



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

**May 2013**

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## **SECTION 1: Introduction**

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

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

This document represents the Monthly Quality Status Report for the month of March, 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, each rating category will carry a different relative weight when assessing the overall risk level of the effort. For example, while 10 out of 16 Quality Rating Categories are medium (yellow) or low (green), critical categories including “Scope”, “Schedule”, and “Inter-Org Coordination” remain high (red), which drives the overall high (red) risk assessment.

It is important for these findings and recommendations to be viewed in a larger context. CO faces some unique challenges due to the nature of the larger health system transformation within the State of Oregon and Nationally. For example, in order to meet the federal requirement that the Exchange be up and running by January 1, 2014, the 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 evolving rapidly and was dependent on the Oregon Health Authority (OHA) for the initial development of the Health Insurance Exchange - Information Technology (HIX-IT) solution.

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

The organization has made significant progress in a number of areas during the month of May, 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.
- CO/OHA/ and DHS are continuing to meet and work through the business processes and decisions. Progress is slow but moving in the right direction.
- CO has reduced scope for the Oct delivery and has deferred non-core components to later releases. CO has also added 20% slack in the schedule.
- CO continues to add development staff in an effort to incorporate as much scope as possible for the Oct release.



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>CO 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>Low</b>	<ul style="list-style-type: none"> <li>CO is creating a system Launch plan. This effort is intended to synchronize the development, business operations and marketing efforts for the initial launch.</li> <li>CO is to have a business operations review with Oversight in June focusing on the business operations component of the Exchange. It is expected that the Medicaid component will be detailed at this event.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>Agree</li> <li>Medicaid partner to co-present at this meeting.</li> </ul>
<b>Roadmap</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>The roadmap for the first release will be in flux until final development sizing for the remaining iterations are completed. This work is expected to continue into the final iteration.</li> <li>A roadmap business case process has been instituted. The process is new and the business cases are rudimentary/ It is expected at the process matures the business cases will follow suit.</li> </ul>	<b>Med</b>	<ul style="list-style-type: none"> <li>CO agrees with this finding. The list of open issues is shrinking rapidly.</li> <li>Agree</li> </ul>
<b>Scope</b>	<b>High</b>	<ul style="list-style-type: none"> <li>See attachment G (updated).</li> <li>The Scope for the first release will be in flux until development sizing and dependency identification and</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>CO defers scope prioritized on the consumer eligibility, shopping and enrollment</li> </ul>



		<p>prioritization is complete for the final iterations.</p> <ul style="list-style-type: none"> <li>CO should establish and enforce formal trigger points and hold to these dates for OHA Medicaid system development and business units.</li> </ul>		<p>processes. Scope management is being extremely closely managed.</p> <ul style="list-style-type: none"> <li>CO established trigger points and will implement Medicaid assessment fallback option. CO will continue to assess viability of Medicaid enrollment interfaces.</li> </ul>
<b>Schedule</b>	<b>High</b>	<ul style="list-style-type: none"> <li>Develop and publish schedule variance reports for all three schedule components (HIX-IT, FS and CO). These variance reports should be used to identify estimation issues and minimum slack requirements in future scheduling activities.</li> <li>Continue working towards a integrated and resource loaded schedule for HIX-IT and OIS foundational services.</li> <li>Continue to identify project dependencies and critical paths.</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>CO will continue to manage the schedule as outlined in the schedule management plan and will continue to employ documented scope management processes</li> </ul>
<b>Budget</b>	<b>Med</b>	<ul style="list-style-type: none"> <li>CO is contracting directly with ORACLE and other vendors as part of the transition.</li> <li>The transition from OHA to CO for the IT component was abrupt since the original IAPDU anticipated follow on funding. MAXIMUS will review the budget in the June assessment to determine the impact on this to CO's budget.</li> </ul>	<b>Med</b>	<ul style="list-style-type: none"> <li>Agree</li> <li>Two separate projects with Stand Alone budgets. Working with FEDS to address any potential shortfall.</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>Agree</li> </ul>
<b>Board Governance</b>	<b>Low</b>	<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 salient business, IT and stakeholder topics.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>Agree</li> </ul>



<p><b>Inter-Org Coordination</b></p>	<p><b>High</b></p>	<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.</li> <li>Cover Oregon dependence on OHA/DHS system and staff readiness is problematic. OHA/DHS are older institutions and may not be as flexible as CO to change. The pace of change may not be achievable based on their size and org structure.</li> </ul>		<ul style="list-style-type: none"> <li>Agree clear expectations and requirements are key. Cover Oregon is ensuring these are expressed to OHA OIS and leadership.</li> <li>Cover Oregon agrees that coordination between OHA/DHS and Cover Oregon is vital to planning the operations for Medicaid processing. Leadership has elevated key issues to OHA leadership to respond to outstanding issues.</li> <li>Agree – this is why Cover Oregon took over their technology development.</li> </ul>
<p><b>Org Management</b></p>	<p><b>Low</b></p>	<ul style="list-style-type: none"> <li>The organization is growing at a very quick pace. CO seems to be adapting and managing the growth well.</li> </ul>	<p><b>Low</b></p>	<ul style="list-style-type: none"> <li>Agree</li> </ul>
<p><b>Human Resources</b></p>	<p><b>Med</b></p>	<ul style="list-style-type: none"> <li>It is imperative that final scope is sized correctly and development can deliver against this scope with full confidence for the Oct delivery. Additional resources may be needed in Operations if IT system scope is reduced and functions need to be launched manually.</li> </ul>	<p><b>Med</b></p>	<ul style="list-style-type: none"> <li>Agreed and finalizing scope deferral will help Cover Oregon address potential need.</li> </ul>
<p><b>Stakeholder Management</b></p>	<p><b>Low</b></p>	<ul style="list-style-type: none"> <li>Continue proactive outreach and stakeholder communication is key as final scope and roadmap are refined.</li> </ul>	<p><b>Low</b></p>	<ul style="list-style-type: none"> <li>Agree</li> </ul>
<p><b>Communications</b></p>	<p><b>Med</b></p>	<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 development estimations and testing is accomplished. The communication of these</li> </ul>	<p><b>Med</b></p>	<ul style="list-style-type: none"> <li>Agree – this is currently taking place</li> <li>Agree – work is in progress</li> </ul>



		changes will need to be managed with the stakeholders and public.		
<b>Project Management</b>	<b>Red</b>	<ul style="list-style-type: none"> <li>Without sufficient slack in the schedule (based on past variance) the plan for the final iterations is optimistic. See Att G (updated)</li> <li>100% of the requirements for the Oct delivery need to be finalized by 6/10/2013. If any requirements are outstanding after this date additional scope reductions should be considered.</li> <li>Lack of scope and requirements finalization is pushing development and testing on top of each other right before launch which will greatly increase the coordination complexity of the final delivery.</li> <li>See attachment B Detailed reporting and tracking.</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>Final iteration estimates are based on 20% slack due to past performances and a 10% dependency. CO will continue to employ scope management should 20% slack not be adequate.</li> <li>100% of requirements including Customer Service TBD will be finalized by 6/10.</li> <li>CO agrees that additional coordination is needed considering developing scope/requirements.</li> <li>CO is measuring progress through use cases and LOE.</li> </ul>
<b>Contract Management</b>	<b>Low</b>	<ul style="list-style-type: none"> <li>CO is working to implement deliverable based contracts.</li> </ul>	<b>Low</b>	<ul style="list-style-type: none"> <li>Agree</li> </ul>
<b>Product Content</b>	<b>High</b>	<ul style="list-style-type: none"> <li>See attachment F Risk Analysis for Security Approach.</li> <li>See Att A and D</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>Attachment A: Cover Oregon has implemented a framework that balanced usability with security – CMS endorsed.</li> <li>Attachment C: Scope management process is already in place.</li> <li>Attachment D and G: Cover Oregon has mitigated risk and no wrong door through summits, leadership assessments and scope management.</li> </ul>
<b>Testing</b>	<b>High</b>	<ul style="list-style-type: none"> <li>The ORACLE testing consultant has made significant inroads into the testing process and planning.</li> </ul>	<b>High</b>	<ul style="list-style-type: none"> <li>CO is now managing entire testing effort and is increasing level and detail of test reporting.</li> </ul>





		<ul style="list-style-type: none"><li>• ORACLE Unit/Build testing results should be reported out in the scope management meeting as part of the development effort. It is important to understand the status of the system as it leaves development and as it enters the SIT testing environment.</li><li>• The BA's should be able to review the system prior to it entering SIT testing. This review, if managed properly, could save significant testing time if the system is not generally in-line with the development objectives.</li><li>• OHA System Integration Testing is scheduled to significantly overlap CO User Acceptance Testing due to the already tight schedule.</li></ul>		<ul style="list-style-type: none"><li>• CO agrees BA's will be able to review system prior to SIT 2</li><li>• CO is taking over SIT and will closer coordinate the parallel aspects of testing.</li></ul>
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**Table 2: QA Risk Level Tracking**

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



## **SECTION 3: Methodology and Approach**

### **Risk Assessment Methodology**

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

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

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



## **Section 4: Risk Assessment Findings, Risks, and Recommendations**

The detailed findings, risks, and recommendations are presented below. Findings are limited to specific information identified during the period. Risks and Recommendations have been updated, as appropriate. 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	Apr 2013	May 2013	Risk Assessment Finding, Risks, and Recommendations
<b>Business Mission and Goals (BMG)</b>	<b>Low</b>	<b>Low</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO is creating a Launch Plan. This document is expected to further detail the various exchange functions and plans for the first release of the exchange.</li> <li>• The business mission and goals between OHA and CO are not fully aligned with respect to Medicaid. Work is being done in this area and significant progress is being made, however, the cultures and timelines are different. CO has formally notified OHA 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. IGA's are expected to be in place between the two businesses by Jun 15<sup>th</sup> of this month.</li> <li>• CO is to have a business operations review with Oversight in June. It is expected that additional Medicaid operations will be available in the review.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed</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> <li>3. Without a detailed launch plan, coordination of IT, OPS and Marketing may not be in full alignment for the launch window.</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. (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</li> </ol>



			<p>Plan. This plan should include Medicaid “take rates” for the electronic exchange, as well as references to source materials.</p> <ol style="list-style-type: none"> <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. Closed</li> <li>9. Closed</li> <li>10. Finalize the IGA’s with OHA concerning Medicaid operations by the target date of June 15<sup>th</sup>.</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 roadmap business case process has been instituted. The first business cases are rudimentary and it is expected as the process matures that more sophisticated analysis will be provided with the business case.</li> <li>• The roadmap for the first release will be in flux until all dependencies and development efforts are fully identified and properly estimated. Additional scope may need to be deferred as a more detailed level of effort is provided. See Att G.</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> <li>6. Without a process for determining the roadmap priorities it will be difficult to determine what features will have the highest impact of CO target metrics.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</li> </ol>



			<ol style="list-style-type: none"> <li>3. Closed.</li> <li>4. Create integrated prioritized roadmap to communicate with the HIX-IT project, CO staff, CO Board of Directors, and other stakeholders how the CO metrics will be achieved.</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 near term functional roadmap, including a high-level schedule of required functionality, and prioritized features.</li> <li>8. Closed.</li> </ol>
<b>Scope (SCP)</b>	<b>High</b>	<b>High</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• Scope “lock down” and scope sizing continued through the through the final iteration. See attachment G for further details.</li> <li>• 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>• 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. Closed.</li> <li>4. Closed.</li> <li>5. Without clear milestones, tasks and checkpoints for the Scope lockdown CO may be presented with surprises and tough decisions at the end of the final iteration with respect to Scope deferment.</li> <li>6. Without formal trigger points for Medicaid Interface system development and communication of</li> </ol>



			<p>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><b>7.</b> See Attachment G (updated)</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li><b>1.</b> Closed.</li> <li><b>2.</b> Closed.</li> <li><b>3.</b> Closed.</li> <li><b>4.</b> 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.</li> <li><b>5.</b> Closed.</li> <li><b>6.</b> 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 (JCLAIMT). Verify that all HIX-IT fiscal budget note items are adequately addressed.</li> <li><b>7.</b> Closed.</li> <li><b>8.</b> Closed.</li> <li><b>9.</b> Develop and formally communicate the expectations and contingency plans to OHA, see Attachment C.</li> <li><b>10.</b> Closed.</li> <li><b>11.</b> Continue to work with HIX-IT, OIS Foundational services and Deloitte, to align with their respective WBS documents.</li> <li><b>12.</b> Continue to integrate the 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.</li> <li><b>13.</b> Closed.</li> <li><b>14.</b> 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 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.</li> <li><b>15.</b> Closed</li> </ol>
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			<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.</p> <p><b>17.</b> 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.</li> <li>• 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, foundational services and the CO schedules lack baselines for variance measurements.</li> <li>• The HIX-IT, 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> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li><b>1.</b> 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><b>2.</b> Closed.</li> <li><b>3.</b> Closed.</li> <li><b>4.</b> Closed.</li> <li><b>5.</b> 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><b>6.</b> Closed.</li> <li><b>7.</b> Without clearly linked schedules between CO, foundational services and HIX-IT the project will suffer from confusion and misaligned expectations and missed deadlines.</li> <li><b>8.</b> Without a clear understanding of the Foundational Services level of effort (LoE) and the</li> </ol>



			<p>integration of foundational services with the HIX-IT project, CO may not meet their business objectives.</p> <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.</li> <li>2. Closed.</li> <li>3. Closed.</li> <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. 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 40+ 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. Formally baseline the schedule, including CO, HIX-IT, Cognosante, Deloitte, and foundational</li> </ol>
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			services.
<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>• Significantly increasing ORACLE development and testing staff to complete the first release will have an overall impact on the budget.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Closed.</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 most likely inaccurate.</li> <li>4. Changes in architecture approach and SIT testing will affect the budget of the organizations.</li> <li>5. The addition of unplanned development resources to achieve the outstanding scope will increase costs in the budget in the short term.</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. Closed.</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. 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. With the addition of ORACLE resources to complete the development and testing of the Exchange</li> </ol>



			a budget reevaluation should be conducted to determine the budget impact of this decision.
<b>Funding (FND)</b>	<b>Low</b>	<b>Low</b>	
			<p><b>Findings During Period:</b></p> <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>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> </ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> </ol>
<b>Board Governance (BG)</b>	<b>Low</b>	<b>Low</b>	
			<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 the salient business, IT and stakeholder 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>Closed.</li> </ol>



			<ol style="list-style-type: none"> <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>	<i>High</i>	<i>High</i>	
			<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. Cover Oregon is dependent on OHA/DHS system and staff readiness continues to be problematic. Getting a slow start on the Medicaid Alignment Design via work stream activity means that OHA/DHS staff are only now understanding the details of the impact of the implementation of the Affordable Care Act, as well as other federal changes including SNAP eligibility for Medicaid determination.</li> <li>• 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>• The Medicaid Eligibility Steering Committee (MESCC) is a joint task group that is coordination the Medicaid activities among OHA/DHS and CO.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. Closed.</li> <li>2. Without close cooperation, decisions will be 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</li> </ol>



			<p>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.</p> <p><b>6.</b> 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. 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><b>1.</b> CO should continue to 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><b>2.</b> 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><b>3.</b> Closed.</li> <li><b>4.</b> Closed.</li> <li><b>5.</b> 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><b>6.</b> Establish formal Inter-Governmental Agreements (IGAs) with each of the organizations and/or projects in the Interagency Agreement Plan so that clear boundaries and expectations are established.</li> <li><b>7.</b> Closed.</li> <li><b>8.</b> Communicate the appropriate inter-agency agreements and processes to the Board and staff.</li> <li><b>9.</b> See attachment D.</li> <li><b>10.</b> Closed.</li> <li><b>11.</b> 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</li> </ol>
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			<p>strategy i.e, roadmap that demonstrates short term as well as long term goals and objectives.</p> <p><b>12.</b> With respect to Medicaid, it is recommended that 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> Closed.</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>• 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. Closed.</li> <li>4. Closed.</li> <li>5. 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> <li>3. Continue to refine and update the CO organizational chart, including detailed roles, responsibilities, expectations, and authorities.</li> </ol>



			<ol style="list-style-type: none"> <li>4. Closed.</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. 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>
<i>Human Resources (HR)</i>	<i>Med</i>	<i>Med</i>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• It is imperative that final scope is sized correctly. If additional deferment is needed in scope over the summer it may be impossible to add resources fast enough to keep the Oct 1 delivery date.</li> <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> <li>• A Security Officer position remains open during a critical phase of the Project.</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> <li>6. Not having a Technical Security person on the team may require short term staff augmentation by a consultant to ensure that technical aspects of the security are properly reviewed.</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> <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. CO should consider adding an experienced Line 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 achieving the targets and metrics CO will establish in the future.</li> <li>10. Fill the security position as soon as possible either with a full time hire or shot term by a consultant.</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</li> </ol>



			<p>Engagement Plan.</p> <ol style="list-style-type: none"> <li>2. Develop scenarios to clearly communicate the benefits of participating in the Exchange.</li> <li>3. Continue proactive outreach and stakeholder communication efforts.</li> </ol>
<b>Communications (COMM)</b>	<b>Med</b>	<b>Med</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• CO will need to make adjustments to the Scope of the IT system. This information will need to be clearly communicated to internal staff, the board, and potentially stakeholders.</li> </ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"> <li>1. If the Exchange does not communicate its functions in a consistent manner then confusion and frustration may result for entities that need to oversee, interface with, purchase or supply services to the exchange.</li> <li>2. 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>1. Closed.</li> <li>2. (Updated) The internal marketing function of CO is working with the IT, SME's and executive management to identify areas where specialized high level communications need to take place. 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>3. Closed.</li> <li>4. The Marketing organization should establish consistent messaging for the organization that reflects the roadmap of the Exchange.</li> <li>5. Design and implement a specific external marketing / education program, including the clear purpose and benefits of participation in the Exchange.</li> <li>6. Consider independent QC of the final Sandstrom deliverable.</li> </ol>
<b>Project Management (PM)</b>	<b>High</b>	<b>High</b>	
			<b>Findings During Period:</b>



			<ul style="list-style-type: none"> <li>• Requirements are still not finalized in a number of areas. This is a dependency for development, testing and operations.</li> <li>• The delay in the requirements finalization and the extended development schedule are going to run parallel to the SIT, UAT, and Performance testing in the summer. In addition, these events will be happening on the heels of the environment turn-up for a number of systems.</li> <li>• Without sufficient slack in the schedule (based on past variance) the plan for the final iterations are optimistic.</li> <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> </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. Closed</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> <li>9. Languishing requirements past 6.10.13 will affect the development and testing schedule.</li> <li>10. “Stacking” or overlapping requirements elaboration, development, testing and rework for a new organization in a compressing timeframe is an issue.</li> <li>11. Scope reduction late in the development can cause rework and potentially add time to the overall process.</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</li> </ol>
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			<p>resource management, contract management, grant administration, CO governance, staffing plan, stakeholder communications, and accounting management plans.</p> <ol style="list-style-type: none"> <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> <li>11. Project tracking and reporting recommendations are included as Attachment B.</li> <li>12. Consider independent QC review of “foundational” PM documents, including relevant HIX-IT foundational documents.</li> <li>13. Finalize all requirements as soon as possible. Where requirements cannot be finalized in the near term, implement contingency plans for manual operation.</li> <li>14. To alleviate the “stacking: CO should consider reducing scope, prolonging the schedule and/or both.</li> <li>15. Scope should be reduced in a manner that minimizes rework to avoid further delay in the schedule.</li> </ol>
<b>Contract Management (CM)</b>	<b>Low</b>	<b>Low</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</li> </ul>



			<p>work is not clearly tracked against the project WBS or schedule.</p> <ul style="list-style-type: none"> <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>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>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>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>Closed.</li> <li>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>Closed.</li> <li>Define specific roles and responsibilities for contractors. Clearly assign work, as defined in the WBS and schedule, to specific contractor staff. Use this information to update the CO staffing plan, as appropriate.</li> <li>Closed.</li> <li>Closed.</li> <li>Closed.</li> <li>Clearly tie contractor work to the project WBS or schedule. Track progress (% complete) accordingly.</li> </ol>
<p><b>Product Content (PC)</b></p>	<p><b>High</b></p>	<p><b>High</b></p>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>CO has developed a Scope Management strategy and process. This process is being refined and is beginning to prove effective.</li> </ul>



		<ul style="list-style-type: none"><li>• The current Identity and Access Management (IAM aka. IDM), Single Sign On (SSO) and Role Based Access (RBAC) strategy is incomplete. A review of this approach has not been reviewed by a security professional.</li><li>• The EDM architecture between OHA and CO for the Medicaid check, eligibility and enrollment is not documented.</li></ul> <p><b>Risks:</b></p> <ol style="list-style-type: none"><li>1. Closed.</li><li>2. Closed.</li><li>3. 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><li>11. Please see Attachment A for specific, security-related risks.</li><li>12. Please see Attachment C for contingency planning risks.</li><li>13. Please see Attachment D for workflow-related, “no wrong door” risks.</li><li>14. The EDM Architecture should be documented and signed off by both CO and OHA.</li></ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"><li>1. Closed.</li><li>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.</li><li>3. Define the process for integrating the requirements from CO into the foundational services</li></ol>
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			<p>components of the development teams early in the requirements process.</p> <ol style="list-style-type: none"> <li>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.</li> <li>5. Clearly identify where signatures are required for client documentation. Validate if they are required by consulting DOJ, IRS, Carriers, etc.</li> <li>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.</li> <li>7. Closed.</li> <li>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.</li> <li>9. Closed</li> <li>10. Closed.</li> <li>11. Please see Attachment A for specific, security-related recommendations.</li> <li>12. Please see Attachment C for contingency planning recommendations.</li> <li>13. Please see Attachment D for workflow-related, “no wrong door” recommendations.</li> </ol>
<b>Testing (TST)</b>	<b>High</b>	<b>High</b>	
			<p><b>Findings During Period:</b></p> <ul style="list-style-type: none"> <li>• ORACLE Unit/Build test coverage and results are not being delivered as the code is being released to the SIT environment.</li> <li>• The CO scheduler and testing manager has developed an 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>• ORACLE has added a Testing consultant that is assisting in developing the overall test strategy.</li> <li>• Configuring the SIT environment has been a challenge and has resulted in lost testing time from an already compressed schedule.</li> </ul>



			<ul style="list-style-type: none"><li>• CO as decided to augment the State SIT test team. ORACLE will be utilized for this augmentation.</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 by the BA's. This may result in SIT testing being conducted on incorrect UI design and functionality. .</li><li>2. Lack of a dedicated test environment will limit the exposure of the BA's and SME's with the product that is being developed. It is very important that SME's have ample time to play with the design so they may be able to refine the design as necessary. 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. The continued development beyond the scheduled timeframe will encroach on SIT testing which will eventually affect UAT testing and product quality at release.</li><li>4. Without a Unit/Build test report delivered as part of the code delivery to SIT team can result in wasted time in testing items that are not yet build tested or completed by development.</li></ol> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"><li>1. Closed.</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><li>5. Contain the system scope and requirements elaboration as soon as possible for the Oct 1<sup>st</sup> release.</li><li>6. Ensure that the delivery of code from one test team to the next is clearly defined and reported on at each step of the process.</li></ol>
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## 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	The Go-Live Launch team has been established and the plan is being developed. Cover Oregon agrees that the coordination between OHA/DHS and Cover Oregon policy and business operations is vital to planning operational procedures for Medicaid processing. Cover Oregon is working closely with OHA to clarify dates and expectations. OHA and Cover Oregon leadership are working together to resolve the Medicaid scope issue. 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. The launch plan is being developed to ensure successful day 1 (10113) operation.
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. This work is based on a formal process for determining priority functionality and scope.
Scope	Cover Oregon has specifically responded to attachment “G” in the body of in our response to the February report. Cover Oregon continues to work with OHA leadership and OIS to communicate expectations and resolve outstanding issues. Remaining open scope issues are being resolved through the change management and development “blocker” resolution processes. Cover Oregon has also established trigger points and will continue to assess viability of Medicaid enrollment interfaces.
Schedule	Cover Oregon continues to build and update 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 identify and mitigate project dependencies.
Budget	Cover Oregon agrees that by increasing Oracle development and testing staff to complete the first release has had an overall impact to the budget. Cover Oregon is also contracting directly with the vendors as part of the



	transition from OHA. The Cover Oregon budget is completely stand-alone.
Funding	In February 2013, Cover Oregon received Federal approval of its \$226 million Level 2 funding request. 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. Cover Oregon has 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. Cover Oregon has minimized the dependence on OHA/DHS staff by assuming their technology development
Organizational Management	Cover Oregon agrees that the organization is growing at a very quick pace. The organization and its staff are adapting and managing to change.
Human Resources	The scope of the staffing strategy takes into account the need to manage from the hardware to application configuration and management. Finalizing scope deferral will help Cover Oregon address potential staffing/resource needs.
Stakeholder Management	Cover Oregon continues its proactive outreach and stakeholder communication efforts.
Communication's	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 is building all scope/schedule decisions with slack included. Additional coordination will be considered when developing scope and requirements.
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 is working with HIX IT and OHA leadership to manage content and is escalating issues as they arise. Much progress has been made to nail down security and operational processes. Cover Oregon is actively managing the product content through the Foundational Services summit meetings, which include OIS leadership and project management



	<p>staff. Scope management is ongoing and based on an established process between Cover Oregon leadership, Oracle and HIX IT PM. Cover Oregon has implemented a framework that balanced usability with security – CMS endorsed. The Cover Oregon Scope management process is already in place. Cover Oregon has mitigated risk and no wrong door through summits, leadership assessments and scope management.</p>
Testing	<p>Cover Oregon is now managing the entire testing effort and is increasing level and detail of test reporting. Cover Oregon is also taking over the SIT testing and will closer coordinate the parallel aspects of all testing.</p>



## 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/eminent 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

## Att A: Detailed Security Concerns (July 2012 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.

## Att B: Detailed Tracking and Reporting (Aug 2012 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.



## Att C: (Closed) Contingency Planning (Sept 2012 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.

## Att D: “No WrongDoor” Cooperation (Sept 2012 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:
      2. Identification of all policy changes for each program with respect to the “no wrong door” initiative.
      3. Identification of the following information about each on-line application:
        4. General screening requirements for all programs (Medicaid, QHP, etc).
        5. Detailed map of how clients will access each program through the on-line portal (client direct, community partner, navigator staff portal, etc).
        6. Specific data elements that is required for each application when they are passed from another application.
        7. Identification of a common point of transfer (after screening, after application completion, etc.)
        8. Identification of a common point of entry from a transfer (at additional screening point, selection of benefit, etc.)
        9. Identification of the following information about their handling of paper and fax applications, phone/IVR applications:
          10. Identification of the agency that will handle processing of specific applications/or portions of applications.
          11. “Warm” handoff of clients that call in and require a transfer to another agency.
          12. Identification of common staffing of support and customer service centers, if required.
          13. 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.
          14. Recommendations for the content of an integrated transition plan.
          15. High-level schedule, including definition of “no wrong door” process flows and detailed requirements.



**Att E: (Closed and Deleted) Architecture Simplification (Nov 2012 Finding)**

**Texted deleted by MAXIMUS**

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

### Finding:

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

5. Individual authentication and ID proofing process
6. Employer authentication and ID proofing process
7. Medicaid authentication and ID proofing process.
8. 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.

**Cover Oregon Response:** Because of the nature of Cover Oregon and the type of info it will be gathering and sharing (PMI), it will need to be HIPPA compliant (which includes PMI requirements), we need to make sure we are addressing those requirements in this attachment, or some other attachment.

Cover Oregon met with the state to get that process started. There is a checklist of all the things that the state feels Cover Oregon will need to address in order to meet the Federal HIPPA requirements. The Security Officer that Cover Oregon is in the process of hiring should own the completion of the processes laid out in this checklist as well as develop a timeline for completing all of the items in the above mentioned checklist then add those major milestones in Cover Oregon's project plan so there is wider visibility on the completion of those major milestones.

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.

**Cover Oregon Response:** Cover Oregon has been working closely with Oracle and the State to ensure that all applications & required hardware are compliant with all security requirements

4. Validate that the implemented system has met the required assurance level.

**Cover Oregon Response:** The new Security Officer that Cover Oregon is in the process of hiring will conduct this, and will be part of the "timeline" referenced above.

5. Periodically reassess the information system to determine technology refresh requirements.

**Cover Oregon Response:** This will be part of the policies & procedures that the new Security Officer will be finalizing upon their hiring.

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.





**Cover Oregon Response:** Cover Oregon started the process of working with the State on this assessment, and definition of ongoing policies and procedures to ensure compliance now and into the future.

The state will need to make an initial response to the Federal Government on the steps that Cover Oregon has taken and will need to take over in the coming months to comply with all Federally mandated HIPPA and other security requirements. Various Cover Oregon resources are engaged in this effort.

**Risks:**

- 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.
- Federal regulations require Cover Oregon to comply with HIPPA requirements due to the PMI information CO will be gathering and sharing through the exchange. Failure to comply with these requirements could result in sizeable fines and/or shutting down the exchange



**Recommendations:**

- 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.

**Cover Oregon Response:** The state is working on this report with the support of Cover Oregon.

- (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.

**Cover Oregon Response:** Cover Oregon will take this into consideration

- 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.

**Cover Oregon Response:** Cover Oregon needs to hire a Security Officer who will ensure all required policies and procedures to meet the HIPPA requirements are completed. By working with the state, the Security Officer will validate Cover Oregon meets all HIPPA requirements prior to “go-live” and has the ongoing reviews, validations and audits required to ensure continuing compliance with those same HIPPA regulations.

## Att G (Updated May) Scope Management and Product delivery (Feb 2013 Original Finding)

**Cover Oregon Response:** 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 (Updated May):

Additional Scope has been deferred to 12/1/13 in order to achieve the Oct 1<sup>st</sup> delivery date. Details of the deferment are not yet published. It is expected that the deferment is focused primarily on back office functions and functional components not required for pre-enrollment, i.e., customer service, billing, etc.



A 20% slack was added to the schedule as part of the scope deferment.

A business use case process has been instituted and is beginning to prove effective in the scope management process.

**Risks:**

- Past deferment efforts have proved insufficient due to an over optimistic expectation of requirement elaboration containment, task dependency control and development level of effort estimation. It is unclear how this process has changed to correct past estimation errors.
- Scope deferment requires effort from BA's, SME's, development and test personnel. LoE and may not be accounted for in the deferment process.
- 20% slack is probably not sufficient, 30+ % was recommended by QA months ago and this proved to be optimistic.
- Testing schedule will continue to be compressed as additional issues arise and have to be mitigated for in the schedule.

**Recommendations:**

1. Closed.
2. Closed.
3. Closed.
4. Additional slack should be provided for in the schedule beyond the 20% currently estimated.
5. Continue to refine the Business Case process by challenging the SME's to detail and refine their facts and estimates used in their justifications.
6. CO should prepare for additional scope deferment or schedule slip to the Oct 1<sup>st</sup> date.