

Legislative Finance Committee IT Project Portfolio

LFC Meeting Date: 12/9/2013

Supplemental Report

General Project Information

1. *Project Code:*
2. *Agency:*
3. *Project Title:*
4. *Date Prepared:*

Project Health

5. *Overall Project Health:* 
6. *Brief description of the reasons for the current project health*

DPHHS rates the Scope as “Red” due to the number of outstanding project gaps that Xerox has indicated are out-of scope and DPHHS disagrees. Additionally, Xerox has failed to define how they will support the Line of Business functionality within Health Enterprise. Also, CMS is now requiring DPHHS to migrate our current Federal MSIS reporting to the new T-MSIS standard. This would be a significant programming change to our legacy system and DPHHS is targeting to make this change in Health Enterprise. This is not within the scope of our current RFP (since it was not required or known when our RFP was released or when the contract was signed.) DPHHS is working with Xerox to produce a plan, level of effort estimate, and cost for implementing T-MSIS in the new system.

DPHHS rates the Schedule as “Red” because Xerox notified DPHHS on June 11, 2013 that they are behind schedule and needed to enter a re-planning process to revise the project work plan and overall delivery schedule. Xerox has missed every self-imposed deadline to submit a revised work plan to DPHHS for review and approval. As of the submission of this status report, DPHHS has not received a revised work plan that it can review. Based on the status of the system design for Montana and the lack of development progress, DPHHS estimates that Xerox is between 14-18 months behind schedule.

DPHHS has changed the Budget to “Yellow” because of feedback at the last LFC meeting and additional guidance from SITSD. We have reviewed the reporting criteria and both the initial estimated cost and current estimated costs reflect the fully loaded costs of the project. Xerox has not been paid any money related to the payment milestones for the MMIS DDI project. The MMIS DDI contract requires Xerox to deliver working software configured to Montana’s business requirements that can be demonstrated to our business users for their approval. The only expenditures to date are for DPHHS related expenses including DPHHS Business Analysts, DPHHS Subject Matter Experts, Contract Project Manager, Independent Verification and Validation contractor, rent, operational expenses, and indirect expenditures. All of these expenditures were planned and are customary for this type of project. These expenditures are required by CMS to support the execution of the project.

DPHHS rates the Risk as “Red” because we have not received a revised project work plan, DPHHS and Xerox are not in agreement on several key architecture issues, and the scope issues discussed above are not resolved.

Public Knowledge, the MMIS DDI Independent Verification and Validation (IV&V) vendor contracted by DPHHS, has reported the Xerox MMIS DDI project performance status as “Red” in all of their independent status reports since April 3, 2013.

DPHHS rates the overall project status as “Red”. Xerox has been engaged in a re-planning process since early June and the project has not made the scheduled progress as a result. Additionally, Xerox has missed several key project milestones (Benefit Plan Administration Iteration Acceptance Payment Milestone scheduled for November 5, 2013; Program Integration (RetroDUR) Iteration Acceptance Payment Milestone scheduled for November 6, 2013; Program Integration (DRAMS) Iteration Acceptance Payment Milestone scheduled for November 11, 2013). On November 1, 2013, DPHHS formally notified Xerox that liquidated damages will be assessed as required by the RFP and Contract. DPHHS

7. Major milestones completed so far:

None.

8. Next milestones:

Next Milestone:
 - Technical Architecture - Web Portal Iteration Acceptance Payment Milestone scheduled for January 3, 2014
 Missed Milestones:
 - Benefit Plan Administration Iteration Acceptance Payment Milestone scheduled for November 5, 2013
 - Program Integration (RetroDUR) Iteration Acceptance Payment Milestone scheduled for November 6, 2013
 - Program Integration (DRAMS) Iteration Acceptance Payment Milestone scheduled for November 11, 2013

Scope Changes

<i>Title and Brief Description</i>	<i>Date Approved</i>	<i>Schedule Impact (weeks)</i>	<i>Budget Impact (\$ amount)</i>
<input type="text"/>	<input type="text"/> 	<input type="text"/>	<input type="text"/>

 Insert item

Issues and Risks

<i>Title and Brief Description</i>	<i>Date Identified</i>	<i>Planned Resolution</i>	<i>Responsible for Resolution</i>
<input type="text"/>	<input type="text"/> 	<input type="text"/>	<input type="text"/>  

 Insert item

Additional Comments

--