Updated Oregon HIX-IT Initial Risk Assessment Report

Deliverable 5.1 Updated OR HIX-IT Initial Risk Assessment Report

Version 1.0

Dated: March 7, 2012

TABLE OF CONTENTS

DELIVERABLE 5.1: Updated Oregon Health Insurance Exchange – IT (HIX-IT) Initial Risk Assessment Report

SECTION 1: INTRODUCTION

In order to evaluate the current status of the HIX-IT Project, to understand known and probable risks, and establish priorities for mitigation/remediation strategies, the Oregon Health Authority (OHA) contracted with MAXIMUS, Inc. to provide risk assessment service activities. The key objective of the HIX-IT Initial Risk Assessment Report was to provide the state with a clear, concise, and accurate list of initial risks associated with the Project. 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 always affects the resources of the project. The report was delivered on November 3, 2011. An effective Risk Management process involves the continuous assessment of project risks and must be pro-active rather than re-active. For this reason, OHA again contracted with MAXIMUS to provide an update to the Initial Risk Assessment Report; the outcome of that assessment is this document, Deliverable 5.1Oregon Updated HIX-IT Initial Risk Assessment Report.

Using Oregon quality standards and the MAXIMUS Risk Management methodology, including the review of 92 relevant documents and six interviews, this assessment report provides the state with a detailed, yet concise, status of the current health of the HIX-IT Project in the key areas of scope, schedule, budget, resources, and technology. In section 5: Updated HIX-IT Initial Risk Assessment – 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 risk mitigation. Per the Work Order Contract, Attachment C: HIX-IT QA ESOW Project Assessment Report contains the current view of the risks and the forward looking view.

SECTION 2: EXECUTIVE SUMMARY

HIX-IT Project Background

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.

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 operationally ready by February 15, 2013 with enrollment beginning in October 2013. The CCIIO Federal Grant amount to Oregon is $48,096,307.00 with an additional $6,780,090.00 in non-CCIIO CMS and State Funds for the Eligibility Application component of the HIX-IT Project, for a total of $54,877,295.00

The need to determine changes, if any, to project progress, status, and risk since November 2011 was deemed necessary and thus this current effort to update the Initial Risk Assessment Report in March 2012.

HIX-IT Project – Current Status

The Office of Information Services (OIS), Department of Human Services (DHS), and the HIX-IT Project continue to be in the process of structuring and organizing the project. A significant decision was made to remove the Medicaid scope from the Modernization Project and include it in the HIX-IT Project. The EA Project, which is a part of the Modernization Program, and the HIX-IT Project have been consolidated in a project structure under the direction of Rusell Hargrave. This entity is referred to as MAX (Modernization and HIX-IT). There is a single PMO servicing both entities and the PMO is starting to develop common processes and procedures. The customer, HIX Corporation, continues to align itself with the IT organization in order to better understand how the business requirements/functionality/business rules are being/will be translated by the development group.

This current assessment finds that there is improvement and progress in many areas such as:

- The 6th iteration was reported as successfully completed on 02/03/12 – this resulted in a working build in TEST; iteration #7 was reported as complete on 02/24/2012. HIX-IT Project Management believes this activity has mitigated several significant risks in the technology area. The technical architecture is being proven (example – WebCenter and Siebel are communicating with each other and the Oracle platform and culture have successfully been executed within the three week iterative process.) MAXIMUS agrees with this statement after review of the iteration assessment reports and a visit on-site to the Oracle facility for a demonstration.
- Significant hiring has occurred since November 2011. Internal resources have increased to 33 in February 2012 and the project is staffed at 41% of plan.
- Continuity in executive and project level management has resulted in increased control of the HIX-IT Project.
- Finalization of the Project Charter (with the governance structure, high-level milestones, and high-level scope formally approved) was critical and is complete.
- A detailed schedule (HIX Project Schedule.working.mpp) in support of most high-level milestones was developed.
- The Detailed System Design Gate Review for CMS was completed on time and reports from HIX-IT Project Management indicate it was successful.
- Formal recognition that the HIX-IT requirements require additional review and assessment by the customer, business, and IT organizations.

However, significant risks continue, such as:

- The current overall project schedule, while more detailed than previous schedules, is still difficult to use to assess the remaining effort against the February 2013 deadline. This contributes to inability to predict with any accuracy what product(s) will be built out a) before original grant funds are expended and b) by February 2013.
- The project schedule will need to be revised to reflect the recently approved change to monthly iterations rather that 15 day cycles. It is unclear what impact there will be to the iteration schedule and milestones. This newest schedule will be reviewed during the quarterly QA assessment.
- The hiring freeze hinders the process to find/hire the necessary resources (59% of positions in the staffing plan remain open).
- While the high-level scope has been approved by the Tactical Steering Committee, there remain areas where minimal progress has taken place. Primarily, requirements at an adequate level of accuracy and detail to support the approved scope are not complete. And, communication among various groups in order to finalize and approve requirements needs clarification and management.
- Application for a supplemental grant to CCIIO for the remaining federal funds to increase the over-all budget cannot be applied for until ½ of the original grant funds are expended – estimated to be in July 2012 per budget projections. However, the project continues to include these additional funds in the budget as necessary to complete the project.
- While a formal contingency plan has not been developed in the event no additional funds are granted, a discussion with Rus Hargrave on 02/23/2012 indicates that some thought has been given as to what steps would have to take place, such as determining what (if any) scope would be reduced and who would need involvement/approval for this type of change. This is an area to monitor as the project moves closer to formally applying for the additional funding.
- The project needs to apply to the Oregon Legislature to obtain spending authority for the remainder of the already approved funds. This is reported to be planned for June 2012.
- Procurement of the services of a System Integrator is delayed. The impact of this to meeting the February 2013 deadline will be assessed once the next detailed schedule with dependencies is available for review.

As such, the Executive and Project Management Teams continue the process of revising the schedule and confirming the budget, requirements, scope, development/implementation approach, and hiring the remaining numbers/types of skilled resources necessary to achieve the aforementioned dates in 2013. There is momentum to stabilize and complete full Project Management planning, but a significant amount of work remains in all of these areas.

After the review of artifacts and information available from the **initial** planning process compared to status as of October 2011, our findings concluded that previous baseline information from the May 2011 time frame was no longer relevant. We had recommended an immediate full re-baseline of the HIX-IT Project be required in order to realign to meet

the requirements and schedule of the current strategy/approach of the project. It has now been determined that the approved, high-level milestones constitute the new baseline schedule for HIX-IT. The detailed schedule produced by program management is to support those milestones. Schedule review will be part of on-going QA monitoring and assessment reports.

SECTION 3: UPDATED HIX-IT INITIAL RISK ASSESSMENT – METHODOLOGY AND APPROACH

Using Oregon standards for Project Quality and Risk Assessment and Status as a reference, the MAXIMUS Team developed a set of quality and process standards specifically tailored to the HIX-IT Project with emphasis on the current phase/status of the project. This resulted in 14Categories of Quality Standards (28 individual standards) and 9Categories of Process Standards (71 individual standards) used to assess the project for risk and to document findings and recommendations. This information is contained in section 5: Updated HIX-IT Initial Risk Assessment – Software Project Quality Standards.

The methodology included reviews of numerous documents, such as 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 5.1 HIX-IT Documents Received for Review.

Interviews were conducted with six individuals. Interviewees were asked questions regarding scope, schedule, budget, resources, and technology. Please refer to Attachment B: Del 5.1 HIX-IT Interview List for the list of individuals interviewed.

HIX-IT Summary of Interview Results

ASSESSMENT FOCUS AREA	CONSIDERED A RISK	NOT CONSIDERED A RISK
SCOPE	Major Risk – While all interviewees believed the high-level scope is sufficient they also find that the supporting requirements are incomplete.	
SCHEDULE	Major Risk -Five interviewees believed that there is a need to complete a detailed schedule. Until such schedule can be assessed, there is risk that the dates cannot be met. **Note:** The current schedule, which contains more detailed information, was not available at the time of these interviews.	No Risk - One interviewee indicated that while the full schedule would be revised, the focus is on the rolling 90-day schedule.

ASSESSMENT FOCUS AREA	CONSIDERED A RISK	NOT CONSIDERED A RISK
BUDGET	Major Risk - all interviewees understand that the budget was based on estimates /information known in December 2010 – February 2011. However, no one interviewed felt that additional funds from CCIIO would be an issue – just a matter of timing to formally request and receive those funds. Five interviewees recognized that until a detailed plan/schedule is in place, the affect on budget is not yet fully known.	
RESOURCES	High Risk - all interviewees believe that obtaining all of the resources necessary to support the HIX-IT effort, including the amount of time to hire staff (with the correct skills/expertise) and train staff (in the Oracle framework and the iterative process) is a significant risk. Shared resources between HIX-IT and EA need continued coordination in order to avoid schedule and resource conflicts. Delay of the System Integrator procurement is also a high risk.	
TECHNOLOGY	Medium Risk – Five interviewees believe that the selected technology supports the HIX-IT and EA efforts. However, the risk is that this is new technology for Oregon. A primary concern expressed about technology was more related to finding/hiring resources with skills/knowledge	

ASSESSMENT FOCUS AREA	CONSIDERED A RISK	NOT CONSIDERED A RISK
	in this technology. One interviewee indicated that the actual configuration for Iteration #6, which produced the first product, was successful and demonstrates that the technology will work. High Risk – One interviewee indicated that more information is needed on where this technology has been used in Human Services implementation projects, and the outcome.	

Information obtained from assessment of the documents reviewed and research materials, when combined with information obtained during the interviews, provided sufficient information to complete an initial draft update to the initial risk report. MAXIMUS then conducted an internal QA review of the report. The initial draft report was provided to HIX-IT management on 02/20/2012.

The initial draft was reviewed with HIX-IT management on 02/23/2012 primarily to discuss the overall format and to answer questions that would help during the deliverable review process. This discussion led to the conclusion that MAXIMUS had not been given up-to-date information on the schedule and the budget; new information was provided on 02/24/2012 and incorporated into this final deliverable report. 12 comments on the initial draft report were received from HIX-IT and were considered when preparing the final deliverable. MAXIMUS conducted an internal QA review of the final deliverable on 03/07/2012 and the report was delivered on that same day.

The assessment of the 14 categories of Quality Standards resulted in a finding of two Red (High) Risk Categories, ten Yellow (Medium) Risk Categories, one Green (Low) Risk Category, and one Category noted as Not Applicable – due to current phase of the project and thus reserved for future assessments. Category 3 Project Management was changed from High to Medium during this update assessment.

	QUALITY STANDARDS CATEGORIES	RED (HIGH) RISK	YELLOW (MEDIUM) RISK	GREEN (LOW) RISK	NOT APPLICABLE
1	Business Mission and Goals		X		
2	Decision Drivers		X		
3	Project Management		X		
4	Project Parameters		X		
5	Project Team		X		
6	Organization Management	X			
7	User/Customer		X		
8	Business Transition				X
9	Information Security		X		
10	Product Content	X			
11	Development Process		X		
12	Development Environment			X	
13	Deployment		X		
14	Maintenance		X		

The assessment of the nine categories of Process Standards resulted in a finding of six Red (High) Risk Categories and three Yellow (Medium) Risk Categories. Category 8 Risk Management was changed from High to Medium during this update assessment.

	PROCESS STANDARDS CATEGORIES	RED (HIGH) RISK	YELLOW (MEDIUM) RISK	GREEN (LOW) RISK	NOT APPLICABLE
1	Scope	X			
2	Schedule	X			
3	Budget	X			
4	Quality	X			
5	Human Resources	X			
6	Technology		X		
7	Communications		X		
8	Risk Management		X		
9	Procurement	X			

These findings determined the overall health of the HIX-IT Project to be Red (High) as related to scope, schedule, budget, resources, and technology.

Both summary level and detailed level findings and recommendations are included in section 5: Updated HIX-IT Initial Risk Assessment – Software Project Quality Standards.

SECTION 4: UPDATED HIX–IT INITIAL RISK ASSESSMENT SUMMARY

While the overall HIX-IT Project continues to be found as a Red (High) Risk, the work that continues by the management and project teams has a high probability of the result of a well-defined and enforceable Project Management Plan and supporting processes – including scope, schedule, budget, resources, and technology. This statement is supported by:

- Completion of iterations 1 through 7; applying that experience to revising the iteration schedule to monthly versus 15-day cycles. (Although, this will contribute to the need to change the detailed project schedule.)

- Review of recent revisions to key planning documents, such as the Project Charter (approved on 11/28/2011) which now has the formal approved high-level scope and governance structure and the efforts of KPMG to complete planning foundation documents.
- Hiring efforts for necessary resources are underway and considered a priority. While there remains high risk to obtaining some critical resources in a timely manner, the hiring process since November 2011 has resulted in an internal resource increase now being at 41% of plan.
- Variances in the budget are known to management and planning/forecasting revisions are underway. An updated project budget, including cash flow by month through project completion was completed.
- There are known remaining issues related to defining adequate requirements in support of the high-level scope. The project team continues to work closely with CMS to refine requirements and scope. The HIX Corporation is taking a leadership role in finalizing business/functional requirements. However, this is not a task only for the HIX Corporation – all stakeholders/customers and the IT organization need to jointly work together to finish this activity.
- Detailed planning is in process to align the implementation approach to a revised schedule. Contractor resources have been procured to assist in development of an integrated work plan and schedule.

The priority of the executive and project management teams should be to finalize the full Project Management planning effort and then execute to that Plan. This would include an updated budget with projections/cash flow through the end of the project, maintaining a detailed, up-to-date project schedule, completion of the remaining planning documents (such as the test plan and change management plan), a set of detailed requirements understood and approved by the customer organizations, understood by the technology group, and documented in a tool for tracking and traceability.

5: UPDATED HIX-IT INITIAL RISK ASSESSMENT – 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 high-level Section I - Executive Summary containing the overall assessment findings, followed by a slightly more detailed Executive Summary - Mid-Level to somewhat expand the information, Section II – Initial Risk Assessment Findings includes the prioritized risks, and is then followed by a significant amount of detail for each of the 99 standards in Section III – Evaluation and Recommendations. The last four pages of this document describe the overall format and definitions of terms and ratings.

Section I – Executive Summary

Overall Assessment Findings

Table: Overall Assessment Findings

Section I – Executive Summary					
Overall Assessment Findings					
Project Health	R	Y	G	n/a	
Current Rating	**{…….HIGH}**				
Previous Rating	**HIGH**				

The overall project health is improving but remains RED. This is primarily due to the fact that the many of the same risks/issues are occurring now as in November 2011. While a significant amount of work is in progress to align the schedule, scope, budget, and resources to the HIX-IT Project, there are key areas where demonstrable progress can be measured – completion of seven iterations resulting in use of the Oracle architecture to produce the first HIX-IT product, continuity of executive and project level management has increased control of the project, hiring of resources has increased, additional PMO management documents have been developed, and an integrated and aligned governance structure is approved and functioning. However, much work remains to minimize/mitigate risk to the HIX-IT Project. High Level details include:

- Attention/priority to Human Resource needs has resulted in the project being at 41% of staffing plan for internal resources. On the other side of the equation, many critical resources are still necessary to have any chance of meeting the February 2013 completion date.
- The PMO has continued its momentum establishing the processes and procedures necessary to enable rigorous project management. This is evident from some of the more recent planning documents made available for our assessment. However, many of these documents are still designated as 'draft' and need to be completed, approved, and executed.

Section I – Executive Summary

Overall Assessment Findings

- Detailed and maintainable functional and technical requirements are critical to the success of the project. As of February 2012, gaps in requirements are unknown. There have been multiple attempts to clarify requirements, but as yet none have been adequate. In an attempt to address some of the past failed efforts, a new requirements process (called the '60-day' Requirements Process) was introduced on 02/08/12 and will be 'owned' by HIX Corporation rather than HIX-IT. Clearly articulating ownership of this process is a step in the right direction. However, the involvement of other stakeholders, including OHA and DHS, are not yet clear. Nor is there a way as yet to determine if the 60 day time frame is realistic.
- The procurement for the System Integration (SI) vendor has been delayed.
- The State will act as the Prime Contractor and assume the overall project risk. The original vendor procurement approach was to go through a traditional Request For Proposals process to have a single System Integration (SI) vendor be responsible for Architecture, Configuration, and System Integration. It was deemed by the project management that this approach could consume up to nine months of the twenty-seven month schedule so the decision was made to use a multivendor approach that will potentially use three (or more) vendors, one for each of the key areas. In addition, alternative procurement approaches are also to be utilized to procure these vendors including the DELL ASAP contract and the Covendis MSP. The potential use of the GSA was also discussed.
- A detailed schedule was completed but needs additional revisions to reflect the approved changes to the iteration time – from 15 days to monthly. This next revised schedule should be able to be used for ongoing monitoring, tracking, and reporting of project status and progress.
- The project continues to estimate budget against the anticipated additional funds planned to be requested from the federal agencies. While HIX-IT and HIX Corporation staff believes the funds will be approved, there is no guarantee.
- In order to estimate what product will actually be complete by the time approved funds have been expended, the revised schedule and budget projections have to be used in conjunction with mapping the product backlog to the iterations.
- The HIX-IT Project has a fixed deadline of beginning the enrollment process in October of 2013 mandated in the Innovator Grant by the Federal Centers for Medicare & Medicaid Services (CMS). While significant progress has been made in the areas of Plan Management and Eligibility Enrollment, the Project is still awaiting key guidance for three areas of the functionality (level 2 information for Financial Management and initial guidelines for Oversight and Reporting and Customer Service) with no clear indication from CMS as to when this guidance will be available. The Project has no control over when this information will be forthcoming. This has a direct affect on completion of requirements, scope, schedule, and budget.

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 III of this report.

Project Status and Health - Risk Level	

Section I – Executive Summary

Overall Assessment Findings

1 Scope	R	Y	G	n/a	
Current Rating	**{…….. HIGH}**				
Previous Rating	**HIGH**				

Recommendations: While the high-level scope of HIX-IT has been documented in the HIX-IT Project Charter and approved by the Tactical Steering Committee, the detailed business and non-functional requirements of the project must be further refined and prioritized, including input from key stakeholders. This must be a priority; the project is one year away from its completion deadline.

Continue to work pro-actively and collaboratively with CMS to obtain remaining guidelines for incorporation into HIX-IT. The HIX-IT Project has detailed CMS guidelines in the areas of Eligibility Enrollment and Plan Management and has first level guidelines in the Financial Management component. The Financial Management component is currently awaiting remaining guidance from CMS and the date for this information is unknown. In addition, the project is also awaiting guidance from CMS in the areas of Oversight and Reporting and Customer Service**.** It is unclear at what point in time the outstanding CMS guidance becomes the critical path. If/when known, HIX-IT should notify CMS and HIX Corporation of this date(s), with the expectation that scope and/or the schedule will be at risk if the need-by date cannot be met. If the project moves forward based on assumptions in lieu of CMS guidance, rework may be required once guidance is released.

The requirements of the project will be extensive and expected to change throughout the development of the project. Managing these requirements across three organizations and, depending on the final approach to a Solution Integrator procurement, three key vendors is a risk. The project should use a web enabled requirements management tool so that all stakeholders can see/manage requirements in a centralized fashion. It is our understanding that the project management team has identified a toolset that would meet its purposes, not only for requirements management but for many of the necessary project reporting/tracking needs, but that a delay has occurred in the approval and purchasing process. This toolset, or something similar, should be put in place as soon as possible.

2 Schedule	R	Y	G	n/a	
Current Rating	**{……..HIGH}**				
Previous Rating	**HIGH**				

Recommendations: The project schedule should be updated with the newly approved monthly iteration approach. This will require the project 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.

3 Budget	R	Y	G	n/a	
Current Rating	**HIGH**				

Section I – Executive Summary

Overall Assessment Findings

Previous Rating	**HIGH**	

Recommendations: Complete a detailed budget that includes historical monthly actual and encumbered costs and projected/estimated budget items going forward to the end of project. This work must be completed in conjunction with the re-planning activities underway. This level of detail is necessary to substantiate the project's ability to support scope, schedule, and resources. Preliminary, verbal projections provided from the PMO indicate expectations that 50% of the approved funding will be expended by end of June 2012 and the remaining approved funds expended by end of December 2012. There is no way to substantiate this with information available. Develop a contingency plan to execute should the additional federal funds not be approved. The reliance on funding not yet applied for and approved is a risk in itself.

4 Human Resources	R	Y	G	n/a	
Current Rating	**HIGH**				
Previous Rating	**HIGH**				

Recommendations: Continue focus on recruitment and hiring for positions known to be critical, such as the Security Architect, remaining Functional/Business Leads, and technical resources. Specific technical skills related to the proposed Oracle Architecture Framework are also important. If these roles cannot be filled within the necessary time frame the project should also continue to consider well skilled contractors on an interim basis.

The Iterative SDLC approach is new to many team members. Training should continue to be available to all team members including Modernization and HIX-Corporation personnel. In addition, personnel should be made aware of their role and responsibilities in this process.

The HIX-IT Management Team should continue to work with appropriate groups to establish training plans and training for project resources.

5 Technology	R	Y	G	n/a	
Current Rating	**{…… MEDIUM}**				
Previous Rating	**MEDIUM**				

Recommendations: The continued progress of development/configuration should be closely monitored to verify the actual results from each iteration. The 6th iteration was reported as successfully completed on 02/03/12 – this resulted in a working build in TEST; iteration #7 was reported as complete on 02/24/2012. HIX-IT Project Management believes this activity has mitigated several significant risks in the technology area. The technical architecture is being proven (example – WebCenter and Siebel are communicating with each other) and the Oracle platform and culture have successfully been executed within the three week iterative process. MAXIMUS agrees with this statement after review of the iteration assessment reports and a visit on-site to the Oracle facility for a demonstration.

Section I – Executive Summary

Overall Assessment Findings

Continue the gap analysis to determine what, if any, areas of functionality will not be satisfied by the Oracle Commercial Framework based on the requirements set forth by CMS, HIX-IT, HIX Corporation, and EA/Medicaid teams. This gap analysis is necessary to determine if custom development will be necessary and used as input to the requirements for any System Integration vendor and/or consideration for the procurement of the Production environment. While a System Design document was presented to CMS during the last Gate Review, it is unclear if this is considered the formal/approved design. Finalize the System Design document that describes how the major components of the project technology framework will satisfy the project requirements. This document should detail all major business functions, as well as all interfaces that the system will have to all external systems. This document should also capture the design trade-offs and assumptions being made by the Architecture Team/Vendor.

Confirm that the HIX-IT/Modernization Management Teams and Oracle understand the work underway by IDEO to provide revised User Interface design specifications as these are not part of the proposed Oracle framework. The initial wireframes were reviewed by representatives of the states in the working group and were reported to be deficient. IDEO is revising the specifications but as of the writing of this report, revisions are not yet available. The work to implement the User Interface must be in the schedule and as such, must have design, scope, and resources. Any rework due to the use of the initial specifications must be accounted/planned for. At this time, it is possible that a different approach for the HIX-IT UI will be taken.

The Oracle Policy and Automation Tool is understood to be extremely flexible and needs a robust change management process. For example, there should be clear direction on who can enter and/or change a business rule in order to avoid instances such as a rule being entered one day and changed the next day due another individual's interpretation of that rule. This could be a significant change/configuration management issue if not controlled from the start of the use of this component of the Oracle framework. The HIX-IT Team should discuss this product component with other/similar Oracle customers to get a better understanding of how it can best be managed. This remains a recommendation that should be exercised before the HIX-IT Project is much further along in its iteration process.

Risk level:	

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).

Risk rating:	

Executive Summary Overall Assessment ratings are of specific evaluation areas as follows:

- Project Health - The executive summary quality standards and process scorecards.
- Budget - The earned value budget assessment findings and the budget process evaluation.
- Schedule - The earned value schedule assessment findings and schedule process evaluation.
- Human Resources – The number of resources and their skill sets.

Section I – Executive Summary	
Overall Assessment Findings	
■ Scope - The product content and scope standards. ■ Technology – The technology selected and development approach.	
Critical Project Risks	
See Section II – Updated HIX-IT Initial Risk Assessment Findings	

Quality Standards Scorecard

Table: Quality Standards Scorecard

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
Business Mission and Goals	***Medium***		***Medium***	***Findings:*** • The project clearly fits the HIX Corporation goals at a high level. However, a closer alignment/understanding of the needs/priorities of the business/customer and the implementation by the IT organization is necessary if there is to be any chance of meeting the 02/2013 date. • HIX-IT Corporation perceives that the project wants to support its goals. However, they believe there is a disconnection between what the business expresses it wants and its priorities and how HIX-IT interprets that information. • There are significant workflow changes that are expected as a result of the EA/Medicaid (formerly within the Modernization Project) portion of the HIX-IT Project. Also, since the Health Insurance Exchange is new and there are no legacy Exchange workflows, new workflows and processes are needed. ***Recommendations*:** • Executive Management needs to continue to develop coordination and alignment at the executive level. • Better communications between HIX Corporation and HIX-IT related to business needs/priorities and the manner/timing of when those items will be met via the IT development/configuration process. MAXIMUS recommends a process for formal documentation and signature approval by both parties on the planning (content) and progress/results of the backlog and iterations. • With the start of a new process to identify / document/ finalize business requirements being

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				led by HIX-Corporation, support and cooperation from HIX-IT and Oracle is necessary. MAXIMUS recommends that the level of effort needed to complete this process as well as the impact to other scheduled activities be fully assessed and documented. A complete understanding of the process and the expected outcome is not understood at this time. • The HIX Exchange is a new business and therefore has no legacy business processes. This represents a challenge in creating new workflows that align to policy. This will likely require more management review/analysis of the newly created business exchange processes. • Executive Management needs to continue to bring the EA/Medicaid and HIX-IT projects into a single project - strategically, tactically, and operationally • Specific processes must be established to address potential priority and resource conflicts.
Decision Drivers	***Medium***		***Medium***	***Findings: No Change*** • The Project has a number of political influences. The original grant is based on the Affordable Care Act (ACA) which is currently being discussed at the national level. There is no evidence of local politics affecting the selection process. • The delivery date is being completely driven by a need to meet a deadline unrelated to technical estimates. • The technology being used is the Oracle Enterprise Architecture Framework. The tool set is comprised of Siebel CRM, Oracle Policy Automation, Weblogic, and Hyperion. These components have been integrated over a number of years by Oracle. According to Oracle, these components are highly configurable and customizable. This technology is new for use in Oregon benefits programs. • HIX is a brand new application area. This specific Oracle product mix has never been utilized for HIX. • According to Oracle, the proposed product suite enables the State the ability to leverage a standard tool set that makes it possible for a variety of vendors to participate in the design, implementation and maintenance of the product. In addition, the flexible tool set enables the State to reconfigure the system for future expected eligibility rule changes

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				Recommendations: • Care should be taken to architect the HIX-IT system in a way that considers dependencies with the EA/Medicaid scope. • The project schedule must be developed according to the actual scope, time, and resources necessary to produce the quality product that is expected. • There is a significant risk associated with the design and implementation of the proposed tool set. HIX-IT has little experience and few, if any, technical resources to validate the work-in-progress by Oracle. The hiring of new personnel with sufficient expertise will be critical.
Project Management	***High***		**03/2012 Change from High to Medium**	***Findings*** • The Project Management Team is directing and managing the project. • Project management process and control methods continue under revision and/or development, but are closer to being finalized. • The full detailed schedule was rewritten/revised to reflect the 15 day iterative approach; it now has to be revised to reflect the new monthly iterative plan. It is unclear when the schedule will be finished and re-baselined. • The revised schedule will not be re-baselined – per HIX-IT program management, the re-baseline took place when the high-level milestone and schedule was approved by the Tactical Steering Committee. • The current Project Management team appears extremely focused and dedicated. • Project Management roles are clearly identified. • The Project Charter has been approved and includes the formalization of the project sponsor and executive leadership roles and responsibilities. Regular meetings are held for the purpose of discussion project status, risks, and progress. • There is a Risk Management Plan that was reviewed. The document contains all necessary components to execute a controlled and consistent risk management process and issue management process. However, at this time there is no evidence of use of this plan in day-to-day project management. A list of risks is included in status reports but the proposed tracking tool, SharePoint, is not yet functional.

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				• A Deliverable Management Process has been documented and tested; however, the outcome of the test is unknown. • Proactive management of Oracle and other vendors will be a major responsibility of the Project Management team. The staffing plan identified two positions that are for contract management which will provide support to the management team – one named individual is in place. ***Recommendations:*** • All Project Management Institute (PMI) established Project Management Plans must be defined, documented, implemented, and enforced, as quickly as possible. • Additional resources must be made available to the Project Management team. • Correct the project schedule. The revised schedule should be closely and continuously reviewed. • A formal communication strategy should be finalized as soon as possible. One simple example of where conflict might arise is attempting to schedule a meeting with appropriate individuals who work in different organizations in a variety of locations. This will become a major risk as the project moves to points where key items such as deliverables, work products, and design reviews require a coordinated and collaborative effort for timely decision making. Delay in the approval/disapproval of one activity often leads to delays in others. • Once formally approved, execute the Risk Management Plan. Have a clear risk tracking mechanism that has actionable recommendations and resource assignments for remediation. This information should be shared with executive management on a daily basis if necessary. • Discuss a “joint project development” approach to the project as Oracle will clearly profit from the development, with Oregon’s help, of its HIX Solution Offering. Implement a “Product Strategy Council” at Oracle to assist in managing this relationship across multiple Oracle business lines and owners.
Project Parameters	***Medium***		**Medium**	***Findings:***

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				• The intended production environment is undetermined and may potentially involve the State Data Center or the Oracle facilities. • The IRR was updated and is undergoing review. The approval of the location of the HIX-IT environment is a significant issue and is under discussion. ***Recommendations:*** • The location of the planned production hosting environment needs to be determined, including obtaining any agreements required to operate outside of the State Data Center, if appropriate. • Finalize a complete plan that identifies the items that need to be done for the expected life of the project.
Project Team	***Medium***		**Medium**	***Findings:*** • The project reports that 41% of the internal team members have been hired. Hiring remaining staff is a priority but the hiring process is timely and finding specific skill sets can prove difficult. • The team members are excited and committed to the project. • It is premature to evaluate expertise and training, given the relatively small percentage of the employee group that has been hired. However, the complexity of the solution and the SDLC approach will require a set of unique skills that may not be readily available. • The project teams are beginning to be productive as evidenced by the reported completion of 6 iterations. However, more information is needed to determine what was 'completed during those iterations. ***Recommendations:*** • A project person, working with the appropriate HR resource(s), should continue to be focused solely on hiring of critical project staff for a minimum of the next 60 days. • Lack of resources is taking its toll on staff. The staff is currently being pulled in a number of

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				different directions as they attempt to get the project under control. Where possible, temporary staff should continue to be employed to take on some of the more fundamental tasks or provide back-fill options. • Consider both initial and ongoing team-building activities, to maintain positive attitude, especially as the new staff are added to the team • Depending on the success of the State's recruitment efforts, extending KPMG support for the project should be seriously considered. • There is a significant risk associated with the design and implementation of the proposed tool set. HIX-IT has little experience and few, if any, technical resources to validate the work-in-progress by Oracle. The hiring of new personnel with sufficient expertise will be critical.
Organization Management	***High***		**High**	***Findings:*** • Some team members (EA, HIX-IT and HIX Corporation) do not fully understand the Iterative approach being used and feel uncomfortable approving iterations. This may be indicative of lack of training, lack of clear understanding of the responsibilities, or lack of an approved process for approval. • Management demonstrated strong commitment to the project through their actions and communications, as confirmed by management personally interviewed for the assessment. • The Project Management needs to better define the roles and responsibilities of team members. Interviews and meetings conducted as part of the MAXIMUS task to assess requirements indicate that tasks are assigned and then before completion, team members are assigned other tasks. Better coordination and some level of consistency in what team members are actually supposed to accomplish is required. • The HIX Corporation and the HIX-IT Project do not fully understand each other's needs and how to translate customer requirements into the technical solution. ***Recommendations:*** • Due to the new members at the executive level of management across several organizations including implementation of the new Inter-Agency HIX Advisory Board,

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				Strategic Steering Committee, Oregon Health Insurance Exchange Board, and the HIX Corporation, we recommend interviewing all members of these executive management teams during future Quality Assurance assessments. • Closely monitor the newly proposed 60-day requirements process that has been described as being 'owned' by the HIX Corporation. This process will require participation and resources from all parties including HIX Corporation, HIX-IT, EA/Medicaid, Oracle, and other vendors. • The HIX-IT Project needs to schedule and coordinate resources in a clear and efficient manner. The process for scheduling and communicating to these resources should be reviewed by management to ensure all resources are used as efficiently as possible. • The SDLC process should be reviewed by management to ensure that the personnel have the proper authority for approval of iteration outputs. • Iterative SDLC training should be available to all team members including HIX-Corporation. In addition, they should be made aware of their responsibilities in this process. • A clear process for resolving resource conflicts must be defined and implemented.
User/Customer	***Medium***		**Medium**	***Findings:*** • The existing 14_HIX-IT Business Requirementsx.pdf (dated 10/31/11 but last modified on 11/21/11) was reviewed and does not include tasks associated with ensuring appropriate user/customer involvement. While it contains wording that user requirements/user experience will be included, there is no identification of how the users will be involved. • The Training Plan has not been developed at the time of this review. ***Recommendations:*** • The HIX-IT Requirements documentation should be completed with a clear understanding as to how the requirements will trace back to user input. Customer (HIX-IT Corporation), OHA, and DHS approval should be obtained. • Clearly identify in the Requirements Management Plan the expected groups, personnel, or functional roles that are expected to make up these sessions. • The updated schedule should include a task(s) for completion of the Training Plan.

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
Business Transition	***N/A***		**N/A**	***Findings: No Change*** • Since the project is clearly seeking to minimize customizations to the Oracle product suite, business processes may be driven by the configurable options of the associated products • A business transition plan has not yet been developed. • Business processes are being evaluated. However, it is too early in the project to measure these items. • It is too early in the project to measure Business Transition Effectiveness. ***Recommendations:*** • The Business Transition Planning and Business Transition Phase of the project should be developed as part of the master schedule.
Information Security	***Medium***		**Medium**	***Findings:*** • Currently the Vendors do not identify a security lead in their contract. • There is currently no security plan for the project. • The security contract does not require the security vendor (L. R. Kimball) to evaluate how security will be built into the SDLC and procurement process. • The gap analysis did not reference the Harmonized Security and Privacy Framework – Exchange TRA Supplement Dated March 16, 2011. This is the HIX reference in the HIX Requirements document dated November 11, 2011 and is referenced in the security contract. This document should have been utilized for the analysis. • Currently the detailed security requirements do not exist for the system. • It is unclear how the security requirements will be incorporated into the system. The current security vendor does have a task that shows it will provide security recommendations. It is unclear who will transform these recommendations into requirements for the Architect, Configuration, and SI vendors. • We were unable to identify a clear requirement in the Oracle contract that indicates what coding methods they use or what the best practices are for configuring the system with

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				security in mind. • The current development and testing environments are being hosted at the Oracle hosting facility. The current security vendor does not appear to have taken this into account in its analysis. Oracle security standards and products need to be included in the Gap Analysis and recommendations documented. There is a risk that the security requirements or services needed from Oracle products or the hosting facility may not be available or contractually agreed upon. ***Recommendations:*** • State security standards should be referenced in all contracts. • A designated security person should be identified on the project. This resource should be charged with coordinating all security plans and requirements with the State ISO, Security Vendor, Project Team, and all other vendors on the project. • Create a security plan for the project that includes roles and responsibilities. If the State is to take on more responsibility with respect to being the prime contractor it will need to ensure it has a comprehensive plan for managing the security of the project strategically, tactically, and operationally. • Increase the scope of the Security Vendors' SOW to ensure that the Oracle product capabilities and hosting services are capable of the required security.
Product Content	***High***		High	***Findings:*** • Detailed and maintainable functional and technical requirements are critical to the success of the project. As of February 2012, one year after the award of the Innovator Grant, any gaps in requirements are unknown. • There have been multiple attempts to clarify requirements, but as yet none have been successful. In an attempt to address some of the past failed efforts, a new requirements process (called the '60-day' Requirements Process) was introduced on 02/08/12 and will be 'owned' by HIX Corporation rather than HIX-IT. Clearly articulating ownership of this process in a step in the right direction. However, the involvement of other stakeholders, including OHA and DHS, are not yet clear. Nor is there a way as yet to determine if the 60

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				day time frame is realistic. • Currently, guidance information is lacking on three of the six functional areas from CMS, including second level information on the Financial Management. • The requirements of the system are in the process of being enumerated. Oregon has no control over when CMS will not only distribute remaining guidelines, but when those guidelines will be considered 'final'. • The requirements of the project will be extensive and expected to change throughout the development of the project. Managing these requirements across three organizations and three key vendors is a risk. ***Recommendations:*** • MAXIMUS recommends that this new requirements process be documented, including roles and responsibilities in the day-to-day collection of the requirements, requirements project management, and overall program/strategic management. Questions on whether the 60 day time frame is adequate and the impact to other tasks/activities may be affected due to resource shifting must be answered. • Continue to work pro-actively with CMS to remain as up-to-date as possible on when additional information will be available. • If necessary, identify a drop dead date for the missing guidance from CMS. If this date is passed without guidance the project should notify CMS and HIX Corporation that scope reduction must take place and/or requirement assumptions need to be made in order to keep the current time line. • Enter and maintain all functional and technical requirements in an automated requirement traceability toolset. It is our understanding that the project management team has identified a toolset that would meet its purposes, not only for requirements management but for many of the necessary project reporting/tracking needs, but that a delay has occurred in the approval and purchasing process. This toolset, or something similarly robust, should be put in place as soon as possible. • Monitor and ensure the use of the toolset.

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
Development Process	***N/A***		Medium	***Findings:*** • A Systems Integrator (SI) Vendor(s) has not been brought on board and the procurement has been delayed. This is now a risk to achieving the February 2013 completion date. • Technical documents/work products are being produced by Oracle. Normally, a detailed thorough review of this material would take place by the QA vendor. However, this type of assessment will not begin until the start of MAXIMUS Quarterly QA activities. The HIX-IT Project management might wish to revise the MAXIMUS activities to include reviews of this material by MAXIMUS based on a deliverable schedule. However, we do not know what that schedule includes. • Ongoing Quality Assurance is critical to help manage the risks of the HIX-IT Project. ***Recommendations:*** • Consider adding to the ongoing, independent quality assurance/control contract/process so that vendor deliverables/work products can be assessed in a timely fashion. • If there is a schedule for deliverable/work product reviews, share this with appropriate parties including the QA vendor.
Development Environment	***Low***		Low	***Findings: No Change*** • The tools are currently not defined. ***Recommendations:*** • Identify the required tools prior to contracting with a Configuration and SI Vendor.

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
Technology	***Medium***		**Medium**	***Findings:*** • The 6th iteration was reported as successfully completed on 02/03/12 – this resulted in a working build in TEST; iteration #7 was reported as complete on 02/24/2012. HIX-IT Project Management believes this activity has mitigated several significant risks in the technology area. The technical architecture is being proven (example – WebCenter and Siebel are communicating with each other and the Oracle platform and culture have successfully been executed within the three week iterative process.) MAXIMUS agrees with this statement after review of the iteration assessment reports and a visit on-site to the Oracle facility for a demonstration. • Oregon DHS completed a comprehensive review of the product with the assistance of the Wakely Group and KPMG. The results of their reviews were published in two documents titled, Oracle Solution Review_V1.0 and State of Oregon_Updated HIX Vendor Output Review_v4_draft.doc. The second document is from the May 2011 Onsite Demonstration Sessions. This document contains an independent assessment that concludes that the technology is a good fit for the project. • The Project Team and DHS in general do not possess significant experience with the selected commercial framework. • HIX-IT/DHS is relying heavily on Oracle for expertise. • HIX-IT/DHS plans on relying on vendors to develop, configure, and integrate the Oracle components. • HIX-IT/DHS plans on training an internal core group on the Oracle tool sets. • The Oracle framework is not currently used in other states on similar projects. Oregon is the first State to use the framework for both EA and HIX. The commercial framework presented from Oracle is a number of products that Oracle has purchased over the years, It is unclear as to how integrated these products are currently. Please refer to the document titled, 'Updated Vendor Output Review - Including May 2011 Onsite Demonstration Sessions', dated May 17th 2011 for more details. • Currently, there are architecture documents under development by Oracle. • While there was a System Design meeting with CMS using design documents prepared with assistance from Oracle, we cannot determine if this is the official, approved HIX-IT

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				design? ***Recommendations:*** • Continue to closely monitor and verify the results of each iteration. • If not already in an approved state, finalize the System Design document in the next days that explains how the major components of the commercial framework will satisfy the project requirements. This document should detail the interfaces that the system will have to all external systems. This document should also capture the design trade-offs and assumptions being made by the Architecture Team/Vendor. This document will be used across the vendor community. • HIX-IT team should review the Oracle selection documents as many of the project management and team members have come on-board after these reports were issued. • The Oracle Framework has never been used in this type of government application. There were a number of risks identified during the selection of the product. The project team should identify the key risk areas of the framework and use risk reduction techniques to further assess the level of these risks.
Deployment	***Medium***		**Medium**	***Findings: No Change*** • Customer service plans in support of roll-out have not been defined and it is unclear as to how and when the HIX-IT Project Team hands the project to the HIX Corporation • Data integrity and data conversion/migration are critical risk areas. • Data migration challenges are referenced in the KPMG product selection document, but the activities and owners are not clearly defined. • The allocation of effort between vendor and OHA is not defined, to the best of our knowledge. • We are unaware of a test plan for verifying migrated data. • Currently a pilot approach has not been detailed. It is our assumption that a pilot will be incorporated into the User Acceptance Testing. • The exact interfaces and their use are unclear. The Architecture review document alludes to a few interfaces and the functional architecture PowerPoint slides from Oracle identify

Section I – Executive Summary – MID-LEVEL Findings, Recommendations, Risks				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				another set of interfaces. • This information will affect, scope, schedule, resources, and architecture. ***Recommendations:*** • A thoughtful implementation schedule, including both functional and geographic phases, should be utilized to manage implementation risks. • Identify in the Project Plan the plan for the system roll-out and the HIX Corporation role during this phase. • Data migration, especially in the EA/Medicaid section of the project is currently unknown. A data migration plan needs to be developed. • A comprehensive testing plan needs to be developed for the project. • The project should clearly articulate the interfaces and provide a clear description of what the interfaces are and their purpose. This information should be in the Architecture Document.
Maintenance	***Medium***		**Medium**	***Findings: No Change*** • The project has utilized a Commercial Framework Solution (CFS). This framework is highly configurable and the project team seems to want to do minimal customization. In the Charter and Scope document Attachment A The Business and Technical Complexity Assessment indicates that the system is expected to have a "High" complexity rating. • Problem resolution procedures have not been explicitly defined in documents that we have reviewed. • The project may be divided into three vendors, the architect, configuration/SI (System Integrator) and a hosting vendor. Also, technical resources are being procured from the Covendis contract. Having this many vendors may create a support system that is unworkable. • We have not reviewed evidence of a patch management strategy. ***Recommendations*:**

Section I – Executive Summary – MID-LEVEL **Findings, Recommendations, Risks**				
Quality Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				• As the project team shifts their strategy from a single SI vendor to multiple vendors care should be taken to ensure that a support strategy is well thought out. This strategy should be propagated through the appropriate contracts.

Section I – Executive Summary				
Processes Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
Scope	**High**		**High**	***Findings:*** • The Scope of the system was defined in the Project Baseline Review document dated May 3rd, 2011. The project is rated as high complexity, with a fixed end date all the while waiting for additional guidance in three key functional areas. • The Scope was revised and approved via the Project Charter approved in November 2011. This was primarily revised to incorporate the increased Medicaid functionality. • While the high-level scope is defined, the business and non-functional requirements remain inadequate. Those requirements currently documented are undergoing assessment by the MAXIMUS QA team. The outcome of that assessment will be provided in a separate report. ***Recommendations:*** • The State should further refine the requirements of the project with the key stakeholders. This should be approved at the executive level so that visibility of requirements is with all stakeholders.
Schedule	**High**		**High**	***Findings:*** • The schedule, including hours and cost, should be rewritten/revised to reflect the new iterative approach. It is unclear when the next version of the schedule will be finished. ***Recommendation:*** • Develop a complete realigned project schedule.
Budget	**High**		**High**	***Findings:*** • The budget information provided in the HIX IT Budget and Cash Flow to KPMG Feb 2012 suggests that actual expenditures are significantly lower than projected expenditures in the adjusted budget. Encumbered funds (funds not actually spent as yet but tied to a cost, such as vendor contracts) are not specifically called out in these documents. • A major risk is that the project is relying on additional funds that have not yet been formally requested or approved. The approved funding will not take the project through to

Section I – Executive Summary				
Processes Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				completion. ***Recommendations:*** • A budget should be developed that clearly indicates the expected cost (actual and encumbered) going forward in the project. This budget should be completed in the next 30 days. • A contingency plan is needed in the event additional funding is not received.
Human Resources	**High**		**High**	***Findings:*** • A major risk reported by all those interviewed is resources – getting the right number (as identified in the staffing plan) and with the right skill sets. Management roles are clearly identified. However, with the lack of resources on the project; there are a number of responsibilities that are being done by existing staff who may not be fully qualified for such tasks. • Currently, we believe there are sufficient skill sets for the positions that are filled. However, the project team as a whole has a number of positions that are currently open. Key positions open include that of Technical Architect, Database Architect, and numerous other technical positions. • The majority of projected team members have not yet been hired. It is estimated that 59% of the team members still need to be hired. • The team members remain excited and committed to the project. • It is premature to evaluate expertise and training. ***Recommendations:*** • A project person should continue to be focused solely on hiring of staff for the next 60 days at a minimum. • Lack of resources is at times making information gathering frustrating for team members. The staff is currently being pulled in a number of different directions as they attempt to get the project under control. Where possible, temporary staff should be employed to take on some of the more fundamental tasks. •

Section I – Executive Summary				
Processes Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				• Iterative SDLC training should be available to all team members as they arrive including HIX Corporation and DHS. In addition, team members should be made aware of their responsibilities in this process, i.e., signoff responsibilities.
Procurement	**High**		**High**	***Findings*:** • The Project has changed the strategy of using a single Systems Integrator to using multiple vendors for the design, configuration and integration of the system. • The procurement of a Systems Integrator has been delayed. • This new approach shifts the State into a Prime contractor role. This role also shifts more of the project execution risks to the State. This requires the state to have a more comprehensive strategy on contract management. • The current contracts do not fully reflect this new approach and their deliverables are not tied to a project schedule. • The current Oracle product and services contracts are let using the DELL ASAP MLSA contracting vehicle. Typically, this contracting vehicle is reserved for commodity purchases. The Project Team has indicated that they have a waiver from SPO to contract services and hosting from Oracle using this vehicle. The project is contemplating increasing their commitment to Oracle using this same vehicle. It is unclear as to the intention, term, or scope of this waiver. • Oracle is being contemplated as the hosting vendor for the production HIX-IT system. It is unclear as to whether the HIX-IT project has the appropriate State Data Center exemption for this to occur. • The use of the Covendis MSP contracting vehicle is being considered for the Configuration and Systems Integration Vendors. This contracting vehicle is limited on the amount, type, and size of available expertise. However, this contracting vehicle is the most expedient for the project and may help mitigate some of the schedule risk. The concern is that the Configuration and SI Vendor contracts will be further divided into multiple contracts through this vehicle, making contract administration more difficult than it is currently. ***Recommendations*:** • Develop a clear contracting strategy across the HIX-IT and Modernization projects that ensure the contracts between Vendors are aligned with each other as well as with the overall project approach and milestones. Renegotiation of existing contracts may be

Section I – Executive Summary				
Processes Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				necessary. • Ensure that all relevant requirements and terms are clearly articulated in the legal agreements, including all vendor and state responsibilities. • The HIX-IT project shares the initial Oracle contract with the EA project. The contract has comingled deliverables that require both projects to sign off. With the integration of the EA/Medicaid scope into HIX-IT, the contract should be reviewed to make certain deliverables are clear as to when and who needs to sign off on what deliverables.
Quality	**High**			***Findings:*** • The QA Management Plan has not yet been developed. • The project has contracted with MAXIMUS for formal a QA function. • The document 10 – Deliverable Management Process was reviewed. There is no role described for a QA or QC Vendor in the review process. Additional, the approved and disapproved letters for a deliverable is described as coming from 'MAX' which is an organization and not a specific person. The approved Project Charter also indicates the Tactical Steering Committee will approve deliverables, but not if all, some, or a specific set. • Reviewing Vendor deliverables will be problematic given the approach to contracting and the inter-dependent nature of the project with DHS, OHA, and HIX-Corporation ***Recommendations:*** • Development of a Quality Management Plan will now take place as part of the MAXIMUS contract. • A simple deliverable review process is written up. However, the document does not indicate how deliverables that span both EA/Medicaid and HIX-IT will be evaluated and approved now that all of the scope is within the HIX-IT Project. In addition, deliverable formats are not defined in the Vendor's contracts. This lack of reference for reviewing deliverables places more emphasis on using expert resources and knowledge to robustly review the documents. These resources are currently in high demand on the project. • Deliverables (and work products) that require review and formal approval should be included in the project schedule including the related time frames for the process. • The project should have an ongoing, independent quality control process for all vendor deliverables. • The deliverable review process should include a role(s) for QA/QC vendor. The process

Section I – Executive Summary				
Processes Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				and procedure for deliverable and work product review/approval must be clearly documented and executed.
Communications	**Medium**		Medium	***No Change: HIX-IT Communication Planx.pdf updated on 2/7/12 is still in draft form.*** ***Findings:*** • A HIX-IT Draft Communications Plan is under development in support of communications to (and from) the various stakeholders. An assessment of this Plan found that if it is executed as written, the distribution of communication requirements would be met. Also, the Plan did not contain details on how the information communicated was received by the intended audience(s). The actual performance measures cannot be assessed until execution of the Plan begins. ***Recommendations:*** • Finalize the HIX-IT Communications Plan and execute the Plan. • The Plan should include/confirm a Road Map on when, how, to whom, and what communications should be planned will be developed. • The Plan should document steps to evaluate how the communication was viewed/understood by the intended audience. • Ensure the plan is integrated with other Project Plans. • The Communications Plan should be fully integrated, reviewed and signed off by all relevant groups (EA, HIX-IT and HIX Corporation). • Assessment of the adequacy of the Plan and the execution of the Plan should be part of on-going Quality Assurance reviews
Risk Management	**High**		Medium	***Findings:*** • The HIX-IT Risk and Issue Management Plan v0.2x.pdf, dated 2/7/12, was reviewed. • It addresses these evaluation questions, but the Plan has not yet been fully executed – for example, the tool to be used is SharePoint which was not yet fully implemented. • Risks are being reported in the weekly status report and shared with the LFO as part of the monthly meeting process. • This will become a low risk or closed once the plan is approved and executed consistently.

Section I – Executive Summary				
Processes Standards Scorecard				
	11/2011		***02/2012***	***Assessment Findings and Recommendations***
				Recommendations: • Finalize the Plan and obtain approval to proceed. Execute and closely monitor the plan. • It is expected that the risks identified during this assessment will contribute to the formal risk and issue log and feed into the development of the formal Quality Management Plan • This Plan should be put in place in a formal manner immediately.
Risk level: N/A = Not Applicable, Red/R = High, Yellow/Y = Medium, Green/G = Low				

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, that schedule should be used for on-going monitoring, tracking, and reporting project status and progress.

Section II – Initial Risk Assessment Findings

A. Budget

Revised Budget Analysis (March 1, 2012)

Summary

This budget analysis updates a previous budget analysis that was based on the budget estimates in the "JLCIMT HIX IT Report CP budget Backup 11-8-11.pdf" document and on the "HIX IT Budget and Cash Flow to KPMG Feb 2012 (v2) - Actual Expenditure" spreadsheet.

The budget is considered to have status of "red" due to a variance of 43% below projected expenditure levels for March 2012 (57% of projected expenditure.) Actual expenditures through January 2012 (30% of projected expenditures) were also significantly lower than projected expenditures for that date. Such under spending is generally indicative of schedule slippage.

We note that current projected cumulative grant expenditures will not reach 50% by June 2012, with only 48% expenditure achieved by June 2012, and 54% achieved by July 2012. This represents a four month delay (March to July) relative to original projections for the 50% spend-down level and may delay application for and receipt of additional funding.

Finally, we recognize that prior projections for global budget cash flow (see *Attachment D: HIX IT Cash Flow2-21-12 with projections.xls)* represent a somewhat arbitrary baseline, but at this time they are the best baseline available. We would welcome the opportunity to evaluate an alternative budget model, based on detailed budget components (e.g. hardware, personnel, etc., or an even more detailed model) and projections of specific trends for each budget component, based on anticipated workload and deliverables. Such a model could provide an improved basis for evaluating project status over the remainder of the project.

Review: Direct comparison of the two documents showed that then current (2/3/2012) expenditures ($5,692,425) were 18% of expected expenditures ($31,325,711) for 3/31/2012 and $25,633,286 less than expected on that date. However, there was a nearly two month gap between the current expenditure statement and the adjusted budget projection. Therefore, the following allocation was applied in order to estimate expenditures. We allocated projected first quarter expenditures (Jan 1 - March 31, 2012) equally over the three months, and derived a lower projected expenditure level for 2/1/2012 (the "January only" value), and estimate that current (2/3/2012) expenditures ($5,692,425) were 28% of expected expenditures ($20,162,449) for 2/1/2012, and $14,470,024 less than this

derived expected value. In either case, the budget information provided in the above referenced documents suggested that actual expenditures were significantly lower than projected expenditures in the adjusted budget. Encumbered funds (funds not actually spent as yet but tied to a cost, such as vendor contracts) were not specifically called out in these documents.

New Analysis: In this report we update our analysis with new budget data and projections, contained in the "HIX IT Cash Flow 2-21-12" spreadsheet. We continue to use the ""HIX IT Budget and Cash Flow to KPMG Feb 2012 (v2) - Actual Expenditure" spreadsheet as a baseline and definition of "originally projected expenditure." (Our spreadsheet also includes, for reference, an even earlier budget projection derived from the "Health Insurance Exchange Project - May 3, 2011 - Project Baseline Review" but this projection is not discussed further in this document.)

The document "HIX IT Cash Flow 2-21-12" was described to us as the most recent budget document, and includes both actual expenditures through January 31, 2012, and projected expenditures through the life of the project. We make one correction to that spread sheet, including neglected 2011 actual expenditures in the total (actual + projected) expenditures, for a slightly higher total of $59,917,212.00. We make two comparisons here: (1) actual expenditures (January 2012) to originally projected expenditures (for January 2012), and (2) near-term projected expenditures (March 2012) to originally projected expenditures (for March 2012.)

As can be seen in the table below, the February 1, 2012 ("January only", "allocated" projection from our previous analysis closely matches the new actual January 30, 2012 budget expenditure, which continues to represent in the range of 28% to 30% of projected expenditures, a substantial variance.

The new March estimate represents a comparison of a recent projection with an older projection, not (as in the case of January 2012) a comparison of an actual expenditure with a older projection. The "HIX IT Cash Flow 2-21-12" document states that March 2012 is the "anticipated month to pay Hosting Contract." It is likely that this payment explains the substantial projected cumulative expenditure in March of $9,973,611. If this planned payment is made in March, it will result in the project having expended 57% of planned cumulative expenditures through March 2012. This would represent a substantial improvement in the budget status over the previously estimated expenditure of 18% of originally projected cumulative expenditures by March of 2012.

We would emphasize that this substantial potential positive turn in the overall spending trend is, at this date, based on a projected expenditure, not an actual expenditure.

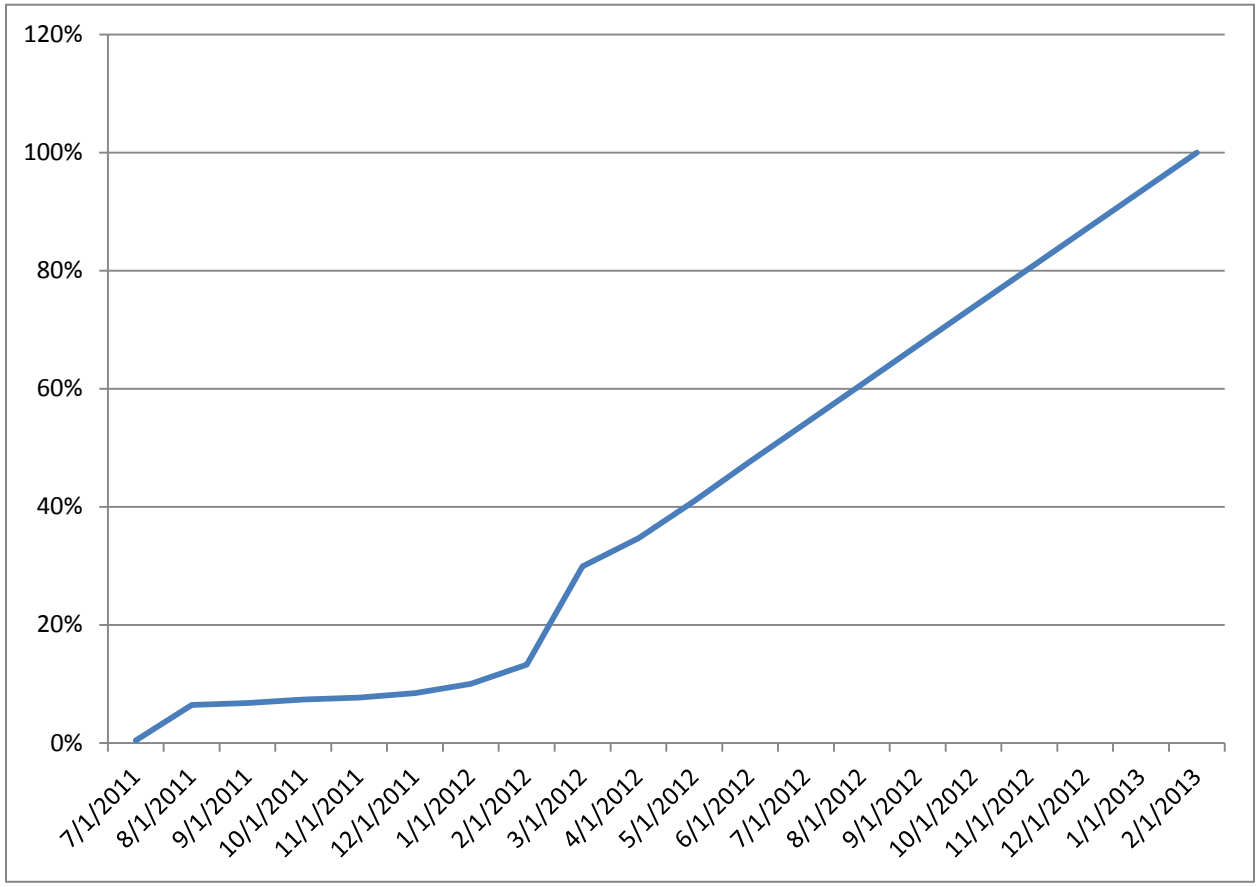
We would also note that the overall trend for projected expenditures is positive if currently projected expenditures occur as planned (see lines 11 and 36, "HIX IT Cash Flow2-21-12 with projections.xls"), improving from the 57% level continuously to 101% of originally projected expenditures in February of 2013.

Spend-Down Rate - Taking cognizance of the Federal requirement to expend 50% of approved initial grant funds prior to application for supplemental project funds, we have also analyzed project cumulative expenditures relative to the potential target date for application for additional funding. We note that current projected cumulative expenditures will reach 50% of total projected expenditures in July of 2012, when $32,486,109 (54% of total) have been expended (see "HIX IT Cash Flow 2-21-12". The current projected July 2012 date for 50% expenditure is four months later than the originally projected date for achieving a similar absolute level and percent of total cumulative expenditures (March 2012, $31,227,233). Program managers may wish to consider whether current projections for growth in expenditure will be met and thereby enable a July 2012 application for additional funds, and the implications, if any, of any additional delay in that application date for activities dependent on those additional funds.

Budget Model - Finally, it would also be valuable to view an explicit presentation of the budgeting model that underlies the projections in "HIX IT Cash Flow2-21-12.xls", so that we can provide feedback on the assumptions in that model. Currently, the projection model implies an anticipated straight line increase through project end, following the March 2012 contractor payment (see Figure 2 below.) We might expect to see an "S" curve as the project ramped up, and then a declining rate of projected expenditure increase as it approached deployment. The absence of such a curve suggests that a straight line projection has been employed. Such a model may be simply a rough estimate, or it may reflect an underlying expenditure model based on specific project schedule and workload considerations.

The total monthly budget expenditures and projections that we have reviewed here do not reflect a detailed breakdown of budget components. A more meaningful analysis of past spending and projected spending would build on the categories such as those presented in "06 - HIX IT Budget to Actual Report 1-10-12.pdf", and project Personnel Costs, Consultant Costs, Equipment, Supplies, Travel, Other and Contractual cost categories over time, based on anticipated workload and deliverable payments.

Figure 2: Cumulative Actual or Projected Project Expenditures By Project Month



REVISED

Table: Budget/Financial Summary - March 2012

Section II – Initial Risk Assessment Findings: Budget					
Budget/Financial Summary					
Budget Date	**Actual Expenditures**	**Planned Expenditures**	**Variance Percentage**	**Variance Amount**	**Assessment Findings**
Original Analysis					
2/3/2012	$5,692,425	$31,325,711 (As Stated for March 31, 2011)	18%	($25,633,286)	18% of March 31, 2012 projected expenditures have been expended
2/3/2012	$5,692,425	$20,162,449 (As Allocated for Feb. 1, 2012)*	28%	($14,470,024)	28% of Feb 1, 2012 (allocated) projected expenditures have been expended
New Analysis					
2/21/12	$9,973,611	$ 31,227,233	57%	$ (13,284,256)	57% of projected expenditures for March 2012 are planned to be expended by March 31, 2012
2/21/12	$ 6,009,095	$ 20,063,972	30%	$ (14,054,877)	30% of January 31, 2012 projected expenditures were expended by that date.
Earned Value Analysis: The budget information provided in the above referenced documents suggests that actual expenditures are significantly lower than projected expenditures in the adjusted budget. Such under spending is generally indicative of schedule slippage. From an overall project perspective, the funding estimated and reported as required to complete the project is not yet available/approved, so the HIX-IT Project Budget remains overall at **High (RED) Risk.**					
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

B. Business Case Analysis

Business Case Review – There is no change to the business case review.

The Business Case Analysis describes the Background of the project, outlining the problem and opportunity represented by the exchange. There is an emphasis on the opportunity presented by Health Insurance Exchange Development for supporting the DHS/OHA Information Technology Governance Council (ITGC) vision of a rational service based architecture for State IT systems including eligibility determination systems. The Business Case does not strongly state the objective, from a State perspective, for implementing the Exchange, preferring to emphasize what the exchange will do for customers, how it will comply with Federal requirements, and how the project as a whole will support State IT development.

The Business Case does not strongly emphasize Business Drivers directly associated with Exchange operation, emphasizing instead Business Drivers associated with State IT systems development.

The Business Case thoroughly reviews the Project Funding context created by the Affordable Care Act.

The Business Case provides an Alternatives Analysis that identifies four Alternatives, (1) Status Quo, (2) Custom Development, (3) System Transfer, and (4) Commercial-off-the-shelf (COTS, also called Commercial Framework Solution, or CFS). The Business Case reviews and compares the four alternatives and finds that alternatives (1) and (2) fail immediately for clearly stated and plausible reasons. The Business Case analysis then proceeds to a more detailed analysis of (3) and (4).

The analysis of alternatives three and four itself appears to be built on the analysis performed in the IAPD (Implementation Advanced Planning Document), although it is not cited. The IAPD noted that the optimal process for evaluating the suitability of any given Transfer Solution would be to perform a gap analysis.

> "When considering a transfer solution it is important to do a thorough assessment of both the transfer and the transferee's organizational processes and technology infrastructure to perform a gap analysis. From this gap analysis, a series of recommendations can be made to determine the guiding principles of how those gaps will be addressed" (p. 23.)

The IAPD specified precisely which systems would be subject to such an analysis (Bridges - State of Michigan, APSA - State of Idaho and ACES - New York City.) In lieu of a gap analysis (solution specific and accounting for the kind of details described above), the IAPD presented (1) elements of a solution specific cost (only) analysis (pp. 30-31) and (2) a high level (not solution specific) comparison of Transfer Solutions versus Commercial Framework Solutions (CFS), (pp. 33-37.) The resulting conclusions appear to be relied upon in the Business Case.

The Business Case provides an evaluation of alternatives at the categorical level (Transfer versus CFS), and considers the technical benefits and business benefits of its preferred choice. The Business Case also outlines significant consequences of failure to act, primarily associated with the complications associated with accepting a Federal exchange solution, and the disadvantages of a Federal exchange for Oregon local control and Oregon businesses. The Business Case provides an analysis of total program costs and an analysis of benefits, but does not provide a cost/benefit (costs compared with benefits) analysis.

C. Technical Feasibility Analysis – There is no change to the technical feasibility analysis.

Technical Feasibility Evaluation - The Oracle Decision

The original feasibility analysis focused on Enterprise Architecture, not the Health Insurance Exchange (HIX) in isolation. The resulting report therefore considered HIX technology as part and parcel of an overall enterprise system. The shift to a single source stack (a set of programs providing diverse functionality in a Commercial Framework Solution) represents a paradigm shift for state government and offers potential advantages for all agencies relying on the common enterprise architecture. As noted in the Wakely report, one component of the stack, the Siebel eCommerce package offers some risks and benefits worth highlighting.

1) Extension - The existing Siebel product needs to be "extended" (and not merely configured) to support integrated case management. The State should evaluate this risk and the effort required.
2) Possible Forward Migration - In addition we note that although Siebel product is 20 years old and widely deployed, new reports indicate it is to be phased out by Oracle, meaning that extensions will not only be unique to Oregon, but may not be useful to Oracle. The State should review reports that Oracle has recently acquired (November 2010) ATG and a new software package that is planned to be forward compatible with Siebel eCommerce, and request information from Oracle concerning how this forward migration will be handled technically and under licensing/contracting.

3) Testing Stack Integration Early - Wakely and State counterparts observed that the Oracle program set (Siebel eCommerce, OPA, PeopleSoft, etc.) "appear to integrate together effectively out of the box." Testing that observation at an early stage of development on selected high priority use cases would provide additional empirical reassurance that this is in fact the case.

Wakely also highlights some additional risks with which we concur and reemphasize.

1) SI Vendor and Single Point of Contractual Responsibility - Wakely highlights the criticality of the role of the SI vendor, and the desirability of having one entity ultimately responsible for implementation. If, instead, the State places itself in a role of Prime Contractor managing multiple contractors it must deploy the needed managerial resources, state of the art tools (such as requirements management tools, etc.) and maintain a commitment to its role.
2) Prioritization by Features versus Schedule - The Wakely report deals co-equally with DHS-SSM Modernization Program and OHA Health Insurance Exchange. It recommends that, given tight deadlines, the State should implement "must haves" first and "nice to haves" later. The State should resolve at the executive level whether it agrees with this strategy, and if so to what extent the early deadlines for HIX effectively place almost all HIX features/capabilities in the "must have" category.
3) Integrating Legacy Systems and Data Migration - Wakely highlights the criticality of accurate data modeling of existing legacy systems, and the possession of State expertise to build web interfaces from those systems to the new system. It is unclear from reviewed documentation whether this critical challenge is to be met entirely with State resources, or whether a System Integrator or Oracle should be contractually obligated to fully or partly manage this program area. Unless state resources are clearly sufficient, this should be brought within the scope of contractor responsibilities. Alternatively, the State may wish to evaluate whether some legacy data may not be forward migrated.

Conclusion

The Wakely report describes risks and benefits, and concludes by supporting the Oracle solution with certain conditions. We also note the following. The selection of a CFS type system over potential Transfer Solution type alternatives seems reasonable as part of the larger business case associated with this project and the associated enterprise modernization projects, particularly in the context of the Innovator Grant award that is funding the Health Insurance Exchange project. We have reviewed evidence concerning the advantages of a CFS over a Transfer Solution and find the generic arguments plausible. While Transfer Solutions may offer some cost savings, such savings are not assured. We have not reviewed documents describing the particular features of competing CFS solutions that were not "within range" prior to the selection of two finalists. As a result, the decision about vendor selection was made when the decision was made to move toward with CFS in preference to a Transfer Solution, and when the initial selection of two vendors was made. A comprehensive list of requirements was provided to the two vendors with instructions that the vendors respond with information regarding the degree of support its product(s) match/map to those requirements. Both vendors did so. The selection of Oracle appears to have been made in part because the other competing finalist elected to withdraw from consideration. An assessment of the original full

pool of vendors can only be evaluated against general criteria provided in the Wakely report unless a retrospective comparison with the initial pool of vendors is requested.

Overall, we consider the Oracle option to be likely to support the State's overall strategic and project objectives. From an enterprise architecture perspective, the Oracle technology will enable Oregon to move forward to significant new levels of functional integration among agencies and departments. The selected CFS solution offers the advantages of state of the art technology with a predictable forward migration path tied to the commercial interests of a major national vendor. Particularly if Oregon works to contractually formalize its role as a joint developer in a new market area (human services and health insurance exchange) it should have the full attention and engagement of the vendor. The products assembled in the Oracle package are used widely and likely to be supported in an ecosystem of Oracle knowledgeable engineers and support technicians, independent system integrators, follow-on Oracle technologies, etc. In selecting a CFS approach Oregon is avoiding orphaned technologies associated with a unique or little-used set of applications and ensuring an efficient path of forward migration for years to come.

Risk Management

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

Table: Issues and Risks

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probab (Hig Med, L
	10.7.11		Closed	Inter-dependent governance	**02/20/2012** – The approved Project Charter addresses both the high-level scope of the HIX-IT Project and the integrated governance organization. 11/2011 The HIX-IT Project, the EA Project and the HIX Corporation have an interdependent governance requirement. Currently it is not clear how the executive management, steering committees, and boards will coordinate their decisions, changes, and reporting of the various efforts up and down the chain.	MAXIMUS	Governance	HIX Project Director	Articulate and share governance information: The governance information will be used by a number of management plans, e.g., Change Mgmt Plan, Stakeholder Mgmt Plan, Communications Plan, etc. Governance information should be clearly articulated in a Scope Management plan and shared with all stakeholders.	**Closed 02/20/2012**	Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probab (Hig Med, L
	10.7.11		**Closed**	Inter-dependent projects	The HIX-IT Project is highly dependent on the EA Project. These projects are not currently aligned.	MAXIMUS	Various	HIX Project Director	Explain Integration Process: The HIX-IT Project and the EA Project need tight integration in the following plans: Scope, Schedule, Resources, Deliverable Review, Security, Change Management, Risk, and Technology. The process of integrating these projects should be clearly explained in the Scope Management plan.	**Closed 02/20/2012** 12/1/2011 – the approved Project Charter contains high-level scope for EA/Medicaid integration into HIX-IT. This is now one project.	Medi
	10.7.11		Open	State as prime contractor	The original approach to the HIX-IT Project was to have a single System Integrator (SI) be responsible for the coordination of the architecture, configuration and system integration of the HIX system. The timeline for a formal procurement of this size could take a minimum of 9 months, which is about a third of the overall timeline. This approach was changed using multiple vendors for each component mentioned above.	MAXIMUS	Procurement	HIX Project Director	Manage Multiple Contractors: If possible the state should reduce the number of contractors. The State should work with senior procurement specialist and DOJ to ensure the individual contracts are clearly coordinated and equally enforceable. The Project Manager should develop all contracts for the various entities and clearly map the timeline to each of the deliverables prior to issuing any of the contracts.		Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
					This new approach shifts the risk from the SI to the State. The State will now be in the role of prime contractor and will need to coordinate multiple contractors with interdependent deliverables. In addition, this will put more pressure on the State to have enough resources at an early enough date to effectively manage and interface with the contractors.						
	10.7.11		Open	Lack of state resources	**02/2012** -The project is at 41% of staffing plan, but key resources are still needed. The various procurement methods are being used when appropriate to hire vendor personnel. 11/2011 The project is attempting to fill ~35 open positions. Currently the chief architect, functional leads, and Business	MAXIMUS	Resources	HIX Project Manager	Adopt Multiple Approaches to Filling Roles, and Training: It may be possible to have HIX Corporation hire and embed Business Analysts into its program. Doing so could offer additional flexibility in hiring. Contractors with unique skill sets might be utilized to mentor State personnel for a period of 30 to 60 days to model processes for the State employees to work from.		Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
					Analysts are among the open positions on the project. These roles may be hard to fill given the nature of the technology, SDLC and unique business requirements inherent to the project. In addition, the SME's for the EA Project are being shared among the modernization and the HIX-IT project. These SME's are difficult to have access to for the iterative process.				Fill key technical roles to challenge and document the architecture. If these roles cannot be filled in 30 days the project should consider well skilled contractors on a project basis.		

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
	10.1.11		Open	Scope Prioritization	02/2012 – While high-level scope is now defined and approved, requirements in support of the scope are inadequate. 11/2011 The requirement of the Grant is that an Insurance Exchange will begin individual enrollment by October 2013. The level of inter-project coordination complexity, Vendor contracting complexity, new technology, and staffing challenges make this a very aggressive timeline. Scope should be well understood, controlled and prioritized to ensure that the project meets the minimum expectation of CMS, HIX Corporation, and the Oregon State Legislature. Note: this item was also identified in the Oracle Solution and Recommendations	MAXIMUS	Scope	HIX Project Director	The HIX Project Director should work with the Medicaid Modernization Program (EA), HIX-IT, HIX Corporation and CMS to list and prioritize the scope functionality. This will allow the HIX-IT PM to assign scarce resources to high priority components, in additional as tradeoffs need to be made it can be done as part of the project process without further delaying the schedule. This information should be part of the Scope Management Plan.		Hig

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
					Document Dated May 27th 2011.						
	10.7.11		Closed	Schedule	03/06/2012 – HIX-IT program management indicates that the project was re-baselined when the high-level milestones and schedule was approved by the Tactical Steering Committee. 10/7/2011 The project schedule is incomplete, not detailed sufficiently, and not traceable back to the initial	MAXIMUS	Schedule	HIX Project Manager	Closed 03/06/2012 Re-baseline: The project should be formally re-baselined due to the significant changes in the way the SI vendor will be utilized over the course of the Software Development Life Cycle.		Hig

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
					project baseline.						
	10.7.11		Open	Scope	Lack of guidance from CMS in three of the six functional areas. This guidance is expected to be developed over the next few months. The project management is expecting to make assumptions where there is not enough information/guidance from CMS. This may result in change orders or rework for the SI vendor when they come on board. A key concern is that of the Financial Management Services functional area. It is anticipated that 10 to 20% of requirements are dependent on guidance in this area.	MAXIMUS	Various	HIX Project Manager	Define CMS Guidance Critical Date: Define the date that the CMS guidance becomes the critical path. Notify CMS and HIX Corporation of this date, with the expectation that Scope will be reduced and/or the schedule cannot be met or significant rework will need to be accomplished and may require additional federal funds.		Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probab (Hig Med, L
	10.7.11		Open	Non SDC Hosting	The HIX-IT Project plans to host the production system in the Oracle Data Center. We do not believe there is a State Data Center waiver stating that this is acceptable.	MAXIMUS	Schedule	HIX Project Manager	Verify Hosting Plan Viability: Verify with the State Data Center that the proposed and intended hosting plan for the application is acceptable.		Medi
	10.7.11		Open	Oracle Technology	03/06/2012: The 6th iteration was reported as successfully completed on 02/03/12 – this resulted in a working build in TEST; iteration #7 was reported as complete on 02/24/2012. HIX-IT Project Management believes this activity has mitigated several significant risks in the technology area. The technical architecture is being proven (example – WebCenter and Siebel are communicating with each other and the Oracle platform and culture have successfully been executed within the	MAXIMUS	Technology	HIX Project Manager	03/06/2012 – Continue to monitor and verify the actual results of each iteration. 10/7/2011 Prototype critical areas of Oracle functionality: The Oracle Framework has never been used in this type of government application. There were a number of risks identified during the selection of the product. The project team should identify the key risk areas of the framework by doing a gap analysis.		Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
					three week iterative process.) MAXIMUS agrees with this statement after review of the iteration assessment reports and a visit on-site to the Oracle facility for a demonstration. This risk remain open for further assessment as the iterations proceed. 10/7/2011 The Oracle CFS has not been used explicitly in this type of government application. There may be a number of gaps that require additional development in the Oracle solution. For example, KPMG identified an issue with case management that will need additional development.						

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probab (Hig Med, L
	10.7.11		Open	Oracle Technology Forward Compatibility	Roadmap for Siebel eCommerce and ATG technology - Oracle's acquisition of ATG raises the question of future Oracle support for Siebel, forward compatibility with ATG, and responsibility for migrating Oregon investments in Siebel extensions to a new technology in out years.	MAXIMUS	Technology	HIX Project Manager	Clarify Effect of ATG Migration: Clarify Oracle plans regarding Siebel and ATG, and extent and limits of Oracle commitments to providing an upgrade path for Siebel.		Medi
	10.7.11		Close	Inter-dependent projects	2/2012 – EA/Medicaid is now within the HIX-IT Project. 11/2011 The HIX-IT Project is highly dependent on the EA Project. Plans for decoupling (at Project level and technology level) and independently managing HIX to its earlier completion date should be specified.	MAXIMUS	Schedule, Technology	HIX Project Manager	Design Break-Out Plan: In the event that it becomes necessary to separate HIX-IT Project and configuration of underlying technologies from the EA Project, initiate planning for "final push" of key components by HIX-IT project deadlines, independent of EA Project activities.	**2/2012 - Closed**	Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probab (Hig Med, L
	10.7.11		Open	Contracting vehicle	The Oracle CFS solution has been purchased in an atypical fashion by the State. The Oracle solution was purchased through the DELL ASAP contract. In addition, services were also purchased through the same contract vehicle with a waiver from SPO. This mechanism of purchase for a product that might need customization is problematic. If customization needs to occur this contract may not be sufficient to enforce customization of the Oracle Product.	MAXIMUS	Contracting Legal	HIX Project Manager	Oracle Contract Enforcement: The contract should be vetted by DOJ to identify if customization of the Oracle product is enforceable under the existing Oracle contract.		Medi
	10.7.11		Open	Requirements management	The requirements of the project will be extensive and expected to change throughout the development of the project. Managing these requirements across three organizations and three key vendors is a risk.	MAXIMUS	Requirements	HIX Project Manager	Requirements Management: The Project should use a web enabled requirements management tool so that all stakeholders can see/manage requirements in a centralized fashion.		Medi

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probab (Hig Med, L
	10.7.11		Open	Iterative Skills	The State team including EA and HIX Corporation are at different levels of understanding and implementing the Iterative SDLC approach.	MAXIMUS	Training	HIX Project Manager	Skills Development: Iterative SDLC training should be available to all team members as they arrive including HIX Corporation. In addition, they should be made aware of their responsibilities in this process, i.e., signoff responsibilities.		Medi
	10.7.11		Open	Financial	03/06/2012 – A new version of the budget/cash flow was made available for review. While there is some additional level of detail, from July 2012 through Feb 2013 each month has the same projected amount– this would appear to need additional revision. 10/7/2011 The HIX-IT budget documents currently available for review are out of date and cannot be fully assessed for accuracy.	MAXIMUS	Budget	HIX Project Manager	While re-planning scope, schedule, and resources are critical at this time, the budget requires updates to synchronize actual and encumbered expenditures and projected costs to the end of the project in order to identify gaps.		Hig

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
	10.18.11		Open	Project Management	Complete and or update all Project Plans.	MAXIMUS	Project Management	Project PMO	Project Planning: Complete and update documents by the next QA review.		Hig
	10.18.11		Open	Project Management	02/20/2012 – the draft Deliverable Management Process does not contain roles for either independent QA or QC. 11/2011 The deliverables should be independently assessed to ensure the content is sufficient and relevant, and that it aligns with the contracts.	MAXIMUS	Project Management	Project PMO	Project Deliverable Review: 02/20/2012 – Formally include independent QA/QC in the deliverable review process. 11/2011 Add independent quality control to the project.		Hig
	02/20/2012		Open	Communication between HIX Corporation, other stakeholders, and completing requirements	Detailed and maintainable functional and technical requirements are critical to the success of the project. As of February 2012, one year after the award of the Innovator Grant, any gaps in	MAXIMUS and HIX Corporation	Project Management and User/Customer	HIX-IT and HIX Corporation	Better communications between HIX Corporation and HIX-IT related to business needs/priorities and the manner/timing of when those items will be met via the IT development/configuration process. MAXIMUS recommends a process for formal documentation and signature approval by		Hig

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L
					requirements are unknown. There have been multiple attempts to clarify requirements, but as yet none have been successful. In an attempt to address some of the past failed efforts, a new requirements process (called the '60-day' Requirements Process) was introduced on 02/08/12 and will be 'owned' by HIX Corporation rather than HIX-IT. Clearly articulating ownership of this process is a step in the right direction. However, the involvement of other stakeholders, including OHA and DHS, are not yet clear. Nor is there a way as yet to determine if the 60 day time frame is realistic.				both parties on the planning (content) and progress/results of the backlog and iterations. With the start of a new process to identify / document/ finalize business requirements being led by HIX-Corporation, support and cooperation from HIX-IT and Oracle is necessary. MAXIMUS recommends that the level of effort needed to complete this process as well as the impact to other scheduled activities be fully assessed and documented. A complete understanding of the process and the expected outcome is not fully understood at this time.		

ID	Date Logged	Action Due Date	Status	Title	Description	Identified By	Risk Type	Assigned To	Plan to Mitigate Risk	Resolution Date	Probal (Hig Med, L

Table Executive Summary Comments

Section II – Executive Summary
Additional QA Observations/Comments
None

Management Comments
Following are project management comments relating to the Executive Summary findings.

Section III - Evaluation and Recommendations

Design, Development, and Implementation Quality Standards – Updated 02/20/2012

Table: Project Management (Evaluation Questions, Findings, Recommendations, Risks,)

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Business Mission and Goals						**Medium**
BMG-1	Project Fit to Customer Organization (Customer = HIX Corporation)	• Does the project support or relate to customer goals?	Yes, the project clearly fits the HIX Corporation goals at a high level. However, a closer alignment/understanding of the needs/priorities of the business/customer and the implementation by the IT organization is necessary if there is to be any chance of meeting the 02/2013 date.	Better communications between HIX Corporation and HIX-IT related to business needs/priorities and the manner/timing of when those items will be met via the IT development/configuration process. MAXIMUS recommends a process for formal documentation and signature approval by both parties on the planning (content) and progress/results of the backlog and iterations. With the start of a new process to identify / document/ finalize business requirements being led by HIX-Corporation, support and cooperation from HIX-IT and Oracle is necessary. MAXIMUS recommends that the level of effort needed to complete this process as well as the impact to other scheduled activities be fully assessed and documented. A complete understanding of the		02/20/2012 Changed from Low to Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
				process and the expected outcome is not fully understood at this time.		
BMG-2	Project fit to Provider Organization (Provider = OHA/DHS)	• Does the project support or relate to provider organization goals?	Yes, the overall project fits OHA and DHS goals.	Executive Management needs to continue to develop coordination and alignment at the executive level. With the high-level scope of HIX-IT now approved by the Steering Committee, the schedules from both EA/Medicaid and HIX-IT need to be integrated appropriately. Specific processes must be established to address potential priority and resource conflicts.		Medium
BMG-3	Customer (HIX Corporation) Perception	• Does the Customer perceive that this project directly supports customer goals?	Yes, HIX-IT Corporation perceives that the project wants to support its goals. However, they believe there is a disconnection between what the business expresses it wants and its priorities and how HIX-IT interprets that information.	A closer alignment/understanding of the needs/priorities of the business/customer and the implementation by the IT organization is necessary if there is to be any chance of meeting the 02/2013 date.		02/20/2012 Changed from Low to Medium
BMG-4.1	Work Flow (EA/Medicaid)	• Are there significant changes to work flow for the existing system?	No Change. Yes, there are significant workflow changes that are expected in the EA/Medicaid portion of the project.	The project should incorporate sufficient time for the business transition required for the EA/Medicaid portion of the project.		Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
BMG-4.2	Work Flow (HIX Corporation)	• Are there significant changes to work flow for the existing system?	No Change. This is a new process. There are no existing workflows or processes.	Having no workflows presents a different challenge to the organization. This will most likely result in additional time to finalize requirements for workflow review by management.		Medium
BMG-5	Goals Conflict and Goals Alignment	• Goals of this project and other projects within the organization are supportive and complimentary?	Even though EA/Medicaid high-level scope is now part of the approved HIX-IT Project, the EA/Medicaid project and the HIX-IT project are not yet fully aligned/integrated at a level that ensures that they will be able to work in a cohesive fashion.	Executive Management needs to continue to bring these two projects into sync strategically, tactically, and operationally.		High
Decision Drivers						**Medium**
DD-1	Political Influences	• Does the Project have politically motivated decisions, such as using a vendor selected for political reasons rather than qualifications?	No Change. The Project has a number of political influences. The original grant is based on the Affordable Care Act (ACA) which is currently being discussed at the national level. There is no evidence of local politics affecting the selection process.	Care should be taken to architect the HIX-IT system in a way that minimizes dependencies with the EA project, and vice versa.		Low

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
DD-2	Convenient Date	• Is the date for delivery set by reasonable project commitment process?	No Change. No, the date is being completely driven by a need to meet a deadline unrelated to technical estimates.	The project team is still in process of reworking the project schedule. The schedule must be developed according to the actual scope, time, and resources necessary to produce the quality product that is expected. Until reality is introduced and designed into the schedule and confirmed by detailed assessment, this is a problem rather than a risk.		High
DD-3	Attractive Technology	• Is the technology to be used new or is the project being used to showcase a new technology?	No Change. HIX is a brand new application area. This specific Oracle product mix has never been utilized for HIX. The technology being used is the Oracle Enterprise Architecture tool set. The tool set is comprised of Siebel CRM, Oracle Policy Automation, Weblogic, and Hyperion components. These components have been integrated over a number of years by Oracle. According to Oracle, these components are highly configurable and customizable. This technology is new for use in Oregon benefits programs.	There is a significant risk associated with the design and implementation of the proposed tool set. HIX-IT has little experience and few, if any, technical resources to validate the work-in-progress by Oracle. The hiring of new personnel with sufficient expertise will be critical.		High

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
DD-4	Short Term Solution	• Does the Project meet a short term needs and adequately focus on long term capabilities and outlook?	No Change. According to Oracle, the proposed product suite enables the State the ability to leverage a standard tool set that makes it possible for a variety of vendors to participate in the design, implementation and maintenance of the product. In addition, the flexible tool set enables the state to reconfigure the system for future expected eligibility rule changes. The vendor has the responsibility to lead the current architecture and infrastructure efforts using its tool set. However, the decisions have to be validated and the upcoming use of the tools by the HIX-IT team, for example to begin use of the business rules tool, requires more than cursory knowledge of the tools.	The HIX-IT team needs personnel skilled and knowledgeable in this tool set. This should be fore-front in hiring decisions for key technical positions.		Med
Project Management						03/06/2012 Changed from **High to Medium**

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
PM-1	PM Approach	• Are defined product and process control methods being followed? • Is estimated effort (hours and cost) reviewed and adjusted at pre-defined re-estimation points along the project life cycle? • Is scheduling reviewed and adjusted at pre-defined milestones along the project life cycle? • Are defined vendor management processes being followed?	No. There are project management process and control methods still under revision and/or development. A detailed schedule was rewritten/revised to reflect the new iterative approach. The schedule will be revised again to reflect the new, approved monthly iterative process. Proactive management of Oracle will be a major responsibility of the Project Management team. Scope of Work of this Initial Risk Assessment precludes review of vendor management processes – as yet there is no Development Contractor in place. We would anticipate this type of review would take place under future Quality Assurance assessments. However, the HIX-IT Project Manager has reported that the project is adopting the Oracle Unified Method; this	All Project Management Institute (PMI) established Project Management Plans must be defined, documented, implemented, and enforced, as quickly as possible. The revised schedule should be very closely reviewed. Discuss a "joint project development" approach to the project as Oracle will clearly profit from the development, with Oregon's help, of its HIX Solution Offering. Implement a "Product Strategy/Advisory Council" at Oracle to assist in managing this relationship across multiple Oracle business lines and owners.		High

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			should contribute to some standard development/configuration processes.			
PM-2	Leadership	• Is a DHS project sponsor active and aware of the project's purpose and current status? • Does the Steering Committee take ownership, resolve issues, and make decisions on a timely basis?	Yes – The Project Charter has been approved and includes the formalization of the project sponsor and executive leadership roles and responsibilities. Regular meetings are held for the purpose of discussion project status, risks, and progress.	Continue to execute sponsor and other leadership roles and responsibilities per the Project Charter.		Low
PM-3	Direct and Manage Project Execution	• Is there a project management team which directs and manages the project? • Are roles and responsibilities developed and understood by the management team and project team members? • Are there sufficient resources with adequate skill to provide project management for the HIX project?	The current Project Management Team appears extremely focused and dedicated. They are in control of the project. The staffing plan has detailed information on staff resources – both those onboard and those still needed. There are job descriptions. The project is staffed at 41% of the identified internal resources. Key resources, some for management positions, are still necessary.	Additional resources must be made available to the Project Management team, per the staffing plan, in order to have any chance of meeting the February 2013 completion date. This date is at risk. However, this quality standard relates to managing and control of the project. The existing Project Management Team is directing and managing the project.		03/06/2012 Changed from High to Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			The existing Project Management Team is directing and managing the project.			
PM-4	PM Communication	• Are goals and status information communicated within the project? • Are goals and status information communicated to stakeholders external to the project? • Are the communication methods identified in the communication plan being used?	No Change. There is a Draft Communication Plan that was rewritten to reflect the current organization of the project. The draft of the Communication Plan indicates planned communication to stakeholders external to the project.	A formal communication strategy should be finalized as soon as possible. One simple example of where conflict might arise is attempting to schedule a meeting with appropriate individuals who work in different organizations in a variety of locations. This will become a major risk as the project moves to points where key items such as deliverables, work products, and design reviews require a coordinated and collaborative effort for timely decision making and delay in the approval/disapproval of one activity leads to delays in others. The Communications Plan should be fully integrated, reviewed and signed off by all relevant groups (such as EA, HIX-IT and HIX Corporation). See Com-4 for determining effectiveness of communications.		Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
PM-5	PM Authority	• Does the Project Manager have adequate and official authority to effectively lead the project? • Is the PM able to influence and lead decision makers, stakeholders, and the project team?	No Change. Yes – Within the draft Communication Plan there is a Roles, Responsibilities, Expectation Table that describes those of the Project Manager and, if executed per the Plan, indicates an adequate and official authority to effectively lead the project. Yes - Based on information obtained during interviews and personal observation, the Project Manager is already in this position.	As previously recommended, a Project Charter is formally approved and in place. No additional recommendations at this time.		Low

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
PM-6	Risk/Issue Management	• Is the risk management process (including mitigations, contingencies, accountabilities and due dates) being followed? • Is the issues management process (including reporting, prioritizing, ownership, escalation and resolution) being followed? • Are detailed, comprehensive risk and issue logs maintained? • Are risks and issues regularly reviewed and updated?	The HIX-IT Risk and Issue Management Plan v0.2x.pdf, dated 2/7/12, was reviewed. It addresses these evaluation questions, but the Plan has not yet been fully executed – for example, the tool to be used is SharePoint which is not yet fully implemented. Risks are being reported in the weekly status report and shared with the LFO as part of the monthly meeting process. This will become a low risk or closed once the plan is approved and executed consistently.	Finalize the Plan and execute a clear risk tracking mechanism that has actionable recommendations and resource assignments for remediation. This information should be shared with executive management on a daily basis if necessary.		Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
PM-7	Monitor and Control Project Work	• Are process and product standards developed and adhered to? • Are all work products assigned to resources for verification? • Are resources with appropriate skill assigned to monitor and control work products?	Currently some of the key processes are adhoc, under development, and require formalization. A Deliverable Management Process has been documented and tested; however, the outcome of the test is unknown. Dashboard and reporting formats have been established and formalized. They are used regularly in status reports. Budget control reporting needs to be established.	Finalize process and product standards.		Medium
PM-8	Lessons Learned	• Are lessons learned activities conducted at pre-defined points? • Are improvements identified from lessons learned incorporated? • Are lessons learned shared for use outside the project?	N/A – not at this phase of the project.			N/A

Table: Project Parameters

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*DHS HIX-IT Management Response & Action Plan*	*Risk*
Project Parameters						**Medium**
Proj-1	Hardware Constraints	• Are the solution hardware and software consistent with DHS and State standards? • Has the solution hardware/software configuration been tested in the DHS development, validation, and operating environments? • Is there a plan to orient and train development, validation, and operating personnel on the DHS target hardware/software configuration?	The intended production environment is undetermined and may potentially involve the State Data Center or the Oracle facilities. The DAS-required IRR (for State CIO approval) has not been approved. 1. The development and testing is to take place in an Oracle-hosted environment. 2. The solution hardware/software configuration has not been tested in the DHS development, validation and operating environments. 3. We are unaware of a formal plan to orient and train development, validation, and operating personnel on the DHS target hardware/software configuration	The location of the planned production hosting environment needs to be determined, including obtaining any agreements required to operate outside of the State Data Center, if appropriate.		Med

QS ID*	***Quality Standard***	***Evaluation Questions***	***Findings***	***MAXIMUS QA Recommendation***	***DHS HIX-IT Management Response & Action Plan***	***Risk***
Proj-2	Delivery Commitment	• Have the work package elements of the project plan/schedule been reviewed and agreed to by performers? • Does the schedule appear to be realistic and complete? • Are delivery dates firm and remaining stable?	The iterations, thus far, appear to have team involvement. It is unclear to the extent HIX Corporation is involved. A Delivery schedule has not been reviewed and may not exist.	Develop/Maintain a plan that identifies the items that need to be done for the expected life of the project. Include specific names of deliverables, as well as all appropriate activities, tasks, milestones, dependencies, and resources		High

Table: Project Team

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Project Team						**Medium**
Team-1	Team Member Availability	• Are team members available and allocated for their task assignments? • Has team member turnover been managed to reduce impact?	The majority of projected team members have not yet been hired. It is estimated that 59% of the team members still need to be hired. There has been some turnover and replacements are being identified.	A project person, working in conjunction with the HR department, should continue to be focused solely on hiring of critical project staff for a minimum of the next 60 days. Verify that the overall Project Schedule includes appropriate activities, tasks, dependencies, and resources.		High
Team-2	Team Productivity	• Are team members productive as evidenced by timely task and milestone completion? • Do team members have the tools, resources, and support to provide acceptable levels of performance? • Is team collaboration observed?	The project teams are beginning to be productive as evidenced by the reported completion of 6 iterations. However, more information is needed to determine what was 'completed' during those iterations. KPMG is providing focused Project Management support services, especially in the project planning areas. It is unclear whether they will remain an ongoing component of the project team.	Lack of resources is taking its toll on staff. The staff is currently being pulled in a number of different directions as they attempt to get the project under control. Where possible temporary staff should be employed to take on some of the more fundamental tasks where possible or provide back-fill options. Provide clear information on the outcome of iterations. Depending on the		Medium

QS ID*	Quality Standard	Evaluation Questions	Findings	MAXIMUS QA Recommendation	HIX-IT Management Response & Action Plan	Risk
				success of the State's recruitment efforts, extending KPMG support for the project should be seriously considered.		
Team-3	Team Spirit and Attitude	• Do team members demonstrate commitment to the project through actions and communications? • Do team members believe they are being utilized effectively? • Do team members believe they are valued and respected project stakeholders? • Do team members believe their work efforts contribute positively to the project?	No Change. The team members in place are excited and committed to the project. The project is considered a "Greenfield" and a number of staff appreciate the opportunity to work on a new and innovative project.	Consider both initial and ongoing team-building activities, to maintain positive attitude, especially as the new staff are added to the team.		Low
Team-4	Expertise and Training	• Do team members receive sufficient application, hardware, software, process, and domain training to fulfill their responsibilities? • Are team members mentored by senior staff with expertise in the technical area, domain, or team to which they are assigned?	It is premature to evaluate expertise, training, and mentoring at this time with staff still being hired for key positions.	There is a significant risk associated with the design and implementation of the proposed tool set. HIX-IT has little experience and few, if any, technical resources to validate the work-in-progress by Oracle. The hiring of new personnel with sufficient expertise will be critical. Verify that the overall Project Schedule includes appropriate		N/A

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
				activities, tasks, dependencies, and resources.		

Table: Organization Management

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Organization Management						**High**
Org-1	Organizational Stability	• Are the internal HIX-IT and the vendor management teams and structures stable?	The internal HIX-IT management team is stable. While the scope of this assessment did not include the structure of the Oracle management team, this appears to be in place. However, it is unclear if the proposed iterative approach to HIX-IT/Medicaid will require changes to that structure.	Priority - Fill remaining positions in alignment to the new project schedule – bring on board in time to be productive when those skills are necessary to keep the project on schedule. This could escalate to Red if key resources are not in place at the right time. Assessment of the vendor(s)' management team structure should take place during future Quality Assurance assessments.		Medium
Org-2	Executive Support	• Does executive management demonstrate strong commitment to the project through their actions and communications? • Does executive management remove roadblocks & resolve conflicts effectively and quickly?	No Change. Yes – as confirmed by management personally interviewed for the assessment.	Due to the new members at the executive level of management across several organizations including implementation of the new Inter-Agency HIX Advisory Board, Strategic Steering Committee, Oregon Health Insurance Exchange Board, and the HIX Corporation, we recommend interviewing all		Low

QS ID*	Quality Standard	Evaluation Questions	Findings	MAXIMUS QA Recommendation	HIX-IT Management Response & Action Plan	Risk
				members of these executive management teams during future Quality Assurance assessments.		
Org-3	Organization Roles and Responsibilities	• Are roles and responsibilities for DHS, vendors, and external customers clearly defined and understood by the project team? • Do personnel assigned to project team roles understand their roles and responsibilities?	The team members generally understand their roles. Some members do not fully understand the Iterative approach being used and feel uncomfortable approving iterations. This may be indicative of lack of training, lack of clear understanding of the responsibilities, or lack of a formal process for approval.	The SDLC process should be reviewed by management to ensure that the personnel have the proper authority for approval of iteration outputs. Agile SDLC training should be available to all team members including HIX-Corporation and DHS. In addition, they should be made aware of their responsibilities in this process.		High
Org-4	Resource Conflict	• Are resources committed to the project so that they are not competing or in conflict with other projects?	EA/Medicaid resources are being transitioned to the HIX-IT project. It remains to be seen if resource conflict will/ is an issue especially with the iterative approach which requires multiple sessions for enumeration and review.	Coordination of the Medicaid SME resources is paramount. The HIX-IT Project should schedule and coordinate resources in a clear and efficient manner. The process for scheduling and communication to these resources should be reviewed by management to ensure resources are used as efficiently as possible. A clear process for resolving resource conflicts must be		High

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
				defined and implemented.		
Org-5	Customer Conflict	• Are conflicting needs of different customer organizations being captured, communicated to the appropriate authority, and resolved? • Are the results of decisions made relating to conflicting customer needs communicated back to the affected customer organizations?	The HIX-IT and HIX Corporation are working to understand each other's needs. However, better coordination and communication is necessary.	The interaction and interdependencies between the customer and the project should be examined for better efficiency and productivity.		High

Table: User/Customer

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
User/Customer						**High**
User-1	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?	No, the existing 14_HIX-IT Business Requirementsx.pdf (dated 10/31/11 but last modified on 11/21/11) was reviewed and does not include tasks associated with ensuring appropriate user/customer involvement. While it contains wording that user requirements/user experience will be included, there is no identification of how the users will be involved. This has contributed to a set of requirements that is deemed inadequate. The HIX Corporation and HIX-IT have agreed (02/08/12 meeting) that a 60-day plan to document, agree, approve, and baseline requirements will be owned by HIX Corporation. However, this process is not documented nor is there any detailed information to assess if the 60 day period is adequate or what the affect will have to other planned tasks where these resources	The HIX-IT Requirements documentation should be completed with a clear understanding as to how the requirements will trace back to user input. Customer (HIX-IT Corporation) approval should be obtained. This is changed to High Risk status.		02/20/2012 Changed from Medium to High

QS ID*	Quality Standard	Evaluation Questions	Findings	MAXIMUS QA Recommendation	HIX-IT Management Response & Action Plan	Risk
			will now have a conflict.			
User-2	User Acceptance	• Does the project encompass activities for requirements validation with users (internal and external)? • Are all distinct user groups represented for requirements validation activities?	No. While requirements enumeration sessions were conducted, the cross functional makeup of these sessions is currently unclear. The existing 14_HIX-IT Business Requirementsx.pdf (dated 10/31/11 but last modified on 11/21/11) was reviewed and does not include tasks associated with ensuring appropriate user/customer involvement. While it contains wording that user requirements/user experience will be included, there is no identification of how the users will be involved. This has contributed to a set of requirements that is deemed inadequate. The HIX Corporation and HIX-IT have agreed (02/08/12 meeting) that a 60-day plan to document, agree, approve, and	Clearly identify in the Requirements documentation and the schedule the expected groups, personnel, or functional roles that are expected to make up these sessions. Verify that the overall Project Schedule includes appropriate activities, tasks, dependencies, and resources. The HIX Corporation should document its process, schedule, resources, and expected outcome. This is changed to High Risk status. Requirements baseline should have been completed and approved by the customer at this phase in the project.		High

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			baseline requirements will be owned by HIX Corporation. However, this process is not documented nor is there any detailed information to assess if the 60 day period is adequate or what the affect will have to other planned tasks where these resources will now have a conflict.			
User-3	User Training Needs	• Is a training plan defined and reviewed that covers all user-visible aspects of the system?	No Change. The Training Plan has not been developed as of this review.	At the appropriate time, develop a comprehensive training plan that addresses all business and technical users and support staff. It is essential that timely, comprehensive, and complete training be offered for staff throughout the project lifecycle.		N/A

Table: Business Transition

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Business Transition						N/A
Bus-1	Business Transition Objectives	• Have guiding principles for Business Transition been codified? • Have Business Transition goals been established? • Do the principles and goals encompass the scope of Business Transition as articulated by the Business Transition Team and Project Management, including business process improvement and business process reconciliation with the new application? • Are the principles, goals, and scope documented in strategy or planning documents?	No Change. Since the project is clearly seeking to minimize customizations to the Oracle product suite, business processes may be driven by the configurable options of the associated products. No, a business transition plan has not yet been developed.	The Business Transition Planning and Business Transition Phase of the project should be developed as part of the master schedule.		N/A
Bus-2	Business Transition Planning	• Are the schedule and resources required to accomplish the deliverables and activities defined? • Is the schedule consistent with the project master schedule? • Are the above items documented in strategy or planning documents?	No Change. No, a business transition plan has not yet been developed.	See Bus-1		N/A

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Bus-3	Monitoring and Controlling Business Transition	• Are the approach to and execution of activities and deliverables consistent with the guiding principles and goals?	No Change. No, a business transition plan has not yet been developed.	See Bus-1		N/A
Bus-4	Business Process Improvement	• Are business processes evaluated and potential improvements identified? • Are the business process changes that are required to reconcile the business with the application documented? • Are policy and resource impacts being identified, documented, and communicated to the business? • Are industry "best practices" being applied when developing and rolling out business process improvements? • Is business process change communicated with the business in accordance with the communication and business transition plans? • Is business process training planned, developed, and executed?	No Change. Business processes are being evaluated. However, it is too early in the project to measure these items.	See Bus-1		N/A
Bus-5	Business Transition Effectiveness	• Is the effectiveness of activities and deliverables being measured? • Are the deliverables developed and activities accomplished effective in achieving their stated purpose?	No Change. It is too early in the project to measure this item.	See Bus-1		N/A

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
		• Are improvements being made to the business transition process (activities, deliverables, approach, etc.) based on effectiveness measurements? • Are lessons learned being captured?				
Bus-6	Business Transition Plan Updates	• Is the plan updated in response to slips in critical activities or deliverables, iterative decomposition, or changes to the master schedule? • If the plan has been modified, does it continue to track to the principles, goals, and scope? • Are activities, deliverables, schedule, resource requirements, and approach updated to reflect plan updates?	No Change. No, a business transition plan has not yet been developed.	For this specific area, Business Transition, it is too early in the effort but this must be in the schedule when finally developed.		N/A

Table: Information Security

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Information Security						**Red**
Sec-1	Information Security Policies	• Has DHS established baseline on information security policies and procedures? • Do the project participants understand and agree on information security policies and procedures? • Have the Vendors reviewed and modified the information security policies and procedures as necessary to support development, validation, and operations support? • Are current information security policies and procedures being followed?	The project has contracted with L.R. Kimball to do a Vulnerability and Gap Analysis of the security standards recommended by CMS and the current DHS standards. Their finding is as follows: Page 64 of the L.R. Kimball Gap Analysis, "In reviewing the documentation provided it has been determined that the State of Oregon Department of Human Services has not developed an established policy and procedures for this IT security control families. It is recommended that policy and procedures be established to assure minimum security protection and compliance. This information is not addressed in the following documentations; E-11 and E-16."	The project should follow the recommendations provided by the security vendor (L.R. Kimball) in its deliverable titled "Safeguards and Recommendations", dated 11.18.11.		Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Sec-2	Designated Information Security Focal Point	• Does the architecture Vendor, configuration vendor and the SI vendor address security concerns through a qualified security lead resource? • Does the State address security concerns through a qualified security lead resource? • Do the vendor and State focal points coordinate activities and communicate regularly information security issues?	Currently the Vendors do not identify a security lead in their contract. The role of HIX Identity Manager has been filled but the Security Architect is open.	A designated security person should be identified on the project. This resource should be charged with coordinating all security plans and requirements with the State ISO, Security Vendor, Project Team, and all other vendors on the project.		High
Sec-3	Developer Security Training	• Are the system developers trained in the implementation of application security features? • Is there a training plan for the development, validation, and operation personnel in the implementation of application security features? • Are the development, validation, and operation personnel trained in the implementation of application security features?	No Change. There is currently no security plan for the project.	Create a security plan for the project that includes roles and responsibilities. If the State is to take on more responsibility with respect to being the prime contractor it will need to ensure it has a comprehensive plan for managing the security of the project strategically, tactically and operationally.		High
Sec-4	Security Content	• Are security requirements completely specified and clearly written? • Does the technology architect and configuration vendor understand and agree to the security requirements? • Do the vendors understand and agree to the security requirements?	Currently the detailed security requirements do not exist for the system. CMS has provided a " Harmonized Security and Privacy Framework – Exchange TRA Supplement " This document is intended to be a guide for the security	See Sec-3 above. The CMS document should be included in the gap analysis and requirement development. Clarify what role the security vendor (L.R. Kimball) has in incorporating this information into		High

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			requirements needed in the system. It is unclear as to how the security requirements will be incorporated into the SDLC process. The current security vendor does have a task that shows they will provide security recommendations. It is unclear who will transform these recommendations into requirements for the Architect, Configuration and SI vendors. It is unclear as to how the security requirements will be incorporated into the system. The current security vendor does have a task that shows they will provide security recommendations. It is unclear who will transform these recommendations into requirements for the Architect, Configuration and SI vendors.	requirements.		

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Sec-5	Security Coding Techniques	• Does the architect, configuration and SI vendor utilize established secure coding tools and methods? • Do the security coding methods analyze security risks in terms of vulnerabilities, attacks, and countermeasures?	No Change. We were unable to identify a clear requirement in the Oracle contract that indicates what coding methods they use or what the best practices are for configuring the system with security in mind.	See Sec-3 above.		Medium
Sec-6	Support for Existing or Planned Security Monitoring tools	• Are development, validation, and production systems compatible with all required agents or other collection techniques needed for intrusion management? • Are the specific compatibilities documented between system software and intrusion management software?	The current development and testing environments are being hosted at the Oracle hosting facility. The current security vendor (L.R. Kimball) does not appear to have taken this into account in their analysis. Oracle security standards and products need to be included in the Gap Analysis and recommendations document. There is a risk that the security requirements or services needed from Oracle products or hosting facility may not be available or contractually agreed upon.	Increase the scope of the Security Vendors' SOW to ensure that the Oracle product capabilities and hosting services are capable of achieving the proper security compliance.		High

QS ID*	***Quality Standard***	***Evaluation Questions***	***Findings***	***MAXIMUS QA Recommendation***	***HIX-IT Management Response & Action Plan***	***Risk***
Sec-7	Vulnerability Management	• Does the project monitor security vulnerabilities and ensure that the vulnerabilities that arise during development are properly addressed? • Does the Configuration and SI vendors maintain an up-to-date matrix of project software components and their known vulnerabilities, and provides a periodic report of these vulnerabilities to DHS?	No Change. The project does not currently monitor security vulnerabilities or ensure that the vulnerabilities that arise during development are properly addressed. It would be premature to expect this activity.	Incorporate this information in the security plan.		N/A
Sec-8	Day Zero Security	• Are systems deployed with all security controls and features implemented and tested prior to acceptance? • Does the Configuration and SI vendor confirm that all security configurations are day-zero secure prior to placing a system into the production environment?	No Change. These items are currently not addressed.	Incorporate this information in the security plan.		N/A

Table: Product Content

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Product Content						High
Prod-1	Requirements Stable	• Is the gap between system capabilities and functional requirements documented and agreed-to customization fully defined? • Is there a process for identifying changes to the requirements baseline, and is the process being followed? • Does the requirements baseline appear stable as measured by the amount of requirements changing or newly identified requirements?	Detailed and maintainable functional and technical requirements are critical to the success of the project. As of February 2012, one year after the award of the Innovator Grant, any gaps in requirements are unknown. There have been multiple attempts to clarify requirements, but as yet none have been successful. In an attempt to address some of the past failed efforts, a new requirements process (called the '60-day Requirements Process) was introduced on 02/08/12 and will be 'owned' by HIX Corporation rather than HIX-IT. Clearly articulating ownership of this process in a step in the right direction. However, the involvement of other stakeholders, including OHA and DHS, are not yet clear. Nor is there a way as yet to determine if the 60 day time frame is realistic.	MAXIMUS recommends that this new requirements process be documented, including roles and responsibilities in the day-to-day collection of the requirements, requirements project management, and overall program/strategic management. Questions on whether the 60 day time frame is adequate and the impact to other tasks/activities may be affected due to resource shifting must be answered. Identify a drop dead date for the missing guidance from CMS. If this date is passed without guidance the project should notify CMS and HIX Corporation that scope reduction must take place and or requirement assumptions need to be made in order to keep the current time line. Enter and maintain all functional and technical requirements in an automated requirement traceability toolset.		High

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			MAXIMUS has been contracted to perform QA activities related to the currently proposed process, which is new and not yet documented. Currently, guidance is lacking on three of the six functional areas from CMS. Since the requirements are incomplete and as yet not baselined, the change control process has not started.			
Prod-2	Requirements Complete & Clear	• Do requirements exhibit the following characteristics: • Requirements are clear and specific enough to be the basis for detailed design specs and functional test cases • Each requirement is stand-alone • Each requirement has only one interpretation • All functional requirements are defined • All non-functional requirements are defined, such as for performance, constraint, user, connectivity, scalability, safety, availability, security, and maintainability • Functional requirements address abnormal situations • Time-critical requirements are identified and the timing tolerances are specified	The requirements that are documented are incomplete and are currently under assessment by MAXIMUS. The findings and recommendations of that assessment will be provided in a separate report. After one year into the HIX-IT Project, the lack of a well documented, industry standard, detailed set of business requirements, approved by the customer, is a major risk to the success of the project. There have been multiple attempts to clarify	MAXIMUS recommends that this new requirements process be documented, including roles and responsibilities in the day-to-day collection of the requirements, requirements project management, and overall program/strategic management. Progress should be reviewed on a continuous basis to ensure the outcome provides a set of business requirements that are detailed enough for an iterative process. Requirements should be clear and mutually understood by HIX		High

QS ID*	Quality Standard	Evaluation Questions	Findings	MAXIMUS QA Recommendation	HIX-IT Management Response & Action Plan	Risk
			requirements, but as yet none have been successful. MAXIMUS has been contracted to perform QA activities related to the currently proposed process, which is new and not yet documented. This new process is an attempt to address some of the past failed efforts and will be 'owned' by HIX Corporation rather than HIX-IT. Without a clear set of requirements that are mutually understood by the customer and the IT organization, the development team is left open to interpretation of those requirements which may result in a product that does not meet customer expectations.	Corporation, Medicaid, and HIX-IT and signed off by the customer. Enter and maintain all functional and technical requirements in an automated requirement traceability toolset.		
Prod-3	Testability	• Does a test plan exist identifying how requirements verification will be completed? • Does a requirements traceability matrix exist for tracking requirements through all phases of the project, including final user verification testing?	The HIX-IT_Test_Plan.pdf (included in the February 2012 LFO Information) was last modified on 10/29/11 and still has sections that need completion. However, the information that is available provides details on the testing approach	MAXIMUS recommends a full QA review of the Test Plan once all components/sections are completed. We continue to recommend that an automated tool be used for requirements traceability. The tool		Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			including the following: • Testers will test against the functional specifications as defined in the use cases and adhoc testing by interacting with the system in random and unspecified ways. • All changes to requirements (if any) will be communicated and coordinated through the HIX-IT change control process. • System Tests – verifies the behavior of the whole system. The majority of functional failures should already have been identified during unit and integration testing. System testing is performed at the end of each iteration and is usually considered appropriate for comparing the system to the functional and non-functional system requirements such as security, speed, accuracy, and reliability. Error	should be put in place immediately.		

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			handling and external interfaces using scripted data are also evaluated at this level. • User Acceptance Testing – verifies the system behavior against the customer's requirements, however these may have been expressed. Performance, interoperability, security, reliability and stress performance are verified at this level. End users and stakeholder representatives perform these tests. User Acceptance Testing will be performed in April 2013 and will begin the process of stabilizing further changes to the system in advance of implementation beginning in May 2013. There is currently no traceability matrix in place. It is our understanding that a			

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			product/tool has been selected but not yet purchased. At this point in the project there has been two iterations (#6 and #7) that produced a product. As the iterations proceed, the lack of approved requirements and a full traceability matrix/tool becomes a risk of higher complexity. Use cases and test cases must be able to track to requirements.			
Prod-4	Design Difficulty	• Are design standards identified? • Are the standards followed in the design documentation and developed components? • Are interfaces and system design well defined? • Do design and/or technical specifications exist that are complete and have been reviewed and approved?	The requirements are not yet enumerated enough to assess.			N/A
Prod-5	Implementation Difficulty	• Are the technical design and business rules reasonable for the team to implement?	The requirements are not yet enumerated enough to assess.			N/A
Prod-6	System Dependencies	• Are there clearly defined dependencies for the software, hardware, process changes, and documentation?	The requirements are not yet enumerated enough to assess.			N/A

Table: Development Process

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Development Process						N/A
Dev-1	Alternatives Analysis	• For requirements that require application customization, has a review of the alternatives been conducted and a solution agreed upon?	The requirements are not yet enumerated enough to assess.			N/A
Dev-2	Quality Assurance Approach	• Is a defined quality assurance approach being followed that includes quality standards and quality checklists? • Are QA activities planned, and are planned activities executed? • Are QA findings and recommendations reviewed and responded to by management? • Are test plans defined and reviewed? Do test plans cover unit, functional and system testing? • Is there a test schedule with resources identified for planned testing? • Have test results been reviewed and all issues resolved?	The Quality Management Plan is not yet developed.	Develop and execute the HIX-IT Quality Management Plan.		N/A
Dev-3	Development Documentation	• Is software development documentation complete, approved, version controlled and accessible?	The project is not yet in the development phase.			N/A
Dev-4	Use of Defined Engineering Process	• Is there a defined software development process that is consistently followed by the vendor? • Does the process include a build process, configuration control, coding standards and peer reviews?	The project is not yet in the development phase. It is unclear how configuration control is being used for the iterative process. However, it has been reported that the project is adopting the Oracle Unified Method so there should be consistent	Use of the Oracle Unified Method should be assessed once in place.		N/A

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			processes and standard put into place.			
Dev-5	Early Identification of Defects	• Are peer reviews incorporated for designs and component development? • Do reviews document findings and are the findings used for development process improvement?	The project is not yet in the configuration/ development phase.			N/A
Dev-6	Defect Tracking	• Does a defect tracking process exist that supports users, vendor, and agency? • Are there regular defect review with the vendor and a process for defect priority agreement? • Is there a defined defect threshold associated with release criteria; that is, part of the release checklist?	The project is not yet in the configuration/ development/testing phase.			N/A
Dev-7	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?	The project is not yet in the configuration/ development phase.			N/A

Table: Development Environment

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Development Environment						**Low**
Env-1	Tools Availability	• Are established, approved tools used for the development? • Have the tools been documented and validated?	The tools are currently not defined.	Identify the required tools prior to contracting with a configuration and SI vendor.		Low
Env-2	Vendor Support	• Does the DDI vendor and its subcontractors fully support the project team involved in the design, development, and implementation? • Is the vendor support timely and provided at contracted prices?	The SI Vendor procurement has been delayed. This is a risk to meeting the February 2013 deadline. Current only the Architect Vendor (Oracle) and Security Vendor are on the project. From the interviews we have conducted it seems that they are responsive and are providing their services as contracted.	Expedite the procurement process for the SI Vendor.		02/20/2012 Changed from Low to High
Env-3	Disaster Recovery	• Have disaster recovery and system restart procedures been defined? • Are back-up and recovery procedures defined and tested and are they sufficient? • Are security guidelines understood and planned for? • Does the security plan include virus signature updates, intrusion detection, properly configured firewalls, access control, incident response, patch management and revision control?	The project is not yet at this phase.	The project schedule should reflect a phase for a Business Continuity Plan to be developed.		N/A

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Env-4	Isolation of Development Environment	• Is the development environment properly segmented from the Internet and from production systems? • Do all systems related to development occupy a subnet that is physically or logically unreachable from the Internet? • Are system communications between production and development systems controlled?	No Change. See the Sec-6 item above.	See the Sec-6 item above.		High

Table: Deployment

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Deployment						**Medium**
Depl-1	Customer Service Impact	• Have customer service plans in support of roll-out been defined and reviewed?	No Change. Customer service plans in support of roll-out have not been defined and it is unclear as to how and when the HIX Project Team hands the project to the HIX Corporation	Identify in the Project Plan the plan for the system roll-out and HIX-Corp's role during this phase.		Low
Depl-2	Data Migration	• Does the project plan incorporate activities and owners for data migration? • Is the scope of effort for data migration defined between the vendor and DHS? • Is a test plan defined to verify migrated data?	No Change. Data integrity and data conversion/migration are critical risk areas. Data migration challenges are referenced but the activities and owners are not clearly defined. The allocation of effort between vendor and OHA is not defined, to the best of our knowledge. We are aware of no test plan for verifying migrated data.	Data migration, especially in the EA section of the project is currently unknown. A data migration plan needs to be developed.		Medium

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Depl-3	Pilot Approach	• Does the DDI vendor have a detailed plan to support the pilot approach for implementation? • Is there an awareness campaign that ensures project stakeholders are aware, agree with, and are prepared to support the pilot? • Are there methods to verify the site and personnel preparations are on schedule to support the pilot plan?	No Change. Currently a pilot approach has not been detailed. It is our assumption that a pilot will be incorporated into the User Acceptance Testing.	A comprehensive testing plan needs to be developed for the project. If a pilot is required/desired, plans for the Pilot must be developed. A thoughtful implementation schedule, including both functional and geographic phases, should be utilized to manage implementation risks.		Low
Depl-4	External Hardware or Software Interfaces	• Does the project plan incorporate activities and owners for external interface integration and testing?	No Change. The exact interfaces and their use are unclear. The Architecture review document alludes to a few interfaces and the functional architecture PowerPoint slides from Oracle identify another set of interfaces. This information will affect, scope, schedule, resources and architecture.	The project should clearly articulate the interfaces and provide a clear description of what the interfaces are and their purpose. This information should be in the Architecture Document. A review of interfaces specifications should be conducted under on-going QA/Qc.		High

Table: Maintenance

*QS ID**	*Quality Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Maintenance						**Medium**
Maint-1	Design Complexity	• Has the system been implemented for low complexity long term maintenance?	No Change. This is premature, as the system design has not yet been completed. The project has utilized a Commercial Framework Solution (CFS). This framework is high configurable and the project team seem to want to do minimal customization. In the Charter and Scope document Attachment A The Business and Technical Complexity Assessment indicate that the system is expected to have a "High" complexity rating.			N/A
Maint-2	Support Personnel	• Has a support/maintenance plan been defined and approved? • Are there clear definitions of priorities, response times per priority and a process for priority resolution? • Are sufficient support personnel identified with adequate skill sets? • Do users know how to get help? • Are help desk and problem resolution procedures defined?	No Change. Problem resolution procedures have not been explicitly defined in documents that we have reviewed.			N/A

QS ID*	***Quality Standard***	***Evaluation Questions***	***Findings***	***MAXIMUS QA Recommendation***	***HIX-IT Management Response & Action Plan***	***Risk***
Maint-3	Vendor Support	• Has vendor support been defined and contracted for with workable SLA(s)?	No Change. The project may be divided into three vendors, the architect, configuration SI and a hosting vendor. Having this many vendors may create a support system that is unworkable.	As the project team shifts their strategy from a single SI vendor to multiple vendors care should be taken to ensure that a support strategy is well thought out. This strategy should be propagated through the appropriate contracts.		Medium
Main-4	Patch Management Strategy	• Is there a documented patching policy indicating the system which will be patched, how patches are prioritized, the patch schedule according to patch criticality, how critical patches will be handled, and the testing required prior to deployment • Has patch management team been established? • Is the patch management process integrated with the change control processes?	No Change. We have not reviewed evidence of patch management strategy.			N/A

Risk level: tbd = To Be Determined, N/A = Not Applicable, Red/R = High, Yellow/Y = Medium, Green/G = Low
* QS ID numbers are not sequential to maintain consistency with the Quality Standards applicable to the Initiating and Planning phases that are not applicable to the DDI phase.

Vendor and DHS Processes Scorecard

Table: Vendor and DHS Processes Scorecard

Table: Scope

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Scope						**HIGH**
Sco-4	Scope Verification	• Do the Deliverable Expectation Document acceptance criteria map to the approved Scope Statement and vendor contract? • Are deliverables verified and accepted in accordance with the Deliverable Expectation Document and deliverable review process?	The initial Scope of the system was defined in the Project Baseline Review document dated May 3rd, 2011. The project was rated as high complexity, with a fixed end date all the while waiting for additional guidance in three key functional areas. The high-level scope has since been revised and approved as documented in the Project Charter approved in November 2011. Revisions were primarily made to include the Medical functionality. The deliverable review and approval process has been documented and recently tested. Reference in the document to use of deliverable expectations. No information on the outcome has been reviewed.	The Scope should be outlined according to priorities. This will aid the project with focusing the limited resources and will also assist the project to deliver on the specified date. A schedule of deliverables and the related review time frames should be prepared and communicated. Finalize, approve, and execute the deliverable review process. Enter and maintain all functional and technical requirements in an automated requirement traceability toolset.		High

Prcs ID*	Process Standard	Evaluation Questions	Findings	MAXIMUS QA Recommendation	HIX-IT Management Response & Action Plan	Risk
Sco-5	Scope Control	• Are potential scope changes evaluated for compliance with HIX requirements? • Are potential scope changes communicated to affected stakeholders, and is feedback from stakeholders considered? • Are potential scope changes assessed for impact to project cost and schedule? • Are scope changes made in accordance with the change control process?	No Change. The Change Management Plan is currently more of an outline and incomplete. One finding for HIX-IT to consider – the steps in the plan starts with, a) enter the change information into the tool, and then goes directly to b) Evaluate the change request that includes a level of effort to process and develop a proposed solution for the suggested change. This type of effort involves time, resources, and therefore cost (and possibly schedule impact if the person(s) evaluating are deviating from normal activities).	Complete the Change Management Plan. HIX-IT should consider some level of the third step – Authorize – coming before the full evaluation. Very often an individual will deem something as critical or necessary whereas a SME or manager has more insight. Very basic questions should be asked: why is this a change, is this a 'must have' or 'would like to have' and why? This change may be an item to defer or disapprove. Some intermediate level of review prior to proceed to 'Evaluate' would prove beneficial. This plan should be coordinated with the EA Change Management Plan.		N/A
Sco-6	Scope Validation	• Are validation steps included in the project schedule with results documented? • Is acceptance testing defined, planned, and executed against plan? • Are acceptance test results reviewed and issues resolved? • Are final configuration audits defined, planned, and executed for the functional and physical configurations?	No Change. The schedule is undergoing review and updates. These questions cannot be answered at this time.	These steps must be considered when the schedule is put together. Since the schedule is being revised, this must be part of a Quality Assurance assessment as soon as possible. This might well be a high risk as the validation		N/A

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
				activities directly contribute to the quality of the product.		

Table: Schedule

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Schedule						**HIGH**
Schd-7	Schedule Control -- Baseline	• Is the schedule baselined and under version control? • Are schedule performance measurements established for the project? • Is a procedure in place and used for iterative schedule development (rolling wave) if applicable? • Is a procedure in place and used that identifies tolerances and triggers for updating the schedule baseline?	The project management team considers the approved high-level milestone schedule to be the re-baseline for HIX-IT. A detailed schedule was provided for review on 02/24/2012 – this schedule is more informative but still has some gaps in information. This schedule will be revised to reflect the change from a 15 day iterative schedule to monthly. The lack of a detailed schedule that goes through the project completion is a high risk.	We recommend that the HIX-IT Project develop, maintain, and report using a comprehensive project schedule. Once the development of the 'updated' schedule is more mature, a detailed assessment should take place to answer the evaluation questions.		High
Schd-8	Schedule Control -- Earned Value	• Is an approved methodology and process for tracking progress against the baseline being followed? • Are procedures in place to collect deliverable, activity, and milestone progress and completion data? • Are deliverable, activity, and milestone progress and completion data collected in accordance with the procedure? • Are Earned Value schedule variance and performance measured against the baseline? • Are schedule performance and variance communicated to	Currently there is no formal approved method for tracking the progress against the original baseline. The baseline from May 2011 is no longer of use. The project is working on a detailed schedule. The HIX-IT PM has initiated an EVA process based on the iterations. There are no deliverables identified in any documents that have	A detailed schedule should be completed and approved as soon as possible. This should be used for on-going progress reporting. Deliverables must be clearly identified with dates for submission, review, approval established in the schedule. This might be a high risk as scope, schedule, and resources would be affected if deliverables are not		Medium

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
		affected stakeholders?	been reviewed. This is a risk.	specifically called out and planned for over the life of the project.		
Schd-9	Schedule Control -- Schedule Performance	• Is the project performing within established variance tolerances? • Are corrective actions taken to improve schedule performance in accordance with an approved process? • Is a process defined to integrate requested or recommended changes to the schedule? • Are corrective actions, their predicted or actual impact, and schedule changes communicated to affected stakeholders?	There was significant deviation between the Baseline schedule and the 90-day schedule in the initial report. The current schedule in use is revised for the next 90-day period - this process is approved by management. We have no evidence that corrective actions, and their predicted impacts, and scheduled changes are being communicated to stakeholders.	See above items		High
Budget						**HIGH**
Budg-4	Cost Control -- Baseline	• Have activity costs been established in a budget? • Is the budget baselined? • Is a procedure in place and used for updating the cost baseline?	A revised budget with cash flow was provided for review on 02/24/2012. While more detail is provided than previous information, there are still questions – such as why the projected expenditure from July 2012 through February 2013 is the same figure ($3,918,728.93) each month.	A budget should be developed that clearly indicates the expected cost going forward in the project. This budget should be completed in the next 30 days.		High

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Budg-5	Cost Control -- Earned Value	• Is an approved methodology and process for collecting and tracking actual costs against the baseline being followed? • Are Earned Value cost variance and performance measured against the baseline? • Are cost performance and variance communicated to affected stakeholders?	We receive no detailed budget information in order to substantiate actual costs against the baseline. We have reviewed the current Budget Management Plan. The plan is incomplete. The plan also does not have an approved methodology and process for collecting and tracking actual costs against a baseline.	MAXIMUS recommends that the Project update/complete the Budget Management Plan.		High
Budg-6	Cost Control -- Cost Performance	• Are corrective actions taken to improve cost performance in accordance with an approved process? • Is a process defined to change work package budget allocations? • Are corrective actions, their predicted or actual impact, and budget changes communicated to affected stakeholders?	No Change. See Budg-4 and Budg-5			High

Table: Quality

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Quality						**High**
Qual-2	Perform Quality Assurance	• Is there a quality assurance (QA) plan defining the audits and assessments of the project's policies, processes, or procedures? • Are findings and recommended corrective actions presented based upon the results of work activities that weren't performed according to required procedures? • Is the QA process adjusted to meet the changing needs of the project?	While the QA Management Plan has not yet been developed, MAXIMUS has been contracted to do so.	Development of a QA Management Plan should be a priority. Unclear who is reviewing what work products/material, who is approving, and how/where this is documented. Without clear, specific, consistent processes, product quality is at risk. Consider an ongoing, independent, quality assurance process.		High
Qual-3	Perform Quality Control	• Is there a quality control (QC) plan defining the audits and assessments of the project's work products? • Are findings and recommended corrective actions presented based upon the results of work products that weren't performed according to required standards? • Is the QC process adjusted to meet the changing needs of the project?	A QC Plan has not yet been developed but a Quality Management Plan is under development by MAXIMUS. A Deliverable Management Process is written up and is reported as having been tested on the review of a deliverable. To our knowledge, the outcome of that test has not yet been reported. Reviewing Vendor deliverables will be problematic given the approach to contracting and the inter-dependent nature of the project with EA/Medicaid and HIX-Corporation.	Consideration should be given to combining the QA/QC Plans in order to avoid duplicative work and to be as comprehensive/ cohesive as possible. A detailed plan and process for the review of deliverables (and work products) must be finalized. Deliverables (and work products) should be clearly specified in the project schedule. Without this level of specificity, product quality is at risk.		High

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			The current deliverable review process lacks a QA function.			
Human Resources						**HIGH**
Humn-2	Acquire Project Team	• Does the status of team acquisition match the requirements of the project's HR planning?	A review of the planned resources detailed on the HIX-IT Staffing Plan/Internal Resources (latest version dated 01/09/12) indicates a significant gap in resources on-board versus those needed. The team is staffed at 41%. However, what we do not have available for review is the time frame for when these resources are actually needed on-board. The current project schedule is under development so there is insufficient information. Resources constraints (sometimes a cause of resource conflict) and concerns about hiring the types of individuals needed and the significant number of individuals was a consistent risk identified during the	As with other parts of the project, the definition of what resources are actually needed and then acquisition of those resources are dependent on the scope, schedule, and budget being in place and approved to support the HR plan. Continue to place focus on recruitment and hiring for positions known to be critical.		High

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			interview process.			
Humn-3	Develop Project Team	• Does the status of team training match the requirements of the project's HR planning?	No Change. See Humn-2 The project team will require various types of training, but with the restructuring and re-planning, exactly what will be needed will depend on a) the experience/skills of the individuals in place and b) that of those to be hired.	The HIX-IT Management Team should work with appropriate groups to establish training plans for project resources. Depending on skills/expertise of those hired, or lack thereof, this has the probability of escalating to a high risk.		Medium
Humn-4	Manage Project Team	• Does management communicates roles and responsibilities to team members and regularly assesses performance? • Are team performance issues documented and corrective actions taken? • Is project's HR plan updated as the staffing and team management requirements of the project change?	No Change. See Humn-2. The hiring process is still on-going; the organizational structure is evolving, as are the roles and responsibilities of individuals. There is a staffing plan.	This area should be part of a future Quality Assurance assessment effort. At this time the answers to these questions are N/A.		N/A
Technology						**Medium**
Tech-1	Technology Match to Project	• Does the technology solution provide a good fit to requirements?	No Change. Oregon DHS conducted a comprehensive review of the product with the assistance of the Wakely Group and KPMG. The results of these reviews were published in documents titled Oracle Solution Review v1.0_05272011.docx and, State of Oregon Updated Vendor Output Review	HIX-IT team should review the Oracle selection documents as many of the project management and team members have come on-board after these reports were issued. The Oracle Framework has never been used in		Medium

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			V4_draft.docx that included information on the process of interviewing vendors and demonstrations of products, including the May 2011 Onsite Demonstration Sessions. These documents conclude that the technology is a good fit for the project. Some risks were called out in these reports and in order to keep them visible while re-planning is underway have included them in Section II C. Technical Feasibility Analysis.	this type of government application. There were a number of risks identified during the selection of the product. The project team should identify the key risk areas of the framework and use risk reduction techniques to assess the level of these risks.		
Tech-2	Technology Experience of Project Team	• Is adequate support and consultation from the vendor incorporated into the plans? • Does the project team possess or have plans and activities to gain sufficient experience with the technology?	The Project Team and DHS in general do not possess significant experience with the selected commercial framework. While training is planned, experience will come with use of the tools. DHS is relying heavily on Oracle for expertise. .	Continue to recruit experienced staff, whether for internal hire or vendors.		High
Tech-3	Availability of Technology Expertise	• Is technology expertise available to the DHS Project throughout the project lifecycle?	No Change. DHS plans on relying on vendors to develop, configure, and integrate the Oracle components. DHS plans on training a core group on the Oracle tool sets. All of the resources are currently not in place on the project. This will be evaluated on future QA Reviews.			N/A

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Tech-4	Maturity of Technology	• Is the technology solution mature and reliable in other states? • Are there any components of the technology solution that are new or relatively unproven?	No Change. The Oracle framework is not currently used in other states on similar projects. Oregon is the first State to use the framework for both EA and HIX. The commercial framework presented from Oracle is a number of products that Oracle has purchased over the years, It is unclear as to how integrated these products are currently. Please refer to the document titled, 'Updated Vendor Output Review - Including May 2011 Onsite Demonstration Sessions', dated May 17th 2011 for more details.	See recommendation in Tech 1 and 2 above.		Medium
Tech-5	Architecture	• Is there a system architecture document that explains the details of how the technology will be architected into a system that will satisfy the needs of the project? • Does this document identify all the interfaces that the system will have in a reasonable amount of detail? • Does this document clearly articulate the assumptions that are may with respect to the design trade-offs?	Currently there is no evidence of a full detailed design document that identifies the key components of the technology and their use in the system architecture and one that is the formal approved design. T A System Design document was provided on 10/13/2011 but was received too late for inclusion in the initial assessment. Review of these types of work products/deliverables should be planned for on-going QA/QC assessments.	Document if the System Design document provided to CMS in November 2011 is the official design. This document should detail the interfaces that the system will have to all external systems. This document should also capture the design trade-offs and assumptions being made by the Architecture Team/Vendor.		High
Communications						**Medium**

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Com-1	Information Distribution	• Does the information distribution for stakeholder groups match the requirements of the project's communication plan?	No Change. A HIX-IT Draft Communications Plan is under development in support of communications to (and from) the various stakeholders. An assessment of this Plan found that if it is executed as written, distribution of communication requirements would be met. However, actual performance measures cannot be assessed until execution of the Plan begins. See Com-3 for assessment of effectiveness of communications.	Finalize the HIX-IT Communications Plan and execute the Plan as written. Assessment of the adequacy of the Plan and the execution of the Plan should be part of on-going Quality Assurance reviews.		Medium
Com-2	Performance Reporting	• Does the performance reporting requirements match the requirements of the project's communication plan?	No Change. See Com-1 This is TBD once the HIX-IT Communications Plan is actually executed.	See Com-1		TBD
Com-3	Manage Stakeholders	• Does the project management team assess the effectiveness of information distribution to project stakeholder? • Are project stakeholder concerns documented and factored into project plans and enhanced stakeholder communications?	No Change. See Com-2 One item that is not found in the Communication Plan is the manner in which feedback regarding the effectiveness of information distributed will be collected and assessed. This is TBD once the HIX-IT Communications Plan is actually executed.	See Com-2 Include information in the Plan to identify/describe how the effectiveness of information communicated to stakeholders (internal and external) will be assessed. Such as at what points in the project, what information, to whom, and how. This will		Medium

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
				provide a Road Map to effectively plan project communications and plan the details of who, what, when, and how.		

Table: Risk

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Risk Management						**2/16/12 Changed from High to Medium**
Risk-7	Risk Monitoring	• Are stakeholders involved in risk identification? • Are probability, impact, and criticality defined for risks? • Are stakeholders involved in qualitative and quantitative risk analysis? • Are risks reported to management on a regular and frequent basis?	The HIX-IT Risk and Issue Management Plan v0.2x.pdf, dated 2/7/12, was assessed. It addresses these evaluation questions, but the Plan has not yet been fully executed. For example, the tool planned for logging/tracking/reporting is SharePoint and has not yet been fully implemented. The QA team members have seen risks included in the recent weekly status reports and monthly status provided to the LFO but have not seen a formal log for tracking and managing, etc. If executed as documented, the plan will provide risk monitoring. With all of the changes underway to define the scope, schedule, resources of the HIX-IT Project, not having a formal Risk Management process in place is a significant risk.	Finalize the Plan and obtain approval to proceed. Execute and closely monitor the plan. It is expected that the risks identified during this assessment will contribute to the formal risk and issue log and feed into the development of the formal Quality Management Plan.		Medium

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			However, the Plan is a good one and already shows evidence of working. This risk is reduced to Medium.			
Risk-8	Risk Control	• Are risk logs controlled and updated on a regular and frequent basis? • Are contingency plans documented for the top 5-10 risks? • Are preventive plans for the top 5 risks identified, included in the project plan, and implemented? • Are stakeholders involved in risk mitigation?	The HIX-IT Risk and Issue Management Plan v0.2x.pdf, dated 2/7/12, was assessed. It addresses these evaluation questions, but the Plan has not yet been fully executed. For example, the tool planned for logging/tracking/reporting is SharePoint and has not yet been fully implemented. The QA staff members have seen risks included in the recent weekly status reports and monthly status provided to the LFO but have not seen a formal log for tracking and managing, etc. If executed as documented, the plan will provide risk monitoring. With the better documented process, this risk is reduced to medium	This Plan should be approved and put in place in a formal manner immediately.		Medium

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			until the Plan is fully executed and monitored for compliance.			

Table: Procurement

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Procurement						**High**
Proc-4	Contract Strategy	• Is there a clear strategy between the project SDLC, project schedule and milestone and the vendor contracts and deliverables?	No Change. The Project is using an iterative approach. The Project is changing the strategy of using a single System Integrator to using multiple vendors for the design, configuration and integration of the system. This new procurement approach will shift the State into a Prime Contractor role. This role also shifts more of the project execution risks to the State. This requires the State to have a more comprehensive strategy on contract management.	Review and realign the project approach and schedule to the current contracts. Renegotiation of contracts may be necessary. The HIX-IT project shares the initial Oracle contract with the EA project. The contract has comingled deliverables that require both projects to sign off. The contract deliverables of the Oracle product and services contract should be more clearly separated so that it is clear when and who needs to sign off on the deliverables.		High

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			The current contracts do not fully reflect this new approach and their deliverables are not tied to a project schedule. The current Oracle product and services contracts are in place using the DELL ASAP MLSA contracting vehicle. Typically, this contracting vehicle is reserved for commodity purchases. The Project Team has indicated that they have a waiver from SPO to contract services and hosting from Oracle using this vehicle. The project is contemplating increasing their commitment to Oracle using this same vehicle. It is unclear as to the term or scope of this waiver. Oracle is being contemplated as the hosting vendor for the production HIX-IT system. It is unclear as to whether the HIX-IT Project has the appropriate State Data Center exemption for this to occur. This is under review as part of the IRR process. The use of the Covendis	The EA project and the HIX-IT project should agree on a common contracting approach and align their deliverables in a complimentary way.		

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			MSP contracting vehicle is being considered for the Configuration and Systems Integration Vendor(s). This contracting vehicle is constrained by a limited number of Vendors and their available expertise. However, this contracting vehicle is the most expedient for the project and may help the schedule risk. The concern is that the Configuration and SI Vendor contracts will be further divided into multiple contracts through this vehicle, making contract administration more difficult than it is currently. The EA project is a key dependency for the HIX-IT Project. The EA SDLC, schedule, vendor selection, and contract deliverables are all linked to the HIX-IT Project.			

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
Proc-5	Contract Administration	• Is there a three way match of order/contract, invoice, and receiving report to justify all payments? • Is the contract audited to ensure that products and services are in compliance with the terms and conditions?	No Change. Deferred to the first Quarterly QA Report.			N/A
Proc-6	Contract Closure	• Is there a final contract audit to ensure that all products and services are in compliance with the terms and conditions? • Have all work products been completed and accepted? • Are all project assets returned prior to the vendor completing work? • Are all open issues resolved with the contractor?	No Change. Not applicable at this time.			N/A
Proc-7	Deliverable Acceptance	• Is there a documented deliverable review and acceptance process? • Are deliverables reviewed and accepted in accordance with the documented procedure? • Is deliverable traceability established among the deliverable, contract, SOW, and invoice?	The document titled 10-Deliverable Management Process.pdf (draft dated 02/07/12) was reviewed. While the process as described contains more detail that the previous draft reviewed, questions remain. No mention of a schedule to plan deliverables and the review / approval periods. This is necessary for resource planning.	While the document reviewed is a better detailed Deliverable Submission/Review Process the specific identification of deliverables and work products in the project schedule should be addressed. Without this level of detail, product quality is at risk. Clearly define and communicate who approves what deliverable(s).		High

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			The letter of approval or disapproval is from "MAX" which is the overall organization. Who, precisely, approves deliverables? Related to the above, the HIX-IT Project Charter (dated 12/1/2011) on page 33 indicates that the Tactical Steering Committee (TSC) approves project deliverables. Which deliverables approved by the TSC are not specified? Some or all? The current contracts with Oracle, L.R. Kimball, and KPMG do not have a deliverables format section. This indicates that the State may not know the format, overall content or completeness of what should be contained in the deliverables. This may result in a disagreement as to the changes that need to be made to the deliverable and/or approving incomplete deliverables. Multiple contractors (Architecture, Configuration and Systems Integration) will	The contracts should have a clear deliverables format section. This section of the contract clearly details the expectations of the deliverables to the section level in the documents. The current procedure has not taken into account the dependency of multiple deliverables from contractors affecting each other. This needs to be a key piece of the process if the state will assume more of the prime contractor role. Again, a schedule of deliverables will help to mitigate this risk. Document and communicate the results of the deliverable review process. Due to the risk to product quality, this will remain a high risk until the final process is developed, approved, executed, and monitored for compliance.		

*Prcs ID**	*Process Standard*	*Evaluation Questions*	*Findings*	*MAXIMUS QA Recommendation*	*HIX-IT Management Response & Action Plan*	*Risk*
			have multiple deliverables that may be dependent on other deliverables. MAXIMUS was advised that this process was recently used in the review of a deliverable. We have no information on the outcome of that review.			

Risk level: tbd = To Be Determined, N/A =Not Applicable, Red/R = High, Yellow/Y = Medium, Green/G = Low
* Prcs ID numbers are not sequential to maintain consistency with the Process Standards applicable to the Initiating and Planning phases that are not applicable to the DDI phase.

Section IV – 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 Updated HIX-IT Initial Risk Assessment Report.

QA ID	HIX-IT Management Response and Action Plan

Legend

Section VI – Legend

Purpose of this Report

OHA and DHS identified the need for independent third party formal quality assurance assessment to produce an Initial Risk Assessment and have contracted with MAXIMUS to provide such Quality Assurance Oversight (QA/O) services to the HIX-IT project. The initial report was delivered on November 3, 2011. Since that time, the need for an update to the initial report was identified and MAXIMUS was contracted to provide additional QA/QC services to the HIX-IT Project.

Report Organization

Organization of the Initial Risk Assessment Report follows major sections and sub-sections, each of which is a worksheet within this spreadsheet:

Title Page Identifies deliverable by document control number and QA period

Section I – Executive Summary Overall project assessment

Overall Assessment Findings = An overall project assessment with Budget, Schedule and Scope/Quality risk rating
Quality Standards Scorecard = summary risk ratings/assessment for the project's quality standards
Vendor and DHS Processes Scorecard = summary risk ratings/assessment for project processes
Earned Value Analysis (EVA) = summary assessment of the value of project achievements measured against the planned objectives.
Management Comments = comments from project management that give additional information and their perspective on QA Report findings within the Executive Summary.

Section II – Assessment Findings	Findings from the initial assessment period, including QA recommendations
	Findings: Budget = Approved, expended, and remaining project funds and assessment comments
	Findings: Earned Value Analysis (EVA) = Assessment of the value of project achievements measured against the planned objectives.
	Findings: Risks = Table of assessed project risks, noting impact, and QA recommendations
Section III – Evaluation and Recommendations	Quality assessment results of monitoring & measuring processes and quality standards
	*Evaluation and **Recommendations:** Quality Standards* = QA audit comments and metric rating for each quality standard element
	*Evaluation and **Recommendations:** Processes* = QA audit comments and metric rating for each process quality standard
Section IV – DHS Management Comments	Comments from DHS project management who provide additional information and their perspective on QA Report findings.
Section V – Legend	This section
	Purpose, report organization, metrics legend, definition of roll-up risk ratings

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

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. — Y

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. — R

tbd: To Be Determined or N/A Not Applicable - the project has not progressed sufficiently to provide a risk rating — tbd

Definition of Roll-up Risk Ratings

Risk Ratings in the *QA Audit Results* section are the lowest, most granular level findings in the **QA Status and Improvement Report**. These ratings roll-up to the *Executive Summary* and *QA Assessment Findings* sections in this report. Following is a description of how these rating roll-up to the higher, summary level sections.

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.

"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.]

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