Oregon

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February 14, 2020

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

Re: Department of Human Services and Oregon Health Authority - Integrated Eligibility
Project Progress Report

Dear Committee Members:

Nature of Request
In 2018, the Legislature directed the Department of Human Services (DHS) and the
Oregon Health Authority (OHA) to jointly report on the Integrated Eligibility (IE) Project
progress on a recurring basis. This report is an update to the November 18, 2019
submission.

Agency Action
The Project Team, DHS and OHA remain in compliance with all Legislative directives.
Based on these directives, ongoing reports to this Committee are to include project status,
progress, and variances to key performance metrics, such as scope, schedule, budget and
finance, resource usage, and risk.

Background
The IE Project was initiated to integrate Medical Programs (Modified Adjusted Gross
Income (MAGI) and Non-MAGI Medicaid), Supplemental Nutrition Assistance Program
(SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related
Daycare (ERDC) into a single enrollment and eligibility system called OregONEligibility, or
the ONE system. At a high level, Project scope remains unchanged. The Project Team
has also consistently reported on major milestones without change since the schedule re-
baseline in January 2019.

Project Status and Progress
The Project is on schedule in terms of the overall Project Plan. The Project Team is
currently in testing and Pilot / Implementation readiness planning. It was previously
reported that state-wide implementation of medical programs and Pilot implementation of
SNAP, TANF, and ERDC in Jackson and Josephine Counties would occur on April 6,
2020. Subsequent to this Pilot, Wave 1 would occur in August 2020 and Wave 2 in
October 2020, with Project close-out to be completed by the end of January 2021.

"Assisting People to Become Independent, Healthy and Safe"
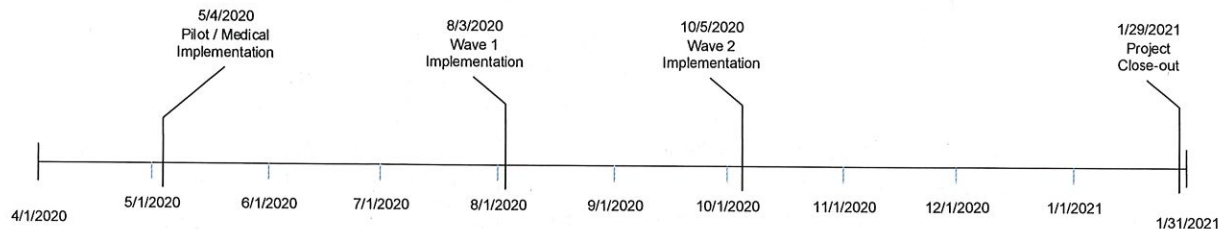
Project Schedule Previously Reported
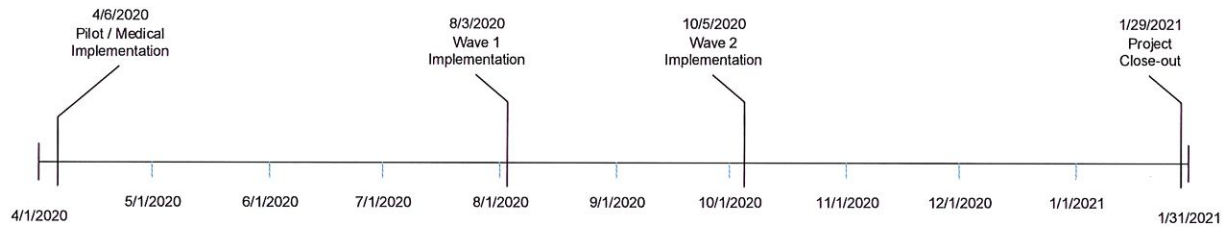
The Project Team and Governance recently moved this Pilot / Medical Implementation milestone from April 6, 2020 to May 4, 2020 to help reduce risk and ensure that we maintain high-quality customer service when the integrated ONE system is launched. To offset this milestone shift, the Pilot duration has been reduced from four months to three months. The Project Team now has more time to:

- Conduct additional testing in key areas – There is a desire to conduct additional testing of mixed program end-to-end functionality, long-term care, financial and accounting validations, and testing related to in-progress system changes.
- Implement critical mandates from the federal government – There were two federally-mandated changes needing to occur prior to medical programs implementation.
    o Medicare changes related to how information is maintained, verified, and used in Medicaid eligibility determinations.
    o Absent Parent Data Collection – Absent parent information has historically been collected during interaction with customers. This data was then shared with the Department of Justice Child Services Division. The Center for Medicare and Medicaid Services (CMS) has directed the State or Oregon to stop gathering this data and must not go into implementation with this functionality enabled.
- Fulfill a change request related to system usability – It was determined during testing that income-related screens were confusing to users and that there would be a significant impact during deployment in terms of additional training and end-user system adoption if not rectified prior to deployment. Design and development of this change has been completed and this functionality is now in testing.
- Identify and resolve as many issues as possible before Oregonians begin using the system – System defects continue to be resolved. It is by direction of the Project's federal partner Food and Nutrition Services (FNS), that there be few remaining defects upon Pilot entry and that known defects have documented business process alternatives for field workers to navigate these known issues. Based on the rate of defect resolution, the Project Team anticipates resolution of most remaining defects prior to Pilot.
- Retain key testing resources before they move to training and site support – Many of the Project testing resources are eligibility workers from offices around the State who were trained in testing procedures and processes. These people will spend the last three weeks prior to Pilot in training for their next role as Site Support specialists during implementation. This will reduce Project tester capacity by

approximately 50%, meaning it is important that testing be nearly complete prior to commencement of training.

Given the cumulative risk to schedule based on testing and defect resolutions status, implementation of change requests, and loss of critical resources, the Pilot / implementation launch date was adjusted as indicated below.

Project Schedule with Adjusted System Launch Date

| 5/4/2020 Pilot / Medical Implementation | 8/3/2020 Wave 1 Implementation | 10/5/2020 Wave 2 Implementation | 1/29/2021 Project Close-out |

4/1/2020 — 5/1/2020 — 6/1/2020 — 7/1/2020 — 8/1/2020 — 9/1/2020 — 10/1/2020 — 11/1/2020 — 12/1/2020 — 1/1/2021 — 1/31/2021

Pilot / Implementation Readiness Tracker and Go/No-Go Criteria

Over 400 activities rolling up to 16 categories need to be completed prior to Pilot / Implementation. These activities are assigned owners and due dates. They are updated and available real-time and reviewed by Project Leadership weekly, with any activity indicating behind schedule being escalated and addressed. This tracker is used as one of the factors in Go/No-Go decision-making processes. Categories of activities included in this tracker are listed below.

- IE Core Application
- IE Core Infrastructure
- Legacy Applications
- Legacy Infrastructure
- User Acceptance Testing
- Security
- Training
- Data Conversion

- System Cutover
- Command Center
- Triage-Service Desk
- Site Support
- Communications
- Business Operations
- People Readiness
- Governance

Data Conversion

Data conversion begins with the upgrade of the ONE system (MAGI) into the new integrated ONE system (IE). In this phase of the data conversion process, practice exercises have proven that 100% of the existing data can be converted and nearly 100% result in a benefit match.

The Legacy data is then extracted from each of the following systems:
- Client Maintenance (CM) – Contains client/case information on all Self-Sufficiency Program (SSP) and Aging and People with Disabilities (APD) benefit programs.
- Food Stamp Management Information System (FSMIS) – Contains client and case information that establishes SNAP and Summer Meals eligibility.
- Client Index (CI) – Provides a single point of lookup for client information.

- Automated Jobs (AJ) – Primarily used for setting up TANF Child Care situations and authorizing support service payments.
- Oregon ACCESS (OA) – A client-server system that interfaces with the mainframe to provide client financial service eligibility information used for program eligibility decisions, setting up the client with services, and managing the client's case.
- SJM – Provides disqualification data and daily extracts on CM cases that is used to include or exclude cases from conversion.
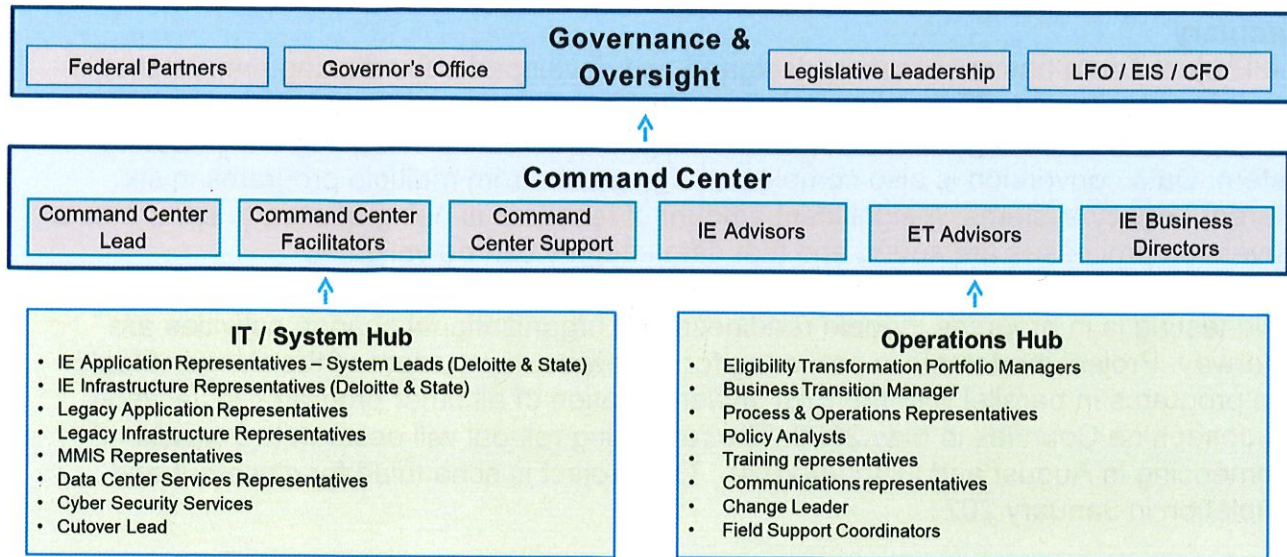
This extracted data is transformed and loaded into the integrated ONE system with the converted MAGI data in accordance with transformation and precedence logic. Most cases in Legacy systems are converted properly but there is indication that there will be many records in a "benefit mismatch" state due to Legacy systems being operated in silos for decades, coupled with the varying policy and recertification rules between programs. Cases in a benefit mismatch state after data conversion may require eligibility workers to spend more time to resolve the mismatch state until all case issues are resolved.

Cutover
When the IE system goes live in May 2020, there will be a window of opportunity to convert medical cases and Pilot counties data between Friday night and Monday morning without negatively impacting field office operations. To date, data conversion exercises have taken longer than this weekend window. To mitigate this risk, the data conversion team and the Office of Information Services (OIS) have been practicing these data conversions at every opportunity with more conversion practice scheduled prior to Pilot. Lessons learned have been applied and many tasks have been automated. Business leaders have been tasked with validating business continuity processes to utilize in the event a field office is open while data conversion processes are still in progress during the first day of Pilot.

Go-Live Field Support Structure
The Project Team, in coordination with OIS, Data Center Services (DCS), and the SI, are currently implementing a Command Center in preparation for Pilot/Go-Live to triage and correct any issues that occur during system launch, whether technical, business process-related, or people-oriented. The Command Center will be staffed throughout the deployment schedule. A network of field support, change leaders, trainers, and subject matter experts will be deployed in field offices to resolve issues or communicate them to the Command Center for resolution. A diagram of this support structure is included below.

Governance & Oversight				
Federal Partners	Governor's Office		Legislative Leadership	LFO / EIS / CFO

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Command Center

Command Center Lead	Command Center Facilitators	Command Center Support	IE Advisors	ET Advisors	IE Business Directors

↑   ↑

IT / System Hub
- IE Application Representatives – System Leads (Deloitte & State)
- IE Infrastructure Representatives (Deloitte & State)
- Legacy Application Representatives
- Legacy Infrastructure Representatives
- MMIS Representatives
- Data Center Services Representatives
- Cyber Security Services
- Cutover Lead

Operations Hub
- Eligibility Transformation Portfolio Managers
- Business Transition Manager
- Process & Operations Representatives
- Policy Analysts
- Training representatives
- Communications representatives
- Change Leader
- Field Support Coordinators

Budget and Finance

The Financial Summary reports below indicate expenditures and projections for the 2019-2021 biennium as of December 31, 2019.

Financial Summary for 2019-2021 Based on December 2019 Report						
Source of Funds	Expenditures to Date	Projected Expenditures	Biennium Total	19-21 Budget	Variance ($)	Variance (%)
Federal Funds	19,378,318	116,745,009	136,123,327	130,915,597	5,207,730	4%
General Fund	3,347,632	(506,066)	2,841,566	2,304,727	536,839	23%
Bonds	3,776,785	41,824,895	45,601,680	44,334,153	1,267,527	3%
Issuance Cost	55,701	619,299	675,000	675,000	-	0%
Total	26,558,436	158,683,137	185,241,573	178,229,477	7,012,096	4%

The estimated cost of design, development, and implementation (DDI) by funding source and biennium is indicated below.

Funding Sources	Biennium				
	2015-2017	2017-2019	2019-2021	2021-2023	Total
Federal Funds	28,350,947	106,229,079	130,915,597	1,748,324	267,243,947
General Fund	1,597,743	2,688,532	2,304,727	-	6,591,002
Bonds	3,622,907	22,753,340	44,334,153	589,176	71,299,576
Issuance Cost	22,240	101,275	675,000	-	798,515
Total Project Cost	33,593,837	131,772,226	178,229,477	2,337,500	345,933,040

Warranty and Maintenance and Operations (M&O)

A 36-month warranty period and 9 months of M&O will commence upon system go-live. An additional 27 months of M&O is currently in contract negotiations with the Project's System Integrator. This additional 27 months of M&O is intended to provide time for the State to perform an open procurement for ongoing operational support of the integrated ONE system.

Summary

The Project Team has successfully designed and developed a functioning product that is currently being tested. While there is extraordinary complexity inherent in the scope of this project, extensive testing has been performed, with test results indicating a high-quality system. Data conversion is also complex, merging data from multiple programs in six different Legacy systems. A significant amount of resource is being applied to ensure data conversion processes are sound and that data integrity can be validated.

While testing is in progress, people readiness and organizational change activities are underway. Project leadership is preparing for statewide deployment of the Oregon Health Plan programs in parallel with the Pilot implementation of all other programs in Jackson and Josephine Counties in May 2020. The remaining roll-out will occur in two waves commencing in August and October 2020. The Project is scheduled for close-out and completion in January 2021.

Status and progress reporting to this Committee will continue through the duration of this Project. Please contact me if you have questions, comments, or concerns.

Sincerely,

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        Ed Arabas, EIS