



Oregon

Kate Brown, Governor

Department of Human Services

ONE IE/ME Project

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August 31, 2018

The Honorable Senator Chuck Riley, Co-Chair
The Honorable Representative Nancy Nathanson, Co-Chair
Interim Joint Committee on Information Management and Technology (JLCIMT)
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Department of Human Services (DHS) and Oregon Health Authority (OHA): Progress Report
on the ONE Integrated Eligibility & Medicaid Eligibility (ONE IE & ME) Project

Dear Committee Members:

Nature of Request

The 2018 Legislature directed the Department of Human Services (DHS) and the Oregon Health Authority (OHA) to jointly report the Project progress on Legislative Fiscal Office (LFO) recommendations contained in the February 16, 2018 report provided to the JLCIMT.

Agency Action

The Project Team, DHS and OHA addressed each of the thirteen February recommendations in the April 23, 2018 Progress Report. Four of these thirteen items were reported as complete and nine were categorized as ongoing throughout the duration of the Project. The Project Team is continuing to report being compliant with each of these recommendations. Ongoing Reports to this Committee are to include project status, progress, and variances to key performance metrics (i.e. scope, schedule, resource usage, financial, and risks).

Milestones

Major Project milestones have been reached in the period since the last Progress Report.

- The IE core design has been completed and the corresponding application development is progressing such that all design elements will be ready to test upon commencement of Final System Integration Testing (SIT) on October 1, 2018. Scope has been locked on the new IE core and a code freeze is in place.
- The MAGI (ONE) Team completed the last Enhancement Support and Services (ESS) Release 7 and the code merge with the IE System was completed. As such, MAGI functionality is in place in the new system and is ready for Final SIT. Scope has been locked and a code freeze is in place for MAGI functionality effective August 1, 2018.
- System Integration Testing (SIT) 1 was completed, testing all functionality from the original design and from Design Addendum 1.

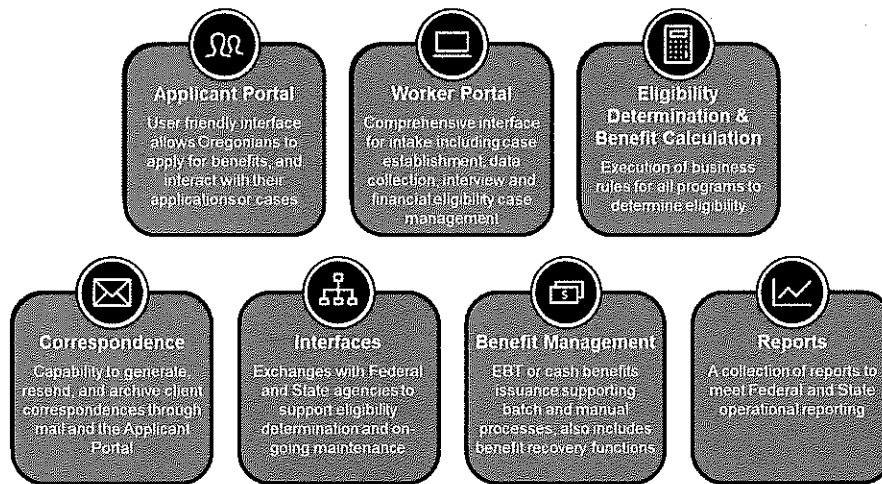
"Assisting People to Become Independent, Healthy and Safe"

- Data conversion design was completed in preparation for data conversion mock runs scheduled to commence in September 2018.
- The Quality Assurance Initial Risk Assessment Update was completed and new risks were entered into the Project's Risk Management system for mitigation activities.
- The Business Operations Readiness Plan was completed and approved.
- A Request for Proposal (RFP) for testing services was awarded and the associated contract is near completion.
- A kick-off meeting for Disaster Recovery (DR) was held. The SI contract is being amended to include DR design and implementation services. Subsequent testing of the DR solution is included as an option for the Testing Services vendor.
- Several testing deliverables have been reviewed and approved including the Overall Test Approach, the State's Test Strategy, and the Functional Security Test Plan. Currently in the review and approval cycle are the State's User Acceptance Test (UAT) Test Plan and the System Integrator (SI) Final SIT Plan.
- Design Addendums 1 and 2 were completed. Development for Design Addendum 2 is underway and is to be completed prior to Final SIT in October.
- Twenty-five (25) of the twenty-nine (29) Legacy System Design Documents (LSDD's) and Interface Control Documents (ICD's) have been completed, reviewed, and approved. The remaining four (4) Legacy Systems Deliverables will be approved in the next month.
- Legacy development is proceeding with seven (7) systems completed, twenty (20) on track for completion by October 1, 2018, and eight (8) systems to be completed in the fourth quarter of this year.

Eight (8) Legacy systems are projected to still be in development at the beginning of Final SIT. This is due to moving Design Addendum 2 (described below) from a scheduled start date of August 2018 ahead of schedule to April 2018. The decision to perform Addendum 2 early was to allow enough time for design changes to be developed and incorporated into the system prior to testing in October. This decision allowed needed functionality to be included in the deployment for Pilot. No changes were made to the Integrated Project Schedule (IPS) to accommodate this additional work effort. As a result, several Legacy related design and development tasks were delayed. Analysis has begun to determine what, if any, impact a 4- to 6-week delay in the readiness of these 4 systems will have on Final SIT. A contingency plan is being developed by the Project Team and governing bodies to mitigate the impact to test plans if needed functionality for end-to-end testing is not in place by October 1, 2018. A code freeze of Legacy systems is currently scheduled to commence in March 2018.

Scope

The following graphic indicates the functional areas that the scope of this Project is addressing.



Business functionality by program area that is in scope is identified in the following tables.

DHS Self-Sufficiency Programs (SSP)	
Categorical Eligibility (CTCE)	Expanded Categorical Eligibility (EXCE)
Broad-Based Categorical Eligibility (BBCE)	Supplemental Nutrition Assistance Program (SNAP)
Expedited SNAP (ESNAP)	Disaster SNAP (DSNP)
Able Bodied Adults without Dependents Requirements (ABAWD)	Oregon Food Stamp Employment Transition Program (OFSET)
Temporary Assistance for Needy Families (TANF)	Employment Payments (EPPT)
Temporary Assistance for Domestic Violence Survivors (TA-DVS)	Jobs Participation Incentive (TIPI)
State Family Pre-SSI (PSSI)	Jobs Opportunities and Basic Skills (JOBS)
Employment-Related Day Care (ERDC)	Child Care Supportive Service for TANF Recipients (CCTN)
Refugee Program for Individuals Seeking Assistance and Otherwise Ineligible (REFG)	Summer Electronic Benefit Transfer for Children (SEBTC)

DHS Aging and People with Disabilities (APD) Programs and Non-Modified Adjusted Gross Income (Non-MAGI) Medicaid	
Qualified Medicare Beneficiaries – Basic	Qualified Medicare Beneficiaries – Special Limited Medicare Beneficiaries
Oregon Supplemental Income Program Medical – Supplemental Security Income	Oregon Supplemental Income Program Medical – 1619B
Oregon Supplemental Income Program Medical -Survivor Widows	Oregon Supplemental Income Program Medical – Aid to the Blind
Oregon Supplemental Income Program Medical – Old Age Assistance	Oregon Supplemental Income Program Medical – Aid to the Disabled
Oregon Supplemental Income Program Medical – Acute Care	Oregon Supplemental Income Program Medical – Employed Persons with Disabilities Not Receiving Services
Oregon Supplemental Income Program Medical – Employed Persons with Disabilities Receiving Services	Oregon Supplemental Income Program Medical – Qualified Individuals
Disabled Adult Children – (DAC)	Pickle Amendment Clients
Qualified Medicare Beneficiaries – Disabled Worker	Qualified Medicare Beneficiaries – Qualified Individuals
Special Needs	Services – Long Term Care or Waiver
Refugee Medical Program	
OHA Modified Adjusted Gross Income (MAGI) Medicaid	
Oregon Health Plan (OHP) Plus Adult (ADLT)	OHP Plus Children’s Health Insurance Program (CHIP)
OHP Plus Child under age 1, under 185% (CHL1)	OHP Plus Child, age 1 through 18, under 133% (CHL4)
Citizen Alien Waived Emergent Medical (CAWEM) Adult (EMAD)	CAWEM Child under age 1, under 185% (EMC1)
CAWEM Child age 1 through 18 (EMC4)	CAWEM Parent or Other Caretaker Relative (EMPC)
CAWEM Plus Pregnant Parent or Other Caretaker Relative (EMPP)	CAWEM Plus Pregnant Woman (EMPR)
CAWEM Pregnant Woman (EMPW)	OHP Plus Former Foster Care Youth (FFCC)
Hospitalized Adult Inmate (HIA1)	Hospitalized Pregnant Woman Inmate (HIA2)
OHP Plus Parent or Other Caretaker Relative (PACA)	OHP Plus Pregnant Parent or Other Caretaker Relative (PCPR)
OHP Plus Pregnant Woman (PREG)	OHP Plus Assumed Eligible Newborn (TP45)

Legacy Systems	
Automated Jobs (AJ)	Batch Scheduling (BS)
Bendex (BE)	Client Eligibility (JM)
Client Employed Provider (CEP)	Client Index (CI)
Client Notice Writer (NC/NW)	Client Maintenance System (CM)
Client Pay-In (CPI)	Check Reconcile/Accounting Interface (CR/AI)
Community Based Payment (CBC)	DOJ Child Support (ORIGIN)
Electronic Benefits (EB)	Electronic Data Management System (EDMS)
Employment Tracking System (ET)	Express Payment and Reporting System (eXPRS)
Food Stamps (FSMIS)	Integrated Collections Management (ICM) – Inbound/Outbound from IE (Non-JV)
Integrated Collections Management (ICM) – Inbound from JV	New Payment System (JV)
Month-End Statistics (MS/ME)	Oregon Access (OA)
Pre-ICM Processing System (PIPS)	Performance Reporting Information System (PRISM)
Provider Pay (PP)	Reporting for APD (JR)
Service Authorization (SA)	Service Eligibility System (SJC)
Special Cash Payment (SP)	Federal Reporting – TANF (FR/TANF)
Transition, Referral and Client Self-Sufficiency (TRACS)	Trust and Agency (WTA)
Unearned Income Verification (IEVS/SX/SSA)	

There were three Design Addendums specified in the SI contract consisting of 21,000 Contractor hours. These addendums are to enable the Project Team a mechanism to implement needed changes to the Functional Detail Design based on the outcome of Joint Application Design (JAD) sessions in the various work tracks. Changes to the design required State-approved change requests to be vetted through the Project's Change Control Board (CCB) prior to approval.

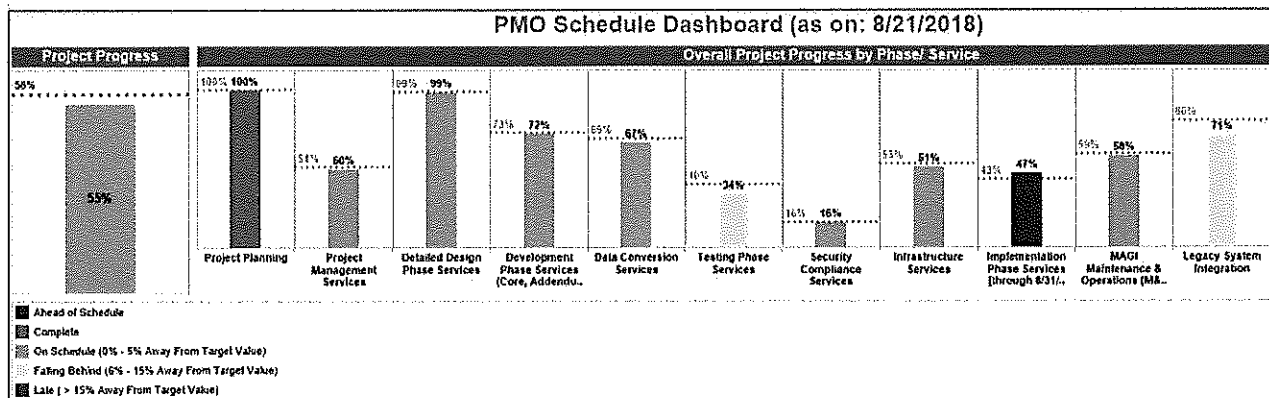
The first Design Addendum work effort began in September 2017 and was based on an estimated Contractor effort of up to 10,000 hours. 7,500 Contractor hours were expended in this addendum.

Design Addendum 2 was originally scheduled to begin in August 2018 with development and testing of these changes occurring in spring and summer of 2019. Changes in Addendum 2 would have been implemented after system roll-out. As such, the Project Team and governing bodies elected to move Design Addendum 2 to begin April 2018 to ensure design and development of these change requests would be incorporated into Final SIT and UAT, and subsequently would be available to the user community upon implementation. Design Addendum 2 was based on an estimated Contractor effort to deliver the addendum of between 4,000 and 7,000 hours. 7,160

hours were expended in this addendum, leaving a balance of 6,340 hours for Design Addendum 3, scheduled to commence in November 2019. The scope of the IE system was locked upon completion of Design Addendum 2 in July 2018.

Schedule

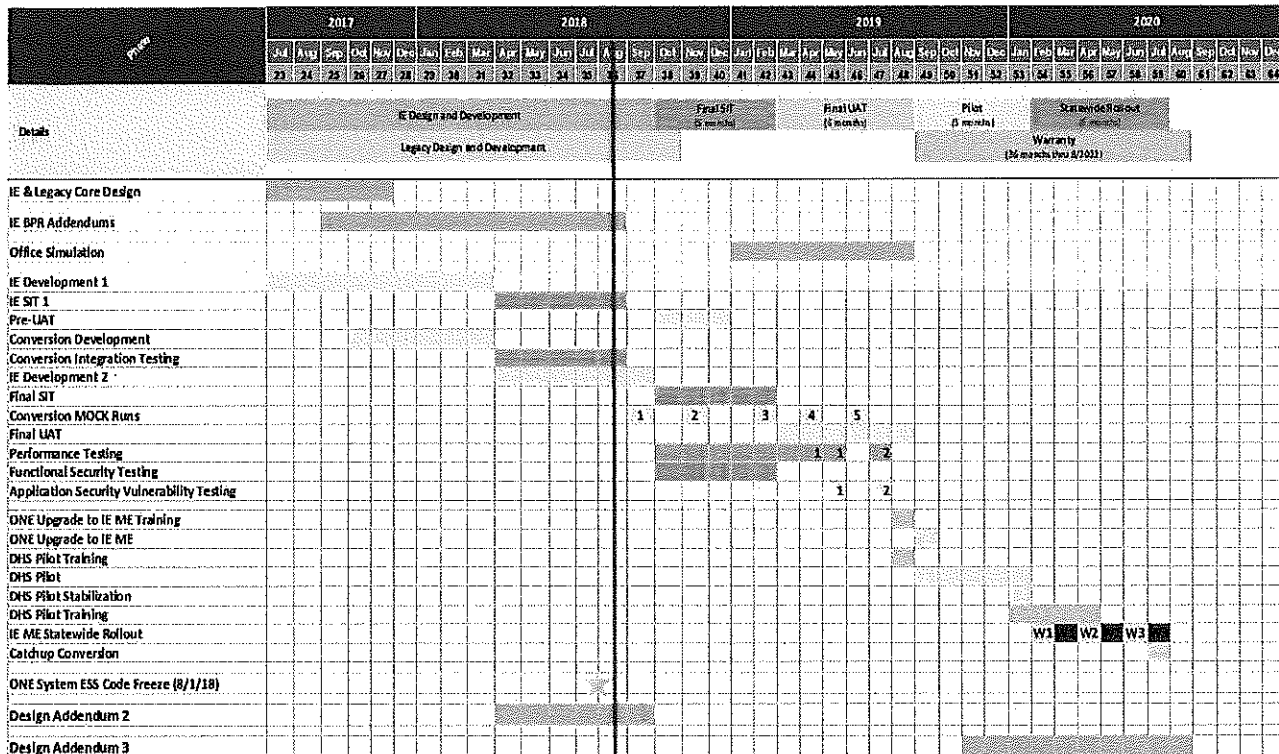
The IE Project schedule was re-baselined in January 2018. The Project has stayed on schedule within a + or – 5% variance for 26 consecutive weeks. In July 2018, both the Testing Phase Services and the Legacy System Integration tracks are now identified as “at risk.”



The Testing Phase Services track is 34% complete with a target of 40%. This is due to not yet having an approved UAT test plan, the target number of test cases completed, and limited resources. Testing resources were brought onto the Project from an existing vendor contract to help resolve capacity issues while work continues with contract signing and federal approval of additional UAT testing resources from the recently awarded RFP. It is expected this action will place the Testing Phase Services back on schedule and resolve this risk in November 2018.

The Legacy System Integration track is 71% complete with a target of 80%. This is due to moving Design Addendum 2 earlier in the schedule, as was previously described above, requiring a contingency plan in the event this risk is realized. The Legacy Team has successfully filled vacancies and hired contract staff to help mitigate some of the capacity and resource redirection risks.

A high-level Project schedule is included below.



Budget

The budget report below indicates expenditures and projections for the current biennium as of June 30, 2018. Projections indicate there will be an approximate \$36 million balance that will not be expended this biennium. This is due to the Project Re-baseline that occurred in January 2018, effectively moving some of the Project costs from the 17-19 biennium to 19-21.

(B)	AY17-19					
	Project Actual Expenditures (Jul 2015-June 2017)	Actual Expenditures AY17-19	Forecast Expenditures Balance of AY17-19	Total Estimated Expenditures AY17-19	Legislative Approved Budget (POP) AY17-19	Variance from POP \$
Federal Funds - Totals	65,354,401	37,003,454	89,347,228	126,350,682	147,597,021	(21,246,339)
IE/ME General Fund Totals	4,594,067	3,087,823	(2,685,107)	402,716	2,289,617	(1,886,901)
IE/ME Bond Totals (B)	8,590,544	4,876,137	27,187,672	32,063,809	45,000,000	(12,936,191)
Project Total	78,539,012	44,967,414	113,849,793	158,817,207	194,886,638	(36,069,431)
Other	108,515	86,275	435,725	522,000	615,000	(93,000)
Project Totals (A)	78,647,526	45,053,689	114,285,518	159,339,207	195,501,638	(36,162,431)

In February 2018, the Project Team provided this Committee an estimated cost to complete this Project in the 19-21 biennium of \$188 million. The proposed budget for next biennium in its

current state of review is estimated to be \$193 million including Debt Service and Issuance costs. The proposed budget for the 19-21 biennium includes \$154 million for DDI work and \$33 million for maintenance and operations after implementation and includes 10% contingency.

Resource Usage

One of the biggest risks to the Project is policy and/or code changes that impact IE systems or that redirects resources being utilized on the IE Project, including Legacy and ONE MAGI sub-projects. To mitigate this risk, there has been a policy and code freeze put into effect for both the IE core and for ONE MAGI. Code freeze for Legacy systems is scheduled to commence in March 2019.

Success Criteria and Metrics

In April 2018, the Project's Quality Assurance (QA) vendor conducted three workshops with IE&ME project leadership to:

- Define expected project success outcomes, using a 3-month post implementation timeframe.
- Identify indicators of progress toward project success outcomes.
- Identify high level measures for the project success outcomes.

The purpose of this process was to identify project success outcomes and associated measures for IE&ME. The QA vendor is monitoring progress toward those outcomes and will report findings accordingly. Project leadership identified six success outcomes:

- Systems work as expected
- A plan is in place for future M&O
- Staff are trained and supported
- Systems deliver value to staff
- Systems deliver value to Oregonians
- The project is publicly recognized as successful

Workshop participants identified over 60 potential near-term and long-term indicators of success that would help show progress towards these six success outcomes.

Quote from the Centers for Medicare & Medicaid Services (8/1/2018)

"Attached is the letter acknowledging that Oregon has successfully completed the Medicaid Eligibility & Enrollment Toolkit (MEET) Project Initiation Milestone Review (R1). Overall, our assessment is that your Integrated Eligibility project is proceeding successfully."

Please let me know if you have questions, comments, or concerns.

Sincerely,



Tony Black

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ONE Integrated Eligibility/Medicaid Eligibility Project

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