

First Data Independent Verification and Validation COHBE Initial Assessment Summary

COHBE selected First Data to provide Independent Verification and Validation ("IV&V") assessments for the Exchange development effort. First Data has extensive experience in this field providing Quality Assurance and IV&V services on large scale automated system developments to multiple states. First Data is also currently working with several other states to assist them with their Health Benefit Exchange efforts including Arkansas, California, and most recently Illinois.

The Exchange is a multi-faceted project that will require a number of iterations to evaluate the full project. This first evaluation and report focused on the Technology build, project management and system development lifecycle, primarily CGI. Additional evaluation will be covered in upcoming reviews:

Review #	Duration of Review	Approximate Timeframe	Focus of Review (subject to change)	Status
1	7 weeks	November 2012 – January 2013	<ul style="list-style-type: none"> Technology build, project management and system development lifecycle 	Compete
2	4 weeks	February 2013	<ul style="list-style-type: none"> External interface integration for shared eligibility service, carriers and reporting requirements Call Center and back office integration Follow up on action plans from prior review 	Not started
3	3 weeks	May 2013	<ul style="list-style-type: none"> Test approach and execution (system test, user acceptance test, integration test, etc.) Follow up on action plans from prior review(s) 	Not started
4	3 weeks	July 2013	<ul style="list-style-type: none"> Operational readiness Follow up on action plans from prior review(s) 	Not started
5	3 weeks	September 2013	<ul style="list-style-type: none"> Implementation readiness Follow up on action plans from prior review(s) 	Not started

The Exchange consists of many components, including Eligibility, Enrollment, Plan Management, Financial Management and an integrated Call Center. There are multiple Federal, State and Carrier Partner agencies with whom the Exchange must coordinate and several critical interfaces that must be co-built with the Department of Insurance (DOI), Colorado Office of Information Technology (OIT), Colorado Health Care Policy and Financing (HCPF), the Federal Data HUB, carriers and others.

Finalizing policy decisions and scope is challenging at best since it most often requires agreement across agencies. Per the timelines set forth by the Federal government, the Exchange is scheduled to have open enrollment beginning in October 2013 and to be fully operational by January 1, 2014. From a business, functional and technical perspective, the combination of the numerous components, coordination with multiple partners and aggressive timelines contribute to the complexity of the Exchange Project.

Below are preliminary findings pertaining to this first evaluation that can affect the overall delivery schedule. There is time to remedy these situations with timely corrective actions but these issues need to be addressed immediately. Below are the six critical issues and a recommended action plan for each.

Issue 1: Integrated Project Plan is not complete: As a result of changing requirements and external dependencies, an Integrated Project Plan that includes COHBE, CGI and vendor activities has not yet been finalized.

- Recommendation:
 - Finalize the Integrated Project Plan by identified due date (February 15, 2013).
 - Establish weekly meetings to discuss the Project Schedule in detail outlining the late tasks and impacts to the overall project schedule.

Issue 2: Scope expansion and Change Requests to be integrated into the project schedule: There are several change requests that have not been incorporated into the project plan. In addition, Federal requirements continue to change, impacting deliverables and schedule.

- Recommendation:
 - Develop a clear cross walk of all Change Requests (CRs), mapping these to the technology contract.
 - Incorporate all change requests into the integrated project plan.
 - Utilize a formal Change Request Tool to aid in management of the CRs and provide transparency.

Issue 3: Lack of visibility into content of development Releases: CGI and hCentive have agreed to deliver Exchange functionality in a series of releases. At the time this report was created, there was not a clear understanding of the contents of each release, nor was the release schedule well communicated with COHBE staff.

- Recommendations:
 - Develop an inclusive Release Schedule for October 2013 and post-implementation and communicate to all stakeholders.

Issue 4: Need for additional PMO and other project resources (both COHBE and CGI): Several of the issues in this report are a result of lack of focused resources from both COHBE and CGI working on PMO activities.

- Recommendation:
 - Evaluate Project organization to verify whether existing resources are sufficient to support the remaining work effort without compromising quality.

- CGI to increase resources in the Project Management and Development teams.
- COHBE to increase oversight in the following areas: PMO, alignment of Development, Testing and Deployment and Implementation Plans, Management of Change Request, Management of Issues and Management of Risks. Additional resources may be required.

Issue 5: Late deliverables in the development project plan: Review of the development project plan identified late tasks.

- Recommendation:
 - Cleanup plan to remove ‘remnants’ and other plan items that affect overall number of late tasks but are no longer part of the project plan.
 - Assess remaining late tasks and determine how they affect overall project schedule.
 - Develop a better process for joint review of development plan and tasks.
 - Increase the timely management of Issues and Risks. Create Mitigation and Action Plans where necessary.

Issue 6: Project team has not kept up with evolution of development methodology: As the project has progressed, CGI’s development approach changed and modifications to the methodology – moving from a waterfall approach to an iterative approach – were made resulting in changes to the project schedule and approach. At the time of this review, these changes have not been fully incorporated into the plan or the CGI organization.

- Recommendation:
 - Re-align remaining deliverables using the iterative approach.
 - Align the iterative approach with the System Development Life Cycle, defined set of deliverables and work products. Include tasks for formal review and approval of work products with COHBE.
 - Add resource(s) to manage releases.

Effectively managing the project is essential to COHBE’s success. This report represents a point in time evaluation of the project management practices currently in place and focuses on the issues to resolve. The issues identified in this report are correctable. With focus from COHBE and CGI, we believe they can be largely corrected and the risks mitigated by the next review.