

**Legislative Finance Committee: IT Project Portfolio  
Supplemental Report**

**A. General Project Information**

1. Agency: DPHHS
2. Project Title: Medicaid Management Information System (MMIS)
3. Date Prepared: 11/15/14
4. Prepared By: Tim Peterson

**B. Project Status**

1. Overall Health: Red
2. Brief description of current project status  
DPHHS rates the overall project health as "Red". Xerox continues to experience challenges executing the design sessions. Xerox is experiencing schedule management issues resulting in missed deliverables.

Since July 18, 2014:

- Only 13% of the interim deliverables and deliverables (deliverables) submitted have been approved by DPHHS.
- 41% of the deliverables are past due.
- 18% are currently under review by DPHHS.
- 21% have been returned to Xerox with comments.
- 7% have been rejected.
- Of deliverables scheduled for delivery over the next 90 days, 54% are projected to be late.

Xerox has not been paid any money related to the contract payment milestones for the MMIS DDI project. The next payment milestone scheduled for November 16, 2015 is the Benefit Plan Administration Iteration Acceptance Payment Milestone.

DPHHS expects the overall project status to remain "Red" until Xerox improves the execution of the design sessions and their ability to complete deliverables per the approved work plan.

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 the most recent monthly independent status report dated October 23, 2014.

3. Major milestones completed so far: None out of one.
4. Next milestone(s):
  - Benefit Plan Administration Iteration Acceptance Payment Milestone scheduled for November 16, 2015

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**C. Scope Changes**

Title and Brief Description	Date Approved	Schedule Impact (weeks)	Budget Impact (\$ amount)

**D. Issues and Risks**

Title and Brief Description	Date Identified	Planned Resolution	Responsible for Resolution

**E. Additional Comments**

DPHHS internal project reporting rates the Scope as “Yellow”. At this time DPHHS does not believe that there are any significant scope issues affecting the project. The number of out-of-scope gaps is less than five. There are 267 past due action items that could result in gaps that are determined by Xerox to be out-of-scope. DPHHS will continue to rate scope as “yellow” until the number of past due action items drops below 50.

DPHHS internal project reporting rates the Schedule as “Red”. Xerox is experiencing numerous project execution issues that are affecting their execution of the approved replanned project work plan. The primary issue is that Xerox continues to struggle executing effective design sessions. This has resulted in missed interim deliverables.

Since July 18, 2014, seven interim deliverables and one deliverable are past due. Only 13% of the interim deliverables and deliverables (deliverables) submitted have been approved by DPHHS, 41% of the deliverables are past due, 18% are currently under review by DPHHS, 21% have been returned to Xerox with comments, and 7% have been rejected. Of deliverables scheduled for delivery over the next 90 days, 54% are projected to be late.

The Schedule Performance Index (SPI) is currently .989, which is “green”. However, DPHHS cannot understand how the SPI could be this high given the design session challenges and the large number of interim deliverables and deliverables that are past due or are expected to be past due. Additionally, the SPI does not align with the metrics that we see in Jira. DPHHS is working with Xerox to ensure that the reported SPI is valid and accurately reflects the project status. Xerox has submitted a request to DPHHS to reschedule 5,284 work plan tasks (approximately 40% of the tasks were requested to be scheduled earlier or and approximately 60% of the tasks were requested to be scheduled later). Xerox has identified this reschedule request is based on the 90-day dependency analysis required by DPHHS and completed by Xerox on October 3, 2014. Extensive analysis by DPHHS determined that only 23%

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of the requested tasks (approximately 1,100) could be associated with the dependency analysis completed by Xerox.

DPHHS rates the Budget as “Green” based on the reporting criteria. 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 established payment milestones requiring 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 internal project reporting rates the Risk as “Green”. There is one project risk with a Risk Rank of six or less which requires both a risk mitigation plan and a contingency plan. This risk has both a risk mitigation plan and a contingency plan and it is being actively managed. The remaining three project risks require risk mitigation plans. DPHHS has reviewed these risk mitigation plans and has provided feedback to Xerox to improve the approach to managing these risks.