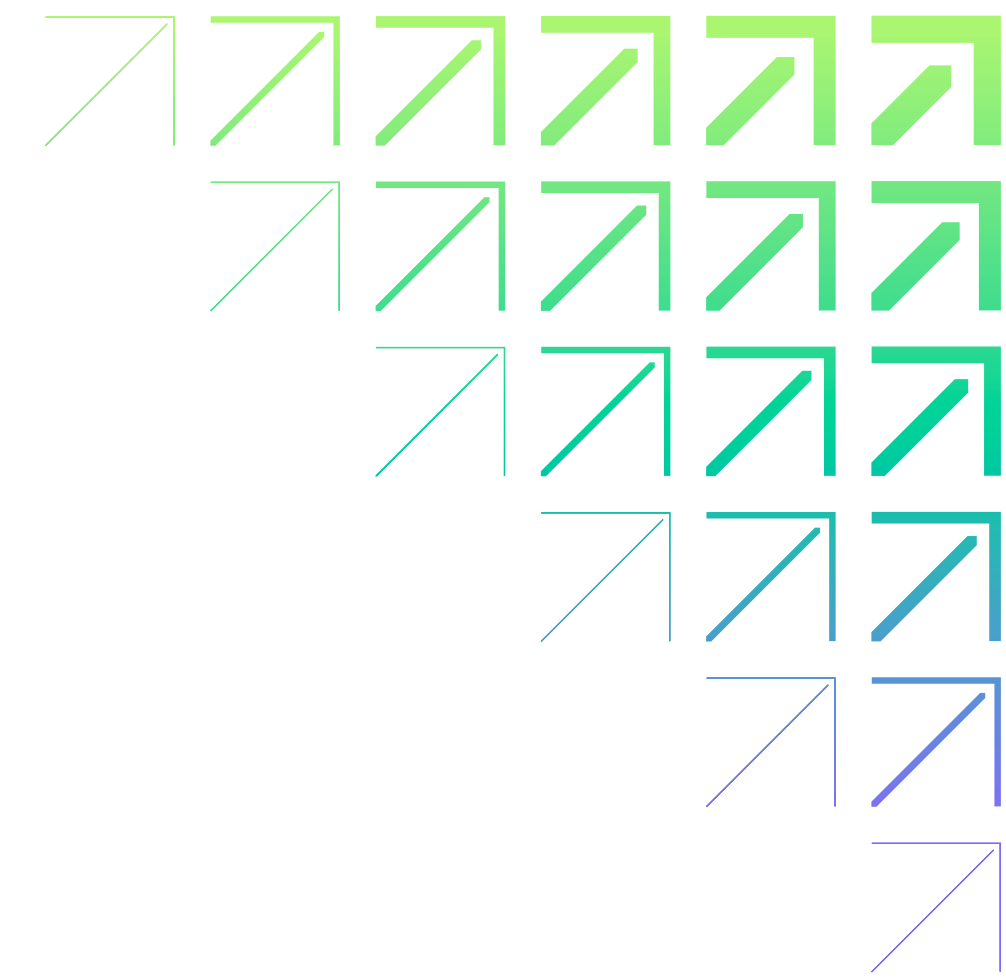
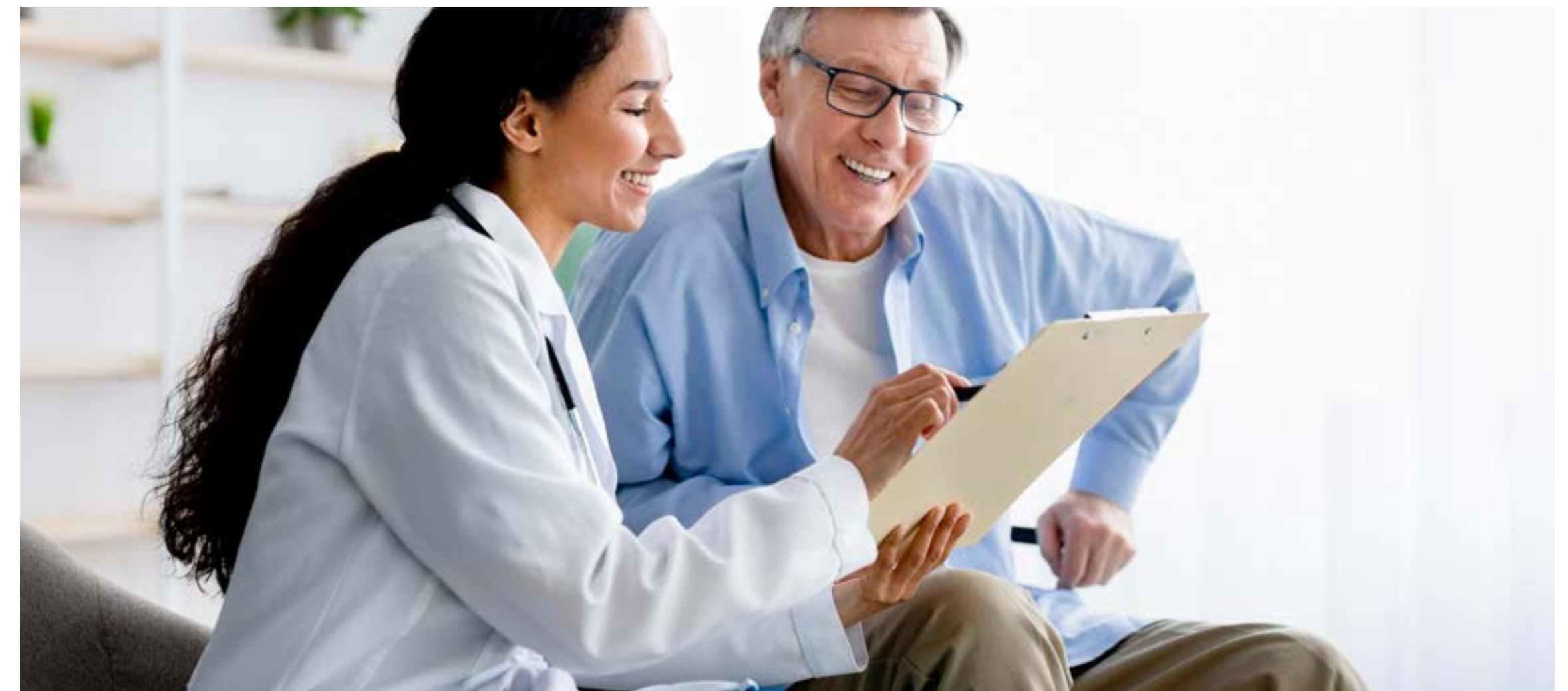
Friction-Free Member Experiences



When members reach out to Medicaid with an issue, they want quick resolution and friction-free experiences. But when MES modules are disconnected, the experience often is too. Simple interactions are unnecessarily complex. Members have to chase the support they need.

With integrated modularity, states can remove this friction from member experiences by creating a “single front door” for all questions. When critical data is standardized across modules and accessible from one source, members benefit from a single self-service portal with easy visibility into medical and pharmacy claim status, coverage, payment responsibility, and prior authorization status updates. They can better access providers and coordinate medical benefits. AI chat support makes member assistance even faster and easier.

More transparency shifts the member experience, making interactions more predictable and less confusing. What’s more, when MES modules share the same architecture, states can deploy innovations like AI across them at once, supporting a continuously improving member experience across all modules.



Physician-Administered Drugs (PAD) Management



When pharmacy and medical benefits operate on disparate modules, managing physician-administered drugs becomes a coordination problem. Prior authorization isn't consistent. Drug utilization review is fragmentary. Neither system can detect when a member is receiving the same drug through both channels or identify gaps in medication history. Because reimbursement rates differ between benefits, providers may route drugs through whichever pathway pays more, even when the clinical outcomes are the same.

Integrated modularity brings clinical and economic uniformity across both benefits. When pharmacy and medical claims share a common architecture, the same clinical rules apply to both. Prior authorization can stretch across all drugs, regardless of how

the drug is dispensed. Both prospective and retrospective drug utilization reviews can avoid duplicate drug therapies and deliver accurate pharmacy and medical histories. Cost containment becomes truly attainable, built on complete and accurate information. This alignment closes the clinical and cost management gaps that disconnected systems leave open.

The result is a cleaner, more consistent system for states and members. With combined visibility into members' medical and pharmacy history, states can evaluate both together to ensure members are receiving the right care at the right price and in the appropriate setting.



Less Provider Burden and Better Experience

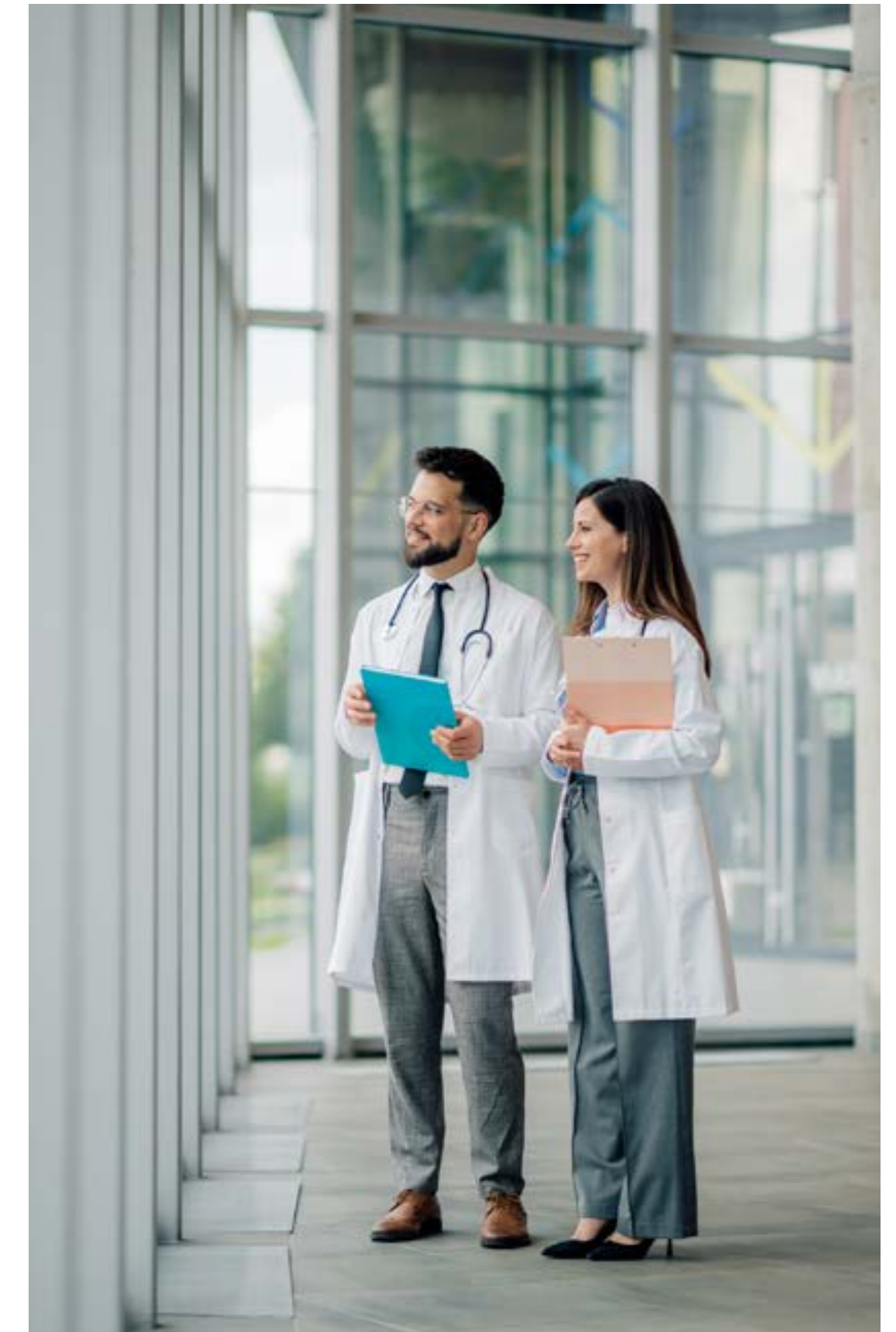


The administrative aspects of Medicaid typically have a larger impact on providers and their associated administrative and workflow functions. Disconnected MES systems can increase overall efforts, delay or deny payments, and cause inconsistent responses that ultimately impact member care.

Integrated modularity reduces these delays with seamless data sharing across modules. Built on data conversion and alignment between current and future state designs, it creates a unified data ecosystem with consistent meaning, structure, and usage while reducing conflicting data, integration issues, and reporting errors. Enrollment and credentialing information flows throughout the modules. Providers know what to expect. A shared contact center makes

issue resolution and assistance easier for the provider. A single self-service portal contains all actions a provider may need, from enrollment to reviewing medical and pharmacy claims to requesting prior authorizations.

Modernized systems built with integrated modularity offer an easier and faster process for provider services. States get real-time visibility into more reliable provider data across modules. Providers spend less time navigating administrative complexity and more time delivering care. This can strengthen the integrity of the Medicaid program and protect access to care.



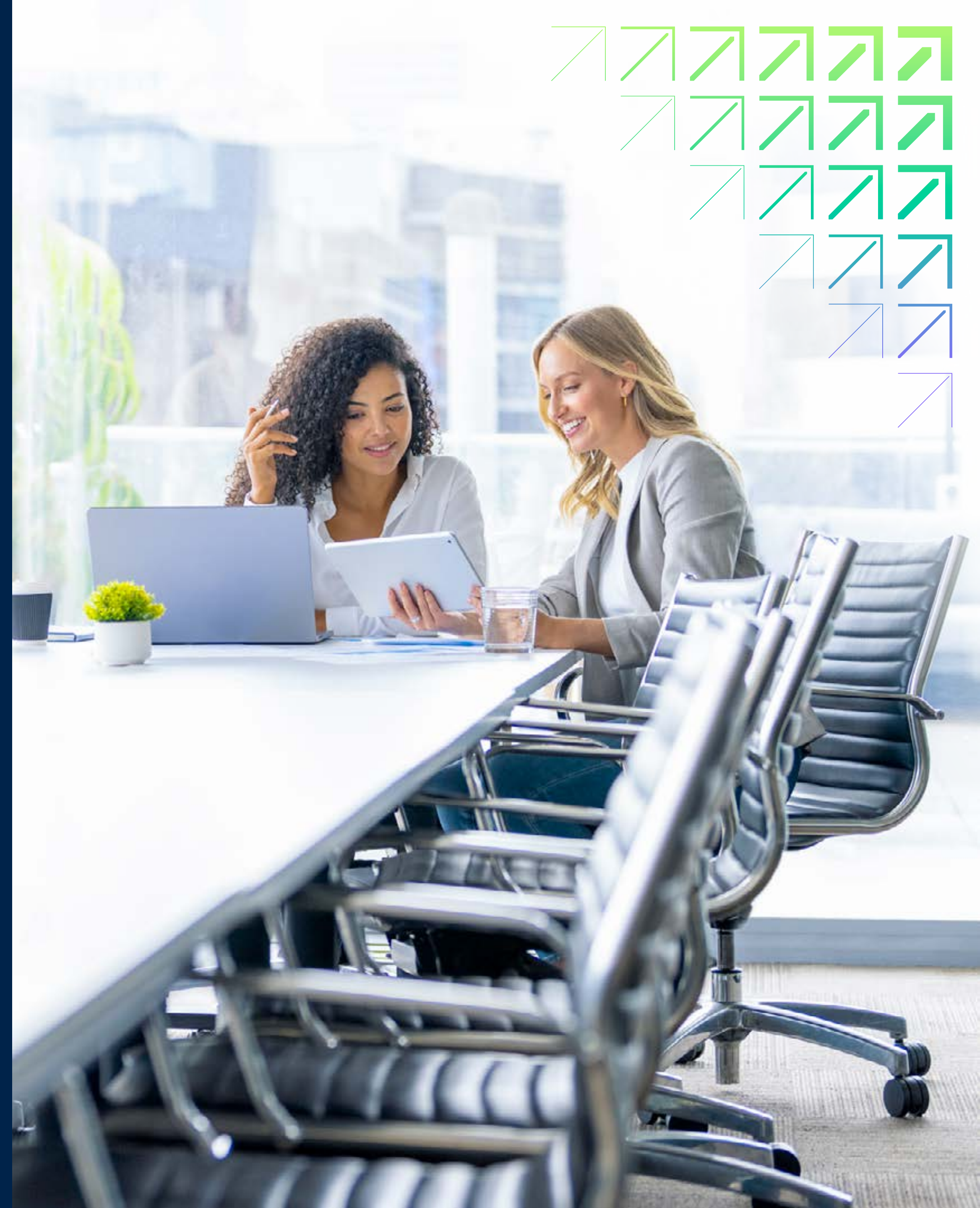
How to Fund Modularity Upgrades

System upgrades are essential because of CMS mandates, technology advancement, and growing member and provider expectations around experience and functionality. But modularization efforts can be expensive.

However, states can bring legislatures a plan rather than an invoice through complementary tools that can improve efficiency and reduce waste. Analytics that apply AI to comprehensively survey claims, encounters, cost, and utilization can identify unnecessary spending and improve efficiency. Tools designed to detect and correct fraud, waste, and abuse can

recover significant savings. Robust billing capabilities can identify errors and recover improper payments. Combined with budget-friendly contract cost structures, these tactics can often fund modernization efforts through savings over time, without requiring massive capital expenditures.

When states pursue these efforts on systems built with integrated modularity, the connections between modules amplify the impact. The result? A powerful virtuous circle where modernization drives more savings, and savings fund more modernization.



Modularity is a Mandate

Value is a Choice

Modularity is a mandate, but the value it delivers is up to states. Those that implement MES modules through integrated modularity don't just meet the mandate. They unlock exponential value from the intentional connections between modules built on the same architecture. The difference is far more than theoretical. For staff, providers, and members, it's the difference between a system that works and a system that transforms.

To learn more
about the power
of integrated
modularity in MES
modularity,
[visit our website](#)

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Gainwell Technologies LLC is the trusted leader in digital and cloud-enabled solutions for health and human services programs. With over 50 years of proven expertise, we help modernize Medicaid and public health programs with innovative solutions to improve operational efficiency and enhance provider experiences, while also safeguarding program integrity with HMS verification and cost containment services. Combining cutting-edge technology with an unwavering commitment to service excellence, Gainwell delivers scalable, impactful solutions that advance public health and create transformational results. Learn more at www.gainwelltechnologies.com.

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