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

July 2013

Deliverable #2.1.g

DRAFT

Dated: August 20, 2013
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

This document represents the Monthly Quality Status Report for the month of July, 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 July, 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 system delivery.
- CO has signed up 1,700 Agents to participate in the Exchange.
- CO has trained 1,000 of those Agents on the prototype system.
- CO is continually tightening the requirements change process to help stabilize the requirements for the first release.
- CO added additional development staff in an effort to incorporate as much scope as possible for the Oct release.
• CO is developing contingency plans to help ensure that scope that is not completed can be worked around for launch.
• Significant progress continues to be made with the development and delivery of the Medicaid interfaces into MMIS.
• CO is developing a launch checklist to determine readiness at launch.

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
<table>
<thead>
<tr>
<th>Quality Rating Category</th>
<th>QA Risk Level</th>
<th>Priority QA Finding and Recommendations</th>
<th>CO Risk Level</th>
<th>CO Response</th>
</tr>
</thead>
</table>
| OVERALL HEALTH          | High         | • See below for specific priority recommendations.  
                        |              | • Continue to review, update, and track all outstanding quality risks and recommendations. | High          | • The project health remains high risk as we approach 10/1. |
| Business Mission and Goals | Low         | • CO continues to develop a System Launch plan. This effort is intended to synchronize the development, business operations and marketing efforts for the initial launch. | Low           | • Yes the Launch Plan, Go Live Checklist and Contingency Planning efforts are the Cover Oregon efforts to prepare for Go Live. |
| Roadmap                 | Med          | • 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.  
                        |              | • A second release of the system is expected to take place in Dec of this year. This release will have features that are not critical for the Oct release, but critical for the Jan 1st date.  
                        |              | • A roadmap business case process has been instituted and tested. | Med           | • The final scope for 10/1 is defined, with At Risk items identified and tracked as part of daily and weekly escalation mtgs.  
                        |              | • Releases for Full Launch and Enrollment in Oct and November are planned, in addition to the December 1.1 release.  
                        |              | • Additional releases beyond December have been discussed but have not yet been finalized. |
| Scope                   | High         | • The current CO release strategy is to launch all three lines of business Oct 1st 2013. This release is targeted to only Agents and Community Partners.  
                        |              | • CO has deferred the Medicaid Assessment work for the Oct release. The current plan is to implement Medicaid eligibility and enrollment for the Oct release. This increases the dependency on OHA delivering their interfaces into the legacy systems.  
                        |              | • See attachment G (updated) for detailed findings and recommendations. | High          | • Yes, this is all accurate for this point in time. |
| Schedule                | High         | • Develop and publish schedule variance reports for all three schedule components. Variance reports should be used to identify estimation issues and minimum slack requirements in future scheduling activities.  
                        |              | • Continue working towards a integrated and resource loaded schedule for HIX-IT and OIS foundational services.  
                        |              | • Continue to identify project dependencies and critical. | High          | • CO is closing down the Schedules for 10/1 and will be starting a new schedule for release 1.1 that is a technology integrated schedule. New schedule to include Release 1.1 deliverables across all teams including previously known as "foundational services", Environments delivery and production readiness |
### Table 2: QA Risk Level Tracking

<table>
<thead>
<tr>
<th>Quality Rating Category</th>
<th>Oct ’12</th>
<th>Nov ’12</th>
<th>Dec ’12</th>
<th>Jan ’13</th>
<th>Feb ’13</th>
<th>Mar ’13</th>
<th>Apr ’13</th>
<th>May ’13</th>
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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 July, 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**

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<table>
<thead>
<tr>
<th>Quality Rating Category</th>
<th>May 2013</th>
<th>June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Mission and Goals (BMG)</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

**Findings During Period:**
- CO continues to develop a System Launch Plan. This document is expected to further detail the various exchange functions and plans for the first release of the exchange.
- 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 1st release. IGA’s are expected to be in place and verified by 9.1.13.

**Risks:**
1. Closed
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.
3. Without a detailed system launch plan, coordination of IT, OPS and Marketing may not be in full alignment for the launch window.

**Recommendations:**
1. Closed.
2. Closed.
3. Closed.
4. (In process) The detailed system launch plan is intended to be an extension of the business model for the Exchange. This document should 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.
5. Clearly identify the business roadmap and ensure that it is connected with the business modeling and Business Plan.
6. Closed.
7. Closed.
8. Closed
9. Closed
10. Finalize the IGA’s with OHA concerning Medicaid operations as soon as possible.

<table>
<thead>
<tr>
<th>Roadmap (RM)</th>
<th>Med</th>
<th>Med</th>
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</thead>
</table>

**Findings During Period:**
- 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.
- 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 detailed findings and recommendations.
- A second release of the system is expected to take place Dec of 2013. This release will have
### 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.

<table>
<thead>
<tr>
<th>Quality Standard Section</th>
<th>CO Management Response and/or Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Health</td>
<td>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.</td>
</tr>
<tr>
<td>Business Mission and Goals</td>
<td>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.</td>
</tr>
<tr>
<td>Roadmap</td>
<td>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.</td>
</tr>
<tr>
<td>Scope</td>
<td>Remaining open scope issues are being resolved through the change management and development “blocker” resolution processes.</td>
</tr>
<tr>
<td>Schedule</td>
<td>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.</td>
</tr>
<tr>
<td>Budget</td>
<td>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.</td>
</tr>
<tr>
<td>Funding</td>
<td>In February 2013, Cover Oregon received Federal approval of its $226 million Level 2 funding request. Approximately $90 Million is for IT.</td>
</tr>
<tr>
<td>Board Governance</td>
<td>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</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
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</tr>
<tr>
<td>Inter-Org Coordination</td>
<td>Cover Oregon agrees that coordination between OHA/DHS and Cover Oregon is vital to planning the operations for Medicaid processing. Medicaid interfaces have been delivered and are moving into testing. Cover Oregon is currently utilizing PM staff for reporting and external interface management. On an ongoing basis the CO dependency on OHA will be exclusive to Medicaid interfaces &amp; some Medicaid support operations.</td>
</tr>
<tr>
<td>Organizational Management</td>
<td>Cover Oregon agrees that the organization is growing at a very quick pace. The organization and its staff are adapting and managing to change.</td>
</tr>
<tr>
<td>Human Resources</td>
<td>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.</td>
</tr>
<tr>
<td>Stakeholder Management</td>
<td>Cover Oregon continues its proactive outreach and stakeholder communication efforts.</td>
</tr>
<tr>
<td>Communication's</td>
<td>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.</td>
</tr>
<tr>
<td>Project Management</td>
<td>Cover Oregon agrees that scope and schedule must be managed very closely through final development.</td>
</tr>
<tr>
<td>Contract Management</td>
<td>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.</td>
</tr>
<tr>
<td>Product Content</td>
<td>Product content is now managed by CO. Security implementation is well defined, Medicaid interfaces are developed, are in testing. The technical documentation is in progress including architecture, technical and functional design. For Release 1.1 the expectation is that Oracle will be design complete before starting development on 10/2.</td>
</tr>
<tr>
<td>Testing</td>
<td>Cover Oregon is now managing the entire testing effort and is increasing level and detail of test reporting. Cover Oregon will closely coordinate the parallel aspects of all testing.</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Probability</th>
<th>Occurrence</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>Probable/eminent</td>
<td>If the risk is probable or imminent then it should be rated as High.</td>
</tr>
<tr>
<td>M</td>
<td>Possible/likely</td>
<td>If the risk is possible or likely to occur then it should be rated as Medium.</td>
</tr>
<tr>
<td>L</td>
<td>Possible/unlikely</td>
<td>If the risk is possible, but unlikely to occur then it should be rated as Low.</td>
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### Impact

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<th>Impact</th>
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<tbody>
<tr>
<td>H</td>
<td>High Impact</td>
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<tr>
<td>M</td>
<td>Medium Impact</td>
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<tr>
<td>L</td>
<td>Low Impact</td>
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</table>

- 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.
- 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.
- 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:

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<tr>
<th>Probability</th>
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<td>Med</td>
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<td>Low</td>
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</table>
**Att A: Detailed Security Concerns (Update July 2013 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 conmingled in accounts.
  - 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. Closed
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 Closed

3 Closed

4 Closed

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 (Closed)

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 Closed
Att B: Detailed Tracking and Reporting (Updated June 2013)

Finding:

- The full scope of the project 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
    - User Interface
    - Oracle Policy Automation rule development
    - Security
    - Content Management
    - Data classification and segmentation
    - Rework and refinement
  - (Closed)
  - (Closed)
  - Requirements completion tracking is not in effect. Requirements/changes to requirements is ongoing.
  - CO is tracking progress against Use Cases and Level of Effort. These metrics are better than before, however, they do not provide a good schedule view which include dependencies is not accurate reporting to management.
  - Areas of the project do not track their progress using Use Cases and/or LoE. This disjointed reporting does not provide an accurate picture of the overall LoE of the project.

Risks:

1. Measuring Exchange Development progress via the number of use cases and LoE only will cause incorrect expectation setting and confusion on the part of Cover Oregon management 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.
3. Lack of requirements monitoring and tracking will cause the timeline to continue to slip.
4. Without clear understanding of dependencies and connection to application development LoE accurate or reasonable timelines cannot be established and reported to management.
5. Lack of consistent estimating techniques among the various groups will result in surprises with respect to the delivery of items that are considered dependencies from other groups.

Recommendations:

1. Cover Oregon should work with ORACLE Program Management to establish a more comprehensive methodology for estimating work to completed and the level of effort required for the major components of the project. Understanding dependencies of these groups is critical to reporting an accurate schedule.
The estimating methodology established above should be closely monitored by Cover Oregon to determine its accuracy over the next few months.

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, i.e., provide a more holistic reporting of the project development tasks.

Closed

Dependencies should be included in estimating the overall timeline of the project, not just LoE and Use Cases.
Att C: (Closed) Contingency Planning (Sept 2012 Finding)

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

Finding:

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

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

The standard approach to implementing security controls is to utilize best practices as a guideline. Typically NIST 800 series documents are considered best practice guidelines and should be utilized in conjunction with other vendor best practices if available. Typically vendor best practices also rely on the NIST and other federal and industry documents and provide additional details as to how to implement specific products.

The NIST documents typically will use the term guideline in their titles and will often link to other federal documents that are to be considered prior to the reading of the current document. The Office of Management and Budget (OMB) will issue circulars, bulletins and memorandums as guidance to Federal, State and Local governments.

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

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

1. Conduct a risk assessment of the government system.
2. Map identified risks to the appropriate assurance level.
4. Validate that the implemented system has met the required assurance level.
5. Periodically reassess the information system to determine technology refresh requirements.

This document (NIST 800-63) provides guidelines for implementing the third step of the above process. After completing a risk assessment and mapping the identified risks to the required assurance level, agencies can select appropriate technology that, at a minimum, meets the technical requirements for the required level of assurance.”
Steps 1 and 2 of the 5 step process above are addressed by the OMB 04-04 document. On page 1 of the OMB M 04-04 document it states, "This document will assist agencies in determining their e-government authentication needs. Agency business-process owners bear the primary responsibility to identify assurance levels and strategies for providing them. This responsibility extends to electronic authentication systems." This document also states in section 4.4 "It is also important to match the required level of assurance against the cost and burden of the business, policy, and technical requirements of the chosen solution."

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

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

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.
- 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.
Recommendations:

1. 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.

2. 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.

3. 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.
Att G (Updated July) Scope Management and Product delivery (Feb 2013 Original Finding)

Findings (Updated July):
Significant scope reduction has occurred by CO over the past couple of months. Additional, development and testing resources have been added to the project to help implement the remaining scope. Scope identified for the first release is still considered large for the amount of time left until launch. To further mitigate this issue CO is considering a controlled or “soft launch” to a limited audience.

Changes to requirements are under a change control process. Unauthorized changes are still making their way into the system however, they are greatly reduced.

Risks:

- If the Oct 1st release is still overscoped it may affect the ability of the organization to deliver the Dec 2013 release of the system.
- 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 1st date.
7. Scope and LoE for the Dec 2013 release should be reviewed. Again 30% slack should be incorporated in the release to allow for requirements adjustments, slippage from the Oct 1st release and rework.