Oregon Health Insurance Exchange Corporation (ORHIX) / Cover Oregon (CO) Monthly Quality Status Report

October 2013

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FINAL

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SECTION 1: Introduction

Cover Oregon (CO) recognizes the value of an independent, third-party formal quality assurance (QA) services. To meet this need, CO has engaged MAXIMUS to provide the following QA services:

1.   **Initial Risk Assessment** - identification of initial risks facing CO
2.   **Quality Management Plan (QMP)** – recommended activities and tasks to address risks
3.   **Monthly Quality Status Reports** – monthly tracking of progress of managing risks

This document represents the Monthly Quality Status Report for the month of October, 2013. This report builds upon the initial risks that were identified in the Initial Risk Assessment and prior monthly Quality Status Reports and summarizes any relevant updates to findings, risks, or recommendations.

Brief ORHIX / CO Background

The design and implementation of an insurance exchange is a key part of Oregon's current health reform efforts aimed at improving the health of Oregonians by increasing the quality and availability of medical care, and controlling costs. Once implemented, the Oregon Health Insurance Exchange will be a central marketplace where consumers and small employers can shop for health insurance plans and access federal tax credits to help them pay for coverage.

As required by the Affordable Care Act (ACA), the Exchange will offer a variety of services. Through the Exchange website, Oregonians will be able to easily compare plans, find out if they are eligible for tax credits and other financial assistance, select and enroll for health coverage. They also will be able to shop and enroll by calling a toll-free number and working with community-based navigators and insurance agents.

MAXIMUS

SECTION 2: Executive Summary

The overall risk has not changed during the period.

The overall risk level for CO is HIGH (red).

Please note, that while progress was made during the month, the progress was not considered significant enough to lower the overall risk of the whole endeavor. In other words, progress in some areas since last month is offset by the fact that there is one less month until the federally mandated deadlines. Additionally, each rating category will carry a different relative weight when assessing the overall risk level of the effort. For example, while 10 out of 16 Quality Rating Categories are medium (yellow) or low (green), critical categories including "Scope", "Schedule" remain high (red), which drives the overall high (red) risk assessment.

It is important for these findings and recommendations to be viewed in a larger context. CO faces some unique challenges due to the nature of the larger health system transformation within the State of Oregon and Nationally. For example, in order to meet the federal requirement that the Exchange be up and running by January 1, 2014, the organization must be completed and ready to accept enrollments by October 2013. This is clearly a very aggressive timeline. And this work must be achieved in an environment of evolving federal requirements and user expectations.

The environment within which CO operates is changing rapidly and involves a number of state and federal government agencies, insurance companies, community organizations and public interest groups. In addition, CO is a relatively small public corporation that is evolving rapidly and was dependent on the Oregon Health Authority (OHA) for the initial development of the Health Insurance Exchange - Information Technology (HIX-IT) solution.

As a result of this dynamic and complex situation, it is not unexpected that many of the risk levels evaluated were determined to be high (red).

The organization has made significant progress in a number of areas during the month of August, including:
- CO has carefully reviewed the summary and detailed findings of the previous QA reports and has met with MAXIMUS to discuss the findings in detail.
- CO has accepted over 7,300 paper applications and is in the position to do final enrollment as the applications are verified.
- The organization has and continues to demonstrate flexibility and creativity in dealing with this complex system delivery.
- CO launched the Deloitte website on Oct 1st. This site enables public users to determine APTC eligibility and shop for medical and dental insurance.
- The CO website had over 330,000 unique visitors in October. Over 244,000 of these users browsed insurance plans.
- The initial launch of the Oracle system gave the CP/A's the ability to login and ID to the system. This system had over 3,900 users that authenticated to the system.

The following table summarizes the priority QA recommendations, along with the high-level response from CO. Additional details for each of these recommendations, including the underlying findings and risks, are included in Section 4 of the report. Similarly, a more detailed response from CO is included in Section 5 of this report.

Table 1: Summary Quality Standards Scorecard

Quality Rating Category	QA Risk Level	Priority QA Finding and Recommendations	CO Risk Level	CO Response
OVERALL HEALTH	High	• See below for specific priority recommendations. • Continue to review, update, and track all outstanding quality risks and recommendations.	High	• Cover Oregon agrees that overall health remains High Risk as Cover Oregon worked through the month to bring up key functionality.
Business Mission and Goals	Low	• CO has been accepting and processing paper applications. Approximately 7,300 applications have been delivered to the State. CO is capable of enrolling applicants with insurance carriers when applications are completed.	Low	• Cover Oregon has continued to keep its organizational mission and goals in the forefront, as it implemented a manual contingency process for determining eligibility. The need for additional capacity was assessed in October, and resources will be brought on in November.
Roadmap	Med	• MAXIMUS expects that the short term roadmap to continue to change as issues arise with the Oracle system and Oracle's ability to deliver against the current set of requirements.	Med	• The release schedule was altered in late September once it was determined that expected functionality was not ready for launch. During October, CO identified manual and IT release dates that could be met by CO staff, contractors, OHA and Oracle, and planned out how the dates would be met. • CO has some preliminary 2014 releases planned but the specific scope and timing for each release is yet to be determined.
Scope	High	• It is likely that scope will continue to be trimmed if issues arise with the current plan or if development (Oracle) continues to under deliver. • Each time Oracle misses the	High	• While initial launch was planned to include full functionality across Individual and SHOP, by mid-September Cover

		dates they have by a significant margin, CO is left with very difficult choices and will often result in further adjustments to plans, releases, further scope reduction, etc. These actions by CO further exacerbate the Oracle ad hoc delivery process.		Oregon decided to allow account creation but not application on day 1. • The Open Enrollment release plan was amended in October based on new information. The revised plan supports the incremental release of functionality and ensures defects are identified, triaged and resolved.
Schedule	*High*	• Oracle's ability to release system environments continues to be problematic. This has a significant impact on the schedule. • Oracle's ability to properly estimate the work for any release is significantly lacking - this continues to affect the schedule and CO's ability to communicate dates to the public.	*High*	• As additional information from Oracle became available, Cover Oregon has established a revised schedule with key deliverables for Q4 2013. The new schedule includes the final delivery of all CO environments, a plan for getting to Production Readiness within OMCS guidelines and the delivery of interim and December 1.1 Releases.
Budget	*Med*	• CO total budget, year to date (Sept), is underspent by approximately $480K. • The IT component of the CO budget, year to date (Sept), has overspent by approximately $13.8 million. The budgeted amount was $57 million and the actual amount is $67 million.	*Med*	• Cover Oregon is monitoring expenditure vs available funds. Additional funding needs are being assessed. Some adjustments and transitions across the fall will be required to sustain through 2014. • Cover Oregon is in discussion with Oracle with regard to delivery and payment issues.
Funding	*Low*	• CO has secured $226 million in Level 2 funding for the Exchange. • The amount remaining on the level 2 grant as of Sept is approximately $149 million. • It is recommended that CO work with CMS to determine if there are other opportunities for IT funding in the short term.	*Low*	• Cover Oregon concurs.
Board	*Low*	• The CO Board meets on a regular basis and receives	*Low*	• Cover Oregon concurs.

Governance		updates from Executive Director and his staff on salient business, IT and stakeholder topics. • The CO Director accurately conveys the challenges of the IT system launch to the board during the board meetings.		
Inter-Org Coordination	**Med**	• Cover Oregon and OHA/DHS have been working together reasonable well. As issues arise the business units' work together to find a reasonable solution.	**Med**	• Cover Oregon and OHA have worked together to implement a manual contingency process that involves OHA processing Medicaid enrollments until the joint effort to send enrollments electronically is finalized and fully tested. If needed this process can be done manually. • Manual enrollment is current OHA practice, making it consistent with the process for which relevant OHA staff is already trained and capable of doing. • Cover Oregon and OHA are processing applications and enrollments and coordinating efforts.
Org Management	**Low**	• As the Oct 1st launch occurred there were unanticipated events that occurred and the organization adapted quickly. The adaptations in some cases required staff to put in tremendous effort. The line staff were consistently consulted and were given a voice in problem resolution. • The level of effort mentioned above, shows the tremendous flexibility of the organization, however, this flexibility and effort takes its toll on the line staff and can't be expected during each software release.	**Low**	• Staff worked well together across organizational lines to respond to challenges. • The addition of temporary staff is planned to respond to current need, particularly in the service center but also in central office where needed. The organization is managing the growth and onboarding smoothly. • Additional efforts are being taken at the organization-level to ensure that staff is able to meet Cover Oregon needs without depleting their personal resources.
Human Resources	**High**	• There have been a number of examples of staff exhibiting signs of extreme stress. This stress is rooted in being	**High**	• October was a high stress month for the organization. • Cover Oregon has contracts in place to

	 	overworked, doing work beyond their skillsets, individual stress tolerances, and/or different levels of commitment or expectations between staff and vendors. Extra care should be taken by executive management to monitor for signs of stress and intervene to ensure personnel health and organizational morale during this period. • CO should consider adding consultants/staff to backup and/or augment staff based on the reasons above.	 	respond should additional resources be needed. • Staff and the Executive team are invested in keeping morale up across the organization. Planning is underway to provide relief to key staff as needed. Additionally. Staff across the organization is actively supporting one another in both formal and informal ways.
Stakeholder Management	*Med*	• Missed delivery by Oracle of the Oct 31st release will require CO to communicate new expectations to stakeholders • Releasing a system that is unreliable/not stable will frustrate users and may negatively affect the CO brand. • It is recommended that when Oracle presents release dates, features, defect tolerances and user capacity CO should memorialize these items in formal "cure" letters.	*Med*	• Communication with Community Partners, Agents and Carriers was a key to managing through October and will continue going forward. • Agents and community partners involved with Cover Oregon's initial launch are being informed and consulted regularly through daily calls and emails, and weekly meetings. • Cover Oregon has been messaging its launch plan and providing updates to the Board, Legislature, state Administration and news media as things continue to evolve.
Communications	*Med*	• MAXIMUS expects that additional changes/fixes may occur as system releases are launched throughout the fall. CO needs to ensure that procedures are in place to retrain CP/A's, CSR's and OHA personnel prior to the release of incremental features. • Based on Oracle's inability to estimate work and meet system release dates, CO should consider developing an outbound communications strategy that acknowledges this situation.	*Med*	• The communications team has responded to stakeholder and media requests for up-to-date information related to functionality and releases. • Cover Oregon messaging is coordinated with OHA and involves administration feedback.

Project Management	High	- CO has commissioned MAXIMUS to review these Oracle processes. MAXIMUS has reviewed the processes and have found the processes do not meet industry standards. Impact analysis, code review, coding standards and proper parallel development techniques are ad hoc and inconsistently applied or understood. - On Oct 9th the CO production system was taken down after a release of a simple patch by Oracle. A root cause analysis was conducted by Oracle (see Attachment A to this report). MAXIMUS analysis concluded the following: - The outage could have been averted. - The Oracle code written and implemented was not of sufficient quality. - Oracle code peer review was not sufficient. - Testing was not sufficient. - Oracle's ability to deliver environments in a timely manner continues to be an issue. - CO should consider reducing the amount of developers in the Siebel component of the solution. This product in particular, does not lend itself to parallel development. - CO should consider focusing on a single component of the system using a small cross functional team of SME's, BA's, developers and testers doing rapid fix and test to begin to show forward progress more rapidly. If this proves productive, additional teams should be formed to similar work in other areas over time.	High	- Cover Oregon concurs with MAXIMUS's assessment. Based on its own review, Cover Oregon has insisted to the most senior Oracle managers that they rectify these findings, and we have been directly enforcing that development processes meet industry standard best practices. - Cover Oregon concurs with MAXIMUS's assessment and has demanded that Oracle improve code quality and development discipline. - Production releases were rescheduled in October for the Q4 2013 releases. Cover Oregon is prepared to adjust releases based on test results. - Cover Oregon has directed Oracle to retain the most experienced Siebel developers and augment with high-level, highly experienced developers and architects. - Small teams have been established in the production room, bringing together developers from different areas with subject matter experts to work on key issues and system functionality.

Contract Management	*Med*	• MAXIMUS understands that payment to Oracle is being withheld and DOJ is being consulted on how to best manage the lack of performance by Oracle. • Oracle's performance is clearly lacking. Their inability to adhere to industry standards and professional software and project management tenants warrants further review. • Oracle continues to post dates for specific deliveries and consistently miss delivery targets, a clear example is that of environment delivery. Oracle was to delivery 7 environments by 9/26/13 and to date they have only delivered 5.	*Med*	• Since Cover Oregon took over the Oracle contract for exchange work in May, it has become progressively better able to identify and directly address contractor issues. Cover Oregon is working with Oracle to assess and rectify system issues and improve our ability to identify when functionality will be available.
Product Content	*High*	• In September, Cover Oregon took the significant step to limit system access to agents and community partners only, and to allow only account creation, but not application, plan selection and enrollment. Oracle set the expectation CO Board that full functionality would be completed by the end of Oct (see Oct Board transcripts). This did not materialize. • CO has commissioned Deloitte to create a light weight website that will provide the public with the ability to identify APTC tax credits and browse insurance plans. This website has proved helpful to a number of people and families that are likely qualified for tax credits.	*High*	• Cover Oregon concurs that Oracle did not meet its commitments to the Cover Oregon Board. Cover Oregon is now working with top Oracle technical leadership and the Oracle CEO is now being apprised daily to ensure that no more slippage occurs. • The "public website" created by Deloitte provides individual users with a tool to estimate individual tax credit eligibility, anonymous browse capability, and agent/community partner search. Cover Oregon concurs that it has been useful for consumers interested in determining what they might be eligible to receive.
Testing	*High*	• Software releases into test from development are being implemented daily/weekly. The	*High*	• Cover Oregon has directed Oracle to produce more targeted releases that focus on specific areas on functionality, and

	releases are not stable and fixes and features are appearing randomly in the releases. In addition, more items are breaking then are being repaired. This is indicative if too much concurrent Oracle development in an uncontrolled development environment. • Performance testing by Oracle is dependent on a stable release of the system. In addition, sufficient features need to be developed and released for performance testing to be meaningful.	that reflect Cover Oregon's production release plan. This has allowed the test team to focus testing more effectively to ensure solid coverage on each release to the test environment, and to plan more rigorous regression testing. Development work has been moved to a more stable environment, which has allowed the developers to carry out more effective unit testing, which has improved the quality of the code entering the test environment. A pre-production environment will come on line in November, and will be used for regression testing. • A performance test environment is now in place, and performance test planning is in progress, now that the enough functionality has been delivered to make performance testing meaningful.

Table 2: QA Risk Level Tracking

Quality Rating Category	Jan '13	Feb '13	Mar '13	Apr '13	May '13	June '13	July '13	Aug '13	Sept '13	Oct '13
OVERALL HEALTH	H	H	H	H	H	H	H	H	H	H
Business Mission and Goals	M	M	M	L	L	L	L	L	M	L
Roadmap	M	M	M	M	M	M	M	M	M	M
Scope	H	H	H	H	H	H	H	H	H	H
Schedule	H	H	H	H	H	H	H	H	H	H
Budget	M	M	M	M	M	M	M	M	M	M
Funding	L	L	L	L	L	L	L	L	L	L
Board Governance	L	L	L	L	L	L	L	L	L	L
Inter-Org Coordination	H	H	H	H	H	H	H	H	M	M
Organizational Management	L	L	L	L	L	L	L	L	L	L
Human Resources	M	M	M	M	M	M	M	M	M	H
Stakeholder Management	L	L	L	L	L	L	L	L	M	M
Communication	L	L	L	M	M	M	M	M	M	M
Project Management	M	M	M	H	H	H	H	H	H	H
Contract Management	M	M	M	L	L	L	L	L	M	M
Product Content	H	H	H	H	H	H	H	H	H	H
Testing	M	H	H	H	H	H	H	H	H	H

SECTION 3: Methodology and Approach

Risk Assessment Methodology

The MAXIMUS risk assessment methodology began with the identification and analysis of initial risks that face the CO project from a number of different perspectives. This work resulted in the Initial Risk Assessment, and was updated by subsequent Monthly Quality Status Reports. These risk reports included a variety of confidential interviews with CO staff and Board members, as well as other State and HIX-IT project stakeholders. On an ongoing basis, MAXIMUS will deliver monthly quality status reports that will continue to track progress on risk transference, remediation or acceptance by Cover Oregon. These monthly reports may also identify new risks or further refine the understanding of existing risks.

In developing the monthly quality status report, the MAXIMUS Team attended project meetings, conducted interviews, and reviewed various CO artifacts, to assess how risks are being mitigated. The information gained during these activities was used to update the specific findings, risks, and recommendations originally presented in the Initial Risk Assessment and subsequent monthly quality status reports.

This report represents the CO Monthly Quality Status Report for the month of October, 2013.

Section 4: Risk Assessment Findings, Risks, and Recommendations

The detailed findings, risks, and recommendations are presented below. Findings are limited to specific information identified during the period. Risks and Recommendations have been updated, as appropriate. For ease of readability, the unique numbering has been reset for both risks and recommendations, to assist in tracking. The integrity of the numbering will be preserved during future reports.

Table 3: Detailed Quality Standards Scorecard

Quality Rating Category	*Sept 2013*	*Oct 2013*	*Risk Assessment Finding, Risks, and Recommendations*
Business Mission and Goals (BMG)	**Med**	**Low**	

Findings During Period:

- CO has been accepting and processing paper applications. Approximately 7300 applications have been delivered to the State. CO is capable of enrolling applicants with insurance carriers when applications processing is completed by CO and OHA.

- The Exchanged was launched to only Agents and Community Partners using a combination of the Deloitte built website and the Oracle system. The Deloitte website is housed using Amazon's cloud service. This site will enable public users, Agents and Community Partners to enter in their information to determine tax credits, browse plans and review plan information and costs. This information can be utilized to fill out paper applications via a PDF form.

- The Oracle system was released to only Agents and Community Partners and is limited to login and ID proof only. Additional functionality is intended to be available in future releases. Each subsequent release will most likely go into production with known defects and manual workarounds.

- The system is being accessed by these groups for a limited amount of hours per day and the system will be unavailable in the evening for maintenance.

Risks:

1. Without clear understanding, communication and alignment of the deadlines and contingency plans for each Oracle system release between the business units (CO, OHA) procedures for application processing may be incomplete or out of synch.
2. Without a clear understanding and testing of each Oracle release CO business may encounter negative feedback from the CP/A users.
3. Without a detailed system release plan, coordination of IT, OPS and Marketing and training may not be in full alignment for each subsequent release.
4. Launching the Oracle system with known defects may result in a bad user experience which could affect the CO brand long term.

			***Recommendations*:** 1. Ensure that each Oracle release is tested and defects are well documented. These defects, if accepted by CO, will drive workaround and contingency plans.CO should ensure these are all well documented and communicated to internal staff. In addition, this information will drive the training for the CP/A on each release and CO should ensure that training and materials are available to the CP/A prior to releasing the Oracle software to production. **2.** Continue to refine the feature roadmap and ensure that it is connected with the business strategy, marketing, training and communications as well as OHA/DHS.
Roadmap (RM)	***Med***	***Med***	
			Findings During Period: • MAXIMUS expects that the short term roadmap to continue change as issues arise with the Oracle system and Oracle's ability to deliver against the current set of requirements. • Based on the soft launch strategy the roadmap for the next few releases are proposed based on essential business features for the next couple of months. • Additional scope may need to be deferred as a more detailed level of effort is provided and Oracle's ability to deliver. • Releases of the system will be implemented throughout the fall of 2013. ***Risks:*** **1.** Without a clear, comprehensive, and authoritative description of the Exchange roadmap, the project will likely continue to have incomplete data for future budgeting and unclear project priorities. **2.** Without a roadmap projection beyond 2013 will be difficult to do development budget projections for future grants and operations and development. **3.** Without a process for determining the roadmap priorities it will be difficult to determine what features will have the highest impact of CO target metrics. **4.** The inability of Oracle to deliver previous roadmaps makes it difficult to expect them to deliver against the new fall roadmap. ***Recommendations*:** **1.** Oracle and CO should create integrated prioritized roadmap to communicate with the CO staff, CO Board of Directors, and other stakeholders how the CO metrics will be achieved.

			2. The process for developing the roadmap(s) should be documented so that it can be evaluated by stakeholders prior to getting deep into the process. Also, all underlying assumptions should be articulated in the process so they can be agreed upon by executive management. 3. Finalize the near term functional roadmap, including a high-level schedule of required functionality, and prioritized features.
Scope (SCP)	*High*	*High*	
			Findings During Period: ● It is likely that scope will continue to be trimmed if issues arise with the current plan or if development (Oracle) continues to under deliver. ● Each time Oracle misses the dates they have by a significant margin. CO is left with very difficult choices and will often result in further adjustments to plans, releases, further scope reduction, etc. These actions by CO further exacerbate the Oracle ad hoc delivery process. ● CO has deferred a piece of the Medicaid interface into the OHA MMIS system until TBD. ● Currently, a cross functional view of the Product Development Lifecycle (PDLC) does not exist and clear connections between development, operations, marketing and communications are lacking. ● The Oracle development group did not deliver all the Oct features as scheduled. This will most likely push features in subsequent iterations further out in time and/or result in significant scope reduction in the near future. *Risks:* 1. Lack of discipline and control of the change management process will result in incomplete build documentation, testing errors and schedule slips. 2. Without a tight linkage between development, business, marketing, and communications the current launch strategy with the current scope will be difficult to manage after launch. 3. The inability of Oracle to deliver previous roadmaps makes it difficult to expect them to deliver against the new fall roadmap. 4. The inability of Oracle to deliver previous roadmaps makes it difficult to expect them to deliver against the reduced scope. *Recommendations*:

			1. Define and implement clear project management processes and controls for maintaining the CO WBS, including "rolling wave" elaboration of near-term work.
			2. Continue to integrate the use of the Schedule (and underlying WBS) into the day-to-day management and planning of the project especially for future product releases. This will ensure that these documents are useful and accurate.
			3. Develop clear milestones, tasks and checkpoints for the Scope lockdown and sizing for the final iterations for the fall releases. Communicate these items to all appropriate stakeholders.
			4. CO should ensure that the manual paper application process is leveraged heavily during the soft launch process.
Schedule (SCH)	***High***	***High***	

Findings During Period:

- Oracle's ability to release system environments continues to be problematic. This has a significant impact on the schedule.
- Oracle's ability to properly estimate the work for any release is significantly lacking, this continues to affect the schedule and CO's ability to communicate dates to the public.
- The CO team reviews and updates the schedule weekly with ORACLE and other development, integration and test groups. The schedule is less predictive at this point in the project. It is primarily used to track status of releases.
- The CO schedules lack baselines for variance measurements. This information will be important for future roadmap and feature release estimates.
- The lack of reliable estimating by the Oracle teams, undiscovered development issues and incomplete requirements by CO will result in continued surprises to CO throughout the initial launch and subsequent releases in the fall.

Risks:

1. Without a clear understanding of how Oracle estimates the development work and their schedule, including the activities and tasks specifically assigned to CO, there is a risk that releases will continue to slip.

2. Without clearly linked schedules between CO and Oracle development and Oracle On Demand services, the project will suffer from confusion and misaligned expectations and deadlines.

				Recommendations:
				1. Develop a single, comprehensive, baselined schedule for all Oracle development, Oracle On Demand Services, Oracle Performance test and CO test work.
				2. Define and implement common project management processes and controls for maintaining the schedule across Oracle and CO, including "rolling wave" elaboration of near-term activities, baselining, variance tracking, resource loading and common reporting of project progress and status.
				3. Given the difficulty in estimating the development with Oracle and delivery Oracle environments, CO should embed sufficient slack in its schedule (on the order of 50+ percent). CO should continue to monitor the IT delivery deviations. These deviations should be reported to CO Executive staff in the weekly or monthly reports by CO CIO.
Budget (BGT)	*Med*	*Med*		
				Findings During Period: • CO total budget, year to date (Sept), is underspent by approximately $480K. • The IT component of the CO budget, year to date (Sept), has overspent by approximately $13.8 million. The budgeted amount was $57 million and the actual amount is $67 million. • Significantly increasing Oracle development and testing staff to complete the first release will have an overall impact on the budget. *Risks:* 1. The lack of fully elaborated, integrated and baselined WBS and schedule raises the risk that the project scope, schedule, and therefore costs are not clearly understood. As a result, the budget is most likely inaccurate. 2. Changes in architecture approach and SIT testing will affect the budget of the organizations. 3. The addition of unplanned development resources to achieve the outstanding scope will increase costs in the budget in the short term. 4. The addition of the Deloitte public website to compensate for the lack of delivery by Oracle will increase project IT costs. *Recommendations***:** 1. Document and implement a budgeting process for CO. This process should include the tracking of assumptions and dependencies. This budget should have significant reserve for unbudgeted items given the organization and the system is new. 2. Update the budget projections for CO. Ensure the budget projections are aligned with the roadmap

			items that will be established. **3.** With the addition of Oracle resources to complete the development and testing of the Exchange a budget reevaluation should be conducted to determine the budget impact of this decision.
Funding (FND)	*Low*	*Low*	
			Findings During Period: • CO has received $226 million in Level 2 funding. Approximately $90 million is for IT of which $67 million has been spent. • The amount remaining on the level 2 grant as of Sept is approximately $149 million. • CO expects that additional funding opportunities will be available in 2014 by CMS. ***Risks:*** **1.** The increased rate of IT spending will most likely reduce spending in some other critical area of CO. ***Recommendations:*** **1.** It is recommended that CO work with CMS to determine if there are other opportunities for IT funding in the short term.
Board Governance (BG)	*Low*	*Low*	
			Findings During Period: • The CO Board meets on a regular basis and receives updates from Executive Director and his staff on the salient business, IT and stakeholder of topics. • The CO Executive Director continues to convey the challenges of the IT system launch to the board members at the monthly board meetings. ***Risks:*** **1.** None ***Recommendations:*** **1.** None

Inter-Org Coordination (IOC)	**Med**	**Med**	
			Findings During Period: • Cover Oregon and OHA/DHS business/policy analysts have been working together reasonable well. As issues arise the business units work together to find a reasonable solution. • CO Customer Service and OHA 5503 have worked well in creating a manual paper application and processing. This includes scanning and logging of the paper applications in the system. ***Risks:*** **1.** Without proper coordination among OHA/DHS and CO policy and business operations it will put CO in a difficult position with respect to planning the completion the MMIS and CO interfaces for automated Medicaid Eligibility and Enrollment. **2.** Without proper coordination among OHA/DHS and CO policy and business operations paper processing of Medicaid and APTC applications have difficulties. ***Recommendations:*** **1.** The work with OHA Business and technology will need to mature and will probably span over multiple system releases. With this understanding CO should consider crafting a long-term strategy i.e., roadmap that demonstrates short term as well as long term goals and objectives with respect to the interfaces into MMIS.
Organizational Management (OM)	**Low**	**Low**	
			Findings During Period: • As the Oct 1st launch occurred there were unanticipated events that occurred and the organization adapted quickly. The adaptations in some cases required staff to put in tremendous effort. The line staff were consistently consulted and were given a voice in problem resolution. • The level of effort mentioned above, shows the tremendous flexibility of the organization, however, this flexibility and effort takes its toll on the line staff and can't be expected during each software release. • The Organization is growing at a rapid pace and seems to be adapting and managing the growth well. ***Risks:***

			1. Dependence on key individuals to compensate for lack of system delivery will produce burnout, stress conditions, turnover and/or negative morale. ***Recommendations:*** **1.** As the CO Roadmap, WBS and Schedule are updated, Executive Management should clearly get formal assertion from Oracle in the form of a contract amendment for specific releases and functionality and quality moving forward. **2.** CO should set realistic goals with respect to system deliveries and if these goals are not met the dates should be reset to a reasonable manual processing date and goal so that personnel can adapt without the need for heroic efforts. **3.** Continue to identify key internal operational processes and assign these processes to the specific executive management for development. **4.** Continue to refine and update the CO organizational chart, including detailed roles, responsibilities, expectations, and authorities.
Human Resources (HR)	**Med**	**High**	
			Findings During Period: • There have been a number of examples of staff exhibiting signs of extreme stress. This stress is rooted in being overworked, doing work beyond their skillsets, individual stress tolerances, and/or different levels of commitment or expectations between staff and vendors. Extra care should be taken by executive management to monitor for signs of stress and intervene to ensure personnel health and organizational morale during this period. • CO should consider adding consultants/staff to backup and/or augment staff based on the reasons above. • Releasing a system that has known defects will increase the load on the Customer Service Reps (CSRs). Management should specifically monitor these groups for signs of stress. ***Risks:*** **1.** The dynamic nature and fast organizational growth of CO may create significant staff stress and frustration. Communication and HR support systems will be taxed. **2.** Staff with gaps in their skill sets can create schedule delays, rework and/or incorrect planning and execution for the organization. **3.** Over worked/stressed employees or contractors will tend to make simple mistakes which can result

				in rework or issues with clients.
				4. Health of stressed or overworked individuals can result in loss of key individuals on the project.

Recommendations:

1. CO should consider hiring additional technical staff to monitor/augment Oracle staff. The current CO staff are either too sparse or not do not have sufficient skill level to handle the complex development and release environment.
2. Continue to support team building and informal support structures for staff.
3. Have an independent review of the IT organization to determine if new roles and personnel are needed based on the change in architecture, and the more complex development and release processes.
4. HR should conduct spot reviews/interviews and or skip level interviews with personnel to monitor morale and health issues with personnel including contractors.

Stakeholder Management (SM)	**Low**	**Med**	

Findings During Period:

- Missed delivery of the Oct 31 release by Oracle will require CO to communicate new expectations to stakeholders.
- Releasing a system that is unreliable/not stable will frustrate users and may negatively affect the CO brand.

Risks:

1. Lack of proactive communication with Exchange stakeholders may limit early participation and/or public confidence.
2. Establishing and communicating system release dates and not meeting the dates will result in credibility issues with both internal and external stakeholders. For example, Oracle told the CO Board that the CP/A and the Individual components of the system would be launched by Oct 31st.
3. If the Exchange does not manage stakeholder expectations in a consistent manner then CO's management credibility may suffer.

Recommendations:

1. It is recommended that when release dates are to be provided to key stakeholders that Oracle executive management be present. It is recommended that Oracle executive management present the dates, features, thresholds and capacity information, i.e., number of user that the

			system is tested to accommodate.
			2. It is recommended that CO resist releasing a system that does not meet the threshold set for defects and/or the capacity.
			3. It is recommended that when Oracle present release dates they believe they can make and CO accepts these dates, that should memorialize these dates, features, defect tolerance and capacity in "cure" letters.
Communications (COMM)	*Med*	*Med*	
			Findings During Period:
			• MAXIMUS expects that additional changes/fixes may occur as system releases are launched throughout the fall. CO needs to ensure that procedures are in place to retrain CP/A's, CSR's and OHA personnel prior to the release of incremental features.
			• Based on Oracle's inability to estimate work and meet system release dates, CO should consider developing an outbound communications strategy that acknowledges this situation.
			Risks:
			1. If the Exchange does not communicate its functions in a consistent manner then confusion and frustration may result for entities that need to oversee, interface with, purchase or supply services to the Exchange.
			2. If the Exchange does not communicate its functions in a consistent manner then CO's management credibility may suffer.
			Recommendations:
			1. The internal marketing function of CO is working with the IT, SME's and executive management to identify areas where specialized high level communications need to take place.
			2. The Marketing organization should establish consistent messaging for the organization that reflects Oracles inability to deliver a stable system, on time and with the appropriate features.
Project Management (PM)	*High*	*High*	

Findings During Period:

- CO has commissioned MAXIMUS to review these Oracle processes. MAXIMUS has reviewed the processes and have found the processes do not meet industry standards. Impact analysis, code review, coding standards and proper parallel development techniques are ad hoc and inconsistently applied or understood.
- Oracle's ability to deliver environments in a timely manner continues to be an issue.
- CO should consider reducing the amount of Oracle developers in the Siebel component of the solution. This product in particular, does not lend itself to parallel development and the amount of programmers are most likely creating more problems by lack of proper coordination and ad hoc practices.
- On Oct 9th the system production system was taken down after a release of a simple patch by Oracle. A root cause analysis was conducted by Oracle. this information was presented to MAXIMUS for analysis. MAXIMUS analysis concluded the following:
  - The outage could have been averted if the contingency plan on the CR was implemented as noted, i.e., reloading the affected table when the issue was identified by the Oracle Solution Architect on the evening of Oct 2nd (see case name RCA timeline).
  - The Oracle code written and implemented was not of sufficient quality. Failing to reset variables used in a loop, either at the end of the loop, or at the start of a new loop and performing a 'blanket' update of records without checking that <u>all</u> requisite conditions are 'true' and that an update is necessary are basic software coding techniques.
  - Oracle code peer review was most likely not conducted based on the issues identified above.
  - Testing was not done, not done correctly or the environments are sufficiently different that the testing was ineffective.
- Resolution of defects by Oracle is taking up to 10 days. CO should consider focusing on a single feature component of the system using a small cross functional team of SME's, BA's, developers and testers doing rapid fix and test to begin to show forward progress more rapidly, for example, CP/A eligibility component. If this proves productive, additional teams should be formed to similar work in other areas over time.
- Without sufficient slack in the schedule (based on past variance) the plan for the future features is optimistic.
- Change management process needs to be further tightened down by the PM.
- Release management procedures needs to be developed and instituted by the PM.

Risks:

1. A change management process that is not effective will result in schedule slips, testing errors, etc.

			2. Lack of environments will require CO to make difficult decisions, none of which are desirable. 3. Too many developers accessing and troubleshooting "bad code" will result in more instability and potentially more bad code. **4.** A production release management process that is incomplete or not well planned can cause credibility issues with the public if features or fixes appear without proper communication. *Recommendations***:** **1.** It is recommended that CO formalize and implement a comprehensive change control process. **2.** It is recommended that CO have Oracle document their parallel software development and release process to ensure it is aligned with an operational environment. This is important as the organization transitions from a pure development environment to an operational environment. 3. It is recommended that CO have Oracle define the delivery schedule for the remaining environments and memorialize the schedule using a "cure" letter. 4. It is recommended that Oracle outline how they intend to improve the quality of their code. CO should request a formal code review by Oracle QA.
Contract Management (CM)	**Low**	**Med**	
			Findings During Period: ● MAXIMUS understands that payment to Oracle is being withheld and DOJ is being consulted on how to best manage the lack of performance by Oracle. ● Oracle's performance is lacking. Their inability to adhere to industry standards and professional software and project management tenants warrants further review. ● Oracle continues to post dates for specific deliveries and consistently miss delivery targets, a clear example is that of environment delivery. Oracle was to delivery 7 environments by 9/26/13 and to date they have only delivered 5. *Risks:* **1.** In general, agreements that allow contractor's to bill for hours worked, instead of fixed priced payments for satisfactory completion of specific deliverables, leave the onus on CO to verify that the hours were worked and sufficient value was created by the contractors, according to their individual agreements. It may also be difficult to prove or justify the commensurate expenditures. **2.** Without a clear tie between contractor work and the project WBS or schedule, effective management of contractor effort and billings will be difficult.

				3. Oracle's ability to perform is an issue on the project. ***Recommendations:*** **1.** Conduct an independent assessment of all contractor activities and proposed deliverables. Identify opportunities to convert contractor payment method to state approval of specific contractor fixed-priced deliverables. Renegotiate agreements, as appropriate. **2.** Define specific roles and responsibilities for contractors. Clearly assign work, as defined in the WBS and schedule, to specific contractor staff. Use this information to update the CO staffing plan, as appropriate. **3.** Clearly tie contractor work to the project WBS or schedule. Track progress (% complete) accordingly. **4.** CO should consider having DOJ review the Oracle contracts for performance. **5.** CO should consider holding up all payments to Oracle until the vendor can deliver product in a professional manner. **6.** CO Management should clearly get formal assertion from Oracle in the form of a "cure" letter or contract amendment for specific releases dates, functionality and quality moving forward.
Product Content (PC)	**High**	**High**		
				Findings During Period: • In September, Cover Oregon took the significant step to limit system access to agents and community partners only, and to allow only account creation, but not application, plan selection and enrollment. Oracle set the expectation CO Board that full functionality would be completed by the end of Oct (see Oct Board transcripts). This did not materialize. • CO has commissioned Deloitte to create a light weight website that will provide the public with the ability to identify APTC tax credits and browse insurance plans. This website has proved helpful to a number of people and families that are likely qualified for tax credits • The technical details of the design are not being recorded by the developers as they complete the design. ***Risks:*** **1.** Severe compression of the schedule will adversely affect the quality and reliability of the system. **2.** If design details are not documented and developers move on, a technology transfer is lost. **3.** Too many Oracle developers working on the same code base without proper controls can result

			in system instability and features and functionality to appear in the system at the wrong times.
			Recommendations:
			1. A complete and accurate record of all iteration use case work packages and Oracle functional and technical design documents and Corporation testing documents should be organized and kept as a complete package in the Dropbox. Understanding the amount of customization of the current implementation will be critical for CO as future needs are established.
			2. CO should consider reducing the amount of developers in the system by further scope deferment. In addition, CO should review Oracle's development resources and their workload to ensure they are working only on the current feature set.
Testing (TST)	*High*	*High*	
			Findings During Period:
			• Software releases into test from development are being implemented daily/weekly. The releases are not stable and fixes and features are appearing randomly in the releases. In addition, more items are breaking then are being repaired. This is indicative if too much concurrent Oracle development in an uncontrolled development environment.
			• Performance testing by Oracle is dependent on a stable release of the system. In addition, sufficient features need to be developed and released for performance testing to be meaningful
			• Oracle SIT testers do not have a full grasp of the desired functionality of the system, therefor their testing quality is insufficient.
			Risks:
			1. Current iterations are being accepted without a formal and methodical review of the product by the BA's. This may result in SIT testing being conducted on incorrect UI design and functionality.
			2. Lack of a dedicated test environment will limit the exposure of the BA's and SME's with the product that is being developed. It is very important that SME's have ample time to play with the design so they may be able to refine the design as necessary.
			3. Lack of performance testing on the production environment may result in the production environment not being able to handle the load of the system when launched to the public.
			Recommendations:
			1. Ensure that usability testing using typical users of the system is included in the testing of the Exchange on-line system.

			2. Ensure that the code delivered from development has been properly documented and that release notes are delivered with each release as it is delivered to the testing teams.
			3. CO should consider having BA's review the development of features prior to the system being released for test.
			4. CO should consider escalating within Oracle the issue of environment delivery. Lack of environments is causing a tremendous amount of risk for the project.

SECTION 5: CO Management Response

The following table provides space for CO management response and/or state action plans for each of the Quality Standard sections areas or findings described in Section 4 of this report.

Quality Standard Section	CO Management Response and/or Action Plan
Overall Health	Cover Oregon agrees that overall health remains High Risk as Cover Oregon worked through the month to bring up key functionality.
Business Mission and Goals	Cover Oregon has continued to keep its organizational mission and goals in the forefront, as it implemented a manual contingency process for determining eligibility. The need for additional capacity was assessed in October, and resources will be brought on in November.
Roadmap	Cover Oregon altered the release schedule in late September once it was determined that expected functionality was not ready for launch. During October, Cover Oregon identified manual and IT release dates that could be met by Cover Oregon staff, contractors, OHA and Oracle, and planned out how the dates would be met.
	Initial 2014 release planning has occurred but the specific scope and timing for each release is yet to be determined.
Scope	While initial launch was planned to include full functionality across Individual and SHOP, by mid-September Cover Oregon decided to allow account creation but not application on day 1.
	The Open Enrollment release plan was amended in October based on new information. The revised plan supports the incremental release of functionality and ensures defects are identified, triaged and resolved.
Schedule	As additional information from Oracle became available, Cover Oregon established a revised schedule with key deliverables for Q4 2013. The new schedule includes the final delivery of all CO environments, a plan for getting to production readiness within OMCS guidelines and the delivery of interim and December 1.1 releases.
Budget	Cover Oregon is monitoring expenditure compared to available funds. Additional funding needs are being assessed. Some adjustments and transitions across the fall will be required to sustain through 2014.
	Cover Oregon is in discussion with Oracle with regard to delivery and payment issues.
Funding	Cover Oregon concurs with the MAXIMUS finding and is evaluating its ongoing

	funding needs and opportunities for additional grant funds.
Board Governance	Cover Oregon concurs with the MAXIMUS finding.
Inter-Org Coordination	Cover Oregon and OHA are processing applications and enrollments and coordinating efforts. Cover Oregon and OHA have worked together to implement a manual contingency process that involves OHA processing Medicaid enrollments until the joint effort to send enrollments electronically is finalized and fully tested. If needed this process can be done manually. Manual enrollment is current OHA practice, making it consistent with the process for which relevant OHA staff is already trained and capable of doing.
Organizational Management	Staff has worked well together across organizational lines to respond to challenges. The addition of temporary staff is planned to respond to current need, particularly in the service center but also in central office where needed. The organization is managing the growth and onboarding smoothly. Additional efforts are being taken at the organization-level to ensure that staff is able to meet Cover Oregon needs without depleting their personal resources.
Human Resources	October was a high stress month for the organization. Staff and the Executive team are invested in keeping morale up across the organization. Planning is underway to provide relief to key staff as needed. Additionally. Staff across the organization is actively supporting one another in both formal and informal ways. Cover Oregon has contracts in place and is investigating additional resources to respond to the continuing workload.
Stakeholder Management	Communication with community partners, agents and carriers was a key to managing through October and will continue going forward. Agents and community partners involved with Cover Oregon's initial launch are being informed and consulted regularly through daily calls and emails, and weekly meetings. Cover Oregon has been messaging its launch plan and providing updates to the Board, Legislature, state Administration and news media as things continue to evolve.
Communication	The communications team has responded to stakeholder and media requests for up-to-date information related to functionality and releases. Cover Oregon messaging is coordinated with OHA and involves administration feedback.
Project Management	Cover Oregon concurs with MAXIMUS's assessment. Based on its own review, Cover Oregon has insisted to the most senior Oracle managers that they rectify these findings, and we have been directly enforcing that development processes meet industry standard best practices. Cover Oregon concurs with MAXIMUS's assessment and has demanded that Oracle improve code quality and development discipline. Production releases were rescheduled in October for the Q4 2013 releases. Cover Oregon is prepared to adjust releases based on test results. Cover Oregon has directed Oracle to retain the most experienced Siebel

	developers and augment with high-level, highly experienced developers and architects.
	Small teams have been established in the production room, bringing together developers from different areas with subject matter experts to work on key issues and system functionality.
Contract Management	Since Cover Oregon took over the Oracle contract for exchange work in May, it has become progressively better able to identify and directly address contractor issues. Cover Oregon is working with Oracle to assess and rectify system issues and improve our ability to identify when functionality will be available.
Product Content	Cover Oregon concurs that Oracle did not meet its commitments to the Cover Oregon Board. Cover Oregon is now working with top Oracle technical leadership and the Oracle CEO is now being apprised daily to ensure that no more slippage occurs.
	The "public website" created by Deloitte provides individual users with a tool to estimate individual tax credit eligibility, anonymous browse capability, and agent/community partner search. Cover Oregon concurs that it has been useful for consumers interested in determining what they might be eligible to receive.
Testing	Cover Oregon has directed Oracle to produce more targeted releases that focus on specific areas on functionality, and that reflect Cover Oregon's production release plan. This has allowed the test team to focus testing more effectively to ensure solid coverage on each release to the test environment, and to plan more rigorous regression testing. Development work has been moved to a more stable environment, which has allowed the developers to carry out more effective unit testing, which has improved the quality of the code entering the test environment. A pre-production environment will come on line in November, and will be used for regression testing.
	A performance test environment is now in place, and performance test planning is in progress, now that the enough functionality has been delivered to make performance testing meaningful.

SECTION 6: Risk Rating Criteria

The following risk rating criteria were used to evaluate the probability or likelihood of the risk occurring and the impact of the risk if it were to materialize.

Probability

H	Probable/eminent Occurrence	If the risk is probable or imminent then it should be rated as High.
M	Possible/likely Occurrence	If the risk is possible or likely to occur then it should be rated as Medium.
L	Possible/unlikely Occurrence	If the risk is possible, but unlikely to occur then it should be rated as Low.

Impact

H	High Impact	If the risk is considered to significantly affect the schedule, cost, security, project organization or significantly affect the success of meeting the project goals it should be rated as High Impact.
M	Medium Impact	If the risk is considered to somewhat affect the schedule, cost, security, project organization or generally affect the success of meeting the project goals it should be rated as Medium Impact. Note: Multiple Medium ratings that are found in similar areas can result in an aggregate rating of High Impact.
L	Low Impact	If the risk is considered to minimally affect schedule, cost, security, project organization or marginally affect the success of meeting the project goals it should be rated as a Low Impact. Note: Multiple Low ratings that are found in similar areas can result in an aggregate rating of Medium Impact.

Overall Risk Rating

The overall rating of a risk is the combination of the probability of occurrence and the impact of the risk to project. See rating charts below:

PROBABILITY	**IMPACT**		
	Low	Med	High
High	MED	HIGH	HIGH
Med	LOW	MED	HIGH
Low	LOW	LOW	MED

Attachment A: Oracle Root Cause Analysis

Oracle Root Cause
Analysis

CR 1392