

July 7, 2026

Attachment B – Administrative Alignment, Procurement Modernization, and AI

Purpose

Administrative simplification should be a procurement priority because unnecessary variation reduces provider capacity and delays participant access to services.

Administrative Alignment

Administrative variation across MCOs creates unnecessary costs for providers and reduces time available for participant care. Greater alignment of credentialing, authorizations, reporting requirements, provider manuals, electronic transactions, and communication standards would improve efficiency while preserving opportunities for health plans to innovate in care management and quality improvement.

Procurement Modernization

The next procurement represents an opportunity to modernize the delivery system by emphasizing accountability, measurable outcomes, longer planning horizons, and operational consistency. Procurement should encourage regional flexibility where appropriate, reduce duplicative requirements, and support provider investment in workforce and technology through greater contract stability.

Artificial Intelligence Strategy

DHS should establish a framework to encourage responsible AI adoption across administrative and clinical support functions. Appropriate applications include prior authorization support, predictive analytics, documentation assistance, quality reporting, fraud detection, and care coordination. Procurement should require transparency, security, auditability, and meaningful human oversight while encouraging innovation.

The above recommendations are intended to supplement the response by providing implementation guidance that can be incorporated into procurement design, contract requirements, and ongoing oversight. The objective is to improve participant outcomes while strengthening provider capacity, promoting operational consistency, and supporting long-term sustainability.