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

September 2013

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FINAL

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SECTION 1: Introduction

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

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

This document represents the Monthly Quality Status Report for the month of September, 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.

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 organization must be completed and ready to accept enrollments by October 2013. This is clearly a very aggressive timeline. And this work must be achieved in an environment of evolving federal requirements and user expectations.

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

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

The organization has made significant progress in a number of areas during the month of August, including:
- CO has carefully reviewed the summary and detailed findings of the previous QA reports and has met with MAXIMUS to discuss the findings in detail.
- CO 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 commissioned Deloitte to create an anonymous browse and plan selection site as back up for the Oracle system. This system is to be housed on Amazon on-demand services.
- In the early part of the month CO reduced scope for 10/1/13. CO will be doing a soft launch of the system targeting the Community Partners and Agents.

- CO has executed a number of contingency plans in preparation for system components known to be at risk for launch.
- At the end of the month CO reviewed final Oracle functionality to be released on 10/1/13. It was deemed that the Oracle system would be launched with CPA login and ID checking only.
- CO also decided to launch the Deloitte system for anonymous browse and insurance plan selection. This site will also provide pricing and subsidy information for users.
- CO has requested that MAXIMUS review the launch status and provide a high-level assessment of the launch readiness for the overall business. This assessment is detailed in Attachment A of this document.

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

Table 1: Summary Quality Standards Scorecard

Quality Rating Category	QA Risk Level	Priority QA Finding and Recommendations	CO Risk Level	CO Response
OVERALL HEALTH	**High**	• See below for specific priority recommendations. • Continue to review, update, and track all outstanding quality risks and recommendations.	**High**	• Overall health remains High Risk as final build contains key functionality that remains to be put through testing rigor.
Business Mission and Goals	**Med**	• CO continues to refine their System Launch plan. This effort is intended to synchronize the development, business operations and marketing efforts for the initial launch. • The Deloitte public facing system will be launched Oct 1st. • The Oracle system will be released to Community Partners and Agents with limited functionality on Oct 1st. • Paper applications have been delivered and available on the website for download. This will be the primary method for applicants to enroll on Oct 1st.	**Low**	• The points raised are not relevant to Cover Oregon's Mission and Goals, which have been clearly articulated for over a year. Cover Oregon does not disagree with the findings but does not agree that these are Mission or Goal issues. • Overall launch plan has good participation from all areas of the business. • A dedicated team is coordinating development of operational contingencies for areas of the system that are not expected to be ready day 1 and in the event that key areas do not function as planned.
Roadmap	**Med**	• CO has identified the features for initial release and has a roadmap for the fall releases. • MAXIMUS expects that the	**Med**	• Confirmed releases on the roadmap are the 10/1 launch to CPA with full launch later in October.

		roadmap to change as issues arise with the Oracle system and Oracle's ability to deliver against the current set of requirements.		There are additional releases planned for enrollment and to support financial management in November and December. • In 2014 there are some preliminary releases planned but the specific scope and timing for each release is yet to be determined.
Scope	*High*	• CO has decided to do a soft launch that has greatly reduced scope for Oct 1st. • CO has deferred the Medicaid interfaces to OHA MMIS (eligibility and enrollment) system until a later release. • It is likely that scope will continue to be trimmed if issues arise with the current plan or if development (Oracle) continues to under deliver.	*High*	• While initial launch was planned to include full functionality across Individual and SHOP, by mid-September Cover Oregon decided to allow account creation but not application on day 1. • The Release plan for the Fall is intended to support Go Live triage defects and any incremental features that are not released day 1 based on testing results.
Schedule	*High*	• Continue to identify project dependencies and critical paths. • Oracle's ability to release system environments is problematic. The UAT environment is to be repurposed by CO on Oct 1st as an alternate development environment. • Oracle's ability to properly estimate the work for any release is significantly lacking.	*High*	• As additional information from Oracle became available, Cover Oregon has established a revised schedule with key deliverables for Q4 2013. The new schedule includes the final delivery of all CO environments, a plan for getting to Production Readiness within OMCS guidelines and the delivery of interim and December 1.1 Releases.
Budget	*Med*	• The amount of Oracle development resources being added to the project to meet the Oct 1st go live date will most likely have a negative budget impact on the project.	*Med*	• Cover Oregon is monitoring expenditure vs available funds. Additional funding needs are being assessed. Some adjustments and transitions across the fall will be required to sustain through 2014.
Funding	*Low*	• CO has secured $226 million in Level 2 funding for the Exchange.	*Low*	• Cover Oregon concurs with this statement.
Board	*Low*	• The CO Board meets on a regular basis and receives	*Low*	• The Board governance process remains stable and

Governance		updates from Executive Director and his staff on salient business, IT and stakeholder topics. • CO Director accurately conveys the challenges of the IT system launch to the board during the board meetings.		the relationship and communication to the Board remains consistent.
Inter-Org Coordination	*Med*	• 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. • OHA/DHS does not have workstations that allow them to login to the CO Siebel system. It is anticipated that these will be in place at\or soon after launch. • CO has finalized the Inter-governmental agreement with OHA. • MAXIMUS has verified the paper application process. This included the acceptance and scanning of the application at the OHA 5503 facility.	*Med*	• Cover Oregon has implemented a contingency process through which OHA will process Medicaid enrollments. If needed this process can be done manually. As manual enrollment is current OHA practice, doing this for new enrollments would be consistent with the process for which relevant OHA staff is already trained and capable of doing. • Planning is underway to get OHA staff Siebel access, contingent on OHA readiness (staff are moving locations, need phone upgrade, etc)
Org Management	*Low*	• The organization is growing at a very quick pace. CO seems to be adapting and managing the growth well.	*Low*	• Primary staffing is complete, with some additional hiring occurring in Q4 to fill a few more positions and respond to identified needs. The organization is managing the growth and onboarding smoothly.
Human Resources	*Med*	• Some contingency plans require additional staff to be available by outside staffing agencies. To implement these plans in the manner CO intends, may require contracts and possibly retainers to be put in place. • The organization, its processes and people will be under tremendous stress as the launch date nears. Extra care should be taken by executive management to monitor for signs of stress and intervene to ensure personnel health and organizational morale during this period.	*Med*	• Cover Oregon has contracts in place to respond should additional resources be needed. • Staff and the Executive team are invested in keeping morale up across the organization, planning is underway to provide relief to key staffers as needed. Additionally. Staff across the organization is actively supporting one another in both formal and informal ways.

Stakeholder Management	*Med*	• Continue proactive outreach and stakeholder communication is key as final launch features are identified for the soft launch. • Releasing a system that is unreliable/not stable will frustrate users and may negatively affect the CO brand.	*Med*	• The launch plan includes communication plans with Community Partners, Agents and Carriers as key stakeholders as we approach go live. • Regular daily and weekly calls are planned with agents/community partners engaged in supporting Cover Oregon's initial launch. • Cover Oregon has been messaging its launch plan in light of its desire to get it "right" rather than just putting out a potentially flawed system to meet the October 1 launch date. This message has been delivered to the Board, Legislature, state Administration and news media.
Communications	*Med*	• MAXIMUS expects that additional changes/fixes may occur as the system is launched. CO needs to ensure that procedures are in place to retrain CP/A's, CSR's and OHA personnel prior to the release of incremental features.	*Med*	• The communications team is prepared to manage messaging to key stakeholders and media related to go live updates and ongoing releases.
Project Management	*High*	• Iteration 17c feature set was not fully completed. Development and release of i17c items will continue through October. • It is recommended that CO formalize their release management plans and communicate expectations of how fixes and releases will be moved into production. This formalization warrants a thorough review of Oracle's software development, build and release process. CO has commissioned MAXIMUS to review these Oracle processes. MAXIMUS has requested to review the processes	*High*	• The final build was incomplete and is defect heavy. The initial 10/1 release will be a minimal set of functionality focused on stage gates of delivery until defects can be resolved across various components. • Release plans for October and November have been established to bring incremental functionality online to Community Partners and Agents for Full Launch. These plans may be revisited as additional testing gives more visibility to the state of the system. • Production release planning is in place for the October and November planned releases. The releases may

		- with Oracle. Oracle has not responded to the requests satisfactorily to date. - CO PM needs to develop their production release plans, given that release into a production environment is dramatically different then into test. These plans should include how contingency plans are retired as new features are placed into production. - Oracle's in ability to deliver environments in a timely manner is an issue.		- need to be adjusted based on test results. - Cover Oregon would like to have in place Pre-prod and Performance test environments to support Production moves and to support load testing in preparation for Full Launch. To date we have not received a clear or adequate plan from Oracle for how to achieve these important milestones.
Contract Management	*Med*	- Oracle continues to under-perform. It is recommended that CO withhold payment of any invoices until a thorough review the contract is conducted by DOJ for lack of performance. - Oracle continues to post dates for specific deliveries and consistently miss delivery targets, a clear example is that of environment delivery. Oracle was to delivery 7 environments by 9/26/13 and to date they have only delivered 5. Given this pattern CO should consider the use of "cure" letters to, at a minimum, formally document the pattern by the Vendor.	*Med*	Since Cover Oregon took over the Oracle contract for exchange work in May, it has become progressively better able to identify and directly address contractor issues. Cover Oregon is working with Oracle to assess and rectify system issues and improve our ability to identify when functionality will be available.
Product Content	*High*	The final release of features is still in flux to some degree. There are a number of Change Requests that need definition that are intended for the Oct 1st release. These items should be moved to manual contingency plans or slotted into later releases of the system.	*High*	- The Change Request process has been put on hold, with some limited changes that have been accepted for 10/1 or shortly thereafter. - In September, Cover Oregon took the significant step to limit system access to agents and community partners only, and to allow only account creation, but not application, plan

				selection and enrollment.
Testing	*High*	• Software releases into test from development are being implemented daily/weekly. The releases are not stable and fixes and features are appearing randomly in the releases. In addition, more items are breaking then are being repaired. This is indicative if too much concurrent Oracle development in an uncontrolled development environment. • Performance testing by Oracle is dependent on a stable release of the system. In addition, sufficient features need to be developed and released for performance testing to be meaningful.	*High*	• To improve the stability of the environment, daily releases into FTS are not occurring. A release plan has been put in place that limits full migrations (those that require a Siebel deployment) to twice per week. Partial releases, which have a lower impact on the system, are occurring as needed. Process improvements are being developed around code change management to ensure full and accurate release documentation, and to allow impact assessment of each deployment. • The Performance environment that delivered in late August has been re-purposed as the Production Environment. A performance test environment will not be in place in advance of go live. It is currently scheduled for early October with Performance testing planned across the month of October.

Table 2: QA Risk Level Tracking

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

SECTION 3: Methodology and Approach

Risk Assessment Methodology

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

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

This report represents the CO Monthly Quality Status Report for the month of September, 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	Aug2013	Sept 2013	Risk Assessment Finding, Risks, and Recommendations
Business Mission and Goals (BMG)	Low	Med	

| | | | *Findings During Period:*

• CO has finalized their launch plans. The current approach is to launch to only Agents and Community Partners using a combination of the Deloitte built website and the Oracle system. The Deloitte website is housed using Amazon's cloud service. This site will enable public users, Agents and Community Partners to enter in their information to determine tax credits, browse plans and review plan information and costs. This information can be utilized to fill out paper applications via a PDF form.
• The Oracle system will be released to only Agents and Community Partners and will be limited to login and ID proof only. Additional functionality is intended to be released in subsequent days and weeks. The Oracle system will be released with known defects and manual workarounds.
• It is intended that the system will be accessed by these groups for a limited amount of hours per day and the system will be unavailable in the evening for maintenance if required.
• A number of contingency plans have been triggered for the limited launch.

Risks:
1. Closed
2. Without clear understanding, communication and alignment of the deadlines and contingency plans for the Oct 2013 release between the business units (CO, OHA) procedures for application processing may be incomplete or out of synch.
3. Without a detailed system launch plan, coordination of IT, OPS and Marketing may not be in full alignment for the launch window.
4. Launching the Oracle system with known defects may result in a bad user experience which could affect the CO brand long term.

Recommendations:
1. Closed.
2. Closed.
3. Closed.
4. Closed. |

			5. Continue to refine the feature roadmap and ensure that it is connected with the business strategy, marketing and communications as well as OHA/DHS. **6.** Closed. **7.** Closed. **8.** Closed **9.** Closed **10.** Closed
Roadmap (RM)	*Med*	*Med*	
			Findings During Period: • Based on the soft launch strategy the roadmap for the next few releases are proposed based on essential business features for the next couple of months. • Additional scope may need to be deferred as a more detailed level of effort is provided and Oracle's ability to deliver. • Releases of the system will be implemented throughout the fall of 2013. *Risks:* **1.** Without a clear, comprehensive, and authoritative description of the Exchange roadmap, the project will likely continue to have incomplete data for future budgeting and unclear project priorities. **2.** Closed. **3.** Closed. **4.** Closed. **5.** Without a roadmap projection beyond 2013 will be difficult to do development budget projections for future grants and operations and development. **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. **7.** The inability of Oracle to deliver previous roadmaps makes it difficult to expect them to deliver against the new fall roadmap. *Recommendations:* **1.** Closed. **2.** Closed. **3.** Closed.

				4. Create integrated prioritized roadmap to communicate with the CO staff, CO Board of Directors, and other stakeholders how the CO metrics will be achieved. 5. Closed. 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. 7. Finalize the near term functional roadmap, including a high-level schedule of required functionality, and prioritized features. 8. Closed.
Scope (SCP)	*High*	*High*		
				Findings During Period: 1. Scope reduction and scope sizing continues. 2. CO has deferred a piece of the Medicaid interface into the OHA MMIS system until post Oct 1. 3. Currently, a cross functional view of the Product Development Lifecycle (PDLC) does not exist and clear connections between development, operations, marketing and communications are lacking. 4. The Oracle development group did not deliver all the iteration 17c features as scheduled. This will most likely push features in subsequent iterations further out in time and/or result in significant scope reduction in the near future. ***Risks:*** 1. Closed. 2. Closed. 3. Closed. 4. Closed. 5. Closed 6. Closed 7. Closed 8. Lack of discipline and control of the change management process will result in incomplete build documentation, testing errors and schedule slips. 9. Without a tight linkage between development, business, marketing, and communications the current launch strategy with the current scope will be difficult to manage after launch.

				10. The inability of Oracle to deliver previous roadmaps makes it difficult to expect them to deliver against the new fall roadmap.
				11. The inability of Oracle to deliver previous roadmaps makes it difficult to expect them to deliver against the reduced scope.
				***Recommendations*:**
				1. Closed.
				2. Closed.
				3. Closed.
				4. Define and implement clear project management processes and controls for maintaining the CO WBS, including "rolling wave" elaboration of near-term work.
				5. Closed.
				6. Closed
				7. Closed.
				8. Closed.
				9. Closed.
				10. Closed.
				11. Closed.
				12. Continue to integrate the use of the Schedule (and underlying WBS) into the day-to-day management and planning of the project especially for future product releases. This will ensure that these documents are useful and accurate.
				13. Closed.
				14. Develop clear milestones, tasks and checkpoints for the Scope lockdown and sizing for the final iterations for the fall releases. Communicate these items to all appropriate stakeholders.
				15. Closed
				16. Closed
				17. Closed
				18. CO should ensure that the manual paper application process is leveraged heavily during the soft launch process.
Schedule (SCH)	***High***	***High***		

Findings During Period:

- The CO team reviews and updates the schedule weekly with ORACLE and other development, integration and test groups. The schedule is less predictive at this point in the project. It is primarily used to track status to launch.

- The CO schedules lack baselines for variance measurements. This information will be important for future roadmap and feature release estimates.

- The lack of reliable estimating by the Oracle teams, undiscovered development issues and incomplete requirements by CO will result in continued surprises to CO throughout the initial launch and subsequent releases in the fall.

Risks:

1. Without a clear understanding of 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.
2. Closed.
3. Closed.
4. Closed.
5. Closed
6. Closed.
7. Without clearly linked schedules between CO, foundational services and ORACLE On Demand services, the project will suffer from confusion and misaligned expectations and deadlines.
8. Without a clear understanding of the Foundational Services level of effort (LoE) and the integration of OIS foundational services with the CO project, CO may not meet their business objectives.

Recommendations:

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.
2. Closed.
3. Closed.
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.
5. Closed.

				6. Closed **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 50+ 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. **8.** Closed **9.** Closed. **10.** Baseline pieces of the schedule and track for variance, this information can be utilized to better predict and track the next release **11.** Closed **12.** Closed. **13.** Closed.
Budget (BGT)	**Med**	**Med**		
				Findings During Period: • Significantly increasing ORACLE development and testing staff to complete the first release will have an overall impact on the budget. • A quarterly budget to actuals will be available from CO for the next monthly assessment. ***Risks:*** **1.** Closed. **2.** Closed. **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. **4.** Changes in architecture approach and SIT testing will affect the budget of the organizations. **5.** The addition of unplanned development resources to achieve the outstanding scope will increase costs in the budget in the short term. **6.** Closed **7.** The addition of the Deloitte public website to compensate for the lack of delivery by Oracle will increase project IT costs.

Recommendations:

1. Document and implement a budgeting process for CO. This process should include the tracking of assumptions and dependencies. This budget should have significant reserve for unbudgeted items given the organization and the system is new.
2. Update the budget projections for CO. Ensure the Budget projections are aligned with the roadmap items that will be established.
3. CO should work with OHA to jointly review cost allocation methods, estimates of future expenditures, and associated financial controls.
4. Closed.
5. Closed
6. Closed.
7. Closed
8. With the addition of ORACLE resources to complete the development and testing of the Exchange a budget reevaluation should be conducted to determine the budget impact of this decision.

Funding (FND)	*Low*	*Low*	

Findings During Period:
- CO has received $226 million in Level 2 funding. Approximately $90 million is for IT.
- CO expects that additional funding opportunities will be available in 2014 by CMS.

Risks:
1. Closed.
2. Closed.
3. Closed.
4. Closed.
5. Closed.
6. Closed.

Recommendations:
1. Closed.
2. Closed.
3. Closed.

			4. Closed.
			5. Closed.
			6. Closed.
			7. Closed.
Board Governance (BG)	**Low**	**Low**	
			Findings During Period:
			• The CO Board meets on a regular basis and receives updates from Executive Director and his staff on the salient business, IT and stakeholder of topics.
			• The CO Executive Director continues to convey the challenges of the IT system launch to the board members at the monthly board meetings.
			Risks:
			1. Closed.
			2. Closed.
			3. Closed.
			Recommendations:
			1. Closed
			2. Closed.
			3. Closed
Inter-Org Coordination (IOC)	**High**	**Med**	
			Findings During Period:
			• CO and OHA 5503 have worked well in creating a manual paper application and processing. This includes scanning and logging of the paper applications in the system.
			• CCO and OHA have finalized an Inter-Governmental Agreement (IGA)
			Risks:
			1. Closed.
			2. Closed
			3. Closed
			4. Closed

			5. Closed
			6. Without proper coordination among OHA/DHS and CO policy and business operations it will put CO in a difficult position with respect to planning the completion the MMIS and CO interfaces for automated Medicaid Eligibility and Enrollment.
			Recommendations:
			1. Closed
			2. Closed
			3. Closed
			4. Closed.
			5. Closed.
			6. Closed
			7. Closed
			8. Closed.
			9. Closed
			10. Closed
			11. Closed.
			12. The work with OHA Business and technology will need to mature and will probably span over multiple system releases. With this understanding CO should consider crafting a long-term strategy i.e., roadmap that demonstrates short term as well as long term goals and objectives with respect to the interfaces into MMIS.
			13. Closed
			14. Closed.
Organizational Management (OM)	**Low**	**Low**	
			Findings During Period:
			• The Organization is growing at a rapid pace and seems to be adapting and managing the growth well.
			• Oracle has not delivered to plan for the previous iterations. Typically, in an iterative environment, the delivery variance is reduced over time (a number of iterations) and quality improves as the organization matures. This is most likely an indication of lack of formal, industry standard development processes within the Oracle organization.

			Risks: **1.** Closed. **2.** Closed. **3.** Closed. **4.** Closed. **5.** Closed **6.** Lack of code and performance reliability with developer (Oracle) will result in continued missed dates for future deliveries. ***Recommendations:*** **1.** As the CO Roadmap, WBS and Schedule are updated, Executive Management should clearly get formal assertion from Oracle in the form of a contract amendment for specific releases and functionality and quality moving forward. **2.** Continue to identify key internal operational processes and assign these processes to the specific executive management for development. **3.** Continue to refine and update the CO organizational chart, including detailed roles, responsibilities, expectations, and authorities. **4.** Closed. **5.** Closed. **6.** Closed. **7.** CO should re-evaluate the organizational needs of the IT department with the advent of the new architecture and responsibilities CO has incurred. **8.** Closed **9.** CO should consider hiring independent Oracle consultants that can monitor the work of Oracle at a deeper level. These consultants should review the development processes and monitor their adherence to ensure reliability and quality going forward.
Human Resources (HR)	***Med***	***Med***	
			Findings During Period: • The organization, its processes and people will be under tremendous stress as the launch date nears. Extra care should be taken by executive management to monitor for signs of stress and intervene to ensure personnel health and organizational morale during this period.

- Releasing a system that has known defects will increase the load on the Customer Service Reps (CSRs). Management should specifically monitor these groups for signs of stress.
- Contractors and other consultants will also be under tremendous stress, some working 16 hour days for weeks on end. Again, care should be taken to monitor personnel for stress and health concerns.

Risks:

1. The dynamic nature and fast organizational growth of CO may create significant staff stress and frustration. Communication and HR support systems will be taxed.
2. Staff with gaps in their skill sets can create schedule delays, rework and/or incorrect planning and execution for the organization.
3. Closed.
4. Closed.
5. Closed.
6. Closed
7. Closed.
8. Over worked/stressed employees or contractors will tend to make simple mistakes which can result in rework or issues with clients.
9. Health of stressed or overworked individuals can result in loss of key individuals on the project.

Recommendations:

1. Continue to focus on defining and implementing the required HR support processes. Complete job descriptions for all filled and anticipated staff positions.
2. Closed.
3. Continue to support team building and informal support structures for staff.
4. Closed
5. Continue to 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.
6. Closed
7. Closed.
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.
9. Closed

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			10. Closed **11.** HR should conduct spot reviews/interviews with personnel to monitor morale and health issues with personnel including contractors.
Stakeholder Management (SM)	**Low**	**Med**	
			Findings During Period: • CO has engaged in multiple stakeholder outreach and communication efforts throughout the months. • Reduced scope and the soft launch strategy will require CO to communicate new expectations to stakeholders. **Risks:** **1.** Lack of proactive communication with Exchange stakeholders may limit early participation and/or public confidence. **Recommendations:** **1.** Complete, publish, gain approval of, and implement a comprehensive CO Stakeholder Engagement Plan. **2.** Develop scenarios to clearly communicate the benefits of participating in the Exchange. **3.** Continue proactive outreach and stakeholder communication efforts. **4.** Ensure that expectations are set appropriately with the stakeholders for each of the fall releases.
Communications (COMM)	**Med**	**Med**	
			Findings During Period: • MAXIMUS expects that additional changes may occur as development estimations and testing is accomplished. The communication of these changes will need to be managed with the internal staff, stakeholders and public. **Risks:** **1.** If the Exchange does not communicate its functions in a consistent manner then confusion and frustration may result for entities that need to oversee, interface with, purchase or supply services to the Exchange.

			2. If the Exchange does not communicate its functions in a consistent manner then CO's management credibility may suffer.
			Recommendations:
			1. Closed.
			2. 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.
			3. Closed.
			4. The Marketing organization should establish consistent messaging for the organization that reflects the roadmap of the Exchange.
			5. Design and implement a specific external marketing / education program, including the clear purpose and benefits of participation in the Exchange.
			6. Closed.
Project Management (PM)	***High***	***High***	
			Findings During Period: • Iteration 17c feature set was not fully completed. Development of the incomplete features will continue through Oct. • Lack of scope deferment and requirements finalization has pushed development and testing on top of each other. This will greatly increase the coordination complexity of the final delivery. • The project is transitioning from development and test only to production in the month of Sept. for the Oct 1st delivery. This transition will be difficult given an operation environment is significantly different then a development only environment. • Without sufficient slack in the schedule (based on past variance) the plan for the future features is optimistic. • Change management process needs to be further tightened down by the PM. • Release management needs to be developed and instituted by the PM. • MAXIMUS was commissioned to do a QC review of the Oracle development, build and release process. Oracle has not responded to the requests for the review.

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Risks:

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.

2. Closed.

3. Without the foundational documents being completed, approved, and enforced by executive management they will not be institutionalized.

4. Closed

5. Without a clear set of metrics from which to track and report progress to the executive management of CO, the Board, and LFO, the project management will continue to react to requests for a variety of status information.

6. Closed.

7. Closed.

8. Closed

9. Languishing requirements (open CR's) will affect the development, testing and release schedule.

10. "Stacking" or overlapping requirements elaboration, development, testing as well as, compression of the testing schedule is an issue.

11. Scope reduction late in the development can cause rework and potentially add time to the overall process.

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

13. A production release management process that is incomplete or not well planned can cause credibility issues with the public if features or fixes appear without proper communication.

Recommendations:

1. Closed.

2. Closed

3. Closed.

4. Closed.

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.

6. Closed

7. Closed.

			8. Finalize and implement common guidelines for reporting progress, including % complete. Consider implementation a common earned value management (EVM) approach that can be relied upon.
			9. Closed.
			10. Closed.
			11. Closed
			12. Closed
			13. Finalize all requirements as soon as possible. Where requirements cannot be finalized in the near term, implement contingency plans for manual operation.
			14. To alleviate the "stacking of requirements elaboration, development, SIT and UAT: CO should consider reducing scope, prolonging the schedule and/or both.
			15. Scope should be reduced in a manner that minimizes rework to avoid further delay in the schedule.
			16. Institute a comprehensive release management plan that includes communication of features and fixes to Agents, Community Partners and Tribal partners after the initial launch.
			17. Review the Oracle software release process to ensure it is aligned with an operational environment. This is important as the organization transitions from a pure development environment to an operational environment.
Contract Management (CM)	**Low**	**Med**	
			Findings During Period: 1. Oracle's performance is lacking. Their inability to adhere to industry standards and professional software and project management tenants warrants further review. 2. 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. 3. Oracle continues to post dates for specific deliveries and consistently miss delivery targets, a clear example is that of environment delivery. Oracle was to delivery 7 environments by 9/26/13 and to date they have only delivered 5. ***Risks:*** 1. In general, agreements that allow contractor's to bill for hours worked, instead of fixed priced payments for satisfactory completion of specific deliverables, leave the onus on CO to verify that the hours were worked and sufficient value was created by the contractors, according to their individual agreements. It may also be difficult to prove or justify the commensurate

expenditures.

2. Closed

3. Without a clear tie between contractor work and the project WBS or schedule, effective management of contractor effort and billings will be difficult.

4. Oracle's ability to perform is an issue on the project.

***Recommendations*:**

1. Closed.

2. 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.

3. Closed.

4. 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.

5. Closed.

6. Closed.

7. Closed.

8. Clearly tie contractor work to the project WBS or schedule. Track progress (% complete) accordingly.

9. CO should consider having DOJ review the Oracle contracts for performance.

10. CO should consider holding up all payments to Oracle until the vendor can deliver product in a professional manner.

11. CO Management should clearly get formal assertion from Oracle in the form of a "cure" letter or contract amendment for specific releases dates, functionality and quality moving forward.

Product Content (PC)	*High*	*High*	

Findings During Period:

- With the severely compacted schedule, limited scope reduction, stacking of requirements elaboration, development and testing. System quality and reliability will be affected.

- The technical details of the design are not being recorded by the developers as they complete the design.

- Each software release from Oracle increases the overall amount of defects. Typically over time

defects will level out and begin to recede as the features are honed. This can be indicative of too many developers working on too many releases simultaneously without proper processes and controls.

Risks:

1. Closed.
2. Closed.
3. Closed
4. Closed
5. Closed
6. Closed.
7. Closed.
8. Closed
9. Closed.
10. Closed.
11. Closed
12. Closed
13. Closed
14. Closed
15. Severe compression of the schedule will adversely affect the quality and reliability of the system.
16. Keeping the Oct 1st feature release open until the last minute will cause instability in the release and the triggering of contingency plans too late in the process. This could cause operations to be unprepared for launch.
17. Too many Oracle developers working on the same code base without proper controls can result in system instability and features and functionality to appear in the system at the wrong times.

Recommendations:

1. Closed.
2. Closed
3. Closed
4. Closed
5. Closed
6. CO should have a formal review the existing OUM development process as it is implemented

				(tailored) for the Exchange project for the 1.1 release.
				7. Closed.
				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.
				9. Closed
				10. Closed.
				11. Closed
				12. Closed
				13. Closed
				14. Triggering of contingency plans should happen as soon as possible to ensure that operations are ready for with a reliable process even if manual on day one.
				15. CO should consider reducing the amount of developers in the system by further scope deferment. In addition, CO should review Oracle's development resources and their workload to ensure they are working only on the current feature set.
Testing (TST)	***High***	***High***		
				Findings During Period: • The readiness of the system, as it is released from development is not as expected and SIT and UAT are doing more unit testing then was expecting. This will have a negative schedule impact. • Oracle SIT testers do not have a full grasp of the desired functionality of the system, therefor their testing quality is insufficient. • Performance test environment implementation was running late and was a dependency for the Production system. CO executive management has decided to defer this environment and move to the configuration environment. The plan is that some small amount of performance testing will be done prior to implementation and the system will be monitored in production for performance issues. ***Risks:*** **1.** Current iterations are being accepted without a formal and methodical review of the product by the BA's. This may result in SIT testing being conducted on incorrect UI design and functionality. **2.** Lack of a dedicated test environment will limit the exposure of the BA's and SME's with the product

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that is being developed. It is very important that SME's have ample time to play with the design so they may be able to refine the design as necessary.

3. Closed
4. Closed
5. Lack of performance testing on the production environment may result in the production environment not being able to handle the load of the system when launched to the public.

Recommendations:

1. Closed.
2. Closed
3. Ensure that usability testing using typical users of the system is included in the testing of the Exchange on-line system.
4. Closed.
5. Closed
6. Closed
7. Ensure that the code delivered from development has been properly documented and that release notes are delivered with each release as it is delivered to the testing teams.
8. CO should consider having BA's review the development of features prior to the system being released for test.
9. CO should consider escalating within Oracle the issue of environment delivery. Lack of environments is causing a tremendous amount of risk for the project.

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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.

Quality Standard Section	CO Management Response and/or Action Plan
Overall Health	Cover Oregon agrees that the overall project remains High Risk as the final build contains key functionality that remains to be put through testing rigor.
Business Mission and Goals	The overall launch plan has good participation from all areas of the business. A dedicated team is coordinating the development of operational contingencies for areas of the system that are not expected to be ready day 1 and in the event that key areas do not function as planned. The noted findings and risks are not relevant to Cover Oregon's Mission and Goals, which have been clearly articulated for over a year. Cover Oregon does not disagree with the findings but does not agree that these are Mission or Goal issues.
Roadmap	As of September, the confirmed releases on the roadmap are the 10/1 launch to CPA with full launch in October. There are additional releases planned for enrollment and to support financial management in November and December. Some additional releases are planned for 2014, but the specific scope and timing for each release is yet to be determined.
Scope	While previously the initial launch was planned to include full functionality across Individual and SHOP, by mid-September Cover Oregon decided to allow account creation but not application on day 1. The Release plan for the Fall is intended to support Go Live triage defects and any incremental features that are not released day 1 based on testing results.
Schedule	As additional information from Oracle became available, Cover Oregon has established a revised schedule with key deliverables for Q4 2013. The new schedule includes the final delivery of all CO environments, a plan for getting to Production Readiness within OMCS guidelines and the delivery of interim and December 1.1 Releases.

Budget	Cover Oregon is monitoring expenditure vs available funds. Additional funding needs are being assessed. Some adjustments and transitions across the fall will be required to sustain through 2014.
Funding	Cover Oregon concurs with the MAXIMUS finding that the organization has received grant funding from CCIIO.
Board Governance	The Board governance process remains stable and the relationship and communication to the Board remains consistent.
Inter-Org Coordination	Cover Oregon has implemented a contingency process through which OHA will process Medicaid enrollments. If needed this process can be done manually. As manual enrollment is current OHA practice, doing this for new enrollments would be consistent with the process for which relevant OHA staff is already trained and capable of doing. Planning is underway with OHA to get its staff Siebel access.
Organizational Management	Primary staffing is complete, with some additional hiring occurring in Q4 to fill a few more positions and respond to identified needs. The organization is managing the growth and onboarding smoothly.
Human Resources	Cover Oregon has contracts in place to respond should additional resources be needed. Staff and the Executive team are invested in keeping morale up across the organization, planning is underway to provide relief to key staffers as needed.
Stakeholder Management	The launch plan includes Communication plans with CPA partners and Carriers in particular as key stakeholders as we approach go live. Regular daily and weekly calls are planned with agents/community partners engaged in supporting Cover Oregon's initial launch. Cover Oregon has been messaging its launch plan in light of its desire to get it "right" rather than just putting out a potentially flawed system to meet the October 1 launch date. This message has been delivered to the Board, Legislature, state Administraiton and news media.
Communication	The communications team is prepared to manage messaging to key stakeholders and media related to go live updates and ongoing releases.

Project Management	The final build was incomplete and is defect heavy. The initial 10/1 release will be a minimal set of functionality focused on stage gates of delivery until defects can be resolved across various components. Release plans for October and November have been established to bring incremental functionality online to CPAs and for Full Launch. These plans may be revisited as additional testing gives more visibility to the state of the system. Production release planning is in place for the October and November planned releases. The releases may need to be adjusted based on test results. Cover Oregon would like to have in place Pre-prod and Performance test environments to support Production moves and to support load testing in preparation for Full Launch. To date we have not received a clear or adequate plan from Oracle for how to achieve these important milestones.
Contract Management	Since Cover Oregon took over the Oracle contract for exchange work in May, it has become progressively better able to identify and directly address contractor issues. Cover Oregon is working with Oracle to assess and rectify system issues and improve our ability to identify when functionality will be available.
Product Content	The Change Request process has been put on hold, with some limited changes that have been accepted for 10/1 or shortly thereafter. In September, Cover Oregon took the significant step to limit system access to agents and community partners only, and to allow only account creation, but not application, plan selection and enrollment.
Testing	

SECTION 6: Risk Rating Criteria

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

Probability

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

Impact

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

Overall Risk Rating

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

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

Attachment A: Launch Assessment

Cover Oregon has requested that MAXIMUS do a high-level launch assessment of the organization. This 360^0 assessment is intended to portray, as accurately as possible, the state of the Organization on Oct 1st 2013. The assessment was done from two perspectives. The first perspective was using a set of basic, industry recognized, criteria for a marketplace or exchange. These are criteria that are common to all exchanges see figure 1. Common Exchange Criteria. The second perspective was using a simple capability maturity scale developed by MAXIMUS to communicate the level of processing capability of the organization. See figure 2. Exchange Processing Capability.

	Individual APTC and Medicaid Market	Yes	No	Limited	**Remarks**
1	Matching Buyers to Sellers				
1.1	Determine Product Offerings				
1.1.1	Product Features offered by Sellers	x			Using the CO, Deloitte built website consumers can view insurance plans and details.
1.1.2	Aggregation of different products	x			Using the CO, Deloitte built website consumers can view a variety of different types of plans from a number of different insurance carriers.
1.2	Search (of buyers for sellers)				
1.2.1	Price and Product Information	x			Using the CO, Deloitte built website consumers can enter their information and receive price quotes, subsidy information and details on insurance plans offered.
1.2.2	Matching seller offerings with buyer preferences	x			Using the CO, Deloitte built website consumers can view insurance plans by sorting and filtering preferences.
1.3	Price Discovery				
1.3.1	Process and outcome in determination of process	x			Consumers can fill out a paper application and submit for processing and enrollment into insurance carriers plans.
2	Facilitation of Transactions				
2.1	Logistics				
2.1.1	Delivery of information, good or service to buyer	x			Once enrolled into a plan the consumer will receive a notice from the insurance carrier of their enrollment and their plan details. Plan coverage will begin on Jan 1st 2014.
2.2	Settlement				
2.2.1	Transfer of Payment to Seller	NA			Subsidy's are paid directly to Insurers by the IRS. Buyers of individual insurance plans pay sellers directly, not through the Exchange. OHA is paying a flat fee to the Cover Oregon for all Medicaid enrollees. Payment of Agent commissions from Cover Oregon are not due until Jan of 2014.
2.3	Trust				
2.3.1	Credit system, reputations, rating agencies	x			CO has worked successfully with insurance carriers on ensuring their participation in the Exchange. These carriers have provided plans that are rated and these rating are displayed to consumers via the CO, Deloitte built website. CO has also created a certification and training process for community partners and agents which participate in the Exchange to ensure they are reputable and knowledgeable on the program.
3	Institutional Infrastructure				
3.1	Legal				
3.1.1	Commercial Code, contract law, dispute resolution	x			CO has entered into agreements with agents and community partners, carriers and other governmental agencies needed to operate the State Exchange. CO has a dispute resolution process for the APTC and Medicaid consumer complaints in place.
3.2	Regulatory				
3.2.1	Rules and regulation, monitoring, enforcement	x			CO has interpreted that ACA law into rules and policy to ensure State compliance. CO determines eligibility for APTC and Medicaid in the individual market. CO actively monitors carriers, agents and community partners for compliance to their agreements with the Exchange.

Figure 1. Common Exchange Criteria

Level	Description	Assessment	Remarks
1	Inability to present plans, plan details and ratings for comparison. Inability to present pricing, determine eligibility or enroll individuals using manual tools/processes.		
2	Ability to present plans, plan details and ratings for comparison. Ability to present pricing, determine eligibility or enroll individuals using manual tools/processes and/or some online tools or processes.	X	
3	Ability to present plans, plan details and ratings for comparison. Ability to present pricing, determine eligibility or enroll individuals using fully automated systems.		

Figure 2. Exchange Processing Capability