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## Legislative Finance Committee IT Project Portfolio

LFC Meeting Date: 6/5/2014

Thank you for submitting your DRAFT LFC Supplemental Report for this reporting period. Only FINAL versions of this report are submitted to the LFC. Please close the browser to exit the form.

### 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 outstanding issues and risks related to project execution by our vendor Xerox State Healthcare, LLC (Xerox). Xerox continues to struggle with executing effective design sessions in the 22 plus functional areas that support the Montana RFP requirements. Also, CMS is now requiring DPHHS to migrate our current Federal Medicaid Statistical Information System (MSIS) reporting to the new Transformed Medicaid Statistical Information System (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. T-MSIS was not in the original scope of the MMIS RFP. However, DPHHS and Xerox have agreed in principle for this functionality to be developed, tested, and deployed in Health Enterprise at no additional cost or hours beyond the hours previously approved for the design effort. DPHHS is actively working with Xerox to resolve remaining out-of-scope gaps. An out-of-scope gap is functionality requested by the Department that Xerox

does not believe are in the scope of the RFP. DPHHS has been very diligent in documenting the supporting requirements for these gaps. DPHHS and Xerox meet weekly to discuss and resolve the backlog of out-of-scope gaps. This will continue to be a risk as long as out-of-scope gaps remain.

DPHHS rates the Schedule as "Red" because Xerox notified DPHHS on June 11, 2013 that design, development and testing tasks are behind schedule and they needed to enter a re-planning process to revise the project work plan and overall delivery schedule. On April 23, 2014, Xerox submitted an updated version of the re-plan project work plan. DPHHS reviewed the project work plan to determine if the plan meets the requirements of the RFP, is realistic, and presents a schedule that DPHHS resources can support. On April 30, 2014 the DPHHS Project Team leadership and Public Knowledge (the Independent Verification and Validation (IV&V) contractor) returned the project work plan to Xerox with comments and Xerox is required to correct and resubmit a revised project work plan. On May 12, 2014, Xerox submitted an updated version of the re-plan project work plan. DPHHS is currently reviewing the disposition of unresolved or partially resolved comments. DPHHS and Xerox continue to meet frequently to achieve closure on the work plan.

DPHHS rates the Budget as "Yellow" 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 rates the Risk as "Red" because we have not approved a re-planned project work plan. DPHHS and Xerox are nearing agreement on the key architecture issues. DPHHS and Xerox have made progress reducing the number of Out of scope gaps, however, a significant number remain unresolved.

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 June 11, 2013 and the project has not made significant project progress as a result. To date, Xerox has missed eleven payment milestones. The next payment milestone scheduled for May 30, 2014 is the Care Management - EHR/PHR Payment Milestone.

DPHHS expects the overall project status to remain "Red" until DPHHS, Xerox, and CMS reach agreement on a revised work plan, architecture, and scope via a signed contract amendment.

7. Major milestones completed so far:

None

8. Next milestones:

Next Milestone:

\* Care Management - EHR/PHR Payment Milestone) is scheduled for May 30, 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

\* Technical Architecture - Web Portal Iteration Acceptance Payment Milestone scheduled for January 3, 2014

\* Contact Management Iteration Acceptance Payment Milestone scheduled for January 17, 2014

\* Pharmacy - POS Production Implementation Acceptance Payment Milestone scheduled for February 27, 2014

\* AVRS/EVRS Payment Milestone scheduled for April 16, 2014

\* Member Payment Milestone scheduled for April 16, 2014

\* Provider Payment Milestone scheduled for April 16, 2014

\* Reference Payment Milestone scheduled for April 16, 2014

\* Service Auth Payment Milestone scheduled for April 17, 2014

### Scope Changes

<i>Title and Brief Description</i>	<i>Date Approved</i>	<i>Schedule Impact (weeks)</i>	<i>Budget Impact (\$ amount)</i>
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### Issues and Risks

<i>Title and Brief Description</i>	<i>Date Identified</i>	<i>Planned Resolution</i>	<i>Responsible for Resolution</i>
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### Additional Comments

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