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Tina Kotek, Governor

May 5, 2023

The Honorable Aaron Woods, Co-Chair
The Honorable Nancy Nathanson, Co-Chair
Joint Legislative Committee on Information Management and Technology
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

The Oregon Department of Corrections (DOC) respectfully asks you to accept this letter as a status report on the Electronic Health Records (EHR) Project.

Background

DOC seek to modernize the management of adults in custody (AIC) health records as recommended by the Workgroup on Corrections Health Care Costs established by Senate Bill 843 (2013). This project will procure and implement DOC's first EHR system to address business problems faced by the agency because of the primarily paper-based system.

DOC provides medical care, behavioral health services, dental care, substance abuse treatment, and medications to 12,255 AICs housed in 12 institutions as of April 24, 2023. DOC collaborates with community partners to address patients' acute and specialty care needs. The agency tracks all data generated by this care in paper charts and by entering rudimentary data into an antiquated offender management system.

Over the last few years, and especially during 2020 through 2022, it has been challenging to manage critical healthcare situations such as COVID-19. The lack of sufficient portability of the healthcare record and limited data analytics make it difficult to inform and shape the healthcare outcomes of DOC patients.

The continued use of an increasingly outdated, paper/electronic patchwork of disparate applications and processes limits the department's ability to deliver effective and efficient, and constitutionally mandated healthcare services to AICs. DOC received funding in our 2021-2023 budget and is currently in negotiations with an Apparent Successful Bidder, Fusion, for a commercial off-the-shelf system (COTS) that has been successfully implemented in an environment like DOC's Health Services.

Scope, Budget, and Schedule

The EHR Project reports an overall status of <mark>YELLOW</mark>. Scope, budget, and schedule are outlined below, including additional comments on schedule listed in the risk section.

Color rating is reflective of the project perspective:

G	As planned or baseline
Y	Risk area needs active management to stay on plan
R	Needs immediate attention

G	Scope
Baseline #3, revision of Integrated Project Schedule	
APPROVAL DATE 11/12/2020	
CHANGES WITH SCHEDULE IMPACT ANTICIPATED? **X** Yes ___ No	
CHANGES WITH BUDGET IMPACT ANTICIPATED? ___ Yes **X** No	

G	Budget (incremental, conditional)**	
'19-21 BUDGET $1,500,000	'21-23 BUDGET $18,400,000	
'19-21 PLANNED $1,500,000	'21-23 PLANNED $18,400,000	
'19-21 ACTUAL $1,501,278	'21-23 ACTUAL $1,652,592***	
VARIANCE $1,278	VARIANCE TO DATE $0	

** Planned and approved thru Q2 2023
*** Per cost report 4/4 for #s: 18900200, 10598001, and 38300006

R	Milestone Schedule				ON SCHEDULE	
DESCRIPTION	**Planned**	**Projected**	**Received**		**YES**	**NO**
Project Initiation (Stage Gate 1)			January 2017			
Resource/Solution Analysis (Stage Gate 2)	April 2021	December 2021	December 10, 2021			
RFP Issuance	April 2021	December 2021	December 14, 2021			
Apparent Successful Bidder Announced	April 29, 2022	May/June 2022	May 24, 2022			
Implementation Planning (Stage Gate 3)	October 4, 2022	February 2023	TBD			X
Vendor Contract Execution	October 4, 2022	April 2023	TBD			X
Transition to Operations (Stage Gate 4)	March 2024	March 2024	TBD		X	

Scope

The scope of this project encompasses all activities and components needed to implement an EHR that automates the health records management of dental, behavioral, pharmaceutical, treatment programs, and medical care of the DOC AIC population across the 12 facilities. The solution will provide a comprehensive EHR system that can be shared in a secure and integrated environment across all DOC healthcare delivery modalities. This project will reduce or eliminate paper medical charts and provide an electronic mechanism to securely share critical patient treatment data with all providers within DOC as well as those providing care to AICs outside DOC facilities.

This EHR will improve coordination of care between providers of services through the integration of data; provide opportunities to reduce costs through streamlining and automating clinical operations; produce better treatment outcomes through integrated treatment protocols; enhance and improve patient education; and standardize processes where possible.

Budget

The department received $1.5 million in the 2019-2021 budget for the EHR project and an additional $18.4 million for the 2021-2023 biennium. At this time, DOC expects the current funding to be

sufficient to implement the EHR system, although there will be more clarity after the contract negotiations are complete. DOC has requested authorization to expend the funds beyond June 30, 2023. As outlined in the business case for the project, DOC also submitted a policy option package request for the 2023-2025 biennial budget to cover ongoing expenses for operations and maintenance.

Schedule: Procurement Accomplishments, Updates and Milestones

DOC is behind schedule in the procurement process but continues to make progress with the EHR project.

Following Stage Gate 2 approval on December 10, 2021, the Request for Proposal (RFP) for an EHR published to Oregon Buys on December 14, 2021, with a 45-day response window. The team hosted a preproposal conference that was well attended by vendors on December 21, 2021. Through the Department of Administrative Services' (DAS) standard procurement process, DOC also collected formally submitted questions. Responses to the vendor Q&A were posted to Oregon Buys in mid-January. Due to the RFP issuance taking place during the holidays, DOC offered another short Q&A period following the request of some prospective vendors and agreed to an extension of two weeks. The RFP closed February 10, 2022, instead of January 28, 2022. This ensured interested parties had adequate time to review the Q&A responses and submit thorough proposals.

DOC selected a vendor evaluation committee comprised of management and represented Health Services and Information Technology employees. This committee completed vendor evaluation training with DAS Procurement on February 9, 2022, with round one vendor evaluations to follow the week of February 14, 2022. On March 16, 2022, we received a protest from a respondent regarding the exclusion from the Competitive Range. On March 30, 2022, DAS denied the protest and stated they did not find the evaluation committee made any mistakes.

In April 2022, the project began Round 2 evaluation of the competitive range vendors Fusion, KaZee, and Naphcare. The first vendor completed interviews and demos on April 25 & 26 with the second and third vendors occurring on May 2 thru May 5. In preparation, the project team partnered with the DAS procurement analyst who trained the evaluation team, onboarded non-scoring advisors, and reviewed the Round 2 written information.
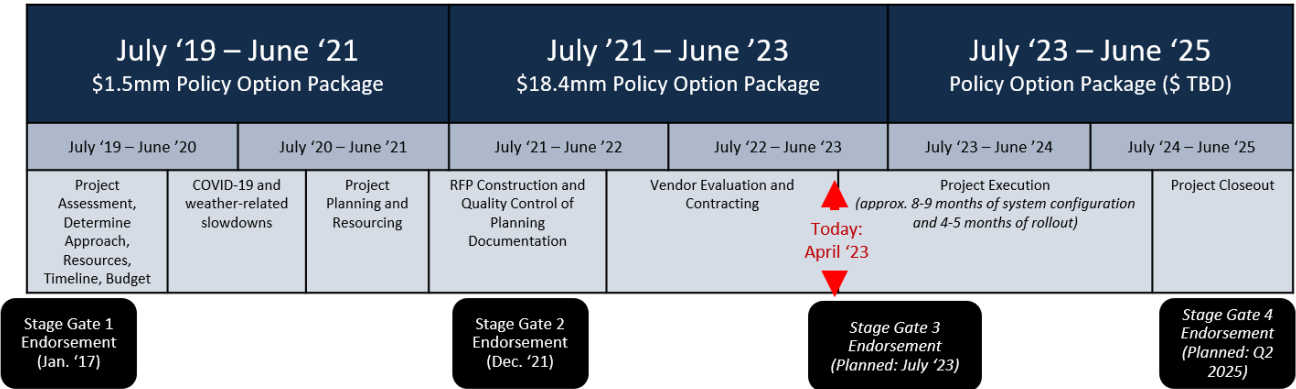
Round Two vendor evaluations included 12 evaluators, 17 non-scoring advisors, 3 subject matter experts, and various support staff collaborating to ensure the best possible selection. This multidisciplinary team included front-line clinicians and representatives from a key partner agency - Oregon Health Authority. Vendors sent updated materials and follow up answers within 72 hours of the demos. Non-scoring advisors submitted feedback forms following the last demo. Evaluation team members reviewed the follow up information independently in preparation for two half-day scoring tabulation sessions. Those sessions ensured consistency and error-less scoring.

On May 24 the procurement analyst announced the Apparent Successful Bidder – Fusion EHR.

Negotiations with the Apparent Successful Bidder began June 16, 2022. The negotiations work team started to create and agree to contract terms. Work sessions occur twice a week between DOC and Fusion. We anticipate a signed contract in the summer of 2023.

Lastly, DOC finalized a contract amendment with North Highland, the EHR project management vendor, to provide organizational change management services. With execution of this contract, change management efforts have ramped up substantially to ensure impacted staff are aware and engaged in the project for successful design and implementation.

The illustration below summarizes the process, progress, and budget from July 2019 through June 2025:

July '19 – June '21 $1.5mm Policy Option Package			July '21 – June '23 $18.4mm Policy Option Package		July '23 – June '25 Policy Option Package ($ TBD)	
July '19 – June '20	July '20 – June '21		July '21 – June '22	July '22 – June '23	July '23 – June '24	July '24 – June '25
Project Assessment, Determine Approach, Resources, Timeline, Budget	COVID-19 and weather-related slowdowns	Project Planning and Resourcing	RFP Construction and Quality Control of Planning Documentation	Vendor Evaluation and Contracting Today: April '23	Project Execution (approx. 8-9 months of system configuration and 4-5 months of rollout)	Project Closeout
Stage Gate 1 Endorsement (Jan. '17)			Stage Gate 2 Endorsement (Dec. '21)		Stage Gate 3 Endorsement (Planned: July '23)	Stage Gate 4 Endorsement (Planned: Q2 2025)

Risks and Challenges

The availability of clinicians to provide input and support to the EHR solution development while also maintaining patient care is a primary concern. As experienced nationwide, DOC is impacted by a shortage of healthcare professionals and is actively engaged in finding solutions. We know the implementation of an EHR will cause employees to initially be less productive as they must learn new processes, so adequate staffing remains critically important for both the EHR Project and patient care.

Also connected to staffing are the continued constraints experienced with our partner agencies in this process. Schedule slippage has resulted in part due to limited availability of resources. With dependencies on each other to keep the project moving through the procurement process, coordination of tasks and timelines remains a critical challenge.

As mentioned previously, organizational change management will serve a very important role to engage, motivate, and energize the DOC team to ensure successful adoption of the EHR.

DOC institutions range in age, location, structure, and technology. Older facilities are challenged by the existing infrastructure (e.g., power, networks) and will need an EHR capable of fully functioning despite the variations, to include contingencies for unplanned events such as power outages.

Quality Assurance

Following a requirement from EIS P3, DOC contracted with BerryDunn in March 2021 to provide iQMS services to the EHR Project. Findings from the last December 2022 Quality Report focused on schedule delays. DOC is evaluating the current schedule to ensure adequate time is allotted for each activity and reasonable buffers are built-in for unexpected delays.

From BerryDunn's latest Periodic Quality Status Report dated February 15, 2023, schedule is in alert status, budget is noted at attention, scope is stable, and resources are at attention. The below graph provides a description of BerryDunn's review of the risks for category.

Schedule	Alert	As agreed by the Steering Committee, re-baselining the schedule will be conducted once the solution vendor has been onboarded. The project is currently working on a re-baselined schedule in anticipation that the solution vendor will be onboarded in mid-May 2023. The re-baselined schedule will include the resources and time allocations—as recommended by BerryDunn—and will be synchronized with the solution vendor's detailed schedule. Due to the ongoing negotiation delays with the solution vendor regarding the contract and Statement of Work (SOW)—and the need for SG-3 documentation requirements and subsequent review cycles with EIS P3, DAS, DOJ, and the Independent Quality Management Services (iQMS) vendor—the new contract execution date is now expected to be the latter part of May, 2023. Altogether, the extensive delays have the potential to negatively affect the project's cost and budget. BerryDunn continues to rate the schedule as Alert.

Budget	Attention	**Budget as of February 15, 2023** Complete 14.6% Remaining 85.4% Funding is based on the best estimate related to the efforts to determine an accurate cost picture for acquiring and implementing an EHR solution as part of the Business Case development process. The budget is funded by federal ARPA funds to pay for resources, as well as several state bonds. The first detailed budget report is expected to be released after the EHR vendor has been onboarded. Considering the significant project delays, the project has submitted a POP to allow the project funds to be used until the end of the 2023 – 2025 biennium. A legislative decision is expected during the current (2022) Oregon legislative session. The project delays have the potential to negatively affect the project's total cost and, hence, the budget. Several portions of the budget still need approval to be bonded, which poses a potential risk, especially when considering the new fiscal realities facing the Oregon legislative assembly and the ongoing legislative scrutiny with respect to the HIE requirements. BerryDunn continues to rate budget as needing Attention.
Scope	Stable	The project scope has been well defined and is not expected to change in the immediate future. Changes may still occur after the solution vendor has been onboarded, which, due to ongoing schedule delays, is now expected to be the latter part of May 2023. However, because of a standing policy by DAS and/or DOJ, BerryDunn has no visibility with respect to the ongoing development of the solution vendor contract and SOW, whether there will be agreed-to changes to the project scope, and how those changes could impact the schedule and budget. Despite these uncertainties, BerryDunn continues to rate the Scope as Stable.

Resources	Attention	At this stage of the project life cycle (Planning phase), approved resources are being hired/added to the project as needed, complementing agency and North Highland resources already assigned and available. However, the agency has difficulty filling positions representing critical skills and expertise required once the EHR solution vendor has been onboarded, which could cause issues that might negatively affect the schedule. In addition, the current schedule's lack of assigned resources with appropriate time allocations for the project tasks in the project schedule makes it difficult to accurately assess what actual project resources are needed. The project is currently developing a re-baselined schedule, which will include assigned resources with appropriate time allocations on a task-by-task basis. The budget funding best estimate is based on the efforts to determine an accurate cost picture for acquiring and implementing an EHR solution as part of the Business Case development process. Due to the ongoing delays of the project, it is unclear whether the overall budget is sufficient to cover the additional costs the project might incur. The agency has taken action to extend the funding through the 2023 – 2025 biennium. BerryDunn rates resources as needing Attention.

The EHR Project Team reviews the RAID Log at the weekly project status meeting and in more detail monthly. The RAID Log describes mitigation approach, as well as our contingency plan.

The agency is happy to answer any questions you may have and will present during the May 10, 2023 meeting of the Joint Legislative Committee on Information Management and Technology.

Sincerely,

Joe Bugher, Assistant Director
Health Services

cc: Sean McSpaden, Principal Legislative IT Analyst
    Amanda Beitel, Legislative Fiscal Officer
    Kate Nass, DAS Chief Financial Officer
    Lisa Fox, DAS Policy and Budget Analyst
    John Terpening, LFO Principal Legislative Analyst
    Tom Shin, DOC Chief Financial Office