



**Oregon Health Insurance Exchange Corporation
(ORHIX)
Monthly Quality Status Report
July 2012**

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SECTION 1: Introduction

The Oregon Health Insurance Exchange Corporation (ORHIX) recognizes the value of an independent, third-party to provide formal quality assurance (QA) services. To meet this need, ORHIX has engaged MAXIMUS to provide the following QA services:

- **Initial Risk Assessment** - identification of initial risks facing ORHIX
- **Quality Management Plan (QMP)** – recommended activities and tasks to address risks
- **Monthly Quality Status Reports** – monthly tracking of progress of managing risks
- **Quarterly Quality Status Reports** – quarterly summaries of monthly status reports

This document represents the Monthly Quality Status Report for the month of July, 2012. This report builds upon the initial risks that were identified in the Initial Risk Assessment, dated August 1st, 2012 and summarizes any relevant updates to findings, risks, or recommendations.

Brief ORHIX Background

The design and implementation of an insurance exchange is a key part of Oregon's current health reform efforts aimed at improving the health of Oregonians by increasing the quality and availability of medical care, and controlling costs. Once implemented, the Oregon Health Insurance Exchange will be a central marketplace where consumers and small employers can shop for health insurance plans and access federal tax credits to help them pay for coverage.

As required by the Affordable Care Act (ACA), the Exchange will offer a variety of services. Through the Exchange website, Oregonians will be able to easily compare plans, find out if they are eligible for tax credits and other financial assistance, select and enroll for health coverage. They also will be able to shop and enroll by calling a toll-free number and working with community-based navigators and insurance agents.

Since July 2011, the Oregon Health Authority (OHA) has led the design and implementation of the Health Insurance Exchange – Information Technology (HIX-IT) solution, building upon the Oracle products and Enterprise architecture envisioned by the State of Oregon.

SECTION 2: Executive Summary

The status over the overall project risk has not changed during the period.

Overall, the risk level for ORHIX is HIGH (red).

It is important for these findings and recommendations to be viewed in a larger context. ORHIX faces some unique challenges due to the nature of the larger health system transformation within the State of Oregon and Nationally. For example, in order to meet the federal requirement that the Exchange be up and running by January 1, 2014, the system must be completed and ready to accept enrollments by October 2013. This is clearly a very aggressive timeline. And this work must be achieved in an environment of evolving federal requirements and user expectations.

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

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

The organization has made significant progress in a number of areas during the month of July. ORHIX has:

- Carefully reviewed the summary and detailed findings of the Initial Risk Assessment Report.
- Identified specific individuals at ORHIX who will be responsible for implementing the recommendations in each quality rating category of the Initial Risk Assessment.
- Developed a detailed task list that will demonstrate progress/status on each of the priority recommendations.
- Identified lower priority work that can be delayed so that resources are available to address the higher priority risks and issues.
- Continued development of a variety of important project foundational documents, including the Work Breakdown Structure and Schedule.
- Made significant progress on a variety of priority risk areas, including prioritization of scope (functionality).

However, while there was important progress made, a full month has gone by since the Initial Risk Assessment was completed and progress was not considered significant enough to lower the overall risk of the endeavor. Additionally, specific security-related concerns were identified during the period, which resulted in the "Product Content" category of this report escalated from "yellow" to "red".

The following table summarizes the highest priority recommendations. Additional details for each of these recommendations, including the underlying findings and risks, are included in Section 4 of the report. Please note, that while the risk scores for several of the Quality Rating Categories are currently Medium (yellow), several of these areas will become High (red) if significant progress is not made in the next 30 days.

Table 1: Summary Quality Standards Scorecard

Summary Quality Standards Scorecard			
Quality Rating Category	June 2012	July 2012	Priority Recommendations
OVERALL HEALTH	High	High	<ul style="list-style-type: none"> Continue to review, update, and track all outstanding quality risks and recommendations. See Attachment A for specific security concerns.
Business Mission and Goals	High	High	<ul style="list-style-type: none"> Gain concurrence of a detailed table of contents of an updated Exchange Business Plan and model. Compile updated business market data, potentially from Wakely Group. Update the Business Plan and model.
Roadmap	High	High	<ul style="list-style-type: none"> Expand the existing high-level roadmap documents and develop additional levels of detail regarding the overall scope and operation of the Exchange. Develop one integrated set of roadmap documents. The Corporation should clearly define the different types of roadmaps that it will generate and what each will depict.
Scope	High	High	<ul style="list-style-type: none"> Develop a single, comprehensive Work Breakdown Schedule (WBS), which contains all work required for the establishment and operation of ORHIX and the Exchange. Clearly define all required status and oversight reporting requirements and expectations.
Schedule	High	High	<ul style="list-style-type: none"> Develop a single, comprehensive schedule, which contains all work required for the establishment and operation of ORHIX and the Exchange. Clearly define the dependencies with other related efforts.
Budget	Med	Med	<ul style="list-style-type: none"> Document and implement a budgeting process for ORHIX. Update the budget projections for ORHIX. Work with OHA to jointly review cost allocation methods, estimates of future expenditures, and associated financial controls. Work with OHA to extend the independent financial audit to include the OHA HIX-IT accounting practices and Grant reporting.

Summary Quality Standards Scorecard			
Quality Rating Category	June 2012	July 2012	Priority Recommendations
Funding	Med	Med	<ul style="list-style-type: none"> Work with OHA to develop a joint grant funding reporting mechanism to ensure that priorities and goals are aligned and well articulated to the Board, OHA executive management, and LFO.
Board Governance	Med	Med	<ul style="list-style-type: none"> Update and republish the Board Policy Manual, including adequate processes and controls related to potential conflicts of interest.
Inter-Org Coordination	High	High	<ul style="list-style-type: none"> Define clear roles and responsibilities for each major organization involved in ORHIX. Establish formal Interagency Agreements or Memorandums of Understanding. Define specific status- and quality-related reporting requirements. Ensure ongoing and frequent executive level communication
Organizational Management	Med	Med	<ul style="list-style-type: none"> Define the ORHIX organization chart, including roles and responsibilities Consider entrepreneurial resources to assist the ORHIX executive management team
Human Resources	Med	Med	<ul style="list-style-type: none"> Complete, publish, gain approval of, and implement a comprehensive ORHIX HIX-IT staffing plan
Stakeholder Management	Med	Med	<ul style="list-style-type: none"> Complete, publish, gain approval of, and implement a comprehensive ORHIX stakeholder management plan
Communication	Med	Med	<ul style="list-style-type: none"> Complete, publish, gain approval of, and implement a comprehensive ORHIX communication plan.
Project Management	High	High	<ul style="list-style-type: none"> Develop and implement a complete set of project management processes and controls, including all applicable “foundational” documents.
Contract Management	Med	Med	<ul style="list-style-type: none"> Conduct an independent assessment of all contractor activities and proposed deliverables. Determine the impact of the UX2014 work on the current UI contractor SOW and deliverables.
Product Content	Med	High	<ul style="list-style-type: none"> Organize and prioritize requirements by functional areas and within each functional area. Implement a product validation and requirements change management procedure. Require all BA work to use industry standards whenever possible. See Attachment A for details regarding specific security concerns.



Summary Quality Standards Scorecard			
Quality Rating Category	June 2012	July 2012	Priority Recommendations
Testing	High	High	<ul style="list-style-type: none"> • Create a comprehensive test plan that outlines the strategy for iteration and UAT testing to be conducted by ORHIX • Confirm that a dedicated test environment will be available to ORHIX such that they have sufficient time to review the design of the system as it is being built, allow demonstrations and focus groups to view the design, train, conduct IV&V testing, etc.

SECTION 3: Methodology and Approach

Risk Assessment Methodology

The MAXIMUS risk assessment methodology began with the identification and analysis of initial risks that face the ORHIX project from a number of different perspectives. This work resulted in the Initial Risk Assessment, dated August 1st, 2012. This initial risk analysis included a variety of confidential interviews with ORHIX staff and Board members, as well as other State and HIX-IT project stakeholders.

During the month of July, the MAXIMUS Team attended project meetings, conducted interviews, and reviewed various ORHIX artifacts, to assess how risks are being mitigated. The information gained during these activities was used to update the specific findings, risks, and recommendations originally presented in the Initial Risk Assessment.

This document represents the ORHIX Monthly Quality Status Report for the month of July, 2012.



Section 4: Updated Risk Assessment Findings, Risks, and Recommendations

The detailed findings, risks, and recommendations are presented below. Findings are limited to specific information identified during the period. Risks and Recommendations have been updated, as appropriate. At the client’s request, unique numbering has been introduced for both risks and recommendations, to assist in tracking. For example, risks in the Business Mission and Goals section of the report can be identified as Risk-BMG-1, Risk-BMG-2, etc. Recommendations can be similarly, uniquely identified. The integrity of the numbering will be preserved during future reports.

Table 2: Detailed Quality Standards Scorecard

Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
Business Mission and Goals (BMG)	High	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • There is a concerted effort by ORHIX leadership to update the Business Plan for the organization. • Wakely Group has been engaged to provide updated market data for the Exchange. This information is critical to the development of a revised Business Plan, as well as the anticipated Level 2 grant application. This revised enrollment projections were delivered to ORHIX, just prior to the production of this report. • ORHIX has formally responded to the May 31st, 2012 email request from Terence Kane, from CMS/CCIIO. <p>Risks:</p> <ol style="list-style-type: none"> 1. Without out a sufficiently detailed Business Plan and analysis ORHIX may set the wrong expectations with the Board and various stakeholders. 2. Without a fully developed Business Plan and analysis, the Corporation may

Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>not have sufficiently robust model upon which to define the financial sustainability of the Exchange.</p> <p>3. Without a thorough understanding of the exchange operation the Board may not be able to fully appreciate the Business Plan.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Define the data requirements for a detailed financial business model. 2. Define the table of contents for an updated Business Plan and gain concurrence of relevant parties. 3. Compile updated business market data, potentially from Wakely Group and use this to enhance the Business Plan document with more detailed analysis. 4. Update the detailed business model for the Exchange. Document in detail all relevant assumptions, risks, constraints and contingency plans. Update in detail, all revenue projections with justification of why they are valid. Update, in detail all costs with justification of their validity. This information should be used to model and determine long-term sustainability in a variety of circumstances. This information should be appended to the updated Business Plan. 5. Clearly identify the business roadmap and ensure that it is connected with the business modeling and Business Plan. 6. Closed 7. Periodically update the business model and Business Plan as more information comes available and assumptions are validated.
Roadmap (RM)	High	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • There are a variety of documents which are referred to as “roadmaps” in use by ORHIX, each with a different perspectives and somewhat conflicting information. For example, there are overall business roadmaps, product roadmaps and development roadmaps.



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<ul style="list-style-type: none"> The specific list and purpose of each “roadmap” is unclear. The process by which ORHIX is developing these roadmaps is not clearly defined. The development of an authoritative set of “roadmap” documents is expected to be completed by the end of August. The scoping exercise is progressing well, including both a top-down and bottom-up process. The results of these efforts are expected to be completed in early September. <p>Risks:</p> <ol style="list-style-type: none"> Without a clear, comprehensive, and authoritative description of the Exchange roadmap, the project will likely continue to suffer with a variety of vision and communication issues. Without a clear understanding of the high-level priorities of the Exchange, ORHIX will suffer from “overdevelopment” in certain functional areas. The over development can result in features that may not be require at launch. These features take up time and effort from the development staff that could be put to better use developing core functionality for the initial launch of the exchange. The different roadmap perspectives are confusing and are causing confusion among Corporation executives, line staff for both the Corporation and HIX-IT and oversight. Without a well understood and documented methodology for the development of the roadmap prior to the process being executed, the result may not be as inclusive or comprehensive as possible. In addition, there may be underlying assumptions that need to be articulated and validated prior to process execution. For example; 1.) How will the top down and bottom up approach be gapped or reconciled? 2.) Will the final output be sent to HIX-IT for them to size and comment on or will this be done in multiple reviews? 3.) Does every process have a manual contingency presented for the interfaces? 4.) What is the algorithm for slotting each use case into the quadrant? It is unclear because there are more than just two dimensions being considered in the



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>analysis.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. ORHIX executive management should initiate and lead a scoping exercise with the Subject Matter Experts to clearly identify all items expected in the Exchange and timing of these features. Models exist like Zachman, TOGAF and the Oracle Unified Method (OUM) which is based on the TOGAF and Zachman Frameworks. In addition, these views and perspectives can be very useful basis for the Marketing organization in developing educational and outreach material for various purposes. This exercise should result in a clear, comprehensive, and authoritative description of the Exchange roadmap. 2. Develop comprehensive diagrams to aid in the communications of key ideas to various stake holders. The initial one-page, high-level ORHIX scope diagram that was developed and recently presented to the Board of Directors was a great start. For example, a similar high-level process flow of how the major actors interact with each other via the Exchange would have broad appeal and educate at a glance a large group of stakeholders and the public. A diagram of how “all the pieces fit together” including DHS, ORHIX, DCBS, as well as CCOs and other major stakeholders will help various Agencies see how they have a connection to Exchange functions. Mapping of the Exchange high level process flows and components to the various stakeholders, releases, iterations, and Oracle technology components can aid in connecting the dots for persons that are not deeply involved in the day to day work of the Exchange but need to validate the organization of the project. As described in the Communication Section of this report, all of these examples will help communicate different perspectives of the exchange to different audiences. 3. The process of defining and prioritizing the scope should be identified in the Requirements Management Plan. This plan should be updated, approved and implemented within the project. 4. Create an integrated set of roadmap documents to communicate with the HIX-



Detailed Quality Standards Scorecard				
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				<p>IT project, ORHIX staff, ORHIX Board of Directors, and other stakeholders.</p> <p>5. The Corporation should clearly define the different types of roadmaps that it will generate and what each will depict. For example, a product roadmap may show the features of the electronic exchange over time. This roadmap may be used to drive the business services roadmap, operations roadmap and the development roadmap.</p> <p>6. The process for developing the roadmap(s) should be documented so that it can be evaluated by stakeholders prior to getting deep into the process. Also, all underlying assumptions should be articulated in the process so they can be agreed upon by executive management.</p>
Scope (SCP)	High	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • Significant progress has been made during the month of July on the development of the ORHIX Work Breakdown Structure (WBS). • This WBS was developed through the use of extensive interviews and interactions between the WBS developer and the various functional and organizational leads within ORHIX. There have also been discussions between ORHIX and HIX-IT project planning resources. • The draft WBS is currently in internal review. • A formal walk-through of the WBS is scheduled for mid-August. <p>Risks:</p> <ol style="list-style-type: none"> 1. Without a clear understanding of the HIX-IT project WBS, including the work elements specifically assigned to ORHIX, there is a risk that the project will not be completed on schedule. 2. Without a clearly understood and agreed-upon non-HIX-IT project WBS, ORHIX will continue to primarily focus on immediate work, without the benefit of a longer term plan or sense of progress. Without these as a basis, accurate planning and progress reporting is impossible.



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Develop a single, comprehensive, authoritative WBS for all ORHIX work. This WBS must include, at least at a high-level, all required HIX-IT project work required for the successful implementation and operation of ORHIX and the Exchange. The WBS should include high-level work packages that represent all required ORHIX work, with more details captured for near-term work. This work including the establishment of appropriate internal processes, such as human resource management, contract management, and grant administration, as well as the implementation of PeopleSoft and ongoing operations. All ORHIX deliverables, artifacts, and outputs, including those related to ongoing operations, as well as all required status and oversight reporting, should be explicitly included. Clearly define assumptions, dependencies and constraints. It should also include references to other efforts, including HIX-IT, as well as other relevant DHA, OHA, or DCBS Initiatives. 2. Confirm OHA intention to develop (with significant ORHIX input) a single, comprehensive, authoritative WBS for the HIX-IT project. This WBS must include, at least at a high-level, all required HIX-IT project work required for the successful design and implementation of the HIX-IT solution. This HIX-IT project WBS should include all project deliverables, artifacts, and outputs, including those related to OUM and Federal Gate reviews, as well as all required status and oversight reporting. It should also include references to other efforts, including relevant OIS Enterprise Initiatives, as well as the ORHIX. Any specific work that is required by the HIX-IT project to be completed by ORHIX, including requirement definition and testing, must be clearly and explicitly defined. 3. ORHIX executive management should request a formal review of the HIX-IT WBS with QA present. In this meeting HIX-IT should explain the process they utilized to develop their WBS. 4. Define and implement clear project management processes and controls for



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				<p>maintaining the ORHIX WBS, including “rolling wave” elaboration of near-term work. See the Project Management Section of this report for more details on this topic.</p> <ol style="list-style-type: none"> 5. Clearly define roles and responsibility for all organizations and entities involved with ORHIX. Define these relationships and duties, as described in the Inter-Org Section of this report. 6. Clearly define all desired status and oversight reporting requirements and expectations, including those from Department of Administrative Services (DAS), Legislative Fiscal Office (LFO), and Joint Committee on Legislative Audits and Information Management and Technology (JCLAIMT). Verify that all fiscal budget note items are adequately addressed. Define an integrated, meaningful dashboard report, with appropriate drill-down functionality. 7. Based on the WBS, develop clear duties and assignments for all ORHIX staff, including all current and anticipated contactors.
Schedule (SCH)	High	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • Significant progress has been made during the month of July on the development of the ORHIX schedule. This activity includes the identification of dependencies and resources. • Like the WBS described above, the schedule was developed through the use of extensive interviews and interactions between the scheduler and the various functional and organizational leads within ORHIX. There have also been discussions between ORHIX and HIX-IT project planning resources. • The draft schedule is currently in internal review. • The Corporation has decided to retain the scheduler for an extended period due to the planning discipline it is instilling within the organization. • A formal walk-through of the schedule is scheduled for mid-August.



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>Risks:</p> <ol style="list-style-type: none"> 1. Without a clear understanding of the HIX-IT project schedule, including the activities and tasks specifically assigned to ORHIX, there is a risk that the project will not be completed on schedule. 2. Without a clearly understood and agreed-upon non-HIX-IT project schedule, ORHIX will continue to primarily focus on immediate work, without the benefit of a longer term plan or sense of progress. Without these as a basis, accurate planning and progress reporting is impossible. 3. While clearly unintentional, the potential overall and/or dependencies between the inter-related projects and initiatives may cause significant duplication of effort and/or rework. Decisions may be made in one area without proper consideration of the implications to other efforts. Effort may be duplicated or require unplanned rework. 4. Each of these risks, if not addressed, will likely have an increasing impact on staff morale and may result in increased turnover. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Develop a single, comprehensive, authoritative schedule for all non-HIX-IT ORHIX work, using the WBS described in Scope Section of this report. This schedule must include all required activities and tasks (at least at a high-level), as well as all durations, resources, and dependencies, required for the successful implementation and operation of ORHIX and the Exchange. Clearly define assumptions, dependencies and constraints. It should also include references (links) to other schedules, including HIX-IT, as well as other relevant DHA, OHA, or DCBS Initiatives. 2. Confirm OIS intention to develop (with significant ORHIX input) a single, comprehensive, authoritative schedule for the HIX-IT project. This schedule must include all required activities and tasks (at least at a high-level), as well as all durations, resources, assumptions and dependencies, required for the successful design and implementation of the HIX-IT solution. It should also include dependencies (links) to other



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				<p>schedules, including relevant OIS Enterprise Initiatives, as well as ORHIX (see below). Any specific activities and tasks that are required by the HIX-IT project to be completed by ORHIX, including requirement definition and testing, must be clearly and explicitly scheduled.</p> <ol style="list-style-type: none"> 3. ORHIX executive management should request a formal review of the HIX-IT schedule with QA present. In this meeting HIX-IT should explain the process they utilized to develop their schedule and where they see the integration points between the HIX and HIX-IT schedules. 4. Define and implement common project management processes and controls for maintaining the schedule, including “rolling wave” elaboration of near-term activities, as well as reporting project progress and status. See the Project Management Section of this report for more details on this topic. 5. To the extent possible, leverage the experience and progress of SHOP. Having largely completed components of the Exchange, the SHOP will enable UAT and IV&V to be conducted at specified intervals prior to final completion of the product, i.e., testing can be conducted prior to the whole system being built.
Budget (BGT)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • Budget meeting between ORHIX and HIX-IT for the level 2 grant and business plan are scheduled for the month of August. <p>Risks:</p> <ol style="list-style-type: none"> 1. The significant under spending is a symptom of an issue within the organization, either in the planning or execution of the business plan. 2. Lack of full transparent accounting practices and spending by HIX-IT will continue to cause suspicion between ORHIX and HIX-IT. This will result in



Detailed Quality Standards Scorecard				
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				<p>increased tensions as more money is spent and deadlines near.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Document and implement a budgeting process for ORHIX. This process should include the tracking of assumptions and dependencies. 2. Update the budget projections for ORHIX. Ensure the Budget projections are aligned with the roadmap items that will be established. 3. ORHIX should work with HIX-IT and/or OHA to jointly review cost allocation methods, estimates of future expenditures, and associated financial controls. 4. ORHIX should work with HIX-IT and/or OHA to extend the independent financial audit to include the HIX-IT accounting practices and Grant reporting. This will give the Board a clear and complete picture of the Health Insurance Exchange financial operations in the State of Oregon.
Funding (FND)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • CMS provided new guidance for grant reporting and the first report using this guidance from the Corporation was submitted on July 30, 2012. <p>Risks:</p> <ol style="list-style-type: none"> 1. Closed 2. Lack of a WBS and clear budget estimations may lead to additional requests for funding at a later date. 3. Lack of a concerted and fully transparent grant financial reporting between ORHIX and HIX-IT may cause confusion among the stakeholders and oversight entities. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Closed

Detailed Quality Standards Scorecard				
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				2. Work with OHA to develop a joint grant funding reporting mechanism to ensure that priorities and goals are aligned and well articulated to CMS, the Board, OHA executive management and LFO.
Board Governance (BG)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> The Board Policy Manual is currently being updated. <p>Risks:</p> <ol style="list-style-type: none"> Without an updated Board Policy Manual, the Board will continue to struggle with its specific roles and responsibilities, including duties defined by the Carver Model. Without clearly documented and enforced procedures regarding conflict of interest, the Board may become subject to criticism and scrutiny. Without a set of metrics with which to gauge the performance of the organization it will be difficult for the Board to determine what the status of the project is at any particular point until the launch of the exchange. <p>Recommendations:</p> <ol style="list-style-type: none"> Update and republish an updated version of the Board Policy Manual. Define clear roles and responsibilities, in accordance with the Carver Model. Ensure adequate processes and controls related to potential conflicts of interest. Define a Board schedule which includes time for overall education of Board members with respect to board procedures and exchange functionality. Consider an off-site retreat or other focused orientation session(s) prior to or after board meetings. Define specific metrics by which the Board will measure the performance of ORHIX, as well as the HIX-IT project.
Inter-Org Coordination (IOC)	High	High		



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>Findings During Period:</p> <ul style="list-style-type: none"> ORHIX and HIX-IT/MAX meet every week in the Technology Management Meeting Mondays at 11 AM in the Portland Office. Attending are members of the ORHIX Executive Team, including the CEO, CIO, COO and Program Management, the HIX-IT project manager, the MAX Director and the OIS CIO. On the agenda are topics that cover inter-project issues across the OHA enterprise that affect HIX-IT. ORHIX has recently developed a document detailing agency roles for health coverage, which will serve as a basis for Inter-Governmental Agreements (IGAs). <p>Risks:</p> <ol style="list-style-type: none"> Without a professional and collegiate working relationship between agencies at the highest executive level, conflicts and communication issues will continue and likely worsen. Without close cooperation, decisions made without appropriate analysis of the impact on ORHIX. <p>Recommendations:</p> <ol style="list-style-type: none"> ORHIX should lead the effort to clearly define roles and responsibilities for each of the major organizations involved in ORHIX, including both the HIX-IT project and ongoing operations. MOU's or Interagency Agreements should be put in place to clearly identify the working relationships, boundaries, expectations and governance for the development and the operation of the Exchange. ORHIX should lead the effort to clearly document, approve and implement the governance process between ORHIX and HIX-IT. This document should include a clearly defined set of tactical and strategic governing meetings, including scope, intention, and membership. Governance should include



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				<p>immediate project work, as well as ongoing operational responsibilities. ORHIX should enlist the assistance of the LFO as required.</p> <ol style="list-style-type: none"> 3. Ensure ongoing and frequent executive level communication regarding potential issues and coordination point between various projects and initiatives. 4. ORHIX should request from the OHA CIO a clear definition of all related IT projects, including scope, schedule, and dependencies. 5. ORHIX should create a list of all MOU agreements that are and will be established. This list should identify/track any inter-agency agreements and/or decisions, including those related to the communication/outreach, processing of paper eligibility applications, and call centers. 6. Establish formal Interagency Agreements or Memorandum of Understandings (MOUs) with each of the organizations and/or projects in the Interagency Agreement Plan so that clear boundaries and expectations are established. Projects include the Department of Human Services Modernization (DHSM) Program, including Initial Win (IW), Master Data Management (MDM), Eligibility Automation (EA), and the Consolidated Automation Project (CAP). Other related efforts include a variety of OIS enterprise infrastructure / enterprise initiatives, including security and environment management, as well as Community Care Organizations (CCO) support efforts. <see Initial Risk Assessment for recommended MOU elements> 7. ORHIX should formally request from the OHA CIO a transparent budget reporting process, as described in Budget Section of this report. 8. Communicate the appropriate inter-agency agreements and processes to the Board and staff.
Organizational Management (OM)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • ORHIX has a current organization chart and job descriptions for each staff member who reports to the Executive Team. Authorities are broad and



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>not narrowly defined as the company is in its formation stage.</p> <p>Risks:</p> <ol style="list-style-type: none"> 1. If not addressed, the unclear, and continually evolving, roles and responsibilities of the ORHIX executive management team will cause challenges with internal project communication and staff coordination. This will result in duplication of efforts and inefficiencies across the entire operation. 2. While clearly unintentional, the potential overall and/or dependencies between the ORHIX executive management team areas of responsibility may cause significant duplication of effort and/or rework. Effort may be duplicated or require unplanned rework. 3. Lack of startup experience within a government non-profit organization may affect the ability of the organization to execute its mission as effectively as possible. This may result in missed opportunities for leadership within the State, and gaps in the execution of the Business Plan. 4. Each of these risks, if not addressed, will likely have an increasing impact on staff morale and may result in increased turnover. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. As the ORHIX Roadmap, WBS and Schedule are completed, Executive Management should create a presentation that communicates the roadmap and internal organizational plan to the staff. 2. Identify key internal processes and assign these processes to the specific executive management for development. These processes should be developed using process flows, approved and implemented and placed under change control so the staff and QA can clearly understand how the organization is operating. This will relieve the executive management of having to recreate the process each time it is required. This is especially important in areas where experienced contract staff are currently augmenting inexperienced line staff, since this arrangement is temporary.



Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<ol style="list-style-type: none"> 3. Define the ORHIX organizational chart, including detailed roles, responsibilities, expectations, and authorities. 4. Consider some entrepreneurial resources to assist the ORHIX executive management team in moving toward a more entrepreneurial operating model. 5. Clearly define the organization's vision, purpose, priorities, and plans 6. Communicate this information to the Board and staff.
Human Resources (HR)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • Job Descriptions are complete for all staff that report to the Exec Leadership. Position Descriptions are written in advance of any recruiting processes and need to be approved following the hiring plan kept by the COO (in compliance to stated job levels in grant reporting). • The recruiting process is documented in the Foundation Document "Exchange Resource Management Plan" and is an HR policy. • The current resource mix is in accordance with the staffing plan kept by the COO. ORHIX is also assigning internal staff to augment the work of specific contractors to ensure a managed transition. • The Corporation will also create transition plans for each of the key roles contractors are currently augmenting. • Human Resources recently conducted a "desk audit" of all staff. The first pass of a skills matching was conducted, which has informed the COO on how to tune the recruiting plan to fill new positions. <p>Risks:</p> <ol style="list-style-type: none"> 1. The dynamic nature and fast organizational growth of ORHIX may create significant staff stress and frustration. Communication and HR support systems will be severely taxed. 2. Staff with gaps in their skill sets can create schedule delays, rework and/or incorrect planning and execution for the organization.

Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>3. Typically an HR Plan is not considered an HR Policy. These terms should not be used interchangeably.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Continue to focus on defining and implementing the required HR support processes. Complete job descriptions for all filled and anticipated staff positions. 2. Review all current placements to ensure that that appropriate mix of employees and contractors is achieved and maintained. 3. Continue to support team building and informal support structures for staff. 4. Complete, publish, gain approval of, and implement a comprehensive ORHIX staffing plan that includes a required skills matrix. 5. Inventory the skills of the existing staff and perform a gap analysis to the required skills of the organization. The gaps should then be prioritized and either staff should be augmented with consultants, trained or new employees should be sought out with the proper skill sets. 6. Implement formal HR Policies and procedures.
Stakeholder Management (SM)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • The first draft of the Stakeholder Management Plan is due in mid-September. <p>Risks:</p> <ol style="list-style-type: none"> 1. Lack of proactive communication with Exchange stakeholders may limit early participation and/or public support. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Complete, publish, gain approval of, and implement a comprehensive ORHIX stakeholder management plan.

Detailed Quality Standards Scorecard				
Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				2. Develop scenarios to clearly communicate the benefits of participating in the Exchange.
Communications (COMM)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> ORHIX contracted with Sandstorm Partners to develop a company communications plan. <p>Risks:</p> <ol style="list-style-type: none"> Inability to communicate the Exchange functions in a consistent manner that required for a variety of audiences will result in confusion and frustration for entities that need to oversee, interface with, purchase or supply services to the exchange. Inability to communicate the exchange functions in common exchange terms will affect ORHIXs management credibility. <p>Recommendations:</p> <ol style="list-style-type: none"> Complete, publish, gain approval of, and implement a comprehensive ORHIX communication plan. The internal marketing function of ORHIX should work with the IT, SME's and executive management to identify areas where specialized high level communications need to take place. The Marketing organization can and should utilize the information that should have been produced from the Zachman model identified in the Roadmap Section of this report to begin to articulate the functionality of the exchange. As described in the Roadmap Section of this report, comprehensive Exchange diagrams should be developed to aid in the communications of key ideas to various stake holders. The Marketing organization should establish consistent messaging for the



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Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>organization that reflects the roadmap of the Exchange.</p> <p>5. Design and implement a specific external marketing / education program, including the clear purpose and benefits of participation in the Exchange.</p>
Project Management (PM)	High	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • Project tracking and reporting. • ORHIX has created a set of foundational Documents, and they are in internal review. • ORHIX intends to contract with MAXIMUS to provide independent Quality Control reviews of many of these artifacts. An initial set of 13 foundational documents have been identified for potential independent QC review. <p>Risks:</p> <ol style="list-style-type: none"> 1. Without a full set of “foundational” project processes and controls, the project will likely suffer from ad hoc and inconsistent execution of the project work. 2. Without a full set of “foundational” operational processes and controls, ORHIX will likely suffer from duplication of work and/or significant rework. 3. Without all of these foundational documents being clearly completed, approved, and enforced by executive management they will not be institutionalized. 4. Without proper documentation of processes that are under change control, processes will continue to be ad hoc. This will directly affect the operation and quality of the project and product. 5. Without a clear set of metrics from which to track and report progress to the executive management of ORHIX, HIX-IT, the Board, and LFO ORHIXs project management will continue to react to requests for a variety of status information. 6. If not addressed, the unclear, and continually evolving, roles and responsibilities of the various organizations and staff involved in ORHIX will



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				<p>cause challenges with internal communication and staff coordination. This can result in duplication of efforts, sporadic business results and inefficiencies across the entire operation.</p> <p>7. These risks, if not addressed, will likely have an increasing impact on staff morale and may result in increased turnover.</p> <p>8. Project tracking and reporting.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Confirm OHA intention to develop (with significant ORHIX input) a full set of “foundational” project documents, including scope management, schedule management, change control, project governance, test management, and risk/issue management plans. 2. Develop a full set of “foundational” operational documents, including human resource management, contract management, grant administration, ORHIX governance, staffing plan, stakeholder communications, and accounting management plans. 3. Publish, gain approval of, and implement all foundational processes and controls. 4. Utilize flow diagramming techniques to describe internal operational processes. The use of diagrams will make the processes more easily adopted by the organization. All processes can be easily posted on a single wall in the organization for quick reference. 5. Design and implement a comprehensive change control process for all of these foundational documents, as well as the WBS and schedule, as described in the Scope and Schedule Sections of this report, respectively. Include guidelines regarding “rolling wave” elaboration of near-term activities. Coordinate all change control processes with the Project Management Office (PMO). All documents should be placed under formal change control and be available in the Dropbox. 6. The Dropbox should be set-up on a manner that aligns with the WBS so that documents can be easily located. A process for document revisioning should



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				<p>be evident.</p> <ol style="list-style-type: none"> 7. Define and publish common weekly and monthly status reporting standards, including common risk criteria for reporting risk and status. For example, the probability and Impact criteria should be the same for both the HIX-IT project and ORHIX efforts when they report their status (Red, Yellow, or Green) of a particular task, activity or item. 8. Define and publish common guidelines for reporting progress, including % complete. Consider implementation a common earned value management (EVM) approach that can be articulated jointly for both the HIX-IT project and ORHIX schedules. 9. Document all project MOUs, as described in the Inter-Org Coordination Section of this report. 10. Clearly define roles and responsibility for all organizations and entities involved with the HIX-IT project. Communication this information to all project staff, including updates as required. 11. Project tracking and reporting.
Contract Management (CM)	Med	Med		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • During the month of July, a new contract was executed with Deloitte and a contract extension was executed with Point B. <p>Risks:</p> <ol style="list-style-type: none"> 1. Agreements that allow contractor's to bill for hours worked, instead of fixed priced payments for satisfactory completion of specific deliverables, leave the onus on ORHIX to verify that the hours were worked and sufficient value was created by the contractors, according to their individual agreements. It may also be difficult to prove or justify the commensurate expenditures. 2. Without clear contractor procurement and management plans, as well as documented contractor deliverable expectations and deliverable-based



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				<p>payments, ORHIX may have difficulty extracting the expected tangible value from these contractors. This may also lead to the inefficient use of contractor staff and the associated Federal funds.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Complete a thorough review of all existing contracts. Document type of agreement, term, cost per hour, and deliverables. 2. Conduct an independent assessment of all contractor activities and proposed deliverables. Identify opportunities to convert contractor payment method to state approval of specific contractor fixed-priced deliverables. Renegotiate agreements, as appropriate. 3. Confirm adherence to Code of Federal Regulations (CFR) Part 92.36, which outlines specific federal funding-based contracting process and procedure requirements. 4. Define specific roles and responsibilities for contractors. Clearly assign work, as defined in the WBS and schedule, to specific contractor staff. Use this information to update the ORHIX staffing plan, as appropriate. 5. Complete. 6. Complete and publish a comprehensive ORHIX contractor procurement and management plans. Ensure detailed tracking of all contractor work, especially any remaining T&M agreements.
Product Content (PC)	Med	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> • ORHIX is currently developing a change management process. • The current Identity and Access Management (IAM aka. IDM), Single Sign On (SSO) and Role Based Access (RBAC) strategy is incomplete. The



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Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>current IDM strategy is outlined in Attachment A. The identification of this risk caused the rating for this category to be escalated from “yellow” to “red” during the period.</p> <p>Risks:</p> <ol style="list-style-type: none"> 1. All requirements have equal weight and require equal effort by ORHIX and HIX-IT resources. This may be an inefficient use of time and effort if the requirements are not needed on day one of system launch. 2. If the validation the requirements is not formally and comprehensive, changes requests may result. 3. The shared services components (Security, MDM) will be implemented later in the process, potentially resulting in significant rework. In addition, process flows may need to change and or expected functionality may not be available when shared services models are over laid on the existing builds. 4. If documents are required to be scanned and uploaded it will affect the system capacity requirements and also ability of some people to use the system. If the documents are expected to be mailed or faxed in it may not be realistic. The need to review validation documents needs to be clearly identified and challenged as much as possible. Managing and matching docs in workflow processes will affect system design, customer expectations and HIX staffing requirements. 5. Requiring signatures on documents may be an unnecessary burden for the customer, system and customer service organization. 6. If dependencies are not clearly understood, the current roadmap will have items move on the schedule without warning. 7. The functional and technical design documents generated by HIX-IT maybe utilized by other HIX technical employees at a future date. 8. Informality in the use of BPM or UML will result in varying degrees of process flow quality. 9. Without an OPA expert eligibility rules may not be properly elaborated for HIX-IT to consume easily and may need reworked.



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Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>10. Please see Attachment A for specific, security-related risks.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. The requirements should be organized chronologically or prioritized from two different perspectives: 1.) per functional areas and 2.) within each functional area. This will enable the staff (both HIX Corp and HIX-IT) to organize their activities with greater efficiency. 2. Implement a product validation procedure and requirements change management process to validate the requirements submitted for development. Implement a change process to correct any defects of requirements. 3. Define the process for integrating the requirements from Corporation into the shared services components of the development teams early in the requirements process. 4. Identify all areas where documents are expected to be uploaded, faxed or mailed and review the validity for these documents in the workflow process. Ensure that the system architecture has a document management strategy. Ensure that the documents requirements are clearly identified in the current JAD session, Data requirements, use cases etc. An inventory of all document expectations should be identified to assess the magnitude of the effort. 5. Clearly identify where signatures are required for documentation. Validate if they are required by consulting DOJ, IRS, Carriers, etc. 6. Fully document the details of the existing OUM process (including shared services) as it is implemented (tailored) to the Exchange. The process should be approved and formally implemented and placed under change control. The process, if not controlled, will begin to drift as project managers move their attention to other areas/processes of the project that need to be "stood up". This will also enable QA to monitor the process as it continuously improves.



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Quality Rating Category	June 2012	July 2012	Aug 2012	July 2012 Risk Assessment Finding, Risks, and Recommendations
				<p>7. Dependencies and future work should be identified and tracked in the requirements elaboration process to 1.) ensure good scheduling practices are implemented and 2.) potential rework loading can be estimated by the development teams for future iterations. The future work and dependencies should be made part of the overall scheduling process identified in the scheduling section.</p> <p>8. A complete an accurate record of all iteration use case work packages and HIX-IT functional and technical design documents and Corporation testing documents should be organized and kept as a complete package in the Dropbox.</p> <p>9. ORHIX should require all BA work to be done using industry standards whenever possible. This will help ensure that 1.) the work done by all the BA's is completed with a common language. 2.) this common language can be utilized to communicate more effectively with trained developers and 3.) the products can be archived and reused at a later date potentially with different BA's and Developers.</p> <p>10. (Closed)</p> <p>11. Please see Attachment A for specific, security-related recommendations.</p>
Testing (TST)	High	High		
				<p>Findings During Period:</p> <ul style="list-style-type: none"> The first draft of the ORHIX test strategy is currently in internal review. <p>Risks:</p> <ol style="list-style-type: none"> Current iterations are being accepted without a formal and methodical review of the product. This may result in defects being found and fixed at a later point as potential issues are found. Lack of a dedicated test environment will limit the exposure of the SME's with the product that is being developed. It is very important that SME's have



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				<p>ample time to play with the design so they may be able to refine the design as necessary. The SME's should also be encouraged to use non-industry personnel, i.e., public users to get feedback on the public facing components of the exchange. Lack of a dedicated test environment will require significant coordination with the IT testers and a reduced amount of time to access the system.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Create a comprehensive test plan that outlines the strategy for iteration and UAT testing to be conducted by the corp. Note: this testing should include security requirements. 2. ORHIX should have their own dedicated test environment to ensure they have sufficient time to review the design of the system as it is being built, allow demonstrations and focus groups to view the design, train, conduct IV&V testing, etc.

SECTION 5: ORHIX Management Response

The following table provides space for ORHIX management response and/or state action plans for each of the Quality Standard sections areas or findings described in Section 4 of this report.

Quality Standard Section	ORHIX Management Response and/or Action Plan
Overall Health	ORHIX is prioritizing accepted recommendations to mitigate agreed-upon risks. To keep focused on the high-risk areas, ORHIX has added Maximus’s reported risks that we agree with to our rolling risk log. The Risks, Issues and Decisions (RID) team will focus on critical risks that have immediacy and track the status of the remaining less critical risks to be addressed later. Subsequent management responses will provide an update of ORHIX progress on mitigating critical risks.
Business Mission and Goals	ORHIX agrees with the findings and continues to develop a more detailed financial model, which it will incorporate into the updated version of the Business Plan (Business Plan 2.0) currently under development. ORHIX will use the updated Business Plan as a tool to communicate with federal and state partners, board of directors, and stakeholders.
Roadmap	ORHIX acknowledges the two new risks added to this section, namely that the term “Roadmap” may be used loosely but more important, there needs to be a methodology to establishing a roadmap. ORHIX does not consider the terminology issue to be a significant risk. Not having a methodology could be a significant risk; however, ORHIX is developing a roadmap using a top-down and bottom-up approach and industry standard definition tools and will have one baseline roadmap by the end of October.
Scope	ORHIX has completed its first version of the Program Work Break Down Structure. It is now in review with the Executive Team and QA vendor. The care and maintenance of the WBS is operationalized and documented in the Schedule Management Plan.
Schedule	ORHIX has completed its first version of the Program Schedule. It is now in review with the Executive Team and QA vendor. The care and maintenance of the schedule is operationalized and documented in ORHIX’s Schedule Management Plan.
Budget	ORHIX conducted three joint meetings with OHA/OIS to determine how to create a combined IT budget. The two organizations agreed on a structure and approach and agreed to hold monthly budget meetings to track variance to budget and update budget templates with new information as it becomes known. Outputs from this endeavor will inform subsequent federal grant funding, as ORHIX will be the grantee of all federal assistance to the Oregon Health Insurance Exchange after February 2013 (supporting both IT and other implementation and operations through 2014).
Funding	CMS recently provided new guidance for grant reporting. On July 30, 2012, ORHIX submitted its first report using this guidance. This submission allowed ORHIX to close out the risk of a delay in grant reporting requirements. ORHIX is continuing to refine its planning and budgeting process with OHA/OIS to increase the accuracy of budget forecasting.
Board Governance	The Board Policy Manual is currently under revision. The Board is updating

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	policies over the next several months, culminating in a new Board Policy Manual in November 2012. Future Board meeting agendas will be based on this new manual.
Inter-Org Coordination	ORHIX has recently developed a document detailing agency roles for health coverage, which will serve as a basis for Interagency Governmental Agreements (IGAs) between ORHIX and various state agencies. This will help mitigate the risk by focusing on the strength of ORHIX's relationship with participating state agencies and the need for IGAs. The governance model at OHA's Technology Division is still in formation. ORHIX looks forward to integrating into that new structure to mitigate the risk of undefined governance between the two organizations.
Organizational Management	A new finding was cited observing a broad definition of roles. ORHIX has deliberately created broad initial roles as a startup company to allow for flexibility with its staff as it solidifies its functional structure. ORHIX does not believe it is at risk in this area.
Human Resources	A new risk was cited stating ORHIX is interchanging the terms "policies" and "plans." ORHIX continues to develop HR policies and procedures and does not confuse these with an HR plan. ORHIX does not believe it is at risk in this area.
Stakeholder Management	ORHIX does not agree that the identified risk exists. ORHIX has spent considerable time and effort working with its many stakeholders over the past year. While a formal written plan is due in September, ORHIX meets on a regular basis with its known stakeholders, and staff balance outreach with program and product development.
Communications	ORHIX's communication plan, drafted by Sandstrom Partners, is in its final stages and will be completed in October.
Project Management	With the delivery of the first version of the project schedule, several reports are in development to address the needs of executive and operational staff and stakeholders. These include an executive dashboard, an operational 3-week look ahead and milestone reports.
Contract Management	No additional risks.
Product Content	ORHIX agrees with the risk assessment, specifically around shared services and security. It is working with OHA's Technology Division's Shared Services Group to craft a security management strategy that will be compatible with the requirements from CMS, ORHIX and OHA/DHS's Medicaid Modernization project. This is in the critical path of the IT project and is in progress.
Testing	No additional risks.

SECTION 6: Risk Rating Criteria

Risk Criteria

MAXIMUS uses the following risk rating criteria to evaluate the probability or likelihood of the risk occurring and the impact of the risk if it were to materialize. Some items have already occurred and they would be considered issues, i.e., a risk realized is an issue. In these cases MAXIMUS will automatically identify these items as a high probability of occurrence and the impact will be the gating factor for the overall rating.

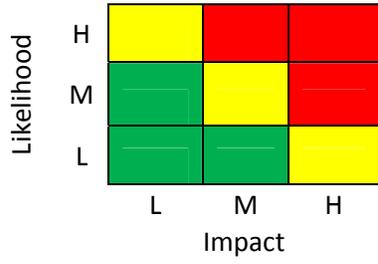
Probability

H	Probable/eminent Occurrence	If the finding is probable or eminent based on the circumstances found the rating should be considered High.
M	Possible/likely Occurrence	If the finding is possible or likely to occur based on the circumstances found the rating should be considered Medium.
L	Possible/unlikely Occurrence	If the finding is possible, but unlikely to occur based on the circumstances found the rating should be considered Low.

Impact

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

Overall rating of a finding



Attachment A: Detailed Security Concerns

Findings During Period:

- The current Identity and Access Management (IAM aka. IDM), Single Sign On (SSO), External Self Administered Role and Role Based Access (RBAC) strategy is not well defined and can be characterized as follows (Note: this information was identified in the recent HIX-IT Logical Structure of Account 4 Whitepaper):
 - Every user in the system will have single sign-on capability in the system. This means that individual and business functions are comingled in accounts.
 - Identity proofing approach is currently unclear. Identity proofing is required to provide assurance of non-repudiation. Identity proofing of some form will be required by the Exchange due to the nature of the environment.
 - Identity proofing is currently at the individual level only. It is unclear how an employer, broker, employee, etc., will be proofed in the system for their specialized role.
 - Internal staff roles in the system are not defined.
 - External roles are intended to be self administered, i.e., a user can join or revoke other users into and out of their accounts.

Risks:

1. Comingling of individual and business accounts is highly unusual especially in the health insurance field. While it seems like a convenience, it may not be desirable from a user, technical, or security perspective. For example, an individual user may also be a Broker. This person may log into their account at home on their personal computer. If this computer is infected with key logger, user account login information could be compromised. A malicious user would then have access to the Brokers personal account and also their Broker account which potentially compromises other employer accounts the Broker may be attached.
2. Identity proofing can be costly and can have a customer usability impact. If the ID proofing is considered to be too cumbersome by the public it can affect the use of the Exchange on-line system.
3. Additional levels of proofing may need to be exercised for different roles in the system, For example, how will a Broker prove they are a legitimate Broker in the system? Not clearly planning, defining and detailing the strategy up front can result in significant delay or work stoppage in the project due to security, usability or technical issues that will continue to pop up in the project without a proper strategy and planning effort.
4. Internal system role definition may alter the expected business workflow of the Corporation. Doing this work later in the development or after the system is developed can cause rework and or surprises in staff workflow.
5. External self administered roles create additional complexity of the user experience. These types of architectures are relatively new for public use environments and if deemed too complex and not intuitive for average users, it can result in nonuse by the public.
6. Exchange liability for fraudulent activity due to ineffective identity management and self administered roles is not fully evaluated. For example, the Corporation may be held liable or publicly embarrassed if a person fraudulently became a broker in the system and was found to be attached to a number of large Employer accounts. These types of externally, self

administered implementations are relatively new and fraught with risk for a known marketplace, let alone a marketplace in its infancy.

Recommendations:

1. Account comingling: The Corporation should find an existence proof of individual and business comingling approach in the health care field prior to implementing this strategy. If precedence is found in the market, the Corporation should seek out the entity and be thoroughly briefed by the entity prior to making this decision.
2. Identity proofing: The Corporation should understand the requirements from CMS, IRS, etc with regards to what level of ID proofing is required prior to developing the IDM strategy. For more on ID proofing levels please refer to NIST 800-63.
3. Identity proofing: Identity proofing techniques are both a Business and a IT decision. The Corporation will ultimately need to bear the risk that the selected approach poses (legal and user acceptance). The Corporation should take an active role in deciding and vetting the approach with the IRS, State DOJ and potential customers of the Exchange. Again, this is the front door to the Exchange access as should be a balance between business efficiency (customer acceptance) and security.
4. Identity Proofing: There may be multiple layers of Identity proofing required. Some users may need to provide proof as an individual only, Broker, and / or employer/employee. The Corporation should clearly define the requirements to HIX-IT and expect HIX-IT to create a detailed design document for ID and account management that is vetted with the Corporation.
5. Internal role definition: The Corporation should overlay role requirements on their internal workflow diagrams to ensure these are identified early in the development process. There are a number of engineering articles on methods for diagramming these requirements.
6. External Self Administered Roles: Research should be conducted by the Corporation to fully understand what the failure rates of these types of implementations from a usability perspective. An expert should be consulted to guide the Corporation of necessary.
7. Much greater emphasis should be placed on defining the IDM strategy for the Corporation.
8. Reviewing analogous IDM and External Self Administered Role implementations in the market place should be conducted by the Corporation. A comprehensive, detailed strategy should be developed and vetted by the Corporation and potentially an independent expert in this field.
9. The Corporation should identify all use cases required to implement the IDM, SSO and RBAC strategy selected.
10. Where possible, full mock-ups of the Identity proofing and external self administered roles should be made available to the business to determine the usability impact to the customer experience prior to implementation. This determination should use market research and data to fully justify the decisions made.