



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

**February 2013**

**Deliverable #2.3.h**

**Final**

**Dated: March 13th, 2013**



## TABLE OF CONTENTS

<b>SECTION 1: INTRODUCTION</b> .....	<b>1</b>
Brief ORHIX / CO Background.....	1
<b>SECTION 2: EXECUTIVE SUMMARY</b> .....	<b>2</b>
Table 1: Summary Quality Standards Scorecard.....	3
Table 2: QA Risk Level Tracking .....	10
<b>SECTION 3: METHODOLOGY AND APPROACH</b> .....	<b>11</b>
Risk Assessment Methodology.....	11
<b>SECTION 4: UPDATED RISK ASSESSMENT FINDINGS, RISKS, AND RECOMMENDATIONS</b> .....	<b>12</b>
Table 3: Detailed Quality Standards Scorecard.....	12
<b>SECTION 5: CO MANAGEMENT RESPONSE</b> .....	<b>34</b>
<b>SECTION 6: RISK RATING CRITERIA</b> .....	<b>36</b>
<b>ATTACHMENT A: DETAILED SECURITY CONCERNS (JULY FINDINGS)</b> .....	<b>37</b>
<b>ATTACHMENT B: DETAILED TRACKING AND REPORTING (AUGUST FINDING)</b> .....	<b>39</b>
<b>ATTACHMENT C: CONTINGENCY PLANNING (SEPTEMBER FINDING)</b> .....	<b>40</b>
<b>ATTACHMENT D: “NO WRONGDOOR” COOPERATION (SEPTEMBER FINDING)</b> .....	<b>44</b>
<b>ATTACHMENT E: (CLOSED) ARCHITECTURE SIMPLIFICATION (NOVEMBER FINDING)</b> .	<b>46</b>
<b>ATTACHMENT F: RISK ANALYSIS FOR SECURITY IMPLEMENTATION (JAN 2013 FINDING)</b> .....	<b>52</b>
<b>ATTACHMENT G: SCOPE MANAGEMENT AND PRODUCT DELIVERY (FEB 2013 FINDING)</b> .....	<b>55</b>



## SECTION 1: Introduction

The Oregon Health Insurance Exchange Corporation (ORHIX), now known as Cover Oregon (CO), recognizes the value of an independent, third-party to provide 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 February, 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.

Since July 2011, the Oregon Health Authority (OHA) has led the design and implementation of the Health Insurance Exchange – Information Technology (HIX-IT) solution, building upon the Oracle products and Enterprise architecture envisioned by the State of Oregon.

## 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, categories carry different relative weight when assessing the overall risk level of the effort. For example, while 11 out of 16 Quality Rating Categories are medium (yellow) or low (green), critical categories including "Scope", "Schedule", and "Inter-Org Coordination" remain high (red), which drives the overall HIGH (red) risk assessment. The Quality Rating Category of "Testing" was also elevated from yellow to red during this period.

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 system 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 fully 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 February, 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 continues to make positive and significant progress towards the launch of the Oregon Health Insurance Exchange. The organization has and continues to demonstrate flexibility and creativity in dealing with this complex and evolving landscape.
- The first two Project Management foundational documents (communication plan and charter) have been submitted to MAXIMUS for formal QC review.
- CO has engaged ORACLE in contract negotiations with respect to hardware/software and services required to operate their own instance of the ORACLE solution set.
- Iteration 16 development is completed. This marks the beginning of the final development iteration (I17) for the Oct 1st release.

- CO has developed a Draft User Acceptance Test Plan (UAT).

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**

<b>Quality Rating Category</b>	<b>QA Risk Level</b>	<b>Priority QA Recommendations</b>	<b>CO Risk Level</b>	<b>CO Response</b>
<b>OVERALL HEALTH</b>	<b>High</b>	<ul style="list-style-type: none"> <li>• See below for specific priority recommendations.</li> <li>• Continue to review, update, and track all outstanding quality risks and recommendations.</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>• Cover Oregon agrees that the overall risk of the project is high due to the timing and scope. Much progress is being made and CO expects that to continue.</li> </ul>
<b>Business Mission and Goals</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>• CO is creating a Business Operations Plan as a supplement to the Business Plan. This is expected to be completed by early 2013.</li> <li>• CO is updating the Medicaid enrollee modeling. This analysis should be shared with CMS and other States.</li> <li>• MAXIMUS recommends that CO formally articulate the dates with OHA and DHS business units as to when the window for automation and operational changes will be closed for this release with respect to Medicaid.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>• The Business Operations Plan document is in process of being written. Anticipated completion is by end of March.</li> <li>• OHA, DHS and Cover Oregon staff have been working together on multiple “work streams” related to Medicaid processing</li> <li>• Cover Oregon agrees that coordination between OHA/DHS and Cover Oregon policy and business operations is vital to planning operational procedures for Medicaid processing.</li> </ul>
<b>Roadmap</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>• A general road map has been defined that goes until 2016.</li> <li>• The roadmap for the first release will be in flux until scope sizing is completed. This work is expected to continue into the final iteration.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>• Version 1 is significantly complete.</li> <li>• Work on 1.x and Partner versions is underway and ongoing.</li> </ul>



<p><b>Scope</b></p>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• See attachment G.</li> <li>• The Scope for the first release will be in flux until scope sizing and prioritization is completed. This work was expected to be completed in Feb and will now continue into the final iteration.</li> <li>• Some requirements are not yet solidified for the final Iteration.</li> <li>• CO should establish formal trigger points for OHA Medicaid system development and business units and these trigger points should be communicated to the OHA staff and Director to ensure the appropriate focus applied to meet the deadlines for the project. See att C and G.</li> </ul>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• Oracle was asked to propose a scope management plan, which Cover Oregon reviewed and modified, based on business need; Maximus has participated in the scope management meetings and was aware of this approach. It was not a one-time-only event based on initial estimates</li> <li>• CO will actively track and manage scope through prioritization and scope management processes all through the final iteration.</li> <li>• CO is prioritizing scope to focus on most important requirements for final iteration.</li> <li>• CO created formal trigger points for Medicaid integration and communicated to OHA.</li> </ul>
<p><b>Schedule</b></p>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• Continue working towards a comprehensive integrated schedule for HIX-IT and OIS foundational services.</li> <li>• Continue to identify project dependencies and critical paths.</li> <li>• Baseline pieces of the schedule and track for variance. Produce a variance report of the schedule.</li> </ul>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• CO continues working towards a comprehensive schedule as outline in our schedule management process.</li> <li>• CO continues working towards a comprehensive schedule as outline in our schedule management process.</li> <li>• CO is moving to baseline the Program Development portion of the schedule in the month of March. Developing variance reports against the baselined sections are</li> </ul>



				being considered
<b>Budget</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>Update the budget to reflect the new multi-instance architecture and organizational costs for CO.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>CO is currently conducting a budget re-evaluation as we shift to a separate Oracle instance. We are in the process of negotiating contracts and working with OHA to best forecast ongoing maintenance and operational costs given this move.</li> </ul>
<b>Funding</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>CO has secured \$226 million in Level 2 funding for the Exchange.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>MAXIMUS correctly notes that Cover Oregon has received \$226 million dollars in Level 2 funding from the Federal government. Approximately \$90 Million is for IT.</li> </ul>
<b>Board Governance</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>Continue to work with the Board to maintain the Board Policy Manual, including adequate processes and controls related to potential conflicts of interest.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>MAXIMUS correctly notes that the Executive Director and staff routinely meet with the Board and its finance committee, providing members with a variety of informational documents.</li> </ul>



<b>Inter-Org Coordination</b>	<b>High</b>	<ul style="list-style-type: none"> <li>Formally provide clear dates to OHA business and OIS for the near term expectations for Medicaid requirements, and MMIS system interface architecture approach and delivery.</li> <li>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 operational procedures for Medicaid processing. This lack of progress can result in a failed "no wrong door approach" for the state.</li> <li>In February, CO sent a formal letter to OHA regarding MMIS</li> </ul>	<b>Med</b>	<ul style="list-style-type: none"> <li>In February, Cover Oregon formally provided specific due dates to OHA business and OIS for the near term expectations for Medicaid requirements, and MMIS system interface architecture approach and delivery.</li> <li>Cover Oregon agrees that coordination between OHA/DHS and Cover Oregon is vital to planning the operations for Medicaid processing.</li> <li>MAXIMUS correctly notes that there was a letter sent to OHA regarding MMIS. Near term expected dates were given.</li> </ul>
<b>Org Management</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>The organization is growing at a very quick pace. CO is adapting and managing</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>CO agrees with this assessment.</li> </ul>
<b>Human Resources</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>With the advent of the multi-instance architecture approach being taken, CO may need to re-evaluate their IT organization personnel and skill sets.</li> <li>CO should consider adding an experienced Product Portfolio person. This skill set would be instrumental in defining the detailed features and functions of the product and creating and managing a detailed product roadmap for the various lines of business.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>The current staffing strategy which includes a mix of CO and contracted staff takes into account the need to support the entire technology infrastructure - including new development and operations and maintenance. The scope of the staffing strategy takes into account the need to manage from the hardware to application configuration and management.</li> <li>CO agrees and is re-evaluating personnel needs by working with OHA to determine ongoing maintenance and operations needs.</li> </ul>



<b>Stakeholder Management</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>Continue proactive outreach and stakeholder communication</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>Cover Oregon continues its proactive outreach and stakeholder communication efforts</li> </ul>
<b>Communication</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>As the final scope is defined the initial launch expectations may need to be reestablished with the various stakeholders.</li> <li>MAXIMUS expects that additional changes may occur as final development and testing is accomplished. The communication of these changes will need to be managed with the stakeholders and public.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>The marketing and communications teams are preparing for any changes in initial launch so that expectations can be set with stakeholders and consumers, and marketing materials are appropriate to the situation.</li> </ul>
<b>Project Management</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>The scope and schedule of the final development, if not managed properly can impinge on the testing phase of the project, which, in turn can affect the launch of the system.</li> <li>See attachment B Detailed reporting and tracking.</li> <li>The first two Project Management foundational documents have been submitted for formal QC review.</li> </ul>	<b>Med</b>	<ul style="list-style-type: none"> <li>CO agrees that scope and schedule must be managed very closely through final development.</li> <li>CO continues to manage scope as well as contingencies as outlined in the schedule management plan.</li> <li>The Communication Plan document has been through the first round of QC. It is now currently in the QC reviewer's queue.</li> <li>Quality control of project management documentation continues to move forward with the Communication Plan document being updated as per findings from initial round of QC.</li> </ul>
<b>Contract Management</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>Clearly tie contractor work to the project WBS and schedule. Track progress (% complete) accordingly.</li> </ul>	<b>Med</b>	<ul style="list-style-type: none"> <li>WBS tasks that are assigned to contractors have been identified and are being tracked, as are other resources.</li> </ul>



<p><b>Product Content</b></p>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• User Interface work by Deloitte is scheduled to be completed in by March 1<sup>st</sup>. This timeline is problematic.</li> <li>• See attachment F Risk Analysis for Security Approach.</li> <li>• See attachment A, C, and D, G.</li> </ul>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• Cover Oregon continues to attend the workshops and actively escalates progress or issues as they arise.</li> <li>• Much progress has been made to identify the security model and process. Cover Oregon has had multiple meetings to discuss account management and determine the appropriate security model balanced with a useable web site.</li> <li>• Cover Oregon is actively managing the product content through the Foundational Services summit. (These are twice weekly meetings chaired by a Cover Oregon representative, with IOS leadership and relevant project management staff.</li> <li>• Scope management documentation is in process, and Cover Oregon has created and is utilizing a comprehensive change control process.</li> <li>• SOW for security review and recommendation is being completed for the month of March. (Please refer to attachment F)</li> </ul>
<p><b>Testing</b></p>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• Create a comprehensive Test Plan that outlines the strategy for iteration and UAT &amp; IV&amp;V testing to be conducted by CO</li> <li>• An additional iteration may be required to complete all the scope left for the system. An additional iteration would encroach on the System Integration Testing and is</li> </ul>	<p><b>High</b></p>	<ul style="list-style-type: none"> <li>• Cover Oregon created a comprehensive test plan to guide testing activities across Cover Oregon and to integrate with HIX-IT testing process.</li> <li>• Cover Oregon agrees that additional iteration</li> </ul>



		<p>clearly problematic.</p> <ul style="list-style-type: none"><li>• OHA System Integration Testing is scheduled to significantly overlap CO User Acceptance Testing due to the already tight schedule.</li></ul>		<p>is required and has sequenced development to allow for back office configuration while customer-facing technology is tested.</p> <ul style="list-style-type: none"><li>• Cover Oregon will ensure any overlap is tightly managed. Cover Oregon will coordinate testing using a risk-based approach. This will ensure the highest level of product quality in priority areas.</li></ul>
--	--	--	--	---



**Table 2: QA Risk Level Tracking**

Quality Rating Category	June '12	July '12	Aug '12	Sept '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13
<b>OVERALL HEALTH</b>	H	H	H	H	H	H	H	H	H
<b>Business Mission and Goals</b>	H	H	H	M	M	M	M	M	M
<b>Roadmap</b>	H	H	M	M	M	M	M	M	M
<b>Scope</b>	H	H	H	H	H	H	H	H	H
<b>Schedule</b>	H	H	H	H	H	H	H	H	H
<b>Budget</b>	M	M	M	M	M	M	M	M	M
<b>Funding</b>	M	M	M	M	M	M	M	L	L
<b>Board Governance</b>	M	M	M	M	L	L	L	L	L
<b>Inter-Org Coordination</b>	H	H	H	H	H	H	H	H	H
<b>Organizational Management</b>	M	M	M	M	M	L	L	L	L
<b>Human Resources</b>	M	M	M	M	M	M	M	M	M
<b>Stakeholder Management</b>	M	M	L	L	L	L	L	L	L
<b>Communication</b>	M	M	M	M	M	L	L	L	L
<b>Project Management</b>	H	H	H	M	M	M	M	M	M
<b>Contract Management</b>	M	M	M	M	M	M	M	M	M
<b>Product Content</b>	M	H	H	H	H	H	H	H	H
<b>Testing</b>	H	H	H	M	M	M	M	M	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 February, 2013.



## **Section 4: Updated 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. At the client's request, unique numbering has been introduced for both risks and recommendations, to assist in tracking. For example, risks in the Business Mission and Goals section of the report can be identified as Risk-BMG-1, Risk-BMG-2, etc. Recommendations can be similarly, uniquely identified. The integrity of the numbering will be preserved during future reports.

### **Table 3: Detailed Quality Standards Scorecard**



Quality Rating Category	Jan 2013	Feb 2013	Risk Assessment Finding, Risks, and Recommendations
<b>Business Mission and Goals (BMG)</b>	<b>Med</b>	<b>Med</b>	<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO is creating a Business Operations Plan as a supplement to the Business Plan. This document is expected to further detail the various exchange functions and plans for the first release of the exchange. A draft outline of this plan was completed in Feb.</li> <li>• The Business Plan is expected to be revised with to include updated enrollee projections by the end of March.</li> <li>• CO is updating the Medicaid enrollee modeling by reaching out to other states that have online experience with Medicaid populations. This information will be utilized to create a model with a broader set of source material. This material is expected to add to the enrollment strategy and approach. This analysis will be a valuable piece of work that should be shared with the Feds and other States.</li> <li>• The business mission and goals between OHA OIS and CO are not fully aligned with respect to Medicaid. Work is being done in this area, however, the cultures and timelines are different. March 1, 2013 will be the last date for requirements for the Oct 2013 IT release. After March 1<sup>st</sup> the work/decisions/agreements between OHA and CO for system automation of Medicaid will have to be pushed into the release due out after Oct 2013. CO has formally notified OHA OIS of their expectations, trigger events and dates they will use to determine if a contingency plan must be implemented for the Oct 1<sup>st</sup> release.</li> <li>• (New) New exchange participation information was identified.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Without a sufficiently detailed enrollment modeling and financial information in Business Plan CO may set the wrong expectations with the Board and various stakeholders.</li> <li>2. Without clear understanding, communication and alignment of the deadlines and priorities for the Oct 2013 release between the business units (CO, OHA) may result in delayed launch for Medicaid.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. (In process) Utilize updated business market data, potentially from Wakely Group and other states for Medicaid enrollee projections. Use this to enhance the Business Plan document with more detailed analysis.</li> </ol>



			<ol style="list-style-type: none"> <li>4. (In process) Update the detailed business model for the Exchange. Document in detail all relevant assumptions, risks, constraints and contingency plans. Update in detail, all revenue projections with justification of why they are valid. Update, in detail all costs with justification of their validity. This information should be used to model and determine long-term sustainability in a variety of circumstances. This information should be appended to the updated Business Plan. This plan should include Medicaid “take rates” for the electronic exchange, as well as references to source materials.</li> <li>5. Clearly identify the business roadmap and ensure that it is connected with the business modeling and Business Plan.</li> <li>6. Closed.</li> <li>7. Closed.</li> <li>8. CO should formally (letter) articulate the dates with OHA and DHS business units as to when the window for automation operational changes will be closed for this release with respect to Medicaid.</li> <li>9. (New) Carefully consider all, recent participation rate information.</li> </ol>
<b>Roadmap (RM)</b>	<b>Med</b>	<b>Med</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• A general road map has been defined that goes until 2016.</li> <li>• The roadmap for the first release will be in flux until scope sizing is completed. Scope sizing is expected to be completed for the Oct 2013 release no later than March 1<sup>st</sup> 2013.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Closed.</li> <li>3. Closed.</li> <li>4. Closed.</li> <li>5. Without a roadmap projection beyond 2013 will be difficult to do development budget projections for future grants and operations and development.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. The process of defining and prioritizing the scope should be identified in the Requirements Management Plan. This plan should be updated, approved and implemented within the project.</li> </ol>



			<ol style="list-style-type: none"> <li>4. Create an integrated set of roadmap documents to communicate with the HIX-IT project, CO staff, CO Board of Directors, and other stakeholders.</li> <li>5. Closed.</li> <li>6. 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.</li> <li>7. Finalize the functional roadmap, including a high-level schedule of required functionality, and prioritized features. Clearly communicate requirements and due dates with HIX-IT.</li> <li>8. Closed.</li> </ol>
<i>Scope (SCP)</i>	<i>High</i>	<i>High</i>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• (Update) Scope “lock down” and scope sizing continued through the month of Feb. and is now expected to continue through the final iteration. See attachment G for further details.</li> <li>• (Update) The milestones and tasks for the final scope sizing are not clearly identified as of this writing.</li> <li>• (Update) See Attachment C Contingency Planning. CO has established formal trigger points with respect to the Medicaid interface.</li> <li>• The Work Breakdown Structure (WBS) and project schedule is being updated and maintained on an ongoing basis.</li> <li>• CO continues to refine the WBS for its programs. This process seems to be very valuable to the Organization and Executive Management.</li> <li>• (New) Currently the project does not differentiate different lines of business with in the current scope. See attachment G for details.</li> <li>• (New) Currently, a cross functional view of the Product Development Lifecycle (PDLC) does not exist and clear connections between development, operations and marketing are lacking.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. See Attachment C. Without clear trigger points for reviewing the program progress, resources, and outstanding scope against a realistic schedule CO executive management may be surprised at the end of the development cycle.</li> <li>4. Closed.</li> </ol>



		<p>5. (Update) Without clear milestones, tasks and checkpoints for the Scope lockdown and sizing for the month of February (now March) CO may be presented with surprises and tough decisions at the end of the final Iteration with respect to Scope deferment.</p> <p>6. Without formal trigger points for Medicaid Interface system development and communication of these trigger points to OHA OIS the development may languish beyond timeframes that are realistic for the inclusion into this release. If the expectations are not clear to and from OHA and CO on the development approach and business operations on a date certain it will affect, testing, training, and operational execution of the exchange.</p> <p>7. (New) See Attachment G.</p> <p><b>Recommendations:</b></p> <p>1. Closed.</p> <p>2. Closed.</p> <p>3. Closed.</p> <p>4. Define and implement clear project management processes and controls for maintaining the CO WBS, including “rolling wave” elaboration of near-term work. See the Project Management Section of this report for more details on this topic.</p> <p>5. Closed.</p> <p>6. Clearly define all status and oversight reporting requirements and expectations, including those from Department of Administrative Services (DAS), Legislative Fiscal Office (LFO), and Joint Committee on Legislative Audits and Information Management and Technology (JCLAIMIT). Verify that all HIX-IT fiscal budget note items are adequately addressed. Define an integrated, meaningful dashboard report, with appropriate drill-down functionality.</p> <p>7. Closed.</p> <p>8. Consider independent QC of the WBS.</p> <p>9. Develop and formally communicate the expectations and contingency plans to OHA, see Attachment C.</p> <p>10. Closed.</p> <p>11. (Update) Continue to work with HIX-IT, OIS Foundational services, Deloitte, to align with their respective WBS documents.</p> <p>12. (Update) Continue to integrate use of the Schedule (and underlying WBS) into the day-to-day management and planning of the project. This will ensure that these documents are useful and accurate.</p> <p>13. Closed.</p> <p>14. (Update) Develop clear milestones, tasks and checkpoints for the Scope lockdown and sizing for the final iterations for the Oct 1 release. This was to happen in February and not completed, and is therefore spilling over into the final iteration. This is problematic since it will affect System Integration Testing which</p>
--	--	---



			<p>will affect User Acceptance testing (UAT) and the final release date. This effort has a cascading effect on the schedule and may begin to affect other assessment metrics negatively.</p> <p><b>15.</b> CO and OHA should resist prolonging the requirements window any further than March 1<sup>st</sup> as it will affect the organization and schedules of the testing, training, and operational execution of the project. Typically the languishing of the requirements window results in a day-for-day slip of the schedule in the other areas of the project.</p> <p><b>16.</b> CO should establish formal trigger points for OHA Medicaid system development and business units and these trigger points should be communicated to the OHA staff and Director to ensure the appropriate focus applied to meet the deadlines for the project. Care should be taken as to not let these trigger points languish. See item 15 above for consequences for prolonging trigger points.</p> <p><b>17.</b> (New) See attachment G.</p>
<b>Schedule (SCH)</b>	<b>High</b>	<b>High</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• The HIX IT and CO teams continue to meet and review the HIX-IT Schedule. There was agreement on how the schedules can be linked. The schedulers are linking their schedules via milestones. This initial milestone linking is a good start. However, the level of detail that will be required to ensure appropriate coordination remains to be seen. The schedulers should have a clear understanding on the methodology each uses to update their schedules.</li> <li>• The Work Breakdown Structure (WBS) and project schedule are being updated and maintained on an ongoing basis. Teams meet weekly to provide updates to the scheduler, however, it is not clear that these documents are being consistently used to manage project work on a day-to-day basis.</li> <li>• Continued progress was made during the month on the CO schedule. A variety of significant gaps still exist in the HIX-IT WBS that are dependencies for CO and vice versa especially in the areas of foundational services.</li> <li>• Both the HIX-IT and the CO schedules lack baselines for variance measurements. QA is requesting that the schedule be baselined for all tasks over the next 30 days.</li> <li>• (Update) The HIX-IT, OIS foundational services, and CO schedules do not have a common methodology for tracking and identifying dependencies, critical paths, work completion, variance, resourcing, etc. The teams are meeting and working through these issues.</li> <li>• The lack of reliable estimating by HIX-IT, undiscovered development issues and incomplete requirements by CO will result in continued surprises to CO throughout the project.</li> <li>• HIX-IT has a significant dependency on unstaffed components of the OIS organization, i.e., foundational services. In addition, HIX-IT has a dependency on the Modernization project. The impact of these dependencies is an open issue and will affect the delivery to CO.</li> </ul>



		<ul style="list-style-type: none"><li>• Reviews of the HIX-IT Schedule for CO are being conducted on a regular basis.</li></ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"><li>1. Without a clear understanding of the HIX-IT project schedule, including the activities and tasks specifically assigned to CO, there is a risk that the project will not be completed on schedule.</li><li>2. Closed.</li><li>3. Closed.</li><li>4. Closed.</li><li>5. Without clearly defined dates and features formally provided by Cover Oregon to HIX-IT it will be impossible for HIX-IT to define a complete development schedule to present to Cover Oregon. Relying on the iterative or “progressive elaboration” approach without a comprehensive estimation process in OHA foundational services and the Modernization project, will most likely result in continued surprises and missed delivery dates.</li><li>6. Closed.</li><li>7. Without clearly linked schedules between CO and HIX-IT the project will suffer from confusion and misaligned expectations and missed deadlines.</li><li>8. (Update) Without a clear understanding of the HIX-IT Foundational Services level of effort (LoE) and the integration of foundational services with the HIX-IT project, CO may not meet their business objectives.</li></ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"><li>1. Develop a single, comprehensive, authoritative and baselined schedule for all non-HIX-IT CO work, using the WBS described in Scope Section of this report. This schedule must include <i>all required activities and tasks</i> (at least at a high-level), as well as all durations, resources, and dependencies, required for the successful implementation and operation of CO and the Exchange. Clearly define assumptions, dependencies and constraints. It should also include references (links) to other schedules, including HIX-IT, as well as other relevant DHA, OHA, or DCBS Initiatives. The Schedulers are beginning to link the schedules on common milestones present in the schedules.</li><li>2. Confirm OIS intention to develop (with significant CO input) a single, comprehensive, authoritative schedule for the HIX-IT project. This schedule must include <i>all required activities and tasks</i> (at least at a high-level), as well as all durations, resources, assumptions and dependencies, required for the successful design and implementation of the HIX-IT solution. It should also include dependencies (links) to other schedules, including relevant OIS Enterprise Initiatives, as well as CO. Any specific activities and tasks that are required by the HIX-IT project to be completed by CO, including requirement definition and testing, must be clearly and explicitly scheduled.</li><li>3. Closed.</li></ol>
--	--	---



			<ol style="list-style-type: none"> <li>4. Define and implement common project management processes and controls for maintaining the schedule across OHA and CO, including “rolling wave” elaboration of near-term activities, baselining, variance tracking, resource loading and common reporting of project progress and status. Ensure that all the schedulers are using a common methodology for estimating work, tracking progress and variance, identifying critical path and dependencies in the schedules. See the Project Management Section of this report for more details on this topic.</li> <li>5. Closed.</li> <li>6. CO should formally define their expectations to HIX-IT with respect to features and timeframes for product delivery. This formal process will allow HIX-IT to develop a delivery schedule that can be presented back to Cover Oregon for review and analysis. CO should memorialize these items in a short term and long term IGA document.</li> <li>7. (Update) Given the difficulty in estimating the development work across the foundational services and other projects within OHA, CO should embed sufficient slack in its schedule (on the order of 30+ percent). CO should continue to monitor the IT delivery deviations including the completion of use cases, testing platforms, standing up of environments, on boarding staff, and product delivery. These deviations should be reported to CO Executive staff in the weekly or monthly reports by CO CIO. As OHA OIS foundational services and HIX-IT improves their ability to estimate dates and level of effort CO can begin to reduce the slack in its schedule.</li> <li>8. Consider independent QC of the Schedule.</li> <li>9. Closed.</li> <li>10. Baseline pieces of the schedule and track for variance.</li> <li>11. Consider tracking Earned Value metrics.</li> <li>12. Closed.</li> <li>13. (Update) Formally baseline the schedule, including CO, HIX-IT, Deloitte, and foundational services.</li> </ol>
<b>Budget (BGT)</b>	<b>Med</b>	<b>Med</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• The new multi-instance approach of the ORACLE software will have an impact to the current and future budget of the organization.</li> <li>• (New) To maintain the current project scope and schedule, OHA/CO has requested that ORACLE maximize the capacity of the development teams. This will add approximately 21 resources in the short term. These additional resources were not anticipated in the budget.</li> </ul> <p><b>Risks:</b></p>



			<ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Lack of full transparent accounting practices and spending by OHA MAX program will continue to cause issues between CO and OHA. This will result in increased tensions as more money is spent and deadlines near.</li> <li>3. 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 at risk of being inaccurate.</li> <li>4. Changes in architecture approach will affect the budget of the organizations.</li> <li>5. (New) addition of unplanned staff to achieve the outstanding scope will increase costs in the budget.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Document and implement a budgeting process for CO. This process should include the tracking of assumptions and dependencies.</li> <li>2. Update the budget projections for CO. Ensure the Budget projections are aligned with the roadmap items that will be established.</li> <li>3. CO should work with OHA to jointly review cost allocation methods, estimates of future expenditures, and associated financial controls.</li> <li>4. CO should request OHA to conduct an independent financial audit of the HIX-IT funds being forwarded to and spent by OHA for the development of the Exchange. This will give the Board a clear and complete picture of the Health Insurance Exchange financial operations in the State of Oregon. CO should make the transfer of level 2 funding to OHA contingent upon standard auditing practices and transparency be employed by OHA OIS.</li> <li>5. Request formal, comprehensive documentation of all relevant cost allocations by OHA to CO, including indirect overhead and foundational service costs. These items should be reviewed at regularly scheduled monthly budget meetings.</li> <li>6. (Update) Closed.</li> <li>7. With the advent of the multi-instance approach being taken by CO and OHA a budget reevaluation should be conducted to determine the budget impact of this decision.</li> <li>8. (New) With the addition of ORACLE resources to complete the development a budget reevaluation should be conducted to determine the budget impact of this decision.</li> </ol>
<b>Funding (FND)</b>	<b>Low</b>	<b>Low</b>	
			<b>Findings During Period:</b>



			<ul style="list-style-type: none"> <li>• CO has received \$226 million in Level 2 funding. Approximately \$90 million is for IT.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. Lack of a concerted and fully transparent grant financial reporting between CO and HIX-IT may cause confusion among the stakeholders and oversight entities.</li> <li>4. Closed.</li> <li>5. Closed.</li> <li>6. Closed.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. Closed.</li> <li>4. CO will need to work closely with OHA budget personnel to ensure the OHA Policy Option Package and increased spending limitation reflects HIX IT needs with respect to continued development, operations and maintenance.</li> <li>5. Closed.</li> <li>6. Closed.</li> <li>7. Closed.</li> </ol>
<p><b>Board Governance (BG)</b></p>	<p><b>Low</b></p>	<p><b>Low</b></p>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• The CO Board meets on a regular basis and receives updates from Executive Director and his staff on a variety of topics.</li> <li>• CO management supplies the Board with a variety of informational documents including the MAXIMUS Risk Assessment Reports.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. Closed.</li> </ol>



			<p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Continue to work with the Board to maintain the Board Policy Manual. Review and ensure that clear roles and responsibilities are established, in accordance with the Carver Model.</li> <li>2. Closed.</li> <li>3. Closed.</li> </ol>
<i>Inter-Org Coordination (IOC)</i>	<b>High</b>	<b>High</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• Interagency requirements definition and “to-be” processes require additional definition. See attachment D.</li> <li>• (Update) CO and HIX-IT/MAX meet every week in the Technology Management Meeting. Attending are members of the CO Executive Team, including the Executive Director, CIO, COO and Program Management, the HIX-IT project manager, Oracle Project Managers, and the MAX Director. On the agenda are topics that cover inter-project issues across the OHA enterprise that affect HIX-IT.</li> <li>• (New)The Medicaid Eligibility Steering Committee (MESC) is a joint task group that is coordination the Medicaid activities among OHA/DHS and CO. This committee has created 13 work groups that are attempting to coordinate Medicaid policy and operations. This effort is large and it is evident that it will take an extended period of time for it to make significant headway. To be operational CO will need this information in April of this year. It is evident that sufficient information will not be available for CO to plan its operation for the Oct 1<sup>st</sup> rollout.</li> <li>• In February, CO sent a formal letter to OHA regarding MMIS inclusion in the initial deployment.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Without a professional and collegiate working relationship and full transparency between agencies at the highest executive level, conflicts and communication issues will continue and likely worsen.</li> <li>2. Without close cooperation, decisions made without appropriate analysis of the impact on CO.</li> <li>3. Without more detailed IGA’s in place, clear delineation of roles and responsibilities may become problematic in the future.</li> <li>4. Detailed interagency requirements and “to-be” process definition are required. See attachment D.</li> <li>5. OHA and CO Medicaid groups may continue to propose changes into the development and operations groups as they move into testing, training and deployment. Typically this situation will cause confusion in development, testing, training and operational deployment if not managed properly. The testing and training schedules are already short and lack of clarity will affect the schedule, execution of operational plans and or quality of the final deliverable.</li> <li>6. (New) Without proper coordination among OHA/DHS and CO policy and business operations it will put</li> </ol>



		<p>CO in a difficult position with respect to planning the operational procedures for Medicaid processing. This lack of progress can result in a failed ‘no wrong door approach” for the state. In addition, it can result in CO having to quickly adapt to the decisions of OHA and DHS may or may not make over the summer and fall of this year.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. CO should lead the effort to clearly define roles and responsibilities for each of the major organizations involved in CO, including both the HIX-IT project and ongoing operations. IGAs should be put in place to clearly identify the working relationships, boundaries, expectations and governance for the development and the operation of the Exchange.</li> <li>2. CO should lead the effort to clearly document, approve and implement the governance process between CO and HIX-IT. This document should include a clearly defined set of tactical and strategic governing meetings, including scope, intention, and membership. Governance should include immediate project work, as well as ongoing operational responsibilities. CO should enlist the assistance of the LFO as required. This process should be identified in the IGA.</li> <li>3. Closed.</li> <li>4. Closed.</li> <li>5. CO should create a list of all IGAs that are and will be established. This list should identify/track any inter-agency agreements and/or decisions, including those related to the communication/outreach, processing of paper eligibility applications, and call centers.</li> <li>6. (Update) Establish formal Inter-Agency Agreements (IAAs) with each of the organizations and/or projects in the Interagency Agreement Plan so that clear boundaries and expectations are established. Projects include the Department of Human Services Modernization (DHSM) Program, including Initial Win (IW), Master Data Management (MDM). Other related efforts include a variety of OIS enterprise infrastructure / enterprise initiatives, including security and environment management, as well as Community Care Organizations (CCO) support efforts.</li> <li>7. Closed.</li> <li>8. Communicate the appropriate inter-agency agreements and processes to the Board and staff.</li> <li>9. See attachment D.</li> <li>10. Formally (in writing) provide clear dates to OHA business and OIS for the near term expectations for Medicaid requirements, and MMIS system interface architecture approach and delivery.</li> <li>11. The work with OHA Business with respect to “No Wrong Door” may need to mature and 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.</li> </ol>
--	--	--



			<p><b>12.</b> (New) With respect to Medicaid, CO should present a number of options (strawman) for the OHA and CO Director and Executive Director to discuss with SME's involvement. Acceptance or modification of the options will assist CO in understanding the vision for OHA. This may enable some level of planning while the MESC team is working out the details.</p> <p><b>13.</b> (New)CO may also consider focusing on some core set of Medicaid applicants that it can satisfy without significant decisions from the MESC group. Contingency plans can then be made to flex this portion of the operation when the final details are available from the MES Committee.</p>
<b>Organizational Management (OM)</b>	<b>Low</b>	<b>Low</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO has adopted a new system architecture that will require a different IT organization then was originally envisioned.</li> <li>• (New) The organization is structured to deliver the various lines of business in a horizontal fashion. See attachment G for details.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. Limited startup experience may affect the ability of the organization to execute its mission as effectively as possible. This may result in missed opportunities for leadership within the State, and gaps in the execution of the Business Plan.</li> <li>4. Closed.</li> <li>5. (New) Viewing the organization and project in a horizontal fashion may make coordination and delivery a more complex process. Integration of cross functional areas will not be well coordinated and will result in a product delivery that has fits and starts. See attachment G.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. As the CO Roadmap, WBS and Schedule are completed; Executive Management should clearly communicate the roadmap and internal organizational plan to the staff.</li> <li>2. Identify key internal operational processes and assign these processes to the specific executive management for development. These processes should be developed using process flows, approved and implemented and placed under change control so the staff and QA can clearly understand how the organization is operating. Clearly document all related processes, policies, and procedures.</li> </ol>



			<ol style="list-style-type: none"> <li>3. Continue to refine and update the CO organizational chart, including detailed roles, responsibilities, expectations, and authorities.</li> <li>4. Consider additional entrepreneurial resources to assist the CO executive management team in moving toward a more entrepreneurial operating model.</li> <li>5. Closed.</li> <li>6. Closed.</li> <li>7. CO should re-evaluate the organizational needs of the IT department with the advent of the new architecture and responsibilities CO has incurred.</li> <li>8. (New) CO should consider adding a Line Manager that is responsible for delivering a specific product line. This position should operate from the perspective of the Product Development Lifecycle (PDLC). See attachment G.</li> </ol>
<b>Human Resources (HR)</b>	<b>Med</b>	<b>Med</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• After reviewing the Organizational needs of the IT group based on the architecture change, new roles are probably necessary in the organization.</li> <li>• Viewing the product delivery from a product line perspective rather than a single product perspective will require a slightly different resource structure.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Staff with gaps in their skill sets can create schedule delays, rework and/or incorrect planning and execution for the organization.</li> <li>3. Closed.</li> <li>4. Closed.</li> <li>5. Lack of a product or portfolio skill set in the organization will hamstring the organization in its ability to deliver focused products and link them to effective advertising and marketing campaigns.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Continue to focus on defining and implementing the required HR support processes. Finalize the CO Human Resource Management Handbook. Complete job descriptions for all filled and anticipated staff positions.</li> </ol>



			<ol style="list-style-type: none"> <li>2. Closed.</li> <li>3. Continue to support team building and informal support structures for staff.</li> <li>4. Complete, publish, gain approval of, and implement a comprehensive CO Resource Management Plan that includes a required skills matrix.</li> <li>5. Inventory the skills of the existing staff and perform a gap analysis to the required skills of the organization. The gaps should then be prioritized and either staff should be augmented with consultants, trained or new employees should be sought out with the proper skill sets. CO should continually evaluate employees skills against the tasks they have been given. Areas where there are gaps should be identified and mitigated quickly.</li> <li>6. Implement formal HR Policies and procedures.</li> <li>7. Closed.</li> <li>8. Re-evaluate the needs of the IT organization to determine if new roles and personnel are needed based on the change in architecture and delivery model.</li> <li>9. (Update) CO should consider adding an experienced Product Managers who are focused on delivering specific products to the market from a cross functional perspective. This skill set would be instrumental in defining the detailed features and functions of the product and creating and managing a detailed product roadmap for the various lines of business.</li> </ol>
<b>Stakeholder Management (SM)</b>	<b>Low</b>	<b>Low</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO has engaged in multiple stakeholder outreach and communication efforts throughout the month.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Lack of proactive communication with Exchange stakeholders may limit early participation and/or public support.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Complete, publish, gain approval of, and implement a comprehensive CO Stakeholder Engagement Plan.</li> <li>2. Develop scenarios to clearly communicate the benefits of participating in the Exchange.</li> <li>3. (Update) Continue proactive outreach and stakeholder communication efforts.</li> </ol>
<b>Communications (COMM)</b>	<b>Low</b>	<b>Low</b>	



			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>A marketing and communications RFP was posted for a Vendor to execute the communication plan and a vendor was selected.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>If the Exchange does not communicate its functions in a consistent manner then CO's management credibility may suffer.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>Closed.</li> <li>The internal marketing function of CO should work with the IT, SME's and executive management to identify areas where specialized high level communications need to take place. The Marketing organization can and should utilize the information that should have been produced from the work identified in the Roadmap Section of this report to begin to articulate the functionality of the exchange.</li> <li>Closed.</li> <li>The Marketing organization should establish consistent messaging for the organization that reflects the roadmap of the Exchange.</li> <li>Design and implement a specific external marketing / education program, including the clear purpose and benefits of participation in the Exchange.</li> <li>Consider independent QC of the final Sandstrom deliverable.</li> </ol>
<p><b>Project Management (PM)</b></p>	<p><b>Med</b></p>	<p><b>Med</b></p>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>Refer to Attachment F</li> <li>Work is continuing on a variety of "foundational" PM documents.</li> <li>Project tracking and reporting findings are included as Attachment B.</li> <li>Monthly CO status reporting is being tied to tasks in the CO schedule.</li> <li>(New) The first two Project Management foundational documents (communication plan and charter) have been submitted to MAXIMUS for formal QC review.</li> </ul>



		<p><b>Risks:</b></p> <ol style="list-style-type: none"><li>1. Without a full set of “foundational” project processes and controls, the project will likely suffer from ad hoc and inconsistent execution of the project work.</li><li>2. Closed.</li><li>3. Without all of these foundational documents being clearly completed, approved, and enforced by executive management they will not be institutionalized.</li><li>4. Combined with PM Risk #1.</li><li>5. Without a clear set of metrics from which to track and report progress to the executive management of CO, HIX-IT, the Board, and LFO COs project management will continue to react to requests for a variety of status information.</li><li>6. Closed.</li><li>7. Closed.</li><li>8. Project tracking and reporting risks are included as Attachment B.</li></ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"><li>1. Closed.</li><li>2. Finalize and implement a full set of “foundational” operational documents, including human resource management, contract management, grant administration, CO governance, staffing plan, stakeholder communications, and accounting management plans.</li><li>3. Closed.</li><li>4. Closed.</li><li>5. Finalize and implement a comprehensive change control process for all of these foundational documents, as well as the WBS and schedule, as described in the Scope and Schedule Sections of this report, respectively. Include guidelines regarding “rolling wave” elaboration of near-term activities. Coordinate all change control processes with the Project Management Office (PMO). All documents should be placed under formal change control and be available in the Dropbox.</li><li>6. The Dropbox should be set-up on a manner that aligns with the WBS so that documents can be easily located. A process for document versioning should be evident.</li><li>7. Closed.</li><li>8. Finalize and implement common guidelines for reporting progress, including % complete. Consider implementation a common earned value management (EVM) approach that can be articulated jointly for both the HIX-IT project and CO schedules.</li><li>9. Closed.</li><li>10. Closed.</li></ol>
--	--	---



			<p><b>11.</b> Project tracking and reporting recommendations are included as Attachment B.</p> <p><b>12.</b> (In process) Consider independent QC review of “foundational” PM documents, including relevant HIX-IT foundational documents.</p>
<b>Contract Management (CM)</b>	<b>Med</b>	<b>Med</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO is currently updating the contract policy and procedures.</li> <li>• CO is maintaining a contractor invoice tracking spreadsheet. This spreadsheet includes a comprehensive view of all current contracts, and includes type, term, and value of all contracts.</li> <li>• Progress has been made to tie some contractor work to specific deliverables. However, contractor work is not clearly tracked against the project WBS or schedule.</li> <li>• Recent contracts are deliverable-based, however legacy agreements remain, for the most part, time and materials.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li><b>1.</b> 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.</li> <li><b>2.</b> Without clear contractor procurement and management plans, as well as documented contractor deliverable expectations and deliverable-based payments, CO may have difficulty extracting the expected tangible value from these contractors. This may also lead to the inefficient use of contractor staff and the associated Federal funds.</li> <li><b>3.</b> Without a clear tie between contractor work and the project WBS or schedule, effective management of contractor effort and billings will be difficult.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li><b>1.</b> Closed.</li> <li><b>2.</b> 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.</li> <li><b>3.</b> Closed.</li> <li><b>4.</b> 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</li> </ol>



			<p>appropriate.</p> <ol style="list-style-type: none"> <li>5. Closed.</li> <li>6. Closed.</li> <li>7. Develop transition plans to move contractor positions to CO employees.</li> <li>8. Clearly tie contractor work to the project WBS or schedule. Track progress (% complete) accordingly.</li> </ol>
<b>Product Content (PC)</b>	<b>High</b>	<b>High</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO is currently developing a Scope Management strategy and process - the expected release of this document is unknown at this point.</li> <li>• (Update) The current Identity and Access Management (IAM aka. IDM), Single Sign On (SSO) and Role Based Access (RBAC) strategy is incomplete. CO has decided to contract with an independent security consultant to do a risk analysis of the security solution.</li> <li>• The User Interface work being conducted by Deloitte is scheduled to be completed in the March 8<sup>th</sup> 2013. These requirements are dependencies for the HIX-IT schedule development and will likely negatively impact the overall schedule.</li> <li>• (New) User Interface work by Deloitte is scheduled to be completed by March 1<sup>st</sup>. This timeline is problematic.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> <li>3. (Update) The foundational services components (Security, MDM) will be implemented later in the process, potentially resulting in significant rework. In addition, process flows may need to change and or expected functionality may not be available when foundational services models are over laid on the existing builds.</li> <li>4. Managing and matching docs in workflow processes will affect system design, customer expectations and HIX staffing requirements. See Attachment D for workflow-related, “no wrong door” risks.</li> <li>5. Obtaining federally required signatures on documents may be a burden for the customer, system and customer service organization.</li> <li>6. Closed.</li> <li>7. Closed.</li> <li>8. Informality in the use of BPM or UML will result in varying degrees of process flow quality.</li> <li>9. Closed.</li> <li>10. Closed.</li> </ol>



		<p>11. Please see Attachment A for specific, security-related risks.</p> <p>12. Please see Attachment C for contingency planning risks.</p> <p>13. Please see Attachment D for workflow-related, “no wrong door” risks.</p> <p><b>Recommendations:</b></p> <p>1. Closed.</p> <p>2. Implement a product validation procedure and requirements change management process to validate the requirements submitted for development. Implement a change process to correct any defects of requirements.</p> <p>3. Define the process for integrating the requirements from CO into the foundational services components of the development teams early in the requirements process.</p> <p>4. Identify all areas where documents are expected to be uploaded, faxed or mailed and review the validity for these documents in the workflow process. Ensure that the system architecture has a document management strategy. Ensure that the documents requirements are clearly identified in the current JAD session, Data requirements, use cases etc. An inventory of all document expectations should be identified to assess the magnitude of the effort. See Attachment D.</p> <p>5. Clearly identify where signatures are required for client documentation. Validate if they are required by consulting DOJ, IRS, Carriers, etc.</p> <p>6. CO should have a formal review the existing OUM process (including foundational services) as it is implemented (tailored) for the Exchange project. This OIS process should be clearly documented, approved, implemented, and placed under change control. The process, if not controlled, will begin to drift as project managers move their attention to other areas/processes of the project that need to be “stood up”. This will also enable QA to monitor the process as it continuously improves.</p> <p>7. Closed.</p> <p>8. 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.</p> <p>9. CO should require all BA work to be done using CMS standards whenever possible. This will help ensure that 1.) the work done by all the BA’s is completed with a common language. 2.) this common language can be utilized to communicate more effectively with trained developers and 3.) the products can be archived and reused at a later date potentially with different BA’s and Developers.</p> <p>10. Closed.</p> <p>11. Please see Attachment A for specific, security-related recommendations.</p> <p>12. Please see Attachment C for contingency planning recommendations.</p>
--	--	---



			<b>13.</b> Please see Attachment D for workflow-related, “no wrong door” recommendations.
<b>Testing (TST)</b>	<b>Med</b>	<b>High</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• (Update) The first draft of the CO test strategy was delivered in February.</li> <li>• The CO scheduler and testing manager has developed and initial timeline for UAT.</li> <li>• HIX-IT has planned to provide a UAT testing environment that will be used solely by CO. A schedule for implementation of this environment needs to be identified by CO.</li> <li>• CO has decided to have Independent Verification and Validation (IV&amp;V) testing completed on the system prior to training.</li> <li>• The development is scheduled to go beyond the anticipated April 30<sup>th</sup> deadline. This will most probably increase SIT testing which is a dependency for UAT testing.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Current iterations are being accepted without a formal and methodical review of the product. This may result in defects being found and fixed at a later point as potential issues are found.</li> <li>2. Lack of a dedicated test environment will limit the exposure of the 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. The SME’s should also be encouraged to use non-industry personnel, i.e., public users to get feedback on the public facing components of the exchange. Lack of a dedicated test environment will require significant coordination with the IT testers and a reduced amount of time to access the system.</li> <li>3. (New) The continued development beyond the scheduled timeframe will encroach on SIT testing which will eventually affect UAT testing.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Create a comprehensive test plan that outlines the strategy for iteration and UAT testing to be conducted by CO. Note: this testing should include security requirements.</li> <li>2. Confirm that a dedicated test environment will be available for CO testing, such that they have sufficient time to review the design of the system as it is being built, allow demonstrations and focus groups to view the design, train, testing, etc.</li> <li>3. Ensure that usability testing using typical users of the system is included in the testing of the Exchange on-line system.</li> <li>4. Closed.</li> </ol>



			<p><b>5.</b> (New) Contain the scope in I17 (April 30<sup>th</sup>) for the Oct 1<sup>st</sup> release. If an I17a or and I18 is to be added and included into the Oct 1<sup>st</sup> release it will negatively affect the schedule and potentially the quality of the release.</p>
--	--	--	--



## 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.

<b>Quality Standard Section</b>	<b>CO Management Response and/or Action Plan</b>
Overall Health	Cover Oregon agrees that the overall risk of the project is high due to the timing and scope. Much progress is being made and CO expects that to continue.
Business Mission and Goals	Cover Oregon agrees that coordination between OHA/DHS and Cover Oregon policy and business operations is vital to planning operational procedures for Medicaid processing. In February, Cover Oregon formally provided specific due dates to OHA for the expectations for MMIS system interface architecture approach and delivery. OHA, DHS and Cover Oregon staff have been working together on multiple “work streams” related to Medicaid processing, with decisions coming out of those meetings and being approved by OHA, DHS and Cover Oregon leadership authorized to finalize and sign off on these decisions.
Roadmap	The current road map outlines the products, services and functionality that will be delivered in Version 1.0 of the exchange. A cross-functional team is compiling and prioritizing products and services for post-1.0 upgrades in 2014, Version 2.0 and beyond.
Scope	Cover Oregon has locked down scope as the final scope continues to be refined. Cover Oregon is currently actively managing and tracking scope through prioritization and the scope management process.
Schedule	Cover Oregon continues to work towards a comprehensive schedule as is outlined in the organization’s schedule management process. New discovery will occur but Cover Oregon and HIX-IT have established adequate controls. Cover Oregon is also working closely with OHA to mitigate any possible staffing issues.
Budget	Cover Oregon is currently conducting a budget re-evaluation as we shift to a separate Oracle instance. We are in the process of negotiating contracts and working with OHA to best forecast ongoing maintenance and operational costs given this move.
Funding	MAXIMUS correctly notes that Cover Oregon has received \$226 million dollars in Level 2 funding from the Federal government. Approximately \$90 Million is for IT.
Board Governance	MAXIMUS correctly notes that the Executive Director and staff routinely meet with the Board and its finance committee, providing members with a variety of informational documents.
Inter-Org Coordination	Cover Oregon agrees that coordination between OHA/DHS and Cover Oregon is vital to planning the operations for Medicaid processing. In February, Cover Oregon formally provided specific due dates to OHA business and OIS for the near term expectations for Medicaid requirements, and MMIS system interface architecture approach and delivery.
Organizational	Cover Oregon agrees that the organization is growing at a very quick pace. The organization and its staff are adapting and managing to change.



Management	
Human Resources	The current staffing strategy which includes a mix of CO and contracted staff takes into account the need to support the entire technology infrastructure - including new development and operations and maintenance. The scope of the staffing strategy takes into account the need to manage the smite stack from the hardware to application configuration and management.
Stakeholder Management	Cover Oregon continues its proactive outreach and stakeholder communication efforts.
Communications	The marketing and communications teams are preparing for any changes in initial launch so that expectations can be set with stakeholders and consumers, and marketing materials are appropriate to the situation.
Project Management	Cover Oregon agrees that scope and schedule must be managed very closely through final development; Cover Oregon has made significant progress in reviewing and integrating with the HIX-IT project/product planning artifacts. Quality control of project management documentation continues to move forward with the IT Communication Plan document being updated as per findings from initial round of QC.
Contract Management	Cover Oregon utilizes a Work Breakdown Structure (WBS) to identify activities to be completed on the way to Day 1 of open enrollment. Tasks that are assigned to contractors have been identified and are being tracked, as are other resources.
Product Content	Cover Oregon continues to attend the workshops and actively escalates progress or issues as they arise. Much progress has been made to identify the security model and process. Cover Oregon is actively managing the product content through the Foundational Services summit. Scope management documentation is in process, and Cover Oregon has created and is utilizing a comprehensive change control process.
Testing	Cover Oregon created a comprehensive test plan strategy to guide testing activities across the organization and to integrate with HIT-IT testing processes.  Cover Oregon has management process to manage risks associated with concurrent test and development work.



## 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

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

### Impact

<b>H</b>	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.
<b>M</b>	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.
<b>L</b>	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: Detailed Security Concerns (July Findings)

### Findings:

- The current Identity and Access Management (IAM aka. IDM), Single Sign On (SSO), External Self-Administered Role and Role Based Access (RBAC) strategy is not well defined and can be characterized as follows (Note: this information was identified in the recent HIX-IT Logical Structure of Account 4 Whitepaper):
  - Every user in the system will have single sign-on capability in the system. This means that individual and business functions are comingled in accounts.
  - Identity proofing approach is currently unclear. Identity proofing is required to provide assurance of non-repudiation. Identity proofing of some form will be required by the Exchange due to the nature of the environment.
  - Identity proofing is currently at the individual level only. It is unclear how an employer, broker, employee, etc., will be proofed in the system for their specialized role.
  - Internal staff roles in the system are not defined.
  - External roles are intended to be self-administered, i.e., a user can join or revoke other users into and out of their accounts.

### Risks:

1. Comingling of individual and business accounts is highly unusual especially in the health insurance field. While it seems like a convenience, it may not be desirable from a user, technical, or security perspective. For example, an individual user may also be a Broker. This person may log into their account at home on their personal computer. If this computer is infected with key logger, user account login information could be compromised. A malicious user would then have access to the Brokers personal account and also their Broker account which potentially compromises other employer accounts the Broker may be attached.
2. Identity proofing can be costly and can have a customer usability impact. If the ID proofing is considered to be too cumbersome by the public it can affect the use of the Exchange by the general public.
3. Additional levels of verification may need to be exercised for different roles in the system, For example, how will a Broker prove they are a legitimate Broker in the system? Not clearly planning, defining and detailing the strategy up front can result in significant delay or work stoppage in the project due to security, usability or technical issues that will continue to pop up in the project without a proper strategy and planning effort.
4. Internal system role definition may alter the expected business workflow of Cover Oregon. Doing this work later in the development or after the system is developed can cause rework and or surprises in staff workflow.
5. External self-administered roles currently known in the industry as Enterprise Dynamic Access Control (EDAC) create additional complexity of the public user experience. These types of architectures are relatively new for public use environments and if deemed too complex and not intuitive for average users, it can result in nonuse of the Exchange by the public.
6. Exchange liability for fraudulent activity due to ineffective identity management and self-administered roles is not fully evaluated. For example, Cover Oregon may be held liable or publicly embarrassed if a person fraudulently became a broker in the system and was found to be attached to a number of large Employer accounts. These types of externally, self-



administered implementations are relatively new and fraught with risk for a known marketplace, let alone a marketplace in its infancy.

### Recommendations:

1. Account comingling: Cover Oregon should find an existence proof of individual and business comingling approach in the health care field prior to implementing this strategy. If precedence is found in the market, Cover Oregon should seek out the entity and be thoroughly briefed by the entity prior to making this decision.
2. Identity proofing: Cover Oregon should understand the requirements from CMS, IRS, etc with regards to what level of ID proofing is required prior to developing the IDM strategy. For more on Federal ID proofing levels please refer to NIST 800-63.
3. Identity proofing: Identity proofing techniques are both a Business and a IT decision. Cover Oregon will ultimately need to bear the risk that the selected approach poses (legal and user acceptance). Cover Oregon should take an active role in deciding and vetting the approach with the IRS, State DOJ and potential customers of the Exchange. Again, this is the front door to the Exchange access as should be a balance between business efficiency (customer acceptance) and security.
4. Identity Proofing/verification: There may be multiple layers of Identity proofing/verification required. Some users may need to provide proof as an individual only, Broker, and / or employer/employee. Cover Oregon should clearly define the requirements to HIX-IT and expect HIX-IT to create a detailed design document for ID and account management that is vetted with Cover Oregon.
5. Internal role definition: Cover Oregon should overlay role requirements on their internal workflow diagrams to ensure these are identified early in the development process. There are a number of engineering articles on methods for diagramming these requirements.
6. External Self-Administered Roles: Research should be conducted by Cover Oregon to fully understand what the failure rates of these types of implementations from a usability perspective. An expert should be consulted to guide Cover Oregon of necessary.
7. Much greater emphasis should be placed on defining the IDM strategy for Cover Oregon.
8. Reviewing analogous IDM and External Enterprise Dynamic Access Control implementations in the market place should be conducted by Cover Oregon. A comprehensive, detailed strategy should be developed and vetted by Cover Oregon and potentially an independent expert in this field.
9. Closed
10. Where possible, full mock-ups or prototyping of the Identity proofing and external self-administered roles should be made available to the business to determine the usability impact to the customer experience prior to implementation. This determination should use market research and data to fully justify the decisions made.

## Attachment B: Detailed Tracking and Reporting (August Finding)

### Finding:

- The full scope of the HIX-IT development work is not fully articulated to management at Cover Oregon in a comprehensive manner. The issues are as follows:
  - There are a number of areas that need developed, including:
    - Use cases (general configuration of HIX-IT Components)
    - Interfaces to external IT Systems (approximately 60)
    - User Interface
    - Oracle Policy Automation rule development
    - Security
    - Content Management
    - Data classification and segmentation
    - Rework and refinement
  - Currently the CO Project Management is reporting the state of the 200+ use case work packages as a method of tracking project progress to Cover Oregon Management. While this is important, it only represents a portion of the overall IT development work. For example, current use case iterations being reported on may only comprise 45% of the overall IT work.
  - The current use cases that have been developed in iterations 9 through 12 are reported as “completed”. According to the HIX-IT Product Planning document they are still rated as “blue” or incomplete due to the additional items identified above.

### Risks:

1. Measuring Exchange Development progress via the number of use cases only will cause incorrect expectation setting and confusion on the part of Cover Oregon over the coming months.
2. Calling use cases “complete” is problematic and may cause incorrect expectation setting and confusion on the part of Cover Oregon.

### Recommendations:

1. Cover Oregon should work with HIX-IT Program Management to establish a more comprehensive methodology for estimating the level of effort required for the major components of the project.
2. The estimating methodology established above should be closely monitored by Cover Oregon to determine its accuracy over the next few months.
3. Cover Oregon PM should clearly articulate, via significant development areas and metrics, the IT development work in a manner that clearly represents a more comprehensive view of the project and progress.
4. The development areas and metrics identified above should be reported to Cover Oregon’s management monthly basis at a minimum.



## Attachment C: Contingency Planning (September Finding)

### Findings:

OHA OIS has embarked on a significant change in the technology and methodology for deploying and redeploying new and existing applications. Any one of these changes individually would require significant effort for the organization. These challenges are exacerbated by the deadline for delivering a Health Insurance Exchange. The changes that OHA has made and/or is currently making include:

1. Assuming the role of prime contractor for the overall state development effort.
2. Deploying technology that is largely new to OHA.
3. Deploying an integrated enterprise architectural vision that is largely new to OHA.
4. Deploying a new software development lifecycle (iterative) that is new to OHA.
5. Re-organizing the delivery model (centralized model) for IT projects within OHA.
6. Standing up new processes to support this new delivery model.
7. Merging the technology and business operations of three organizations (OHA, DHS and CO) and attempting to develop a “no wrong door” approach (see attachment D).

Furthermore, OIS does not have experience in estimating level of effort within the HIX-IT project team or within OIS foundational services team using a common estimation methodology. It may take several iterations to sync the methodologies when they are stood up.

A risk was raised by the Oracle development team regarding the use of a single instance of WebCenter for development. Oracle recommended that separate instances be used as the planning and coordination issues are considerable and likely will slow development. It is our understanding that a decision has been made by OIS foundational services (no written decision has been made available) to use a single instance.

Application and architecture decisions require Modernization agreement prior to implementation. The projects are on different timelines, have only partially overlapping priorities and have a different sense of urgency. See matrix below for priorities.

	DHS	OHA	CO
Individual Tax Credit	P3	P2	P1
SHOP Tax Credit	NA	NA	P1
MAGI (Medicaid/CHIP) eligibility, shopping and enrollment only	P2	P1	P2
Non-Magi			P3
Other Medical			NA
Non medical	P1	P4	NA



The OIS and HIX-IT overall governance structure as stated in the Project Charter does not appear to be functioning. This process needs to be clarified, documented and made balanced and transparent for the business, and all development teams going forward.

OIS does not appear to have formal, detailed, documented, functioning, transparent technical governance or data governance committees.

The software applications are expected to be merged for the first time towards the end of the HIX-IT project. This has never been attempted within the OHA development teams to date. The technical components of the merge are known to some degree, but how the organization will approach and deal with “collides” on a business level has never been done in OHA/Cover Oregon.

OHA must produce, sync and baseline a variety of detailed schedules (HIX-IT, Modernization, Security, MDM, Environments, OPA/application business rules, SOA, Webcenter, PeopleSoft, IVR, UI, OBIE and CO) for this project to be successful.

OHA and the HIX-IT project has slipped a number of proposed deadlines to date (see scheduling section). Cover Oregon has a schedule that is highly dependent on the HIX-IT, Modernization, and OIS foundational services schedules. And vice versa.

A number of basic project processes are not fully implemented within the OIS project structure (e.g., change control, testing, common estimation methodology, common schedule methodology, common activity diagramming methodology, etc.)

The current high level CO Timeline and the more detailed MS Project Schedule do not have specific usability testing activities identified.

### **Risks:**

- 1) With the project deadline less than 1 year away and the lack of a stable and experienced organization, development and delivery teams within OHA as well as the requirements delay within CO, the probability of missing the target date is currently an issue.

### **Recommendations:**

1. CO should prepare a number of trigger points over the remaining timeline of the project to ensure that scope is continually sized to meet the target date. For example, on November 5<sup>th</sup> 2012 OHA OIS is scheduled to deliver a detailed project schedule for the remainder of the HIX-IT project. On this date, CO should have a formal review with the OHA CIO, HIX-IT, foundational services project teams and QA to understand in detail the project approach, schedule, dependencies and issues. This information can then be utilized to gauge the progress against an internal CO confidence checklist. The objective of this review should be to determine if significant components of scope should be

deferred. Each trigger point would have a different checklist depending on where the project is on the timeline. An example of a checklist for Nov 5th could be as follows:

- Can scope be locked?
- What percent of scope is outstanding?
- Are schedules for all of the project areas complete, detailed, synced, and tracked using a common methodology?
- Are all project schedules being developed with a common estimation methodology?
- Are key dependencies identified within the schedules and are they listed for the executive management to review?
- Do the schedules have any slack in them and/or does all the scope fit within the current schedule?
- Do the schedules allow for any refinement once the system is constructed?
- Do the Oracle teams agree with the schedules?
- Have Modernization and CO documented the integration points within the application for “No Wrong Door”?
- Is the data that is to be passed from each application clearly documented?
- Is HP ALM operational?
- Are the test teams on board?
- Is there a functional, technical and data governance structure that is balanced and transparent to CO in place and operational?
- Are notes and decisions from these committees clearly documented for the development teams to build from?
- Etc.

The answers to this checklist can then determine a go/no-go for the current scope. If the decision is a no-go for the current scope, CO should have a list of predefined, prioritized and agreed to scope reduction options that can be employed immediately. Scope reduction options could be looked at from a horizontal (across all CO application components) and then, if need be, from a vertical application perspective. An example of scope reduction options could be as follows:

Scope reduction examples from a horizontal perspective:

- Reduce the complexity of the current architecture.
- Defer the merge and rebaseline of code until after go live.
- Implement separate instances of Oracle components that are dependent on interagency business integration.
- Reduce the dependency on the integration with other programs by deferring the “No Wrong Door” approach.
- Implement UI wireframes using Siebel.
- Etc.



Scope reduction examples from a vertical perspective:

1. Defer significant portions of the PeopleSoft components and process the billing manually.
2. Defer electronic plan loading from the Carriers.
3. Defer online Medicaid eligibility, plan selection and enrollment within the Exchange and process them manually.
4. Etc.

Each of these options would be pre-sized so that depending on the amount estimated schedule variance or slack desired by CO an equal amount of scope can be deferred. For example, if the schedule is off by 20% and reducing the complexity of the architecture can save 20% in the schedule then this would be employed because it is prioritized high and equals the needed time savings.

The formality of this process will give CO executive management a clear understanding of the project status and enable them to pull the appropriate levers to make the project successful at a variety points in the upcoming year.

## Attachment D: “No WrongDoor” Cooperation (September Finding)

### Findings:

OHA/DHS and CO have a general agreement to create a “no wrong door” approach for eligibility and enrollment for state-sponsored medical programs and commercial insurance. This requires the businesses be aligned from both the operational perspective and the informational technology perspective to create a “to-be”, future business state model. This is truly a transformation to the way that health coverage is to be administered across the state. Unfortunately, there is no clear authoritative document that defines the expectations for all the programs, authority/delegated authority, governance and detailed functional roles and responsibilities.

This overall business transformational effort that is being under taken is also not currently being tracked like a formal project. Typically a project of this size would have specific governance reporting, charter, scope, tasks, milestones, deliverables, and deadlines for the interagency work that is to be accomplished both operationally and technically.

For example, technical/architectural decisions are being made that may not fully align with the intent of the CO business model. The situation is aggravated by the lack of clear and comprehensive documentation for interagency cooperation with respect to requirements, process interface points, data passing, data sharing, portal entry and exit points, identity and access management, and document sharing.

### Risk:

- Lack of a clear, detailed, integrated view of “no wrong door” will hamper a smooth implementation of this vision
- Lack of clear direction, governance, and delegation of authority from the OHA, DHS and CO leadership will result in a missed opportunity to integrate the “no wrong door” approach in time for the October 2013 opening the Exchange.
- Lack of a formal structure for this interagency business project will result in open ended work that may or may not yield sufficient information in time to be incorporated into the development schedule.
- Without clear direction/requirements from the businesses, technical decisions will be made that may or may not align to the long term operational plan for the businesses. This may require rework or additional future project to realign the technical decisions being made.
- Without clear operational agreements, staff will not be efficient in executing required transitional tasks for their programs, e.g., process reengineering, job reclassification, resource plans, inter-program agreements, etc.
- Without a defined process, project, and governance transparency, QA, development, operations, and executive management in the stakeholder agencies will not be able to monitor the progress of the effort to ensure that it is implemented in a timeframe and

manner that fits the vision outlined by the Directors of OHA and DHS, the Executive Director of CO for the State of Oregon.

### Recommendations:

- The Executive Directors from OHA and CO should commission the business leaders to draft a charter document for interagency transition project. An example of the makeup of a charter document may include:
  - General vision of all the leaders.
  - Scope, which identifies all the agency programs that are required to participate in the effort.
  - Governance structure that identifies the two Executive Directors of OHA and CO as the sponsors identifies the business executive's steering committee and their responsibilities.
  - Assignment of a project manager and scheduler that will produce a baseline schedule within 15 calendar days of charter implementation.
  - High level deliverables, such as:
    1. All relevant agencies submit detailed information to a "no wrong door" operational and technical plan that will identify the "to-be" operational and technical requirements. This document will be required to be delivered to the steering committee no later than 45 calendar days after the project charter is released. This document should include:
      1. Identification of all policy changes for each program with respect to the "no wrong door" initiative.
      2. Identification of the following information about each on-line application:
        1. General screening requirements for all programs (Medicaid, QHP, etc).
        2. Detailed map of how clients will access each program through the on-line portal (client direct, community partner, navigator staff portal, etc).
        3. Specific data elements that is required for each application when they are passed from another application.
        4. Identification of a common point of transfer (after screening, after application completion, etc.)
        5. Identification of a common point of entry from a transfer (at additional screening point, selection of benefit, etc.)
      3. Identification of the following information about their handling of paper and fax applications, phone/IVR applications:
        1. Identification of the agency that will handle processing of specific applications/or portions of applications.
        2. "Warm" handoff of clients that call in and require a transfer to another agency.
        3. Identification of common staffing of support and customer service centers, if required.
      4. Identification of any issues, risks, barriers, roadblocks or concerns to implementing the operational and technical plan. Along with any roadblocks, barriers or concerns, the agency should propose a solution or solutions as a remedy.
      5. Recommendations for the content of an integrated transition plan.
        - High-level schedule, including definition of "no wrong door" process flows and detailed requirements.

## Attachment E: (Closed) Architecture Simplification (November Finding)

### Findings:

1. The current architecture implementation of the ORACLE stack may not suit the operational business needs of Cover Oregon.

### Background:

In the September MAXIMUS made the following statement in Attachment C of the Cover Oregon (CO) monthly report.

- Oregon Health Authority (OHA) Office Information Services (OIS) has embarked on a significant change in the technology and methodology for deploying and redeploying new and existing applications. Any one of these changes individually would require significant effort for the organization. These challenges are exacerbated by the deadline for delivering a Health Insurance Exchange. The changes that OHA have made and are currently making are as follows:
  - Assuming the role of prime contractor for the overall state development effort.
  - Deploying technology that is new to OHA.
  - Deploying an enterprise architectural vision that is new to OHA.
  - Deploying a new software development lifecycle (iterative) that is new to OHA.
  - Re-organizing the delivery model (centralized model) for IT projects within OHA.
  - Standing up new processes to support this new delivery model.
  - Merging the technology and business operations of three organizations (OHA, DHS and Cover Oregon (CO)) and attempting to develop a “no wrong door” approach.

In general, the aggregation of the above items constitutes a very high risk for the Health Insurance Exchange ability to meet its business objectives. Two of these items are borne out of an industry belief of cost savings to an organization, items 3 and 5. This document is intended to further describe these items so that all parties have clarity of the significance of the risk taken by the State.

### Definitions:

*Separate instance (SI) systems* – is a method of implementation where each business unit has a separate and complete technology stack for each business unit.

*Global Single Instance (GSI)* – is a method of implementation that consolidates common lines of business into a single instance of a technology stack from top to bottom.



*Enterprise Integration Architecture (EIA)* – is a method of implementation that consolidates common services of a technology stack across similar lines of business and implements separate components for less common processes. For example, security would be a shared service among all business units and the CRM module may be separate instances for each of the business units.

The proposed HIX-IT architecture is a hybrid of the GSI and the SI approaches.

### **General Implementation Characteristics**

The Global Single Instance to the Separate Instance implementation approaches have an inverse relationship with respect to efficiency and flexibility. The GSI approach has the highest degree of efficiency with respect to licenses required and staff needed to operate and maintain the system. In the GSI approach the flexibility of the businesses to make changes and release new features is considerably curtailed because multiple business lines need to be consulted and agreement must be made on priorities among those businesses. This prioritization effort is required to utilize foundational services resources most efficiently. Conversely, the Single Instance approach has the least efficiency and greatest flexibility.

### **Item 3: Deploying an enterprise architectural vision that is new to OHA.**

Nationally, Health and Human Services organizations have a vision of a “No Wrong Door” approach to delivering benefits to their clients. The approach is borne out of the idea that costs can be reduced and services to clients can be improved at the same time. The “No Wrong Door” approach is also required in the ACA. It is important to note that this vision is not related to the system architecture; it is merely an operational vision. Many different architectural approaches can be deployed to implement the desired “No Wrong Door” vision.

OHA/DHS (OHA) OIS is deploying a combination of ORACLE products that together will make up the Oregon OHA and CO solution. The ORACLE solution is comprised of ORACLE developed products and products merged into Oracle through company acquisitions.

OHA has decided that a Global Single Instance (GSI) Architecture approach is the desired strategy for OHA. The GSI architecture implementation is defined by have a single instance for each ORACLE Component servicing all business entities (Modernization and CO) using the system. This decision was made prior to the establishment of the Health Insurance Exchange business. The IT industry, especially ORACLE, believes that this implementation has significant cost savings via reducing the amount of licenses and support staff required to deliver the solution to the businesses.

This architecture approach is typically an evolutionary approach of organizations that currently have separate instance CRM and ERP systems for each business unit. Gartner suggests, “This is the approach (single instance) that should be considered in the integrated organization where there is a high degree of dependence and commerce among units”. The degree of integration, dependency and commerce between OHA and CO is primarily in the Medicaid arena. The

commonality of the DHS/OHA and CO organizations is currently estimated to be 10% of total system Exchange volume.

A GSI implementation architecture is typically promoted for organizations that have existing separate instances as a way to save costs and improve efficiency for common business units. For example, a manufacturing company with multiple instance architecture (separate ERP or CRM systems) for existing business lines, will evolve to a single instance architecture when they have mature, common business units, that have common businesses processes.

Separate instance systems are often moved to a single instance over a significant period of time and in a serial process using simple pilot projects. This is due to significant business process reengineering and technical challenges and complexities involved in this effort.

OHA and CO business characteristics are different then what is mentioned above in a number of ways:

1. OHA and CO are separate government organizations with different business missions and goals.
2. CO is a public corporation and is governed by different rules and regulations then OHA.
3. OHA and DHS do not currently have common processes and governance structures.
4. CO is a newly formed entity with untested Greenfield processes.
5. CO and OHA have different business timelines.

OIS has also decided to implement Modernization and the Health Insurance Exchange into a single instance in a “big bang” style, i.e., OIS intends to launch the both applications simultaneously. The selection of implementation approach is a strategic decision that should be made with executive business management understanding what the technical, development, operational and maintainability risks and impacts are to the business. Forrester Research says, “that business process and applications professionals face a variety of challenges in defining the single instance and identifying an apt consolidation model and hence companies should adopt a cautious, phased consolidation strategy”.

**Item 5: Re-organizing the delivery model (centralized foundational services model) for IT projects within OHA.**

Traditionally the development of a shared-service organization (SSO) or shared-service center (SSC) within an organization is an attempt to reduce costs and standardized processes through economies of scale and centralization. A Global Service Center Benchmark study carried out by the Shared Services & Outsourcing Network (SSON) and the Hackett Group, which surveyed more than 250 companies, found that only about a third of all participants were able to generate cost savings of 20% or greater from their SSO.

**Risks:**

**Item 3: Deploying an enterprise architectural vision that is new to OHA.**

1.) The reason for adopting the GSI architecture by OIS is primarily cost savings in licensing, operations and maintenance. However, there is no formal cost benefit analysis or return on investment models in the business case to back these assertions nor are we aware that they exist elsewhere. Without a quantifiable cost benefit analysis (CBA) or minimally a “before” and “after” analysis of the costs under both scenarios, there is insufficient data to determine that that one approach is more cost effective than the other. The lack of mature inter-agency processes and/or inter-agency planning in the following areas would seriously affect the CBA or ROI of such a business case:

- There was limited significant business process analysis and pre-planning,
- Lack of a clearly defined inter-agency “No Wrong Door” analysis. This is fundamentally the identification of a comprehensive new service delivery model.
- Lack of a common or functional governance processes,
- Limited overlap among inter-agency processes,
- Dissimilar priorities and goals among independent state agencies,
- Lack of state staff with appropriate skill sets resulting in a heavy reliance on highly paid consultants from all over the nation.

Individually, or in aggregate, these items could easily erode any expected cost savings for years to come.

2.) In addition to the above ROI/CBA factors, a Single Instance architecture approach also has a significant overhead or tax with regards to business operations that is not clearly articulated to the participating business entities. Each time a new business line is added or there is a change to the existing business processes, the Single Instance approach requires a feasibility analysis and/or a merge of the new code with the existing production code. The analysis and/or merge process looks for technical differences between the new and the production code. These technical differences often equate to differences in business operations. These differences or “collides” require the business units to resolve their operational differences prior to launch. Once the code is merged and launched, all of the existing businesses within the Single Instance receive a new release of code.

This process poses challenges in change management, downtime for patching and maintenance, upgradability and it increases the regression testing effort significantly. Legislative rule changes in healthcare or Medicaid over the next couple of years may result in a single business line significantly disrupting other lines of businesses each time changes or new rules are enacted.

**Item 5: Re-organizing the delivery model (centralized foundational services model) for IT projects within OHA.**

3.) OIS also uses cost reduction and standardization as their justification to implement foundational services organization. Again, there is no cost benefit analysis or return on investment models in the business case to back these assertions. Without a quantifiable model or a “before” and “after” analysis of the costs under both scenarios, it is dubious to believe that



one approach is more cost effective than the other. For example, the following items would seriously affect the CBA or ROI of such a business case:

1. no detailed strategy by OIS to move the organization to this delivery model.
2. not documenting OIS IT processes and work streams pre-implementation,
3. not focusing sufficiently on the transition period,
4. not having a robust operational transition plan clarifying employee resources,
5. lack of state staff resulting in an over reliance on a significant amount of highly paid consultants from all over the nation.
6. not having a risk management or monitoring process in place prior to implementation,
7. no proven functional or technical governance processes.

Individually, or in aggregate, these items could easily erode any expected cost savings for years to come.

**Recommendation:**

1.) Implementing a new Global Single Instance Architecture and a Foundational services organization requires significant inter-agency process reengineering and a major overhaul of the OIS IT department to occur simultaneously. The simultaneous execution of these initiatives introduces a compounding effect with regards to risk. Some short term risk mitigation has occurred, for example, additional ORACLE staff is being imported from around the nation to add expertise in the executive management, PMO, project management, scheduling and development areas of the organization.

In figure 1 below, a simple implementation analysis was mapped against perceived risks based on the large initiatives set in motion by OIS. This analysis shows the three implementation approaches discussed in this document and the technology characteristics relative to the business requirements and needs that can be expected from each of the approaches.

This simple analysis concludes that the EIA implementation approach may aid in reducing risk for the projects and potentially support a more flexible business environment for Cover Oregon in the foreseeable future. This risk mitigation approach of moving to an EIA implementation will potentially require an increase in upfront and O&M costs by CO.



Analysis Metrics Implementation Approach	Technology Implementation Characteristics	Time to Market	HW/SW Cost	O and M Labor Costs *	Service Delivery Complexity	Shared Services Organization Maturity Level Required	Release flexibility	Characteristics for the Business	Business Maturity	Inter-Agency BPR Maturity	Business Flexibility		
	Global Single Instance (GSI) (current OIS approach)		H	L	L	H	M to H	L		H	H	L	
Enterprise Integration Architecture (EIA)		M	M	M	M	M to H	M		M	M	M		
Separate Instance CRM systems for each business unit		L	H	H	L	L	H		M	L	H		
<b>Risks and mitigation techniques for HIX IT</b>													
Timebox project		X											
New Agency (HIX) with no process history							X		X	X	X		
Merging OHA/DHS and CO Businesses for Medicaid and "No-wrong-door"					X					X			
New OIS organizational service delivery model					X	X							
New SDLC approach					X								
New Technology and new implementation strategy					X								
* if sourced by state staff.													

Figure 1.

## Attachment F: Risk Analysis for Security Implementation (Jan 2013 Finding)

### Finding:

A formal security risk assessment has not been conducted on the following items:

1. Individual authentication and ID proofing process
2. Employer authentication and ID proofing process
3. Medicaid authentication and ID proofing process.
4. Co-mingling of business and user functions within the same user account.

The standard approach to implementing security controls is to utilize best practices as a guideline. Typically NIST 800 series documents are considered best practice guidelines and should be utilized in conjunction with other vendor best practices if available. Typically vendor best practices also rely on the NIST and other federal and industry documents and provide additional details as to how to implement specific products. The NIST documents typically will use the term guideline in their titles and will often link to other federal documents that are to be considered prior to the reading of the current document. The Office of Management and Budget (OMB) will issue circulars, bulletins and memorandums as guidance to Federal, State and Local governments.

In this area of e-authentication NIST 800-63 'Electronic Authentication Guideline' references the 5 step process from the OMB M 04-04 'E-Authentication Guidance for Federal Agencies'. Page 1 states the following:

OMB guidance outlines a 5-step process by which agencies should meet their e-authentication assurance requirements:

1. Conduct a risk assessment of the government system.
2. Map identified risks to the appropriate assurance level.
3. Select technology based on e-authentication technical guidance.
4. Validate that the implemented system has met the required assurance level.
5. Periodically reassess the information system to determine technology refresh requirements.

This document (NIST 800-63) provides guidelines for implementing the third step of the above process. After completing a risk assessment and mapping the identified risks to the required assurance level, agencies can select appropriate technology that, at a minimum, meets the technical requirements for the required level of assurance. "

Steps 1 and 2 of the 5 step process above are addressed by the OMB 04-04 document. On page 1 of the OMB M 04-04 document it states, 'This document will assist agencies in determining their e-government authentication needs. Agency business-process owners bear the primary responsibility to identify assurance levels and strategies for providing them. This



responsibility extends to electronic authentication systems." This document also states in section 4.4 "It is also important to match the required level of assurance against the cost and burden of the business, policy, and technical requirements of the chosen solution."

The HIPAA security rule, IRS 1075, NIST 800-63 and OMB 4-4 all recommend a risk analysis as a key part of the process for designing security controls for a government agency.

In general, a good risk analysis not only includes the probability of threats and vulnerabilities from the security perspective, it also includes the burden (cost, complexity and usability) to the business of implementing the recommended security control. It must do this because some security controls may be too costly or too complex for the agency or the public for which they serve.

### **Risk:**

- Enrollment rates and brand perception can be affected by an exchange user experience that is considered too complex or difficult.
- Without a proper risk analysis by a skilled security professional (inclusive of business risks) OHA and CO will be at odds as to what are the technical risks are and how they are balanced against the business requirements.
- The business and technical side, given deadline pressure, will indicate that it is too late for a proper risk analysis and that the project must accept where it is and move forward anyway. This may be true, however, this issue will plague the business for years to come either by reduced online enrollees or by being compromised by malicious actors.
- Both sides (technical and business) will state that it is too late to conduct the risk analysis. This may be true for the April 30<sup>th</sup> deadline, however, if the initial system proves to be too cumbersome to navigate during usability testing or too easy to compromise, a system retool may be necessary prior to Oct 1 launch. Without a proper risk analysis the retool runs the risk reopening the debate between technical and business groups and/or of moving the system to the other extreme.
- Without a balanced risk analysis the system design at launch will be dictated by the loudest voices, fear, uncertainty and doubt arguments from both sides of the issue. Typically the technical groups will err on the side of too much security and the business will err on the side of too little security. Both conditions are problematic.
- Without a firm foundation on the true technical risks the security and business groups will be at odds with each other and with CMS and IRS in the future. Lack of foundational analysis will set the stage for a constant rehash of the issues.
- The State of Oregon was given an "Early Innovator Grant" with the understanding that new ground will be broken in many areas. The Federal government expects to be challenged and also to learn from the experiences of the innovator States. These experiences help to shape policy, best practices or federal guidance. The security issues above are very good examples of a new area that will benefit from thoughtful analysis that can be shared with the Federal government and other states going forward.

### **Recommendation:**



- Request a formal report from the Federal entities on their risk analysis that supports any position they may currently have. Have this report reviewed by an outside security firm that is skilled in balancing security and usability for government and ecommerce systems.
- (In process) Hire a national security firm to conduct research and a security risk analysis that is limited to the scope of the items identified in the findings above. This analysis can then be used to adjust the system security controls prior to, or after the launch if required.
- Release the research and security risk analysis results to CMS and other states as a model of how to balance security and usability for Health Insurance Exchanges going forward.

## Attachment G: Scope Management and Product delivery (Feb 2013 Finding)

### Cover Oregon Response Summary:

Cover Oregon has deployed a business-driven Scope Management process that supplements original scope management work that began in August 2012. The basic process includes:

- A recurring meeting that includes a cross-organizational team of executives and decision makers.
- An information-based approach that considers mitigation opportunities through: (1) reducing/delaying scope; (2) increasing development capacity, and; (3) expanding the development timeline.
- A regular update and evaluation of scope delivery metrics that allows immediate adjustments and additional actions to be taken.

The results of this process have been positive. The team realizes that there is still considerable risk that must be managed. The following changes have occurred so far:

- Technical interfaces have been reduced from 62 to 39 -- a 37% reduction in interface scope.
- At-risk Medicaid data exchange scope has been managed through communication of a "must have" 4/1 date for completion with planned work-around by Cover Oregon if not delivered. Expectations for what will be delivered on 4/1 were clearly articulated to OHA partners.
- Less than 2 months ago, Maximus estimated that the functional scope was 5 months behind with development work (including merge and rebase; the most recent estimate is approximately 30 days.
- Foundational services scope, while still a struggle for Cover Oregon to affect within OHA/OIS, has seen progress and is now integrated into the functional scope dependencies and management process.

In addition to the work mentioned above, other practices have been deployed to expedite scope issue resolution and decision-making. A 3 x weekly "Scrum" call provides cross-functional issue resolution and tracking with the JIRA system. Most recently, a 3x weekly Development Blocker Resolution meeting was deployed and deemed successful by all involved. Cover Oregon has carefully considered the input provided by Maximus and remains open and attentive to the high quality assistance that has been provided on this project. Cover Oregon also realizes that continued focus must be applied to scope management to navigate toward a successful 10/1/2013 launch date.

### Findings (at the time of writing March 10, 2013): (Note: all items below in blue are CO responses)

- CO and HIX-IT has identified ~135 use cases that will need work/development in Iteration 17 (I17), slated for March 1<sup>st</sup> to May 1<sup>st</sup>. The 135 are categorized as follows:
  - 29 use cases are expected to be carried over from I16 for additional work based on dependency's to be completed in I17, i.e., interfaces, MDM, etc.

- 24 use cases are considered updates from previous iterations.
- 79 use cases are considered new use cases
- 3 Use cases are TBD
- The CO scope strategy is to do the following:
  1. Have ORACLE give a preliminary (swag) Level of Effort (LOE), i.e. man hours for the ~135 use cases identified for Iteration 17 (I17) slated for March 1 to Apr 30<sup>th</sup> .

**34 use cases were carried over from I-16 work not completed not 29 use case**  
**34 use cases are considered updates from previous iterations**  
**67 use cases are considered new use cases**  
**4 use cases were not labeled out of the 139 total use cases in I-17**

- **Oracle has provided Cover Oregon a preliminary level of effort (LOE) to provide some rough order of magnitude estimate of scope issue; more refined LOE estimates were planned and have been delivered by Oracle.**

2. As part of this process CO wants ORACLE to identify where increasing capacity (development resources) can increase the through put of use cases. Oracle has been authorized to add 21 resources by OHA.

- **Oracle has received approval to onboard 29 resources. As of mid-March all but 3 resources have been on-boarded. Per Oracle, the onboarding build-up was considered in their capacity estimates that were delivered. All roles reviewed and approved by the State.**

3. CO will then make cuts based on what ORACLE says their swag LOE is and proposed capacity estimates can be for I17. Note: This still may require an additional iteration or iteration subset to complete, i.e., 1 to 2 more months; this additional iteration subset is currently being called I17a.

- **Cover Oregon reviewed and modified the Oracle proposed scope management plan based on business need; Maximus has participated in the scope management meetings and was aware of this approach. It was not a one-time-only event based on initial estimates.**

- Mapping the previous, current (planned) and outstanding use cases per iteration produced the following :
  - I14 41 use cases
  - I15 48 use cases
  - I16 62 use cases (planned)
  - I17 135 use cases (outstanding)



- CO currently views it's the organization as centered around two core lines of business (individual and SHOP) The CO organization is loosely organized around these vertical lines of business.
- **Cover Oregon understands the various lines of “vertical” business and has organized much of their business and technical delivery by separate business lines. Maximus’s opinion of how Cover Oregon views as their business is speculative and misrepresents how the project is organized and executed.**

#### **Risks:**

1. Without a more vertical view of the service lines and functional components of the Exchange it will be difficult for Management to coordinate the delivery of the exchange releases and focus future development and enhancements around specific target metrics. The current cross functional management of the development, operations, delivery and marketing make it extremely challenging to ensure that all components are “linked and synced” for delivery. Typically, in the private sector, service lines/products are looked at from a vertical perspective and each vertical lines of business will have a Line Manager. The Line Manager typically “owns” the product in the sense that he/she is responsible for delivering the product from a Product Development Lifecycle (PDLC) perspective. A typical PDLC starts with conception and ends with the retirement of the product or service. For example, a typical PDLC may include conception, requirements gathering, market research, feature development, testing, delivery, upgrades, revenue and budget management, operations and maintenance, and finally product retirement. A Line Manager is typically matrix function across these functional areas to ensure that all components are properly coordinated for successful launch and operation of the service or product.

- **Having a fully vertical model versus a more general model is a decision made by organizations and characterizing it as “typical” is not accurate. This model could be problematic as a new company such as Cover Oregon establishes itself. Recommending that Cover Oregon immediately integrate into a hard vertical organization structure could be disadvantageous for a company that is still constructing its initial business.**
2. Without a more integrated vertical view of the Exchange, Management may be in a position whereby they can only do a wholesale push of the delivery date in some incremental fashion (week, month or iteration). Typically, these types of launch slip decisions are based on limited information and subsequent slips tend to happen.
- **Cover Oregon is working toward a 10/1/2013 go-live date. This date is federally mandated for both SHOP and Individual lines of business. Unlike in other typical internal IT projects, date slippage is not an option for Cover Oregon. This hard date is a key driver in the scope management process.**



Further, wholesale schedule slips may result in a throttling of marketing to the public, i.e., if the delivery date messaging has to adapt to the continued slips in the launch of the system the organization will become reticent on aggressively marketing the Exchange in the midst of negative publicity. If the organization begins to throttle the messaging it can potentially negatively affect the pre-enrollment numbers (domino affect).

3. The outstanding use cases currently out weight the previous iterations by more than twice. Continued technical analysis will produce more accuracy and precision as time passes, however, the window is limited and the longer the analysis takes the less time will be available for the business to make strategic decisions other than doing a wholesale delay of the launch.

- **The Scope Management team is receiving a weekly update of user case development progress providing the Cover Oregon executive team to make quick analysis and adjustments as necessary. Cover Oregon, working with Oracle and HIX IT, is using information to guide its decisions.**

4. Performance for past iterations is not relevant for the I17 iteration. For example, the previous iterations have always had the luxury of a follow on iteration. In previous iterations, issues or incomplete items could be rolled forward into the next iteration, so the complexity of the use cases that are “carryover” or “updates” will probably be increased for I17. In addition, the final iteration will require the connection of use cases to the Foundational Services components.

- **Stating that something “may or may not happen” is a safe bet for anything that has not already occurred. Lessons learned from I-15 and I-16 are expected to be valuable in estimate I-17 performance. Unlike in past iterations, weekly updates to progress are provided and monitored at the scope management meetings.**

5. The scope reduction strategy of trimming all service offerings (Individual, SHOP and Medicaid) of functionality equally (generally) may result the quality of the exchange experience and functionality being diminished across the entire site.

- **Cover Oregon is focused on mandatory scope that delivers a solid user experience. Cover Oregon has also begun its “Version 1.x” and “Version 2.0” and beyond process to begin developing its post 10/1 product implementation strategy.**

6. The current scope management strategy being employed is a technical based approach which leads with technology and capacity instead of a business based approach. Having one without the other is an incomplete risk assessment process. This strategy is considered back loaded because the hard business decisions are to be made once the technical analysis is available, i.e., toward the end of the final iteration.

- **Cover Oregon is driving the Scope Management process while including Oracle and HIX-IT/OHA in the discussion to best understand the impact of its decision. Based on**

**this information, Oracle provided a straw man proposal that Cover Oregon modified to best fit its business need.**

7. The current scope management strategy does not take into account the work that is currently happening in operations and how operations will need to adjust to any significant last minute changes in scope. Operations will have to react to the late scope deferment decision, which may happen after they have resourced and planned their processes. They (Operations) will have to potentially re-resource and re-plan just prior to their training.

- **The scope management team includes the Cover Oregon Chief Operating Officer. The Operations team is made aware of scope issues on a weekly basis at the Matrix team meetings. Based on best-known information, the CCO makes needed decisions with full input to the Scope Management team.**

8. Detailed LOE estimates will be difficult until late in the iteration. Most likely, Oracle will find the average LOE from the previous iterations for use cases and apply them to all use cases in I17 for the initial swag estimate. This swag will provide some information, however, it will not be as precise as CO would like and may lead CO to falsely assume that all work can be accomplished.

- **Based on review of delivered use cases and UI, Oracle delivered revised LOE and Capacity estimates to Cover Oregon on Tuesday, March 12, versus late in the iteration as suggested by Maximus.**

9. In addition to the above, CO has only asked ORACLE HIX-IT development team for LOE and not OHA/OIS Foundational Services. So the LOE that will be given will be void of important dependency information. OHA Foundational Services is a significant risk factor given the lack of transparency, schedule and communications from these groups.

- **LOE and Capacity estimated from Foundational Services (FS) are not available at this time due to the lack of information available within this scope area that resides within OIS/OHA. FS was invited to participate as part of the scope management team and CO scope management will encourage delivery of its LOC and Capacity as soon as it is available.**

10. The capacity increase provided by ORACLE will also take time, for example it will most likely take 30 days to have resources on the ground from when an authorization is approved. It will also take the resource once on the ground, a minimum of a week to get up to speed. This would mean that the new resource would then only be effective for 6 of the 8 weeks of I17.

- **Oracle received approval to onboard 29 additional resources. Onboarding began in February with the majority of the resources on-boarded by the week of March 25<sup>th</sup>. Per Oracle, the onboarding build up process was considered in the capacity estimates it delivered to Cover Oregon.**

11. OHA business is a dependency for a significant portion of the CO Medicaid business line. The assumption is that keeping Medicaid in scope for Release 1 with scope reductions on all of the business line (Individual and SHOP) that CO will get the Medicaid piece. The risk with this logic is that the CO Medicaid business line is fully dependent on OHA Medicaid business and IT which have a different delivery schedule.

- **Cover Oregon sent an email to the OHA Director stating its concern with lack of progress on the Medicaid scope delivery. Since that letter was sent, a meeting occurred that outlined a Cover Oregon acceptable solution that is on track for delivery by 4/1. Cover Oregon confirmed that it can go live on 10/1/2013 with the interim solution with little quality risk.**

12. Reliance on an additional iteration (I17a) to be “squeezed” in for the Oct 1 is problematic. Development delivered past the I17 (April 30<sup>th</sup>) deadline will begin to encroach on a reduced (tight) testing period for the Exchange. Trying to include another iteration (I17a) for the Oct 1 release is risky given the already compressed testing window. Employing this type of strategy with immature organizations (CO and OHA) is very risky. This type of uncertainty of the final operational environment can negatively affect operations, training, marketing, and deployment schedules, further increasing the risk for a low quality launch.

- **Cover Oregon, with input from the scope management team, is managing this period carefully and prioritizing work in this area.**

13. Deferring scope and finalizing development in I17 will still leave the schedule tight. It is considered a high risk to plan tight timeframes with such immature organizations. Without ample slack in the schedule, CO may have to continually adjust their messaging and communications to update their final progress when deadlines slip.

*As is discussed daily on the project, the schedule is very tight and risky. Even with finalizing development by 4/30, there is still overlap between SIT, UAT and Performance testing. CO is confused by any mention of “ample slack” in the schedule since the 10/1/2013 date has been seen as overly aggressive and unreasonable for an extended period. The highly aggressive schedule has been recognized by the LFO and reported by the LFO to the Legislature as unreasonable. CO is managing scope to implement its mandates and mitigating risks when possible.*

14. The system will be available for end-to-end viewing with the security enabled for the first time at the end of I17 as the testing phase begins (May 1). This first view of the complete system will most likely need significant tweaks and potentially, substantial rework. The developers will be focused on these items for quick turnaround. Including a I17a iteration with the expectation it will be released on Oct 1 will further exacerbate this stressful and compressed schedule.

- **The Oracle development team has been increased for additional work. This capacity increase accounts for development staff to work defects that are uncovered during testing.**

## Recommendations:

1. As the Organization matures CO should consider further vertical integration of the Exchange Lines of Business (LOB) by establishing Line Managers that are responsible for the PDLC for their respective areas, roadmap prioritization and meeting target metrics and business objectives.

This deeper vertical view of the exchange will also assist with product and feature prioritization for subsequent releases of the Exchange and .

- **Cover Oregon will take this recommendation into consideration given the feedback provided above.**

2. Using a business risk based approach coupled with an LoB view of the Exchange, alternate or enhanced strategy's for scope reduction can be developed. Example risk factors could be:

- Legal compliance
- Political (National and State)
- Business priorities (Individual, SHOP, Medicaid, Agents, Community Partners)
- Quality (Overall, Individual, SHOP, Medicaid, Customer Service)
- Enrollment Numbers (Individual v. SHOP v. Medicaid)
- Priorities within the business line and Customer Service
- Dependencies (OHA, Foundational services, Carriers, etc.)

a). A test can then be set up by the business to aid in strategic decision making, in parallel to the LOE estimates being created by ORACLE. As an example each business line (Individual, SHOP and Medicaid) and functional areas (Community Partners, Agents, Customer Service) can run through a simple priority test to determine their ranking relative to each other.

1. Does CO think this line of business or functional component to be a CORE compliance item for Oct 1<sup>st</sup>? (worst to best rating 1,2,3 etc) An example of this would be payment. Is payment required to be delivered in the pre-enrollment period?

2. Does CO think they can weather the political implications of not deploying this line of business or functional component in an automated fashion on Oct 1 nationally? (worst to best rating 1,2,3 etc)

3. Can CO weather the political implications of not deploying this line of business or functional component in an automated fashion on Oct 1 on a state level? (worst to best rating 1,2,3 etc)

4. Does CO deem this line of business or functional component a core automated component of the exchange (Business priorities)? This can be weighted by any number



of metrics, for example, revenue, mission, enrollment, etc. and each can be assigned a priority 1,2, 3, 4, etc.

5. Is this line of business or functional component dependent on areas or groups outside of the control of CO? (least to most rating 1,2,3 etc)

In the above example, items with the lower scores would be the highest priority business lines and functional components.

Note: one way to make this analysis extremely effective is to not allow any answer to be rated the same across the lines of business or functional components. For example, in question 1, none of the lines of business can have the same rating, i.e. 3 lines of business, 3 distinct rating values (1,2 and 3). This “rack and stack” methodology is difficult to do, but can give a very clear and sometimes a surprising picture of the business priorities. In addition, the teams should be encouraged to challenge any and all assumptions in the process. Typically, doing this will provide new insight and thinking on how problems are perceived and dealt with.

b). Once the lines of business or functional components are prioritized, an analysis can be made within each line of business of the key functionality in a similar manner.

This information can then be matched against development capacity and be used to plan what functionality should be made manual (workaround) until an automated solution is available or deferred until a later date. See figure 1. for a rudimentary feature release product plan.

- **Cover Oregon will take this recommendation into consideration given its feedback noted above.**





3. For all functionality that is not under the control of CO, a contingency plan and trigger date should be established. For example, the CMS hub interface for user identity validation is not fully defined and does not have a delivery date from CMS. CO should identify the last point in time this interface can be reasonably delivered for inclusion into the Oct 1<sup>st</sup> release.

- **Cover Oregon will consider this recommendation.**

4. There will be more than 17 iterations in the life of the Exchange. However, not all iterations will be directly linked to the Oct 1 release date for all LoB's. Typically, in mature and disciplined organizations, a single iteration or groups of iterations are assigned to a specific release. For example, in the case of the Exchange, Iteration 17 would be linked to the first release of the Exchange (Oct 1). A follow on iteration (18) could be linked to the next release in either Nov or Dec. Then iteration 19 could be linked to the next release in Jan or Feb of 2014, etc. This cycle is expected and to halt development on Iteration 17 and or to create a 17a for inclusion in the Oct 1<sup>st</sup> release is unrealistic, confusing and counter-productive.

- **See feedback provided above by Cover Oregon. Cover Oregon is currently building a process for future minor and major production releases.**