



QA Status and Improvement Report HIX-IT

**Deliverable 3.1-1 QA Status and Improvement Report
Oregon HIX-IT Project**

Submission 3

Dated: June 27, 2012

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DELIVERABLE 3.1-1: Quality Assurance Status and Improvement Report

Oregon Health Insurance Exchange – IT (HIX-IT) Project

SECTION I: EXECUTIVE SUMMARY

I.1 Introduction

In order to evaluate the current status of the HIX-IT Project, to understand known and probable risks, establish priorities for mitigation/remediation strategies, and comply with the state's budget note for the project, the Oregon Health Authority (OHA) contracted with MAXIMUS, Inc. to provide Quality Assurance (QA) services. The key objective of the HIX-IT Quality Assurance and Improvement Report is to provide the state with a clear, concise, and accurate understanding of the status of the project, known risks and issues and recommendations for improvement and risk mitigation. Risk identification is crucial to project control factors, such as scope, schedule, and budget. A risk identified in any one of these areas directly impacts one or all of these areas and typically affects the resources of the project.

Using specifically tailored Oregon Quality Standards and the MAXIMUS Risk Management methodology, including the review of relevant documents and interviews, this report provides the state with a status of the current health of the HIX-IT Project in the key areas of scope, schedule, budget, resources, and technology. In *Section I.6 Software Project Quality Standards*, there are tables to include summary (high-level) findings and recommendations, detailed findings and recommendations, and the proposed priorities for the project's on-going operation and risk mitigation. The DAS Project Assessment Report contains the current view of the risks and the forward looking view. It should be noted that the current HIX-IT environment is highly dynamic. The information in this report reflects the period of time under review March 12, 2012 – May 16, 2012. No effort has been made to update information in the report past the date of its first submission which was May 16, 2012.

I.2 HIX-IT Project Background and Funding

In February 2011 Oregon received an "Early Innovator" grant from its federal partner, Center for Consumer Information and Insurance Oversight (CCIIO). The HIX-IT Project started in that same month. Due to changes in management and some delays to the original schedule, it was determined that an Initial Risk Assessment was necessary to assess the actual status of the Project – that assessment concluded in early November 2011. As a result of Senate Bill 99, which was signed into law on 6/22/11, the state established the Oregon Health Insurance Exchange Corporation (HIX Corp) to implement the state's insurance exchange.

The purpose of the Health Insurance Exchange – IT (HIX-IT) Project is to develop and implement the technology to support Oregon’s Health Insurance Exchange. The Exchange system must be "functional" by October 2013 with a "client ready system" available in January 2014. The Centers for Medicare and Medicaid (CMS) approved \$48,096,307 funding and pending \$11,392,879 supplemental funding (HIX -IT Weekly Executive Project Status Summary, 4/30/12 to 5/6/12) which represents a total (approximate) \$59,590,186 in funding through March 31, 2013. This appears to represent, from the CMS perspective adequate resources to implement the HIX-IT project as currently designed and scoped. As noted in the MAXIMUS Updated Initial Risk Assessment dated XXXX, the HIX-IT Project shares a Project Management structure with the DHS Modernization Program. This project structure is referred to as MAX (Modernization and HIX-IT). The \$117,765,781 total MAX budget through June 2013 encompasses additional programs (Medical, CHIP, SNAP) and HIX IT. The availability and potential effect of these other budget streams on HIX-IT project is not known. Please reference Initial Advance Planning Document Update (IAPDU) dated, February 15, 2012 for additional detail.

Under the original contract MAXIMUS Quality Assurance activities began on XXX and resulted in an Initial Risk Assessment. Amendment 1 to the contract was executed and on 1/23/2012 MAXIMUS initiated a new set of activities including an Updated Risk Assessment that was submitted on 3/7/12.

I.3 HIX-IT Project – Current Status

The HIX-IT Project continues to be in the process of structuring and organizing the project. For example, in the two weeks prior to the required submission of this report, Office of Information Services (OIS) removed both the Project Director and Project Manager from the project. Limited information regarding the transition plan has been made available to the QA team. Subsequently, it was announced that Monte Burke will be the interim Project Director and that KPMG will provide project management assistance during the transition. As previously noted in the Updated Risk Assessment Report, the Modernization Program and the HIX-IT Project had been consolidated in a project structure under the direction of Russell Hargrave. This entity is referred to as MAX (Modernization and HIX-IT). There is a single PMO servicing both entities. MAXIMUS is not aware if definitive decisions regarding the continuation of this overarching project management structure have been made but there are indications that this may also change, particularly in regard to the activities managed at the project level by the PMO.

The existing governance structure for MAX included an Executive Steering Committee and separate Tactical Steering Committees for HIX-IT and Modernization. MAXIMUS has historically expressed concern about the interrelationship of the Tactical Steering Committees and complexity of decision making in this structure. During the period under review, MAXIMUS did not have any visibility into the operation and decision making occurring at the Executive Steering Committee and we have been told that no minutes of these meetings were published. Although we are aware of strong executive interest and varying degrees of involvement of the senior executives, we cannot conclude that this forum has been effective based on the lack evidence from this process. It is our understanding the governance structures are currently under review at this time and are expected to change.

At the time of the initial draft of this document MAXIMUS was under the impression that there was a need for automated support regarding the legislatively mandated Community Care Organizations (CCO's) and that OIS would initiate a new project that would meet this need. Currently it is not known if a CCO Project will be initiated nor the impacts that it may pose to the HIX-IT Project. We have been informed by the DAS Office of the CIO that no required IRR has been approved.

This current assessment finds that there is progress in some areas such as:

- HIX-Corp took responsibility to develop and validate business requirements.
- The Detailed System Design Gate Review for CMS was completed on 5/7/12 and reports from HIX-IT Project Management indicate it was successful.
- The HIX-IT system development iteration #9 has been completed. Although the content of the iteration was functionally reduced, foundational technical work was accomplished that should mitigate risks in the technology area and assisted in driving necessary project process definition. HIX-IT Project Management believes this activity has mitigated several significant risks in the technology area.
- Scope has been more defined with the selection of PeopleSoft as the financial subsystem to be used by HIX-IT.
- The HIX-Corp with the assistance of Point B, Oracle and HIX-IT mid level management teams, have worked diligently in the last few weeks to identify the necessary inputs and outputs of the requirements process and the content required for materials flowing to Oracle. This has in our opinion resulted in a stronger working team.

However, significant risks continue, such as:

- There are significant changes and current uncertainty in regard to Project Management, the Project Management Structure, and Governance.
- There does not appear to be a comprehensive Work Breakdown Structure (WBS) which represents the work required by the project overtime.
- The current project schedule, while more detailed than previous schedules, is still difficult to use to assess the remaining effort against the Early Innovator (EI) spend down deadline of February 14, 2013. This continues to contribute to inability to predict with any accuracy what product(s) will be built out before original grant funds are expended or in the quarter ending March 31, 2013. The lack of a sufficiently detailed WBS makes it difficult to compare program activities to projected and actual costs, or to create any meaningful Earned Value Analysis for cost and schedule performance.
- Federal HIX-IT Project funding ends in the quarter ending March 31, 2013. It is unclear whether and to what extent HIX-IT program activities will be, or can be, supported from other funding sources beyond this time. Project management appears to be focused on the MAX project as a whole creating uncertainty regarding the understanding that there needs to be a distinct set of HIX-IT goals (and requirements, schedule and budget) that can be managed to a successful outcome

independent of any other MAX activities by the end of the HIX-IT funding from CCIIO in March 2013.

- Staffing remains a large issue both in hiring state staff and securing and retaining adequately skilled staff via Covendis, the State of Oregon's Managed Service Provider. Although the state hiring freeze expired, there are still significant challenges hiring staff. This includes the capacity of mid level management staff to free time for interviews and hiring decisions. Vendor management in regard to Covendis contracts for highly skilled individuals will need to be managed very carefully to ensure continuity of critical staff. The recent departure of the Project Architect is an example of this risk.
- Requirements definition is ongoing but is not yet at an adequate level of accuracy and detail to support the intended scope. In addition, the finalization and approval process for requirements and design specifications clarification and management has not been completely defined.
- The project has developed an accounting mechanism for charging activities against funding sources, but the co-mingling of the budgeting approach across MAX and a lack of contractor invoicing detail poses significant challenges in defining the level of contractor effort associated with the HIX-IT program versus other program components of MAX. This means that payment to contractors may lack accountability normally expected in public procurement and contract administration.
- Procurement of the services of a System Integrator is delayed. The impact of this to meeting the February 14, 2013 deadline will need on-going assessment.

Additional assessment and risk information is provided in the *Section 1.6 Software Project Quality Standards*.

I.4 Methodology and Approach

Using Oregon standards for Project Quality and Risk Assessment and Status as a reference, the MAXIMUS Team developed, as a part of the development of the Quality Management Plan (QMP), a set of quality standards specifically tailored to the HIX-IT Project. This process included MAXIMUS review of existing DAS quality standards, and the modification and creation of new standards as necessary with an emphasis on the current phase/status of the project. These standards were circulated and approved by Pete Mallord, the former HIX-IT Project Manager and Ying K. Kwong, Department of Administrative Services. This resulted in 19 Categories of Quality Standards (99 individual standards) used to assess the project for risk, support analysis, and to document findings and recommendations. This detailed information is contained in Table: Quality Standards Scorecard in *Section 1.6.2 Quality Standards Scorecard*.

It should be noted the Quality Standards categories and detailed standards used for the Initial and Updated Risk Assessments were based on a less formal and tailored set of quality standards based on the Quality Assurance Statement of work. A significant effort was taken to develop a set of standards tailored for the current phase of the HIX-IT Project. The categories and standards have changed and therefore a side by side comparison of

ratings between the Initial Risk Assessment Documents and this ongoing QA Status and Improvement Report is not practical. We have constructed a format in *Section I.6. Table Quality Standards Scorecard* to allow quick visual comparison moving forward.

The methodology included reviews of numerous documents, participation in routine project meetings and activities and targeted QA interviews. Documents reviewed included Project Management Planning documents, vendor contracts, technical/architecture overviews, budget information, grant information, and various reports. For a complete list of documents, please refer to Attachment A: Del 3.1-1 HIX-IT Documents Reviewed.

Information obtained from assessment of the documents reviewed and research materials, when combined with information obtained during meetings and interviews, provided sufficient information to complete an this draft of the HIX-IT QA Status and Improvement Report. MAXIMUS then conducted an internal review of the report and the final report was delivered to the state. The existing project schedule does provide high level project milestones and can be referred to for that information. MAXIMUS has not included a full listing of upcoming deliverables in this report as this information is not available to us.

Subsequent to submission of the report it was reviewed with State Project Management. Date corrections were supplied and as noted the status of efforts related to the CCO's were clarified. Their changes did not result in rating change for any category or materially change any finding.

The assessment of the 19 categories of Quality Standards resulted in a finding of eight Red (High) Risk Categories, six Yellow (Medium) Risk Categories, one Green (Low) Risk Categories, and four Categories noted as To Be Determined (TBD) – due to current status of the project and thus reserved for future assessments.

	QUALITY STANDARDS CATEGORIES	RED (HIGH) RISK	YELLOW (MEDIUM) RISK	GREEN (LOW) RISK	N/A*	TBD*	IS/I*
1	Business Mission and Goals		X				
2	Decision Drivers	X					
3	Scope	X					
4	Project Management	X					
5	Budget	X					
6	Schedule	X					

	QUALITY STANDARDS CATEGORIES	RED (HIGH) RISK	YELLOW (MEDIUM) RISK	GREEN (LOW) RISK	N/A*	TBD*	IS/I*
7	Project Team	X					
8	Organization Management	X					
9	Business Transition					X	
10	Deliverables					X	
11	Information Security		X				
12	Product Content		X				
13	Development Process		X				
14	Development Environment			X			
15	Testing	X					
16	Deployment					X	
17	System Financial Controls					X	
18	Maintenance		X				
19	Technology		X				

* N/A= Not Applicable; TBD= To Be Determined; IS/I= Insufficient Information

These findings determined the overall health of the HIX-IT Project to be Red (High).

I.5 Recommended Risk Priorities

Given the current risk profile of the project we acknowledge the need to set priorities in addressing the most urgent needs of the project. We have prioritized the most urgent “red” categories for resolution and provided high level recommendations.

Category	Recommendations
Project Management/Governance	<ul style="list-style-type: none"> Solidifying the Project Management group is vital to the necessary daily decision making, priority setting and leadership of the project. We recommend that it be addressed as quickly as possible.

Category	Recommendations
	<ul style="list-style-type: none"> • Clarification and documentation of the Governance approach will allow for more focused and effective executive activity and decision making. • Provide minutes from Executive Steering Committee Meetings.
Budget	<ul style="list-style-type: none"> • Place a high priority on the development of appropriate cost controls and on enforcement of contractor invoicing standards for HIX-IT. • Develop, document and implement a payment processing review process, including review for technical contents and contract terms compliance. • Develop the capacity to distinguish between expenditures for HIX-IT versus other MAX program areas that conforms with normal cost accounting standards. • Continue efforts to hire appropriate accounting and other staff. • Focus on budgeting and cost accounting that supports management of the HIX-IT program as a distinct entity, in addition to management of MAX as a whole. • Develop a sufficiently detailed WBS for the project
Testing	<ul style="list-style-type: none"> • The Oracle Team is currently developing software and there is not a detailed testing plan or team in place to conduct testing. • IV&V is not yet defined. • Develop a sufficiently detailed WBS for the project
Project Team/Staffing	<ul style="list-style-type: none"> • Support and assistance to the mid-level Project Management Team is essential to avoid additional staff losses. • Target barriers to state hiring and determine if additional resources can be applied or if the resource issues can be addressed through the use of existing vendor contracts. • Executive review of vendor management via Covendis needs to determine if there are more effective approaches for retaining highly skilled contractor resources. • Develop a sufficiently detailed WBS for the project
Schedule	<ul style="list-style-type: none"> • Provide additional resources familiar with the OUM SDLC to assist in scheduling activities in a manner consistent with the SDLC approach. • Accurately estimate the time it is taking to complete

Category	Recommendations
	<p>the Use Cases and use this as a tool to determine when the requirements work will be accomplished.</p> <ul style="list-style-type: none"><li data-bbox="695 338 1442 436">• Once requirements are completed determination of the Product backlog is essential to the accuracy of scheduling efforts<li data-bbox="695 443 1442 474">• Develop a sufficiently detailed WBS for the project

I.6 Software Project Quality Standards

While this report format is consistent with Oregon standards for reporting a project’s risk and status, it may be new to some. The report begins with a Narrative Executive Summary in Sections I.1- I.5. This *Section I.6 Software Projects Quality Standards* includes an overall assessment finding and is followed by Mid-Level summary by risk category that is brought forward from Section II. Section II – Evaluation and Recommendations describes our findings and recommendations on the detailed quality standards. The last four pages of this document describe the overall format and definitions of terms and ratings.

I.6.1 Overall Assessment Findings

Table: Overall Assessment Findings

Overall Assessment Findings					
Overall Assessment Findings					
Project Health	R	Y	G	n/a	
Current Rating	HIGH				
Previous Rating	HIGH				
<p>The overall project health remains RED. This is primarily due to the fact that many of the same risks/issues that were identified in the November 2011 Risk Assessment Report are still present. Despite the concern that Project Management, Governance and Project Structure are currently in flux there are positive signs that the organizations have the capacity to address these issues. With strong executive involvement it is possible that the HIX-IT team can quickly gain momentum as these issues are appropriately addressed. We do believe the emerging working relationship of mid-level managers including the State Project Team, HIX-Corp with the assistance of Point B, and Oracle is a positive development and it is vital to the success of the project to continue forging this alignment between the Business and IT to achieve the project goals.</p> <p>Risk ratings for each of the five areas of overall project health are listed below, along with overall recommendations for each. Detailed findings to support these ratings, as well as more detailed recommendations, are provided in Section II of this report.</p>					
Project Status and Health – Risk Level					
Scope	R	Y	G	n/a	
Current Rating	HIGH				
Previous Rating	HIGH				
<p>Recommendations: The detailed project scope (and resulting sufficient work breakdown structure) for the project remains unclear. Certainly the development of requirements to support scope is a critical need but progress is noted in that area. This overall assessment is based on the “scope” component of the Quality Standards Scorecard, described below.</p>					

Overall Assessment Findings					
Overall Assessment Findings					
Schedule	R	Y	G	n/a	
Current Rating	HIGH				
Previous Rating	HIGH				
<p>Recommendations: The project needs to have a comprehensive schedule that reflects all relevant activities, milestones, dependencies, and resources. That schedule should be used going forward to monitor and track progress and status of the project. This overall assessment is based on the “schedule” components of the Quality Standards Scorecard, described below.</p>					
Budget	R	Y	G	n/a	
Current Rating	HIGH				
Previous Rating	HIGH				
<p>Recommendations: The development of an HIX-It budget and the capacity to distinguish between expenditures and contractor invoices for HIX-IT versus other MAX program areas is essential for management of the HIX-IT project as a distinct entity with its own unique schedule (including funding expiration date), requirements and goals. This overall assessment is based on the “budget” components of the Quality Standards Scorecard, described below.</p>					
Human Resources	R	Y	G	n/a	
Current Rating	HIGH				
Previous Rating	HIGH				
<p>Recommendations: Executives should determine if there are additional ways to mitigate barriers to state hiring and to support contract monitoring to ensure that highly skilled individuals are available long term to the project. This overall assessment is based on the “project team” components of the Quality Standards Scorecard, described below</p>					
Technology	R	Y	G	n/a	
Current Rating	MEDIUM				
Previous Rating	MEDIUM				
<p>Recommendations: All aspects of the technology components have been proven individually in various vertical markets, some of these components have not been proven in the human services markets. The framework as a whole has not been proven together however, current development efforts have not encountered significant problems.. This overall assessment is based on the “technology” components of the Quality Standards Scorecard, described below</p>					
Risk level:					

Overall Assessment Findings	
Overall Assessment Findings	
The relevant risk ratings are shown as a range to depict the qualitative degree of uncertainty associated with the risk rating. The quantitative tolerances currently in use by the project are: Red/R = High (> 15% above estimate), Yellow/Y = Medium (1% - 15% above estimate), Green/G = Low (>1% above or below estimate).	
Critical Project Risks	
See Section I.8 Risk Management	

I.6.2 Quality Standards Scorecard

Table: Quality Standards Scorecard

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
Business Mission and Goals	Y		<p>Findings:</p> <ul style="list-style-type: none"> • HIX Corp did not perceive that requirements had been adequately defined and in early February of 2012, it was announced that they were undertaking an effort to define the business requirements. This effort was originally defined as a 60 day effort, but it has taken longer than originally stated and full requirement definition is not expected to conclude until mid to late June. To date, a detailed schedule of this effort has not been made available to the MAXIMUS Team and it is our understanding that it is under development. • The HIX-Corp with the assistance of Point B, Oracle and HIX-IT mid level management teams have worked diligently in the last few weeks to identify the necessary inputs and outputs of the requirements process and the content required for materials flowing to Oracle. This has in our opinion resulted in a stronger working team. • The project is generally perceived to support the goals of the corporation but given the extremely aggressive nature of the mandated schedule, recent changes in project management, and the unknown impacts of the Community Care Organizations (CCO), there are heightened concerns about the ability of the project to deliver to the schedule. • The goals of projects currently known and planned for the Oracle platform are aligned. There are likely to be other conflicts related to resources and schedules. • It is our understanding that the necessary CCO support may impact requirements for HIX-IT. If requirements are impacted, it may be necessary to update the IRR. <p>Recommendations:</p> <ul style="list-style-type: none"> • Continued frequent Senior Executive involvement of OIS, HIX-IT Project Management and HIX-Corp executives is required to achieve and maintain appropriate business alignment with the project. • Determine with DAS if an update to the IRR is required based on the change in project circumstances.

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
Decision Drivers	R		<p>Findings:</p> <ul style="list-style-type: none"> • The political environment related to Health Care Services and associated delivery systems is highly charged and subject to rapid changes. • The Affordable Care Act (ACA) is under consideration by the Supreme Court. • Oregon’s passage of legislation related to the advent of Community Care Organizations and the state prioritization of this effort may result in a new project. The potential for automated support by the CCO’s may pose additional risk to the HIX-IT Project as there are concerns related to resources and complexities for development efforts on the Oracle Platform. Impacts are currently unknown. • There is considerable executive attention on these issues in an attempt to understand the needs and define technical support but as stated the environment is volatile and consumes considerable executive attention. Given the volatility in the health care area there is a high likelihood of unanticipated events. <p>Recommendations:</p> <ul style="list-style-type: none"> • Continued executive attention and the development and presentation of realistic assessments of state capability related to project support.
Scope	R		<p>Findings:</p> <ul style="list-style-type: none"> • The detailed scope (and sufficiently detailed work breakdown structure) for the project remains unclear. • The federal legislation provides a high level roadmap of the required functionality and high level Oregon specific scope is better defined with the final selection of a financial management tool within the last few days. • It is not known if the CCO effort will effect HIX-IT requirements. On-going coordination of these efforts will be necessary. • Scope verification is an ongoing process and will need to be evaluated as the requirement set is developed. The Business Requirements document will include links to Federal and State Statutes and Regulations allowing for tracing to the overarching project scope. • The Project Change Control process is not yet adequately defined or operating. It is planned that Change Control will begin at the end of Iteration #11 (June 2012).

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		Assessment Findings and Recommendations
			<ul style="list-style-type: none"> Although the requirements set is not yet completely defined nor prioritized the high level scope of the work effort is known and the current mandated schedule is extremely aggressive. There is high risk that not all requirements will be met in the current schedule without the application of additional resources but we do not have sufficient information regarding project velocity to accurately predict this occurrence. However, second stage effort may be required and business contingency planning should commence once business requirements are defined. <p>Recommendations:</p> <ul style="list-style-type: none"> The project must further clarify planning for Change Control to manage scope changes and execute the process no later than currently planned (June 2012) HIX-Corp must prioritize requirements and working with HIX-IT prioritize functionality to allow for pragmatic and focused business and contingency planning in the event that not all requirements are met in the current schedule. Project Management will need to continuously review progress and project velocity against the schedule to determine if additional resources are need to complete the project or if contingency plans will need to be in place.
Project Management	R		<p>Findings:</p> <ul style="list-style-type: none"> The Project Manager and Project Director have recently been replaced by OIS Management. This does not allow for rating items directly related to the quality and effectiveness of Project Management. Given the current schedule and status of the project, our inability to rate a number of essential standards in this section have resulted in a red rating for the category. Project planning is occurring as there is a high level schedule related to the project milestones and a process developed for Iteration planning. Effort has been made to create a more detailed schedule for the next 60-90 days but it is incomplete at this time. The Iteration planning process is new and currently being exercised. It will likely require some level of ongoing modification. As previously noted the Change Control Process has not yet been established. The effectiveness of planning was called into question as the design specifications required for Iteration 9 were not of sufficient quality to proceed with the planned build content. This in large

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
			<p>measure was due to the late development of requirements by HIX-Corp and the lack of HIX-IT specific process and defined content for the requirements package to be provided to Oracle. The HIX-Corp with the assistance of Point B, Oracle and HIX-IT mid level management teams have worked diligently in the last few weeks to identify the necessary inputs and outputs of the requirements process and the content required for materials flowing to Oracle.</p> <ul style="list-style-type: none"> • Due to the immaturity of the project to date there is a lack of performance information available to evaluate the effectiveness of planning activities. It will be necessary to have more development experience before planning efforts can be better informed. • There have been plans and formats for information distribution and performance reporting for the project. In our interviews, HIX-Corp staff repeatedly noted that they do not have sufficient information regarding the project budget and the LFO had indicated concern regarding the reporting of project performance. In our opinion, Project Management and MAXIMUS have not been applying the same standards to the evaluation of Project Risks and therefore at times have different opinions of the project status and risks associated with the project. • The Quality Assurance contract has been in place and MAXIMUS has generated the Initial Risk Assessment Update and this current QA Status and Improvement report as scheduled/ agreed. MAXIMUS staff are on site and both participating in meetings and conducting targeted QA interviews to determine project status and risks. • Quality planning particularly for Quality Control has been slow as the development of the Quality Management plan was delayed and it was agreed that it would be submitted in three separate versions. This delay related to the adoption of the Oracle Unified Methodology (OUM) and inability of the project to identify the project artifact set and determine the items that will be subject to external Quality Control. • Planning at the Project Level, as evidenced by the required project plans has progressed to some degree as there are a number of documents that have been created. Many are not in our opinion complete and very few have been approved. Of particular concern to MAXIMUS is that these plans often seem to have been written by assigned individuals (team members or contractors) often are of a generic nature and are not the result of a real planning process and therefore may be ineffective or difficult to execute. • Internal quality control processes for the State Project Team have not been in place. It is our

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
			<p>understanding that Supervisory and Peer Review of the Requirements process is currently being defined and started.</p> <ul style="list-style-type: none"> • The risk management plan is complete and generally acceptable. There are standing meetings for risk analysis and mitigation. However, these meetings often have inconsistent attendance and matters are not necessary updated as required. MAXIMUS does not find the effectiveness of the current risk process adequate for a project with this risk profile. It should be noted that there is antidotal evidence that significant risk mitigation activities of serious project issues being conducted by Executives but that information is not available in these forums. • As noted, the Change Control Process is not yet operational. We know that schedule changes are discussed in certain forums. The degree of any official approval process is unknown to MAXIMUS as we have not seen documentation of such. It should also be noted that the original approval process for stakeholders particularly HIX-Corp is not in place. The requirements process has several points for approval without attendant detail. It is our understanding that this is under discussion. • Vendor contract management is an area of concern. It is our belief that contractors are working with state project management to ensure that deliverables and activities that meet the needs of the project are being produced but there may often be lapses to the official change of contracts, given the time consuming nature of the state contracting process. <p>Recommendations:</p> <ul style="list-style-type: none"> • Collaborative efforts between HIX-Corp, HIX-IT and Oracle mid-level management teams surrounding the development of the requirements and design artifacts are essential to the success of the project and executive management is encouraged to find ways to further strengthen and assist this effort, including the introduction of additional Oracle Business Analysts. • It is urgent that additional specificity regarding transition planning and routine daily project execution and decision making be communicated to the project team. It is recommended that permanent selections for Senior Project Management positions be made ASAP. Strong and continuous involvement by Senior OIS Management will be required until Senior Project Management is selected and stabilized • Continue detailed project scheduling efforts and apply more resources to the area. • Review the standards used for project status and note variances with QA when necessary on Project

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
			<p>Status Reports.</p> <ul style="list-style-type: none"> • Ensure that HIX-Corp receives detailed and adequate budget information • See recommendation on OM-1 • Project level plans need to be subject to Quality Control and plans for execution discussed and put in place. Routine evaluation of the effectiveness of plans and plan updates need to be in the schedule. • Quality Control definition needs to occur within 30 days. • Efforts to plan and operationalize internal project quality processes need to be accelerated and resourced and occur within 30 days. • Issue and Risk Management Meetings must be a priority and have consistent staff attendance to be effective. All project issues and risks must be entered and routinely updated • The approval procedure for the requirements process with HIX-Corp must be defined ASAP • Contracts must be updated in a timely fashion to reflect agreements made with State Project Management to ensure the needs of the project are addressed and to avoid issues in long term vendor management.
Budget	R		<p>Findings</p> <ul style="list-style-type: none"> • The CMS approved \$48,096,307 funding and pending \$11,392,879 supplemental funding (HIX -IT Weekly Executive Project Status Summary, 4/30/12 to 5/6/12) which represents a total (approximate) \$59,590,186 budget by March 31, 2013, (IAPDU, February 15, 2012) appears to represent, from the CMS perspective (IAPDU, February 15, 2012,) adequate resources to implement the CCHIO funded HIX-IT project as currently designed and scoped. • The \$117,765,781 total MAX budget through June 2013 (IAPDU, February 15, 2012) encompasses additional programs (Medical, CHIP, SNAP) and HIX IT, and the availability and potential effect of these other budget streams on HIX-IT implementation prior to or after March 31, 2013 is not known. • Current invoicing by major contractor lacks sufficient detail to fully represent all detail of work performed, and relative allocation of contractor effort between HIX-IT and other program areas. • Staffing levels may not be sufficient to handle current budget work load. We are continuing to seek information about cost estimation methods employed, and budgeting and cost controls in use, and we will explore this further until we are satisfied with the methods being used. The reported spending of

MID-LEVEL Findings, Recommendations, Risks			
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			<p>\$6,825,342 is less than 60% of projected spending for 3/31/2012. (See “HIX IT Weekly Executive Project Status Summary, 4/30/12 to 5/6/12”).</p> <ul style="list-style-type: none"> • MAXIMUS previously noted concern about meeting the Federal requirement to expend 50% of approved initial grant funds prior to application for supplemental project funds, and expressed concern regarding the spend down rate and the likelihood of meeting this requirement. • The previous Project Director indicated that he saw minimal risk in obtaining these funds based on this assertion this will no longer be reflected as a significant issue. CMS approved \$48,096,307 budget and pending \$11,392,879 supplemental budget (total approximate \$59,000,000, IAPDU figure, March 31, 2013) appears to represent from CMS perspective (IAPDU, February 15, 2012) adequate resources to implement the CCIIO funded HIX-IT project as currently designed and scoped through March 31, 2013. If HIX-IT requires funding beyond that date, as a program entity, modalities of funding will need to be developed. <p>Recommendations:</p> <ul style="list-style-type: none"> • Develop, document and implement a payment processing review process. • Place a high priority on the development of appropriate cost controls and on enforcement of contractor invoicing standards for HIX-IT. Require invoices from contractors to follow specific template, detailing personnel, rates, and specific activities, attributed to specific program areas (eg. HIX-IT, Medicaid Eligibility Automation, etc.) • Continue efforts to hire appropriate accounting and other staff. • There are potential implications of under-spending on resources, contractor activities and deliverables. Explore reasons for spending below projected levels. • Focus on budgeting that supports management of the HIX-IT program as a distinct entity, in addition to management of MAX as a whole. • Develop the capacity to distinguish between expenditures for HIX-IT versus other MAX program areas.

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Schedule	R		<p>Findings:</p> <ul style="list-style-type: none"> • There has been an attempt in recent weeks to develop a more detailed project schedule. In our opinion, the most recent version available to us is not complete or sufficiently detailed. There should be additional activity definition, dependencies are not noted and resourcing appears limited only to the owner or an activity. This does not provide sufficient information regarding necessary state resources to allow for adequate planning. • As previously noted Iteration #9 did not include the content that had been planned. See PM-2 for additional detail. The project does not currently have the capacity based on performance to estimate velocity accurately. • There is currently no approach on the project to develop required Earned Value Analysis (EVA) for the budget and schedule and there is no adequate WBS. <p>Recommendations:</p> <ul style="list-style-type: none"> • Additional resources should be made available to scheduling efforts. • Delivery dates and planning efforts require rigorous review and evaluation. The project is too immature to provide accurate performance information to predict velocity. • On-going assessment of the approach to reach the prescribed schedule date is required. • Budget and Schedule information must be developed sufficiently to create required EVAs and requires a sufficiently developed WBS
Project Team	R		<p>Findings:</p> <ul style="list-style-type: none"> • Human Resource Planning has occurred and the approach was to fill limited duration state positions. In addition, it was acknowledged that contractor staff with appropriate skill sets would need to be obtained and the plan was to obtain these resources via Covendis, the State of Oregon's Managed Service Provider. This plan is running into difficulty. The ramping of state staff has not been as rapid as desired or planned and there have been issues using contractors with advanced skill sets for long periods of time, as evidenced by the recent departure of a project architect. • OIS management replaced the Project Director and Project Manager and is in the mist of transition

MID-LEVEL Findings, Recommendations, Risks			
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			<p>planning. There were few available details regarding the transition when the change was announced.</p> <ul style="list-style-type: none"> • Development of the state team is an issue as staff are being asked to perform when processes and deliverable content are not well defined or are immature. It should also be acknowledged that the production of content likely requires the development of new skill sets for most if not all state staff. There has been discontent within the State Business Team associated to these issues. • The selection of Systems Integrator (SI) vendor for interfaces has been delayed and there is concern that these resources will not be available as needed or planned. • It was decided that the MAX Project would adopt the OUM methodology. There has been limited effort to date to assist the team in understanding the methodology and their responsibilities. Some orientation did occur for Project management staff but it was limited. • The State project team does not currently have adequate experience in the technology. There are training plans related to the Oracle products and the approach is for state staff to work closely with the Oracle team to gain knowledge and experience in using the technology. These plans need to be evaluated in an ongoing manner. Our concern is that the state team will be under resourced to the degree that learning will be inhibited in an attempt to build to the schedule. • Digby Morrow is the qualified security lead on the project. • There has been significant angst regarding the change in Senior State Project Management. It should also be noted that there has been concern on the State Business Team regarding the lack of defined process and sudden changes in direction. Some of this has resulting in staff turnover. It should be noted that Project Team members continue to be committed to the goals of the project. It is possible that the circumstance may improve rapidly once transition plans are announced and implemented. <p>Recommendations:</p> <ul style="list-style-type: none"> • Planning efforts need to be reviewed to determine if additional efficiencies in state hiring can occur and if better solutions for the long term use of resources via Covendis contracts can be forged, including more effective vendor management and coordination. • Management scrutiny of needed resources in the next 60 – 90 days needs to be intense to ensure that planning efforts are adequately informed regarding procurement realities. In addition, continued focus

MID-LEVEL Findings, Recommendations, Risks			
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			<p>toward resolution of barriers should occur and Project Management needs to engage in contingency planning in the event that resources are not available in a timely fashion.</p> <ul style="list-style-type: none"> • A clear plan for orientation in the methodology and implementation efforts should be created and executed in the next 30 days. • Realistic evaluation of the transfer of skills and information to State staff needs to occur by State Project Management and plans altered or extended as required. • See previous recommendation regarding State Project Management Staff in the Project Management Section.
Organization Management	R		<p>Findings:</p> <ul style="list-style-type: none"> • Senior State Project Management is in transition. In addition to the Project Director and Project Manger, the Director of the PMO and the Project Architect left the project. Monte Burke has been announced at the interim Project Director and KPMG will provide assistance with Project Management until a new Project Manager is announced. The Oracle management team appears to be stable. • There has generally been a clear understanding of the roles and responsibilities of vendor staff. However, we have observed confusion regarding the roles and responsibilities of state project staff and this has been identified as an issue to us during the course of interviews. In addition, there have been disagreements between HIX-Corp and HIX-IT regarding respective roles and responsibilities. • The Governance structure has included the Executive Steering Committee composed of the Directors of OHA, DHS, the Executive Director of HIX-Corp, the Administrator of the Oregon Insurance Division (OID) and the CIO of OIS. Certainly there is executive interest in the project but there has been very limited visibility into the operation of this group and no minutes have been made available to the MAXIMUS Team. The OIS CIO has recently announced more active personal participation in the operation of the project during the State Project Management planning and transition. • There is no particular individual on the Tactical Steering committee that is responsible for the oversight of security. <p>Recommendations:</p> <ul style="list-style-type: none"> • See recommendation regarding Project Management in the Project Management Category.

MID-LEVEL Findings, Recommendations, Risks			
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			<ul style="list-style-type: none"> As State Project Management Stabilizes clarification of internal roles and responsibilities is imperative. On-going Executive discussions between HIX-Corp and HIX-IT regarding roles and responsibilities will need to continue on a routine basis to gain alignment. It is imperative that the OIS CIO engage actively in project operations until the transition of the State Project management team is in place, and stabilized. Given the criticality of Governance in supporting success of the project changes in regard to the Executive Steering Committee need to be implemented ASAP. We recommend that a member of the Tactical Steering Committee be assigned or appointed that is clearly focused on security. The Tactical Steering Committee should be briefed on security routinely and apprised of the approach and any issues and risks in this area.
Business Transition	TBD		<p>Findings:</p> <ul style="list-style-type: none"> The HIX-Corp is in process of identifying the necessary resources to perform the required work. Plans related to training are premature. HIX-Corp will be standing up operations for the first time and early business implementation issues must be anticipated. Evaluation planning in this area is premature. Transition activities for HIX-IT will be effected by requirements assigned and the implementation dates of the CCO and Initial Win Projects. <p>Recommendations:</p> <ul style="list-style-type: none"> Evaluation of activities in this area will occur later in the project

MID-LEVEL Findings, Recommendations, Risks			
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	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
Deliverables	TBD		<p>Findings:</p> <ul style="list-style-type: none"> • HIX-IT and HIX-Corp are developing functional requirements, process flows and Use Cases for delivery to Oracle. Oracle assesses these documents to determine if they are sufficient to build from. Oracle is assisting in the development of some artifacts for the SDLC process, primarily in the areas of gap analysis, and detailed design documentation. These artifacts will be fully validated at the Iteration 10 delivery. • The effectiveness of deliverable will not be fully evident until the end of iteration 10, when the groups will review the results of the first customer focused design of a system component. • Given the collaborative nature of the development process, the deliverables are expected to be fit to use. • As noted in the Project Management Section, in regard to Project Planning Documents, we do have concerns regarding the quality and completeness of some of these documents. Many are not in our opinion complete and very few have been approved. Of particular concern to MAXIMUS, is that these plans often seem to have been written by assigned individuals (team members or contractors) often are of a generic nature and are not the result of a real planning process and therefore may be ineffective or difficult to execute. <p>Recommendations:</p> <ul style="list-style-type: none"> • The Project should continue to hone the SDLC process activities and artifacts to ensure that they are sufficient quality for a good development process. • Once development is complete HIX-IT and HIX-Corp will review the system together with Oracle and make changes through a formal change control process. The amount of changes can be utilized to measure the effectiveness of the elaboration process. • See recommendation in Project Management Section.

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	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
Information Security	Y		<p>Findings:</p> <ul style="list-style-type: none"> • Currently periodic security assessments are not scheduled for the implementation or at key milestones within the project. • Currently periodic security assessments are not scheduled for the implementation or at key milestones within the project so security items are not actively being identified. This will become more of an issue as more of the system is built out. • There have been no security deliverables since the initial security assessment in Sept 2011. The Project has a security Architect on board that can review any deliverables. In addition, the QA vendor has a qualified security professional that can be utilized to review material if required. • Currently the initial iteration with customer requirements is being implemented in Iteration 10. The development process is being stood up in this iteration. It is expected that as subsequent iterations are conducted that security would be layered into the process. <p>Recommendations:</p> <ul style="list-style-type: none"> • The Project should identify key milestones when an independent security assessment of the system can be conducted. • As security issues arise they should be included on the issue log. • The project should involve the security team early in the development process and at a minimum they should be involved with technical design review and testing of each of the iterations.
Product Content	Y		<p>Findings:</p> <ul style="list-style-type: none"> • As previously noted business and functional requirements definition is on-going that this time and is not stable. Requirements may be complete by mid to late June but JAD activities that inform the creation of necessary design specifications are likely to extend into late July or early August. This time line is likely problematic for the schedule. • Given that HIX-Corp is still awaiting additional federal guidance the requirements set is expected to undergo some level of modification even after completion of the first set of requirements.

MID-LEVEL Findings, Recommendations, Risks			
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	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
			<ul style="list-style-type: none"> • The Business Requirements Document (BRD) is being maintained by HIX-Corp currently and the team is currently maintaining traceability manually. But it is planned that the BRD with accompanying functional requirements will be maintained in the HIX-IT HP ALM tool to allow for automated requirements tracing and testing. Once in this tool is operating, all requirements will have a unique identifier. Our concern is in regard to the necessary discipline and adequacy of state resources to maintain the tool as planned in a highly dynamic environment with a very aggressive schedule. • It is anticipated that the Change Control process will authorize changes in requirements moving forward. Effectiveness cannot be assessed at this time. • HIX-Corp determined that it was their responsibility to identify and document the business requirements. MAXIMUS finds the recent engagement of the mid-level management group in the definition and development of the artifacts associated to business and functional requirements resulting ultimately in design specifications provided to Oracle as very positive for the project. • HIX-Corp has also been engaged in other outreach activities with the carriers and community groups. To date MAXIMUS has viewed these efforts of HIX-Corp outside of our QA scope and we have not evaluated them. • It is our understanding that UAT will occur but specific plans have not yet been developed or evaluated. • CMS has created a harmonized version of the security standards required for inclusion into the product. These items are traceable to IRS, PCI, and NIST but not state standards. Typically State standards are not as stringent as the IRS or the PCI standards. The State team has meet with CMS and the IRS to have a general understanding of the requirements. • MAXIMUS performed Quality Control of the original set of functional requirements developed by HIX-IT and found significant problems. The current set of business and functional requirements have not yet been subject to QC review and are not yet complete. There has been very significant effort expended on defining business and functional requirements as well as the artifact set required to be completed by HIX-IT prior to the handoff to Oracle. The content of these documents are very close to final and in our opinion significant and positive in helping the project advance. Our concern is in the quality of performance across the team given the new process and required skill sets. Some internal quality control processes have recently been documented, but we do not know how effective they will be.

MID-LEVEL Findings, Recommendations, Risks			
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	<i>May 2012</i>		Assessment Findings and Recommendations
			<ul style="list-style-type: none"> • Non-functional requirements have been identified. Additional information on the SLA's with the Oracle hosting facility and the Business need to be further vetted at a future date. The process for the integration of functional and non-functional requirements sets is not clear to the QA Team at this time. <p>Recommendations:</p> <ul style="list-style-type: none"> • Continue efforts to strengthen working relationships of the mid-level management teams. • Security requirements are not fully embedded in the development process. In the next quarterly assessment we would expect to see deeper integration into the development process. • External Quality Control of some subset of Design specifications including requirements should be conducted on the Project's iterative cycle. • The approach to the integration of functional and non-functional requirements should be clarified.
Development Process	Y		<p>Findings:</p> <ul style="list-style-type: none"> • There is a preliminary design document that will be updated as the project matures. • Once the Use Case packages are approved and handed off to Oracle a detailed Gap Analysis is to be completed. • Iteration 10 is the first iteration that will have HIX Corp requirements that were elaborated into Use Cases for Oracle to develop against. This first cycle will establish all the artifacts that will be delivered going forward. The artifacts were collected by MAXIMUS up to the Gap Analysis which is due 5.25.12. • Oracle developed a prototype system. During this process configuration control, coding standards and peer reviews were established. • The HIX-Corp, HIX-IT and Oracle are working together well at the line staff level. These meetings are more productive then during the last QA Assessment. These meetings are producing artifacts that can be used to evaluate the process. • The effectiveness of iteration review meetings can be measured once iteration 10 is completed. It is expected that there will be a review of the developed functionality with HIX-Corp. • Currently security is viewed as a foundational service that can be implemented as the system develops.

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			<p>It is unclear how this will be done currently. QA would expect to see security added to the iteration planning and strategy meeting and driven to a deeper level once the process is worked out after Iteration 10.</p> <ul style="list-style-type: none"> • There are still some gaps in the SDLC with respect to quality processes for example; Use Case sign off by HIX Corp prior to development is still an open issue. Testing of the delivered product at the end of the iteration is still unclear. <p>Recommendations:</p> <ul style="list-style-type: none"> • The project should have the system architecture document from Oracle updated once all the Use Cases are complete. • The Project should require Oracle to deliver the Gap Analysis document for each of the construction iterations. • MAXIMUS will monitor the SDLC process to ensure there is consistency. • There are still gaps in the executive level coordination with respect to the prioritization of functionality and contingency planning. In the next assessment QA would expect to see a more completed in these two areas. • Security will be reviewed at a deeper level in the next assessment. Security implementation should be addressed in the project plan. • As Iteration 10 is worked through QA would expect to see more stability in the process where QA and QC checks can be conducted. We would expect to see this in the next assessment.
Development Environment	G		<p>Findings:</p> <ul style="list-style-type: none"> • The Software platforms are the existing, mature products from Oracle. The hardware is hosted in the Oracle hosting facility. <p>Recommendations:</p> <ul style="list-style-type: none"> • None

MID-LEVEL Findings, Recommendations, Risks				
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	<i>May 2012</i>			<i>Assessment Findings and Recommendations</i>
Testing	R			<p>Findings:</p> <ul style="list-style-type: none"> • The project testing plan is incomplete. There currently is not detailed testing plan or testing team for Iteration 10. <p>Recommendations:</p> <ul style="list-style-type: none"> • Develop a comprehensive testing plan for the Project. This should be completed by the end of May. A testing team needs to be in place.
Deployment	TBD			<p>Findings:</p> <ul style="list-style-type: none"> • The development, test and production systems are hosted in the Oracle hosting facility. The facility is mature, allows for growth and is flexible. • The project currently does not call for any data to be migrated. <p>Recommendations:</p> <ul style="list-style-type: none"> • None
System Financial Controls	TBD			<p>Findings:</p> <ul style="list-style-type: none"> • HIX-Corp has identified Oracle PeopleSoft as the financial component for the system in this assessment cycle. The financial controls will be reviewed in more depth when these functional requirements are elaborated. <p>Recommendations:</p> <ul style="list-style-type: none"> • None

MID-LEVEL Findings, Recommendations, Risks			
Quality Standards Scorecard			
	<i>May 2012</i>		<i>Assessment Findings and Recommendations</i>
Maintenance	Y		<p>Findings:</p> <ul style="list-style-type: none"> The Project has a goal to do as much as possible through the configuration of the Oracle platforms. This will help ensure low complexity and better long term maintenance. There will undoubtedly be some customization of the Oracle framework. This customization will not be evident until the Use Cases are gap analyzed and a technical design document is delivered prior to each construction iteration for Oracle. In addition, a complete Application Solution will not be finalized until 75% of the use cases are complete. <p>Recommendations:</p> <ul style="list-style-type: none"> The Project should ensure they receive the gap analysis and the technical design docs from Oracle for each of the iterations to track the complexity of the solution.
Technology	Y		<p>Findings:</p> <ul style="list-style-type: none"> The products individually are mature and stable. All aspects of the technology components have been proven individually in markets, some of these components have not been proven in the human services markets. The framework as a whole has not been proven together. <p>Recommendations:</p> <ul style="list-style-type: none"> Monitor Oracle’s gap analysis and technical detailed design docs for significant issues in the architecture.

I.7 Schedule Analysis

Please note that the project is undergoing revisions of the schedule. There is no quantitative analysis at this time. Once the next schedule is completed with the revised monthly iteration approach and content, that schedule should be used for on-going monitoring, tracking, and reporting project status and progress.

I.8 Budget

This budget report is focused on the HIX IT Project budget (\$59,590,186), which is one component of the MAX Total Budget of \$117,000,000 (Source 3: IAPDU.) The budget analysis was based on"

- (1) Project Status Weekly Report - "HIX IT 5_5 weekly Project Status from Rus Hargrave, 5/6/12"
- (2) Project Report - "HIX-IT Project Report for February 11, 2012 – May 11, 2012"
- (3) IAPDU "Implementation Advanced Planning Document Annual Update, February 15, 2012"

Based on the graphical representation of planned expenditures in the Project Status Weekly Report (Source 1), we estimate that the project's planned cumulative expenditure for March 2012 was circa \$13,000,000, (+/- \$500,000.) The Actual Expenditures were \$6,825,429.83 for March 2012 (Project Status Weekly Report: Source 1). This is slightly modified in the more recent document (Project Report: Source 2) to be \$6,825,429.83 for March 31, 2012, including \$6,006,378 in Federal funds and \$819,051 in state funds. These values appear to represent under spending at a level about half of projected expenditures to date. Because DAS Risk Cues apply only in cases of overspending, the assessment finding is green.

Budget					
Budget/Financial Summary					
Budget Source	Actual Expenditures	Planned Expenditures	Variance Percentage	Variance Amount	Assessment Findings
March 2012	\$6,825,429.83	\$13,000,000	52%	\$6,200,000	\$6,200,000
Management Comments:					

Table: Earned Value Tolerances

Earned Value tolerances are defined as follows for the project:	
Green	Within 1% or under Original or Formal Re-baseline Estimate
Yellow	Within 15% of Original or Formal Re-baseline Estimate
Red	More than 15% of Original or Formal Re-baseline Estimate

I.9 Risk Management

Below MAXIMUS has listed what, in its opinion, are the top ten HIX-IT Project Risks and/or Issues. This list will continue to be refined as draft documents are reviewed.

Table: Issues and Risks

Risk Rating	Description	Impact	Probability	Current Mitigation	MAXIMUS Recommendation
Project Issues					
High	The MAX Project Director and the HIX-IT Project Manager have been moved by OIS Management. There are limited transition details available at this time.		Has Occurred	Monte Burke has been appointed interim Project Director and KMPG is to assist until a new Project Manager is selected.	Additional details regarding project decision making and detailed transition planning need to be announced ASAP
High	Oracle is engaged in development and there is no testing unit in place to commence testing on the iterative cycle		Has Occurred	Unknown	Planning for functional testing by existing resources should be put in place until the testing unit is available. This will require planning and activity prioritization given current resource levels

Risk Rating	Description	Impact	Probability	Current Mitigation	MAXIMUS Recommendation
High	Procurement of the Systems Integrator for Interfaces is delayed		Has Occurred	None known	Continue efforts to obtain approval and specifically identify downstream impacts
High	The current project schedule is not adequate. It mixes tasks and does not provide sufficient detail, dependencies or assign resources		Has Occurred	None Known	Additional resources need to be devoted to the project schedule
Project Risks					
High	Changes to Project Governance are under consideration	Medium	High	Efforts are being made to support the daily operation of the project. Including more involvement by the OIS CIO	The Executive Steering Committee as currently constituted does not appear to be effective. Determine if it possible to construct a single Tactical Steering Committee with the correct representatives

Risk Rating	Description	Impact	Probability	Current Mitigation	MAXIMUS Recommendation
High	A new Project will be created to provide automated support to the CCOs this poses risk to resources available to HIX-IT	High	High	Unknown	Project schedules must be detailed and resourced to determine the potential effect of these projects on each other
High	Staffing - Hiring state staff and the vendor management capacity to obtain resources for the project from Covendis are not meeting expectations	High	High	Unknown	Analyze reasons for state hiring delays and address barriers. This includes applying resources to the bottleneck for mid level managers related to hiring Determine if more effective avenues for highly skilled long term resources can be crafted via Covendis
High	Lack of full adoption of the SDLC methodology	High	High	Unknown	Create a plan for OUM adoption including training for project staff
High	Projected informal estimates for the development of requirements and the schedule JAD activity may adversely delay the schedule	High	High	Efforts are being made to clearly define the process and associated artifacts as well as to develop a schedule	Resolve any issues in finalizing the artifact set promptly Support scheduling activities

Risk Rating	Description	Impact	Probability	Current Mitigation	MAXIMUS Recommendation
High	Lack of defined SDLC Artifacts	High	High	Efforts to define this list are ongoing	Complete a list of artifacts per phase with a full description, RACI chart and version control capability.

I.10 Table Executive Summary Comments

Additional QA Observations/Comments
None

Management Comments	
Following are project management comments relating to the Executive Summary findings.	
Category	Project Response
Business Mission and Goals	<p><i>The HIX Corp 60 day requirements effort has concluded with resulting BRDs across Corps 11 defined functional areas. HIX IT and HIX Corp are currently engaged in an intense session of JADs focused on elaborating the business requirements into Use Case packets that can inform system development.</i></p> <p><i>The team continues work to refine project scope and the wbs to better track and communicate progress against a working schedule.</i></p>
Decision Drivers	<p><i>the Supreme Court upheld the ACA, project is all systems go. To date the project has not realized any material impact related to the CCO initiative. The team remains focused on refining and delivering the HIX scope and will accommodate for any complexities related to CCO as the need arises.</i></p>
Scope	<p><i>The project team remains diligently focused on defining the detailed scope and wbs. There is awareness and messaging from Corp executives to focus on priorities. Assessment of remaining work vs remaining time will be ongoing. Once we have a defined scope and working schedule, scope assessment/change management will occur at the end of each iteration. A MAX Change Management Plan is in place and the project is reviewing and will modify and adopt as relevant to the project operating approach.</i></p>

<p>Project Management</p>	<p><i>At present, the core priority of the project team are the elaboration of requirements and definition of scope.</i></p> <p><i>Additional work activities related to project planning include scheduling work within functional and interface JADS, quality reviews, development iterations, and overall planning including testing, environments, QA and high level milestones including CMS gates and blueprint mapping.</i></p> <p><i>Work is being done to pull together all of the project artifacts, organize, assess, assign approvers and establish publish dates for each deliverable.</i></p> <p><i>The lack of a clear, accurate and detailed budget and actuals report is an awareness, concern and issue that has been raised by project management.</i></p> <p><i>Project Management is working with QA and PMO to establish an accurate, current and manageable issues and risks log and review cadence, including the format and outputs of this report so that finding can be easily adopted into the Issues and Risks log.</i></p> <p><i>Vendor contracts are a shared service and are being managed by the procurements team. There is a current effort underway to update the Oracle Contracts. At present, Project Management has weighed in on Resource needs.</i></p>
<p>Budget</p>	<p><i>From the project manager perspective there is a need to review and possibly update the way costs are allocated to the project to achieve an accurate assessment of spend and projected costs.</i></p> <p><i>The IAPD-U was approved as of this week.</i></p>
<p>Schedule</p>	<p><i>The project schedule is currently being updated and informed by OUM methodology and incorporate the planned scope of Use Cases as they are defined. Additional resources have been added and work is in progress to build and integrated project schedule with the Corporation.</i></p> <p><i>Earned Value Analysis is presently on hold pending work needed on budget and schedule.</i></p>
<p>Project Team</p>	<p><i>The core functional team has been hit hard by BA resources moving off the project and slow state processes to replace. Additional Oracle BA staff has been onboarded and brought up to speed to off-set the loss and timing delay. Existing resources are qualified to complete the work and are doing so. Additional resources are needed.</i></p> <p><i>SI Vendor orals are taking place this week and the vendor is scheduled to onboard in mid-July. While this process has been delayed from the original timeline, the impact is minimal as functional and interface requirements are really coming into clarity as part of current requirements elaboration work. We will be ready to put them to work and maximize their time when they come on board.</i></p>

	<i>The Onboarding of a Testing Manager and Testers and State Development Team remain a core concern of the project. These are Shared/Build Services hires and will not be onboarded by the project. Specifically testing staff is needed to define the Test Plan and support testing efforts by August/September timeframe.</i>
Organization Management	<i>An interim project manager has been assigned to the project and KPMG resources have been assigned support roles within the project.</i>
Business Transition	<i>The MAX business transition team has been engaged with the project and has written a business transition strategy/plan for state staff.</i>
Deliverables	<i>None</i>
Information Security	<i>Security is a shared service and is currently being staffed. Additional security documents were provided by the Security Team and released in conjunction with the DDR Gate Review in May. The leader of the Security team is currently present at all HIX-IT management meetings and one of the HIX-IT BAs has been promoted into a Security Architecture role. As Security Staff ramps up and the functional requirements have been elaborated, we will layer security into both the requirements set and the development effort.</i>
Product Content	<i>The project requirements set and process is stable at this time, however additional resources are needed to accelerate the documentation and completion of detailed scope. Work to define process of Shared Service requirements such as Security and Interfaces is underway.</i>
Development Process	<i>The complete iteration document set is now in place and ready for review. The project is assessing when to update the original architecture documentation. This is part of the Artifacts rationalization that is ongoing on the project.</i>
Development Environment	<i>None</i>
Testing	<i>Currently Oracle is conducting enhanced unit testing. The test plan is currently being worked and testing resources are being procured by the hiring state agency. HP ALM is being implemented to support automated system testing.</i>
Deployment	<i>None</i>
System Financial Controls	<i>None</i>
Maintenance	<i>Functional Design and Technical Design documents are being provided by Oracle at the end of each iteration and included with iteration materials.</i>

Technology	<i>The current build is utilizing Seibel, Web Center and SOA integrations. Based on initial work there have been limited to no issues related to the technology.</i>
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Section II - Evaluation and Recommendations

II. 1 Design, Development, and Implementation Quality Standards

Table: Detailed HIX-IT Quality Standards

ID	Quality Standard	Assessment Guidance	MAXIMUS Findings	MAXIMUS Recommendations	Risk
Business Mission and Goals					Y
BMG-1	Customer (HIX Corporation) Perception	Does the HIX Corp perceive that this project directly supports customer requirements, schedule and goals?	<p>HIX Corp did not perceive that requirements had been adequately defined and in early February of 2012, it was announced that they were undertaking an effort to define the business requirements. This effort was originally defined as a 60 day effort, but it has taken longer than originally stated and full requirement definition is not expected to conclude until mid to late June. To date, a detailed schedule of this effort has not been made available to the MAXIMUS Team and it is our understanding that it is under development. The HIX-Corp with the assistance of Point B, Oracle and HIX-IT mid level management teams have worked diligently in the last few weeks to identify the necessary inputs and outputs of the requirements process and the content required for materials flowing to Oracle. This has in our opinion resulted in a stronger working team.</p> <p>The project is generally perceived to support the goals of the corporation but given the extremely aggressive nature of the mandated schedule, recent changes in project management, and the unknown impacts of the Community Care Organizations (CCO), there are heightened concerns about the ability of the project to deliver to the schedule.</p>	Continued frequent Senior Executive involvement of OIS, HIX-IT Project Management and HIX-Corp executives is required to achieve and maintain appropriate business alignment with the project.	Y
BMG-2	Goals Conflict and Goals Alignment	Goals of this project and other projects within the organization are supportive and complimentary?	The goals of projects currently known and planned for the Oracle platform are aligned. There are likely to other conflicts related to resources and schedules.	None	G

BMG-3	User Justification	Is the user justification complete, accurate, and sound?	With the acceptance by DAS of the Project IRR we consider this complete at this time		G
BMG-4	Financial and Business Case	Can the original Business Case and ROI targets be achieved? Use DAS risk cues.	It is our understanding that the necessary CCO support may impact requirements for HIX-IT. If requirements are impacted, it may be necessary to update the IRR.	Determine with DAS if an update to the IRR is required based on the change in project circumstances.	Y
Decision Drivers					R
DD-1	*Political Influences	Are the political influences well understood by the Project Team (Internal and external) and managed effectively?	The political environment related to Health Care Services and associated delivery systems is highly charged and subject to rapid changes. The Affordable Care Act (ACA) is under consideration by the Supreme Court. Oregon's passage of legislation related to the advent of Community Care Organizations and the state prioritization of this effort may result in a new project. The potential for automated support by the CCO's may pose additional risk to the HIX-IT Project as there are concerns related to resources and complexities for development efforts on the Oracle Platform. Impacts are currently unknown. There is considerable executive attention on these issues in an attempt to understand the needs and define technical support but as stated the environment is volatile and consumes considerable executive attention. Given the volatility in the health care area there is a high likelihood of unanticipated events.	Continued executive attention and the development and presentation of realistic assessments of state capability related to project support.	R
DD-2	*Political Influences	Does the Project have politically motivated decisions that are effecting the project success? Examples of such decisions would be the use of a vendor for political reasons rather than qualifications?	There is no evidence of the inappropriate use of vendors or political influences impacting decisions with the project inappropriately.		G
Scope					R
Sc-1	*Definition of the Project	Are scope planning, definition, verification and scope change control being accomplished? Are they effective?	The detailed scope (and sufficiently detailed work breakdown structure) for the project remains unclear. The federal legislation provides a high level roadmap of the required functionality and high level Oregon specific scope is now defined with the final selection of a financial management tool within the last few days.	Scope must be further refined including the development of a sufficiently detailed work breakdown structure. The project must further clarify planning for Change Control and execute the process no later than currently planned	R

			It is not known if the CCO effort will affect HIX-IT requirements. On-going coordination of these efforts will be necessary. Scope verification is an ongoing process and will need to be evaluated as the requirement set is developed. The Business Requirements document will include links to Federal and State Statutes and Regulations allowing for tracing to the overarching project scope. The Project Change Control process is not yet adequately defined or operating. It is planned that Change Control will begin at the end of Iteration #11 (June 2012).		
Sc-2		Will the system be delivered with the intended requirements? Use DAS risk cues.	Although the requirements set is not yet completely defined nor prioritized the high level scope of the work effort is known and the current mandated schedule is extremely aggressive. There is high risk that not all requirements will be met in the current schedule without the application of additional resources but we do not have sufficient information regarding project velocity to accurately predict this occurrence. However, second stage effort may be required and business contingency planning should commence once business requirements are defined.	HIX-Corp must prioritize requirements and working with HIX-IT prioritize functionality to allow for pragmatic and focused business and contingency planning in the event that not all requirements are met in the current schedule. Project Management will need to continuously review progress and project velocity against the schedule to determine if additional resources are need to complete the project or if contingency plans will need to be in place.	Y
Project Management					R
PM-1	*Project Objectives	Are there verifiable project objectives with reasonable requirements?	There are high level project objectives but the requirements are not completed at this time.	Please see Product Content Section for more detail and recommendations	TBD
PM-2	*PM Approach	Are project planning, plan execution and project change control being accomplished? Are they effective?	Project planning is occurring as there is a high level schedule related to the project milestones and a process developed for Iteration planning. Effort has been made to create a more detailed schedule for the next 60-90 days but it is incomplete at this time. See the Schedule section for more detail. The Iteration planning process is new and currently being exercised. It will likely require some level of ongoing modification. As previously noted the Change Control Process has not yet been established. The effectiveness of planning was called into question as the design specifications required for Iteration 9 were not of sufficient quality to proceed with the planned build content. This in large measure was due to the late development of requirements by HIX-Corp and the lack of HIX-IT specific process and defined content for the	Collaborative efforts between HIX-Corp, HIX-IT and Oracle mid-level management teams surrounding the development of are essential to the success of the project and executive management is encouraged to find ways to further strengthen and assist this effort, including the introduction of additional Oracle Business Analysts. Continue detailed project scheduling efforts and apply more resources to the area.	Y

			requirements package to be provided to Oracle. The HIX-Corp with the assistance of Point B, Oracle and HIX-IT mid level management teams have worked diligently in the last few weeks to identify the necessary inputs and outputs of the requirements process and the content required for materials flowing to Oracle. See the Product Content category for more detail. Due to the immaturity of the project to date there is a lack of performance information available to evaluate the effectiveness of planning activities. It will be necessary to have more development experience before planning efforts can be better informed.		
PM-3	Communication	Are communications planning, information distribution, and performance reporting being accomplished? Are they effective?	There have been plans and formats for information distribution and performance reporting for the project. In our interviews, HIX-Corp staff repeatedly noted that they do not have sufficient information regarding the project budget and the LFO had indicated concern regarding the reporting of project performance. In our opinion Project Management and MAXIMUS have not been applying the same standards to the evaluation of Project Risks and therefore at times have different opinions of the project status and risks associated with the project.	Review the standards used for project status and note variances with QA when necessary on Project Status Reports. Ensure that HIX-Corp receives detailed and adequate budget information	R
PM-4	*PM Authority	Does the Project Manager have adequate and official authority to effectively lead the project?	The Project Manager and Project Director have recently been replaced by OIS Management. Given the current situation we are unable to rate this particular Quality Standard. However given the current schedule and status of the project, our inability to rate a number of essential standards in this section have resulted in a red rating for the category.	Please see recommendation on OM-1	TBD
PM-5		Is the PM able to influence and lead decision makers, stakeholders, and the project team?	See finding on PM-4	See recommendation on OM-1	TBD
PM-6		Are quality planning, quality assurance and quality control being accomplished? Are they effective?	Quality Assurance contract has been in place and MAXIMUS has generated the Initial Risk Assessment Update and this current QA Status and Improvement report as scheduled/ agreed. MAXIMUS staff are on site and both participating in meetings and conducting targeted QA interviews to determine project status and risks. Quality planning particularly for Quality Control has been slow as the development of the Quality Management plan was delayed and it was agreed that it would be submitted in three separate versions. This	Project level plans need to be subject to Quality Control and plans for execution discussed and put in place. Routine evaluation of the effectiveness of plans and plan updates need to be in the schedule. Quality Control definition needs to occur within 30 days. Efforts to plan and operationalize internal	Y

			<p>delay related to the adoption of the Oracle Unified Methodology (OUM) and inability of the project to identify the project artifact set and determine the items that will be subject to external Quality Control. Planning at the Project Level, as evidenced by the required project plans has progressed to some degree as there are a number of documents that have been created. Many are not in our opinion complete and very few have been approved. Of particular concern to MAXIMUS is that these plans often seem to have been written by assigned individuals (team members or contractors) often are of a generic nature and are not the result of a real planning process and therefore may be ineffective or difficult to execute. Additionally internal quality control processes for the State Project Team have not been in place. It is our understanding that Supervisory and Peer Review of the Requirements process is currently being defined and started. See the Testing Category for additional information.</p>	<p>project quality processes need to be accelerated and resourced and occur within 30 days.</p>	
PM-7	Risk/Issue Management	<p>Are risk management planning, risk identification, and analysis mitigation being accomplished? Are they effective?</p>	<p>The risk management plan is complete and generally acceptable. There are standing meetings for risk analysis and mitigation. However, these meetings often have inconsistent attendance and matters are not necessary updated as required. MAXIMUS does not find the effectiveness of the current risk process adequate for a project with this risk profile. It should be noted that there is antidotal evidence that significant risk mitigation activities of serious project issues being conducted by Executives but that information is not available in these forums.</p>	<p>Issue and Risk Management Meetings must be a priority and have consistent staff attendance to be effective.</p> <p>All project issues and risks must be entered and routinely updated</p>	R
PM-8		<p>Are risk monitoring and control being accomplished on the project? Are they effective?</p>	<p>Same as PM-7</p>	<p>Same as PM-7</p>	
PM-9	Commitment Process	<p>Are changes to commitments in scope, requirements, and schedule are reviewed and approved by all involved?</p>	<p>As noted, the Change Control Process is not yet operational. We know that schedule changes are discussed in certain forums. The degree of any official approval process is unknown to MAXIMUS as we have not seen documentation of such. It should also be noted that the original approval process for stakeholders particularly HIX-Corp is not in place. The requirements process has several points for approval without attendant detail. It is our understanding that this</p>	<p>The approval procedure for the requirements process with HIX-Corp must be defined ASAP</p>	R

			is under discussion.		
PM-10		Are the vendor(s) contracts written/coordinated in a manner that ensures that the deliverables are complimentary to the project plan?	Vendor contract management is an area of concern. It is our belief that contractors are working with state project management to ensure that deliverables and activities that meet the needs of the project are being produced but there may often be lapses to the official change of contracts given the time consuming nature of the state contracting process.	Contracts must be updated in a timely fashion to reflect agreements made with State Project Management to ensure the needs of the project are addressed and to avoid issues in long term vendor management.	Y
Budget					R
Bud-1	*Budget & Resource Size	Is a sufficient budget with adequate resources allocated?	<p>The CMS approved \$48,096,307 budget and pending \$11,392,879 supplemental budget (HIX -IT Weekly Executive Project Status Summary, 4/30/12 to 5/6/12) which represents a total (approximate) \$59,590,186 expenditure by March 31, 2013, (IAPDU, February 15, 2012) appears to represent, from the CMS perspective (IAPDU, February 15, 2012,) adequate resources to implement the CCIIO funded HIX-IT project as currently designed and scoped.</p> <p>The \$117,765,781 total MAX budget through June 2013 (IAPDU, February 15, 2012) encompasses additional programs (Medical, CHIP, SNAP) and HIX IT, and the availability and potential effect of these other budget streams on HIX-IT implementation prior to March 31, 2013 is not known.</p>		G
Bud-2	*Cost Controls	Are cost estimating, budgeting and cost controls being accomplished? Are they effective?	<p>Current invoicing by major contractor lacks sufficient detail to fully represent all detail of work performed, and relative allocation of contractor effort between HIX-IT and other program areas.</p> <p>Staffing levels may not be sufficient to handle current budget work load.</p> <p>We are continuing to seek information about cost estimation methods employed, and budgeting and cost controls in use, and we will explore this further until we are satisfied with the methods being used.</p>	<p>Develop, document and implement a payment processing review process.</p> <p>Place a high priority on the development of appropriate cost controls and on enforcement of contractor invoicing standards for HIX-IT. Require invoices from contractors to follow specific template, detailing personnel, rates, and specific activities, attributed to specific program areas (eg. HIX-IT, Medicaid Eligibility Automation, etc.)</p> <p>Continue efforts to hire appropriate accounting and other staff.</p>	R

				<p>There are potential implications of under-spending on resources, contractor activities and deliverables. Explore reasons for spending below projected levels.</p> <p>Focus on budgeting that supports management of the HIX-IT program as a distinct entity, in addition to management of MAX as a whole.</p> <p>Develop the capacity to distinguish between expenditures for HIX-IT versus other MAX program areas.</p>	
Bud-3	Total Cost (Budget)	The actual budget (is expected to be) within DAS/HIX budget variance targets? Use DAS risk cues.	The reported spending of \$6,825,342 is less than 60% of projected spending for 3/31/2012. (See "HIX IT Weekly Executive Project Status Summary, 4/30/12 to 5/6/12"). MAXIMUS previously noted concern about meeting the Federal requirement to expend 50% of approved initial grant funds prior to application for supplemental project funds, and expressed concern regarding the spend down rate and the likelihood of meeting this requirement. The previous Project Director indicated that he saw minimal risk in obtaining these funds based on this assertion this will no longer be reflected as a significant issue.	The green status of the budget does not reflect the potential implications of under-spending on resources and contractor activities or deliverables. Explore reasons for spending below projected levels, implications for project.	G
Bud-4	Funding	Are future tasking that requires resources available? (Restated: Is funding available for future tasks that are required?) Use Das Risk Cues.	The \$117,765,781 total MAX budget through June 2013 (IAPDU, February 15, 2012) encompasses additional programs (Medical, CHIP, SNAP) and HIX IT, and the availability and potential effect of these other budget streams on HIX-IT implementation after March 31, 2013 is not known. If HIX-IT requires funding beyond that date, as a program entity, modalities of funding will need to be developed.		G
Schedule					R
Sch-1		Are activity definition, sequencing, duration estimation and resource estimation being accomplished? Are they effective?	There has been an attempt in recent weeks to develop a more detailed project schedule. In our opinion the most recent version available to us is not complete or sufficiently detailed. There should be additional activity definition, dependencies are not noted and resourcing appears limited only to the owner or an	Additional resources should be made available to scheduling efforts	R

			activity. This does not provide sufficient information regarding necessary state resources to allow for adequate planning.		
Sch-2		Are schedule development and schedule control being accomplished? Are they effective?	See Sch-1	See Sch-1	
Sch-3		Are delivery dates firm and remaining stable?	As previously noted Iteration #9 did not include the content that had been planned. See PM-2 for additional detail. The project does not currently have the capacity based on performance to estimate velocity accurately	Delivery dates and planning efforts require rigorous review and evaluation. The project is to immature to provide accurate performance information to project velocity	Y
Sch-4	*Development Schedule	Is the date for delivery set by reasonable project commitment process?	The overarching schedule is required by Legislative mandate and was not based on known Oregon circumstances or specifics.	On-going assessment of the approach to reach the prescribed schedule date is required.	R
Sch-5		The project is expected to be delivered within the DAS/HIX agreed tolerances? Use DAS risk cues.	There is currently no approach on the project to develop required Earned Value Analysis (EVA) for the budget and schedule.	Budget and Schedule information must be developed sufficiently to create required EVAs	R
Project Team					R
Team-1		Is Human Resource Planning being accomplished?	Human Resource Planning has occurred and the approach was to fill limited duration state positions. In addition, it was acknowledged that contractor staff with appropriate skill sets would need to be obtained and the plan was to obtain these resources via Covendis, the State of Oregon's Managed Service Provider. This plan is running into difficulty. The ramping of state staff has not been as rapid as desired or planned and there have been issues using contractors with advanced skill sets for long periods of time, as evidenced by the recent departure of a project architect.	Planning efforts need to be reviewed to determine if additional efficiencies in state hiring can occur and if better solutions for the long term use of resources via Covendis contracts can be forged, including more effective vendor management and coordination.	R
Team-2	*Team Member Availability	Is the project acquiring, developing and managing the project team effectively?	OIS management replaced the Project Director and Project Manager and is in the mist of transition planning. There were few available details regarding the transition when the change was announced. Development of the state team is an issue as staff are being asked to perform when processes and deliverable content are not well defined or are immature. It should also be acknowledged that the production of content likely requires the development of new skill sets for most if not all state staff. There has been discontent within the State Business Team associated to these issues.	See recommendation on OM-1	R

Team-3		Are resources needed by the team and contractors (are expected to be) available? Use DAS risk cues.	The selection of Systems Integrator (SI) vendor for interfaces has been delayed and there is concern that these resources will not be available as needed or planned.	Management scrutiny of needed resources in the next 60 – 90 days needs to be intense to ensure that planning efforts are adequately informed regarding procurement realities. In addition, continued focus toward resolution of barriers should occur and Project Management needs to engage in contingency planning in the event that resources are not available in a timely fashion.	Y
Team-4	Experience with Process	Does the team as a whole have sufficient experience with the SDLC process?	It was decided that the MAX Project would adopt the OUM methodology. There has been limited effort to date to assist the team in understanding the methodology and their responsibilities. Some orientation did occur for Project management staff but it was limited.	A clear plan for orientation in the methodology and implementation efforts should be created and executed in the next 30 days.	R
Team-5		Does the project team possess or have plans and activities to gain sufficient experience with the technology?	The State project team does not currently have adequate experience in the technology. There are training plans related to the Oracle products and the approach is for state staff to work closely with the Oracle team to gain knowledge and experience in using the technology. These plans need to be evaluated in an ongoing manner. Our concern is that the state team will be under resourced to the degree that learning will be inhibited in an attempt to build to the schedule.	Realistic evaluation of the transfer of skills and information needs to occur by State Project Management and plans altered or extended as required.	Y
Team-6	Designated Information Security Focal Point	Is there a qualified security lead as part of the project team?	Digby Morrow is the qualified security lead on the project.		G
Team-7	Team Spirit and Attitude	Do team members believe they are being utilized effectively and have good morale?	There has been significant angst regarding the change in Senior State Project Management. It should also be noted that there has been concern on the State Business Team regarding the lack of defined process and sudden changes in direction. Some of this has resulting in staff turnover. It should be noted that Project Team members continue to be committed to the goals of the project. It is possible that the circumstance may improve rapidly once transition plans are announced and implemented.	See recommendation on OM-1	R
Organization Management					R
OM-1	*Organization Stability	Are the internal HIX-IT and the vendor management teams and structures stable?	Senior State Project Management is in transition. In addition to the Project Director and Project Manger, the Director of the PMO and the Project Architect left the	It is urgent that additional specificity regarding transition planning and routine daily project execution and decision making be	R

			project. Monte Burke has been announced at the interim Project Director and KPMG will provide assistance with Project Management until a new Project Manager is announced. The Oracle management team appears to be stable.	communicated to the project team. It is recommended that permanent selections for Senior Project Management positions be made ASAP. Strong and continuous involvement by Senior OIS Management will be required until Senior Project Management is selected and stabilized.	R
OM-2	Organization Roles and Responsibilities	Are roles and responsibilities for DHS, vendors, and external customers clearly defined and understood by the project team?	There has generally been a clear understanding of the roles and responsibilities of vendor staff. However, we have observed confusion regarding the roles and responsibilities of state project staff and this has been identified as an issue to us during the course of interviews. In addition, there have been disagreements between HIX-Corp and HIX-IT regarding respective roles and responsibilities.	As State Project Management Stabilizes clarification of internal roles and responsibilities is imperative. On-going Executive discussions between HIX-Corp and HIX-IT regarding roles and responsibilities will need to continue on a routine basis to gain alignment.	R
OM-3	*Executive Involvement	Does executive management's involvement include providing visible and strong support?	The Governance structure has included the Executive Steering Committee composed of the Directors of OHA, DHS, the Executive Director of HIX-Corp, the Administrator of the Oregon Insurance Division (OID) and the CIO of OIS. Certainly there is executive interest in the project but there has been very limited visibility into the operation of this group and no minutes have been made available to the MAXIMUS Team. The OIS CIO has recently announced more active personal participation in the operation of the project during the State Project Management planning and transition.	It is imperative that the OIS CIO engage actively in project operations until the transition of the State Project management team is in place, and stabilized. See recommendation on OM-5	Y
OM-4	*Leadership	Is a project sponsor active and aware of the project's purpose and current status?	It is my understanding that the individuals listed in OM-3 are the project sponsors. They are aware of the project's purpose we do not have sufficient information to determine if they are all aware of the project's status.	See finding and recommendation on OM-5	IS/I
OM-5	Governance	Is project governance clearly defined and is it effective?	Project Governance was defined in the Project Charter. The Tactical Steering Committee for HIX-IT has been functioning and adequately effective to date. As noted, in OM-3 above we have had no visibility in the operation of the Executive Steering Committee but based on the lack of information can not consider this to have been an effective forum. It is our understanding that changes in governance are being considered by Senior Executive Managers and may include consolidation of the Modernization and HIX-IT Tactical Steering Committees and modifications to the Executive Steering Committee.	Given the criticality of Governance in supporting success of the project changes need to be implemented ASAP	R

OM-6		Is there a specific steering committee member that is assigned oversight responsibility for security? How are security addressed at the steering committee level?	There is no evidence that any particular individual on the Tactical Steering committee is responsible for the oversight of security.	We recommend that a member be assigned or appointed that is clearly assigned to and focused on security. The Tactical Steering Committee should be briefed on security routinely and apprised of the approach and any issues and risks in this area	Y
Business Transition					TBD
BT-1		Are policy and resource impacts being identified, documented, and communicated to the business?	In the course of requirements development for HIX-IT, decisions effecting policy are being identified and tracked for resolution either by HIX-Corp for internal policy or with OHA. The HIX-Corp is in process of identifying their Business Processes and is being assisted by the HIX-IT Business Team and the creation of flows. We have not been told that these decisions are creating barriers to completion at this time. Business Transition activities for HIX-IT will be effected by requirements assigned and the implementation dates of the CCO and Initial Win Projects.	Evaluation of activities in this area will occur later in the project	N/A
BT-2		Is business process training planned, developed, and executed?	The HIX-Corp is in process of identifying the necessary resources to perform the required work. Plans related to training are premature.		TBD
BT-3		Business transition and disruption to business operations are anticipated? Use DAS risk cues?	HIX-Corp will be standing up operations for the first time and early business implementation issues must be anticipated. Evaluation planning in this area is premature.		TBD
Deliverables					TBD
Del-1		Are the deliverables developed and activities accomplished effective in achieving their stated purpose?	HIX-IT and HIX-Corp are developing functional requirements, process flows and Use Cases for delivery to Oracle. Oracle assesses these documents to determine if they are sufficient to build from. Oracle is assisting in the development of some artifacts for the SDLC process, primarily in the areas of gap analysis, and detailed design documentation. These artifacts will be fully validated at the Iteration 10 delivery. As noted in the Project Management Section, in regard to Project Planning Documents, we do have concerns regarding the quality and completeness of some of these documents. Many are not in our opinion complete and very few have been approved. Of particular concern to	Project Planning Documents require review and improvement, See recommendation in Project Management Section The Project should continue to hone the SDLC process activities and artifacts to ensure that they are sufficient quality for a good development process.	TBD

			MAXIMUS, is that these plans often seem to have been written by assigned individuals (team members or contractors) often are of a generic nature and are not the result of a real planning process and therefore may be ineffective or difficult to execute.		
Del-2		Is the effectiveness of activities and deliverables being measured?	In regard to the design specifications this will not be fully evident until the end of iteration 10, when the groups will review the results of the first customer focused design of a system component.	Once development is complete HIX-IT and HIX-Corp will review the system together with Oracle and make changes through a formal change control process. The amount of changes can be utilized to measure the effectiveness of the elaboration process.	TBD
Del-3		Are deliverables (expected to be) "fit to use". Use DAS risk cues?	Given the collaborative nature of the development process, the design deliverables are expected to be fit to use. See concern re Project Planning Documents in Del-1.		TBD
Information Security					Y
Sec-1		Are periodic security assessments scheduled to be conducted throughout the System Development Lifecycle by the security vendor? Are they scheduled at key milestone points in the project?	Currently periodic security assessments are not scheduled for the implementation or at key milestones within the project.	The Project should identify key milestones when an independent security assessment of the system can be conducted.	Y
Sec-2		Are the security risks and remediation recommendations that are identified by the security vendor present on the project managers risk log?	Currently periodic security assessments are not scheduled for the implementation or at key milestones within the project so security items are not actively being identified. This will become more of an issue as more of the system is built out.	As security issues arise they should be included on the issue log.	Y
Sec-3		Are the security deliverables reviewed/QC'ed/QCed by a qualified security person?	There have been no security deliverables since the initial security assessment in Sept 2011. The Project has a security Architect on board that can review any deliverables. In addition, the QA vendor has a qualified security professional that can be utilized to review material if required.		TBD
Sec-4		Is security implemented/infused into each part of the system development lifecycle?	Currently the initial iteration with customer requirements is being implemented in iteration 10. The development process is being stood up in this iteration. It is expected that as subsequent iterations are conducted that security would be layered into the	The project should involve the security team early in the development process and at a minimum they should be involved with technical design review and testing of each of the iterations.	Y

			process.		
Product Content					Y
PC-1	Requirements Stability	Is there an organized process for gathering, defining, identifying changes and updating the requirements? Is it effective?	As previously noted business and functional requirements definition is on-going that this time and is not stable. Requirements may be complete by mid to late June but JAD activities that inform the creation of necessary design specifications are likely to extend into late July or early August. This time line is likely problematic for the schedule. Given that HIX-Corp is still awaiting additional federal guidance the requirements set is expected to undergo some level of modification even after completion of the first set of requirements. The Business Requirements Document (BRD) is being maintained by HIX-Corp currently but it is planned that the BRD with accompanying functional requirements will be maintained in the HIX-IT HP ALM tool to allow for automated requirements tracing. It is anticipated that the Change Control process will authorize changes in requirements moving forward. Effectiveness cannot be assessed at this time.		Y
PC-2	*User Involvement	Does a plan exist to identify the needs, goals and requirements of the user community and to gain involvement and guidance from user groups?	HIX-Corp determined that it was their responsibility to identify and document the business requirements. MAXIMUS finds the recent engagement of the mid-level management group in the definition and development of the artifacts associated to business and functional requirements resulting ultimately in design specifications provided to Oracle as very positive for the project. HIX-Corp has also been engaged in other outreach activities with the carriers and community groups. To date MAXIMUS has viewed these efforts of HIX-Corp outside of our QA scope and we have not evaluated them.	Continue efforts to strengthen working relationships of the mid-level management teams.	Y
PC-3	*User Acceptance	Does the project encompass activities for requirements validation with users (internal and external)?	It is our understanding that UAT will occur but specific plans have not yet been developed or evaluated.		N/A
PC-4	Security Content	Are security requirements completely specified and traceable to governing standards and policies?	CMS has created a harmonized version of the security standards required for inclusion into the product. These items are traceable to IRS, PCI, and NIST but not state standards. Typically State standards are not as stringent	Currently these requirements are not fully embedded in the development process. In the next quarterly assessment we would expect to see integration of security deeper into the	Y

			as the IRS or the PCI standards. The State team has meet with CMS and the IRS to have a general understanding of the requirements.	development process.	
PC-5	*Requirements Complete and Clear	<p>Do requirements exhibit the following characteristics: Are the requirements organized by functional and non-function categories?</p> <p>Are they organized further by functional non-functional subcategories?</p> <p>Are the requirements uniquely identified?</p> <p>Are the requirements clear and specific enough to be the basis for detailed design specs and functional test cases?</p>	<p>MAXIMUS performed Quality Control of the original set of functional requirements developed by HIX-IT and found significant problems. The current set of business and functional requirements have not yet been subject to QC review and are not yet complete. There has been very significant effort expended on defining business and functional requirements as well as the artifact set required to be completed by HIX-IT prior to the handoff to Oracle. The content of these documents are very close to final and in our opinion significant and positive in helping the project advance. Our concern is in the quality of performance across the team given the new process and required skill sets. Some internal quality control process have recently been documented, but we do not know how effective that they will be.</p> <p>We have been assured that all requirements once loaded in the HP ALM tool will have unique identifiers.</p> <p>The process for the integration of functional and non-functional requirements sets is not clear to the QA Team at this time</p>	<p>External Quality Control of some subset of Design specifications including requirements should be conducted on the Project's iterative cycle.</p> <p>The approach to the integration of functional and non-functional requirements should be clarified</p>	R
PC-6	*Implementation Difficulty	Are the requirements developed sufficiently for the design team to implement?	As noted in PM-2 the design specifications required for Iteration 9 were not of sufficient quality to proceed with the planned build content. This in large measure was due to the late development of business requirements by HIX-Corp and the lack of HIX-IT specific process and defined content for the requirements package to be provided to Oracle. The HIX-Corp with the assistance of Point B, Oracle and HIX-IT mid level management teams have worked diligently in the last few weeks to identify the necessary inputs and outputs of the requirements process and the content required for materials flowing to Oracle. Internal and external QC of these materials is critical to project ongoing success.	See recommendation on PC-5	Y

PC-7		All non-functional requirements are defined, such as for performance, constraint, user, connectivity, scalability, safety, availability, security, and maintainability?	Yes non-functional requirements have been identified. Additional information on the SLA's with the Oracle hosting facility and the Business need to be further vetted at a future date.		G
PC-8		Does a requirements traceability process and matrix exist for tracking requirements through all phases of the project, including final user verification testing?	It is our understanding that the State Business Team in currently maintaining the traceability manually but the planned use of the HP ALM tool will provide this capability. Our concern is in regard to the necessary discipline and adequacy of state resources to maintain the tool as planned in a highly dynamic environment with a very aggressive schedule.	The content of the ALM tool should be subject to periodic Quality Control review.	Y
Development Process					Y
DP-1	Design Difficulty	Is there a clear understanding of how to design the system and all the interfaces? Is it documented in a detailed design document?	There is a preliminary design document that will be updated as the project matures.	The project should have the system architecture document from Oracle updated once all the Use Cases are complete.	Y
DP-2	Alternatives Analysis	Is the gap between the Oracle capabilities and functional requirements documented and agreed-to customization fully analyzed and defined?	Once the Use Case packages are approved and handed off to Oracle a detailed Gap Analysis is to be completed.	The Project should require Oracle to deliver the Gap Analysis document for each of the construction iterations.	Y
DP-3	Use of Defined Engineering Process	Is the defined software development lifecycle (SDLC) process consistently followed by the development team?	Iteration 10 is the first iteration that will have HIX Corp requirements that were elaborated into Use Cases for Oracle to develop against. This first cycle will establish all the artifacts that will be delivered going forward. The artifacts were collected by MAXIMUS up to the Gap Analysis which is due 5.25.12.	MAXIMUS will monitor the SDLC process to ensure there is consistency.	Y
DP-4		Do the SDLC strategy meetings have typical planning activities and outputs? Is SDLC strategy meeting with executive, managers and product owners effective?	The HIX-Corp, HIX-IT and Oracle are working together well at the line staff level. These meetings are more productive then during the last QA Assessment. These meetings are producing artifacts that can be used to evaluate the process.	There are still gaps in the executive level coordination with respect to the prioritization of functionality and contingency planning. In the next assessment QA would expect to see a more completed in these two areas.	Y
DP-5		Do the iteration planning meetings have typical planning activities and outputs? Are the iteration planning meetings conducted with the development team and product owner effective?	See above. The meetings are more effective.		Y

DP-6	Lessons Learned	Do the iteration review meetings have typical activities and outputs? Are iteration reviews with the development team and product owner effective?	The effectiveness of iteration review meetings can be measured once iteration 10 is completed. It is expected that there will be a review of the developed functionality with HIX-Corp.		TBD
DP-9		Does the development process incorporate necessary security requirements into the design of the iterations/releases?	Currently security is viewed as a foundational service that can be implemented as the system develops. It is unclear how this will be done currently. QA would expect to see security added to the iteration planning and strategy meeting and driven to a deeper level once the process is worked out after Iteration 10.	Security will be reviewed at a deeper level in the next assessment. Security implementation should be addressed in the project plan.	TBD
DP-10		Does the process include a build process, configuration control, coding standards and peer reviews?	Oracle developed a prototype system based on the CMS original guidelines. During this process configuration control, coding standards and peer reviews were established.	Given there is only a prototype developed it would be premature to rate this item as low risk. Once iteration 10 is completed and we have more visibility into this area QA will be able to do a better assessment.	Y
DP-11	Quality Assurance Approach	Are QA\QC activities for the SDLC planned, and are planned activities executed?	There are still some gaps in the SDLC with respect to quality processes for example; Use Case sign off by HIX Corp prior to development is still an open issue. Testing of the delivered product at the end the iteration is still unclear.	As Iteration 10 is worked through QA would expect to see more stability in the process where QA and QC checks can be conducted. We would expect to see this in the next assessment.	Y
DP-12	Early Identification of Defects	Are peer reviews incorporated for designs and component development?	See item above		NA
DP-13	Defect Tracking	Does a defect tracking process exist that supports users, vendor, and agency?	An integrated (HIX-Corp, HIX-IT and Oracle) defect tracking process does not exist.	This should be in place prior to iteration 10 being delivered.	Y
DP-14	Change Control for Work Products	Is a change control procedure defined and used that includes analysis, a written change order, approval/rejection of change and completion of work if approved?	An integrated change control process does not currently exist in the project.	This should be in place prior to iteration 10 being delivered.	Y
DP-15	*Development Documentation	Is software development documentation complete, approved, version controlled and accessible?	This will need to be assessed post Iteration 10.		TBD
Development Environment					G
DE-1	Hardware and Software Platform	Is the hardware and software development platforms stable and mature with no changes expected?	The Software platforms are the existing, mature products from Oracle. The hardware is hosted in the Oracle hosting facility.		G
DE-2	Tools Availability	Are established, approved tools used for the development?	Yes.		G

Testing					R
Test-1	*Testability	Are test plans defined and reviewed? Do test plans cover unit, functional and system and user acceptance testing?	The project testing plan is incomplete. There currently is not detailed testing plan or testing team for Iteration 10.	Develop a comprehensive testing plan for the Project. This should be completed by the end of May.	R
Test-2	External Hardware or Software Interfaces	Does the project plan incorporate activities and owners for external interface integration and testing?	See above		R
Test-3		Is there a test schedule with resources identified for planned testing?	See above		R
Test-4		Is the system tested to ensure security controls and security features implemented and compliant to all governing security standards?	See above		R
Test-5		Have test results been reviewed and all issues resolved?			TBD
Deployment					TBD
Depl-1	Hardware Resources for Deliverables	Are the hardware resources for deliverables mature, do they allow for growth in capacity in the system, and are they flexible?	The development, test and production systems are hosted in the Oracle hosting facility. The facility is mature, allows for growth and is flexible.		G
Depl-2	*Customer Service Impact	Have customer service plans in support of roll-out been defined and reviewed?			TBD
Depl-3		Has an SLA been developed and presented to the business for approval?			TBD
Depl-4	Data Migration Required	Does the project plan incorporate activities and owners for data migration?	The project currently does not call for any data to be migrated.		TBD
Depl-5	Day Zero Security	Are systems deployed with all security controls and features implemented and tested prior to acceptance?			TBD
Depl-7	Disaster Recovery	Have disaster recovery and system restart procedures been defined? Are they in place for deployment?			TBD
System Financial Controls					TBD

Fin-1		Are business goals for financial controls established?	HIX-Corp has identified Oracle PeopleSoft as the financial component for the system in this assessment cycle. The financial controls will be reviewed in more depth when these functional requirements are elaborated.		TBD
Fin-2		Does the system requirements identify financial controls? Are the controls based on an industry standard framework?			TBD
Fin-3		Do the financial control requirements reflect the Business goals?			TBD
Fin-4		Are financial control requirements and risks reviewed by a security and financial professionals using an industry standard framework prior to and periodically during development?			TBD
Fin-5		Are requirements and risks audited by a security and financial professionals using an industry standard framework after implementation?			TBD
Maintenance					G
Maint-1	*Design Complexity	Has the system been implemented for low complexity long term maintenance?	The Project has a goal to do as much as possible through the configuration of the Oracle platforms. This will help ensure low complexity and better long term maintenance. There will undoubtedly be some customization of the Oracle framework. This customization will not be evident until the Use Cases are gap analyzed and a technical design document is delivered prior to each construction iteration for Oracle. In addition, a complete Application Solution will not be finalized until 75% of the use cases are complete.	The Project should ensure they receive the gap analysis and the technical design docs from Oracle for each of the iterations to track the complexity of the solution.	Y
Maint-2	*Support Personnel	Has a support/maintenance plan been defined and approved?			TBD
Maint-3	Vendor Support	Has vendor support been defined and contracted for with SLA(s) that the business approved?			TBD

Maint-4		Is the IT investment maintainable? Use DAS risk cues?			G
Maint-5		Is the IT investment supportable? Use DAS risk cues?			G
Technology					Y
Tech-4	Maturity of Technology	Are there any components of the technology solution that are new or relatively unproven?	All aspects of the technology components have been proven individually in markets, some of these components have not been proven in the human services markets. The framework as a whole has not been proven together.	Monitor Oracle's gap analysis and technical detailed design docs for significant issues in the architecture.	Y
Tech-5		Is technology employed (including development and testing tools) stable? Use DAS risk cues?	The products individually are mature and stable.		G

Section III – Management Comments

The following table provides space for a set of consolidated comments to be returned to MAXIMUS for project management comments relating to the findings of the QA Status and Improvement Report.

QA ID	HIX-IT Management Response and Action Plan

Section VI – Legend

Section VI – Legend	
Purpose of this Report	
OHA and DHS identified the need for independent third party formal quality assurance assessment to produce a Quality Status and Improvement Report and have contracted with MAXIMUS to provide such Quality Assurance (QA) services to the HIX-IT project. The initial report was delivered on November 3, 2011 and an updated report was delivered on February 20, 2012.	
Legend – Metrics	
Risk Ratings are represented throughout this QA Report using the familiar Stoplight model:	
Green: Low risk level - the approach, process, or deliverable meets or exceeds established standards and/or industry best practices	G

<p>Yellow: Medium risk level - the approach, process, or deliverable deviates from established standards and/or industry best practices in some noticeable regard; OR QA believes that the condition or state by its nature elevates the risk to a medium level.</p>	Y
<p>Red: High risk level - the approach, process or deliverable significantly deviates from standards and/or industry best practices in such a way as to warrant immediate attention; OR QA believes that the condition or state by its nature elevates the risk to a high level.</p>	R
<p>tbd: To Be Determined or N/A Not Applicable - the project has not progressed sufficiently to provide a risk rating</p>	tbd
<p>Definition of Roll-up Risk Ratings</p>	
<p>Risk Ratings in the <i>QA Audit Results</i> section are the lowest, most granular level findings in the QA Status and Improvement Report. These ratings roll-up to the <i>Executive Summary</i> and <i>QA Assessment Findings</i> sections in this report. Following is a description of how these rating roll-up to the higher, summary level sections.</p>	
<p>If 25% of a rating area is rated higher than low (green), the roll-up rating will be assessed as medium (yellow) or high (red) level. The rating assessed to the roll-up is equal to the highest level represented by 50% of the rating area. For example, the project management quality standard has six elements which roll-up to the project management quality standard rating. If one element was rated as medium (yellow) or high (red), the project management quality standard rating roll-up would be assessed a low (green) rating. If two elements are rated as medium (yellow), the project management quality standard rating roll-up would be assessed a medium (yellow) rating. If one element was rated as medium (yellow) and one rated as high (red), the project management quality standard rating roll-up would be assessed a high (red) rating.</p>	
<p>"tbd" ratings are not normative. They denote work-in-progress (such as the current detailed schedule development and management practices) for the project, or future work that will not be audited or assessed until the work is scheduled and project activities commence (such as the quality standards for the development process or development environment will occur after the SI vendor(s) is contracted.) Because they are not audited or assessed, they must be excluded from the algorithm used to roll-up risk rating. A "tbd" rating will be changed when quality standard, process, or deliverable activities commence, or should have commenced based upon normative project practices and PMI standards, and the QA process has been executed. [Note: As part of an on-going QA process, the project would be notified in the preceding month when the QA Analyst intends to rate an area previously assessed a "tbd" rating.]</p>	

Executive Summary Overall Assessment ratings apply the same roll-up algorithm above. However these summaries are of specific audit areas. The rating areas for each of the overall ratings are as follows:

Project Health - The executive summary quality standards, process, and deliverables scorecards.

Budget - The earned value budget assessment findings (once Earned Value aspects for the project are defined) and the budget process audit.

Schedule - The earned value schedule assessment findings (once Earned Value aspects for the project are defined) and schedule process audit.

Human Resources - a roll-up of the project team quality standards

Scope - The product content quality standards, scope process, and deliverable audits.

Technology - a roll-up of the technology-oriented quality standards