

State of Arkansas Department of Information Systems (DIS) State of Arkansas Department of Human Services (DHS)

IBM Cúram Eligibility and Enrollment Framework (EEF) Program
Assessment and Go Forward Strategy and Recommendations Project

Final Report: Go Forward Strategy, Recommendations and Roadmap



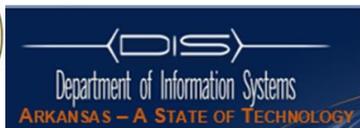
November 10, 2015

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Project Background and Objectives



Project Team and Key Informants

■ Gartner Project Team

- Frank Petrus, Engagement Manager and Business Subject Matter Expert (SME)
- Rich Bateman, Project Manager
- Erika Chahil, Quality Assurance and Business SME
- Garland Kemper, Business Analyst
- Hamid Nouri, Technical Lead
- Alistair McKinnon, Technical Analyst
- Siva Pochimcherla, Technical Analyst

■ State of Arkansas

- Mr. Bassett
- Susan Burton
- Jeff Dean
- Kim Gardner
- Marjorie Greenberg
- Tim Lampe
- Mark Myers
- John Norman
- Carlton Saffa
- John Selig
- Mr. Snead
- Scott Utley
- Mark White
- Robert Williams
- Dick Wyatt

■ Vendors Interviewed (with primary point interviewee(s) for each vendor):

- eSystems
 - Vivek Sawhney
- Northrop Grumman
 - Mitchell Ghrist
 - JoAnn Luck
- RedMane
 - Pui Leung
 - Ashley Matejka
- Congosante
 - Kurt Hartmann
- First Data
 - Paul Eichorn
- IBM
 - Stephen Frank
 - Frank Stephen
 - Karen Schroeder
 - Cúram Product Roadmap SMEs



Project Background

- The State of Arkansas Department of Human Services (ARDHS) has under taken the design, development and implementation (DDI) of the IBM Cúram Eligibility and Enrollment Framework (EEF) to meet the business needs of the State's Integrated Eligibility and Benefit Management (IE/BM) operations for Transitional Employment Assistance (TEA), Supplemental Nutrition Assistance Program (SNAP) and Medicaid Eligibility Determination
 - Cúram EEF was used to support the Modified Gross Adjusted Gross Income (MAGI) Medicaid and Health Care Independence Program (HCIP) Eligibility determination and has been running parallel to the existing Medicaid eligibility system ANSWER since October 2013
 - The roadmap for ARDHS is to systematically migrate all possible applications to the EEF. This process was envisioned to take at least six (6) years
 - ARDHS' legacy systems ANSWER, ACES, FACTS, WISE, WGN and 'Access Arkansas' were identified to be the first applications replaced by Cúram EEF solution
- As of April 2015, the IV&V Status Report completed by First Data, assessed the EEF system development efforts at a Yellow Risk level for several reasons:
 - MAGI Medicaid project is facing several data fixes; data loads that were not consumed, outstanding bug fixes and data reconciliation still outstanding along with "change of circumstances" capabilities
 - EEF SNAP project team did not complete the development and testing activities needed for interfaces and reports functionality prior to the pilot date of April 1st
 - The EEF Traditional Medicaid project was placed on hold as of April 30, 2015



Project Objectives

- Based on the validation of “Imperatives and Core Program Risks Report,” complete an **Assessment** of the risks and issues facing the ARDHS EEF Integrated Eligibility / Benefit Management Program, focusing on the following key domains:
 1. **Governance and Management** — State Program and Project Governance and Management
 2. **Solution Fit** — Cúram EEF Viability and Alignment with State Needs
 3. **Vendors’ Roles** — Vendor Responsibilities, Resources and Capabilities including Vendor Project Management and Risk Mitigation Practices
 4. **Solution Development Practices** — Design, Requirements Validation, Build, Testing, Quality assurance /Control, Pilot, Deployment Planning and Deployment Alignment with Industry Best Practices
 5. **Technical Environment** — Technical Infrastructure and Solution Enterprise Architecture underlying the envisioned IE /BM Solution
- Based on the **Assessment** and prioritization of risks, and in partnership with the State’s key stakeholders, establish Criteria and Weights to assess “Go Forward” **Alternatives** and develop a “**Go Forward**” **Strategy**, set of **Recommendations** and a **Roadmap** to support the State in an exit strategy and/or recovery/remediation strategies
- Provide a final **Go Forward Strategy, Recommendations and Roadmap Report** that will provide the State with actionable recommendations for moving forward with addressing the program’s current and anticipated future issues and risks



Some Critical Questions to Answer

- What is the most viable way forward to minimize the risk and loss of investments that have been made by the State and its federal partners? What is the wise investment strategy for going forward?
- Should the State move forward with the Cúram solution?
 - If so —
 - What recovery and remediation strategy and actions will be needed?
 - Should the State move forward with the new version of Cúram? What are the consequences and challenges of or not moving to the newest version?
 - If not —
 - What “Exit Strategy” will be required and how should it be executed?
 - What can be leveraged from investments to date to support moving forward with an alternative approach?
 - What viable alternatives are there in the marketplace?
- How effective is the State’s current approach to Program and Project Governance and Management and what actions are required to enhance the State’s ability to execute?
 - How is the State’s design, development and implementation (DDI) efforts being managed for an integrated IE / BM solution?
 - How is the state managing multi-vendor integration?
 - What approach is being taken for Multi-Vendor Governance and Management?
 - What is the documentation for Multi-Vendor Integration?
 - What are the “rules of engagement” related to who touches what/when/where/how?



Executive Summary and Go Forward Strategy



Summary Conclusions and Go Forward Recommendation

- Based on the assessment and analysis of alternatives available, the Cúram solution is seen as a viable option for meeting the State’s Integrated Eligibility and Benefits Management (IE/BM) needs
- Go Forward Recommendation — The State should not move forward with any additional development work on the IE/BM Solution under the current environment, approach and contracting vehicles
 - It is vital that the State makes significant enhancements in several domains including Investment Governance, Program and Project Governance, and Vendor Management prior to future investments
 - To ensure the State is moving forward in a way to achieve success and mitigate risks, all further deployment of the Cúram solution into production should be put on hold, and the current development of SNAP functionality and HCR/CGISS integration put on hold or only move forward through the completion of SNAP UAT
 - The State should go to market for a partner System Integrator (SI) to be singularly responsible for the IE/BM solution implementation as soon as possible to move the IE/BM solution forward
 - This procurement effort should identify the Cúram COTS solution as the State’s “preferred solution” but the State would be open to potential SI vendors presenting compelling justification for migration to a different technology solution. The “option” for vendors to propose other suitable solutions with appropriate rationale provides for an open, competitive process, supports the State in validating a go forward strategy with the Cúram solution and be open to alternative “best value” solutions
 - The solicitation process must support an open and competitive procurement for the vendor community through the release of an RFP and a robust procurement library of all artifacts related to current technology environment including technical documents, current Cúram configurations and development code and everything necessary to ensure a full, open and competitive procurement process



Answers to Key Management Questions

■ If the State moves forward with the Cúram solution —

– What recovery and remediation strategy and actions will be needed?

- There are a number of critical improvements needed in State's current capabilities and approach to Governance and Vendor Management. These are detailed in the Recommendations and Roadmap section of this report

– Should the State move forward with the new version of Cúram?

- Moving forward with Cúram will require the State to contract with a strategic systems implementation partner through a competitive procurement process which includes the requirements that the selected System Integrator (SI) vendor development efforts align with the latest release of the Cúram as much as possible, given some of the constraints with the current level of customization. All future customization should only be considered if it's clear that it is the only path to addressing a critical, urgent, set of needed capabilities and these requirements are not on the Cúram product roadmap. In addition, the procurement process must identify gaps in functionality and IBM's commitment to address the product's weaknesses

– What are the consequences and challenges of not moving to the newest version?

- One of the key benefits of the use of Health and Human Services Commercial-off-the-Shelf (COTS) solutions is the ability to continue to take advantage of the vendor's continued investment in the solution. If the State falls too far behind the latest release, it is highly likely that it will become progressively more difficult to implement the latest release of the product, and it will be costly for the State to make the required enhancements and modifications through customization effort



Answers to Key Management Questions, Cont'd

- How effective is the State's current approach to Program and Project Governance and Management and what actions are required to enhance the State's ability to execute?
 - How is the State's design, development and implementation (DDI) efforts being managed as an integrated IE/BM solution?
 - Although the State has matured its Project Management capabilities, there are a number of challenges to how the project has been structured and executed to date. These have been enumerated in a number of studies, including this report. The primary enhancement needed in the short term is to procure the services of an experienced System Integrator (SI) under a fully competitive, fixed-bid contract



Answers to Key Management Questions, Cont'd

- How effective is the State's current approach to Program and Project Governance and Management and what actions are required to enhance the State's ability to execute? (Cont'd)

- How is the state managing multi-vendor integration?

- What approach is being taken for Multi-Vendor Governance and Management?

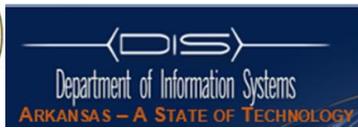
- The State has recently increased the level of resources dedicated to managing the IE/BM Program and the multiple vendor Design, Development and Implementation (DDI) teams, primarily through contractor resources. This current approach is less than optimum and insufficient in adequately addressing the IE/BM Program's risk profile

- What is the documentation for Multi-Vendor Integration?

- There is limited documentation around the critical processes needed in a multi-vendor DDI environment especially one of the size, complexities and challenges of the IE/BM initiative

- What are the "rules of engagement" and who touches what/when/where/how?

- The rules of engagement for vendor interaction and coordination in a complex, multi-vendor development environment have not been adequately defined or documented at this time



Recommendations — Summary Details

Based on the assessment conducted by Gartner and analysis of available alternatives, the following recommendations should be considered and adopted by the State

1. The State should not move forward with any further development and implementation work on IE/BM under the current implementation approach and contracting vehicles until the State makes significant enhancements in capabilities in several domains, including:
 - Updating/ratifying and communicating the State’s vision for health and human services, and how the investments and benefits of an Integrated Eligibility and Benefits Management (IE/BM) System supports the State’s vision
 - Promoting and enabling the State’s health and human services vision and role of the Integrated Eligibility and Benefits Management Solution in supporting this vision through a structured Organizational Change Management effort
 - Establishing an open and competitive procurement process for the go forward strategy for the Integrated Eligibility and Benefits Management Solution through procuring the services of a System Integrator (SI) under a fixed price, deliverable based contract
 - Enhancing Investment Governance and Program Management
 - Strengthening Enterprise Architecture Standards and Methodologies and required oversight
 - Enhancing Strategic Vendor Management capabilities



Recommendations — Summary Details, Cont'd

2. The Cúram solution can be a viable choice for the State's Integrated Eligibility and Benefits Management (IE/BM) needs, however, to ensure that the State is moving forward in a way to ensure success and mitigate risks
 - There should be no further deployment of the Cúram solution with the possible exception of the completion of the current development effort for SNAP and HCR/CGISS Integration through UAT — the State should consider the value of stopping before UAT
 - All development activities with the exception of the completion of SNAP and HCR/CGISS UAT (if the State chooses to move forward with UAT) should be stopped (no pilot or production deployment)
 - Only MAGI Medicaid Maintenance and Operations, critical issue resolution and prioritized enhancements to address CMS mandates should continue, until such time that a new System Integrator is selected and onboard



Recommendations — Summary Details, Cont'd

3. The State should go to market for a partner System Integrator (SI) to move the IE/BM solution forward. The new procurement effort must include a number of critical goals, tasks and process enhancements:
 - The RFP should communicate a preference for continuing to leverage Cúram as the Preferred Solution, but the State should be open to proposals based on alternative solutions and platforms with appropriate business case and justifications from the vendor
 - The RFP should define what would be deemed a compelling justification — such as fully meets all requirements; leverages some of the investments to date; benefits vs. cost to full deployment; benefits vs. total cost of ownership, etc.
 - The RFP should convey a clearly defined vision, scope and requirements of the IE/BM effort and also provide the vendor community a robust procurement library, including for example —
 - Current Technology environment
 - Functional and Technical design documents
 - Status of Cúram configuration and development and everything necessary to ensure an open and competitive procurement process, and a complete response from the interested vendors
 - All MAGI Medicaid and SNAP DDI artifacts finalized and accepted by the State



Recommendations — Summary Details, Cont'd

3. The State should go to market for a partner System Integrator (SI) to move the IE/BM solution forward. The new procurement effort must include a number of critical goals, tasks and process enhancements (cont'd):
 - The SI RFP's Design, Development and Implementation (DDI) and Maintenance and Operations (M&O) scope would be for Traditional and MAGI Medicaid, CHIP, SNAP and TANF (Gartner is recommending that the State consider moving TANF into the IE/BM solutions for a variety of reasons), with options for other smaller social service programs, including optional managed hosting services for non-production environments
 - The scope would also include full data conversion and retirement of the systems that currently support the functions being replaced by the DDI scope



Recommendations — Summary Details, Cont'd

4. Parallel to the procurement efforts, the State should take immediate actions around several critical areas to mitigate risks related to the State's role in successfully executing such a large and complex health and human services technology project including:
 - Organizational Change Management essential to promote and enable the State's health and human services vision and the role of the Integrated Eligibility and Benefits Management Solution in achieving that vision
 - Initiate effort to successfully bring to closure existing DDI services agreements with appropriate and acceptable quality documentation and any new code/configuration turn-over to the State
 - Revamp Investment and Program execution Governance process with a new structure and identification of key stakeholders as well as well defined focus and mandates for Governance and Investments
 - Enhance the Program Management office with right mix of internal and external resources to oversee implementation. Identify and hire or transfer core State staff into key positions in preparation for the new SI (e.g., Vendor Manager, Solution Architect, Functional lead, Technical Lead, Financial Analyst, QA Lead, Testing Resources, etc.)
 - Define Technology Standards and Methodologies to achieve Technology and Platform architectural coherence, to the extent possible, across all Program areas
 - Conduct parallel procurement for M&O and Enhancement services related to legacy system maintenance for expiring contracts for services provided by partners such as Northrop Grumman

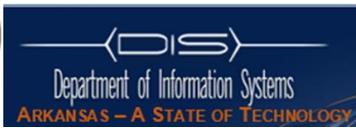


Strategic Roadmap

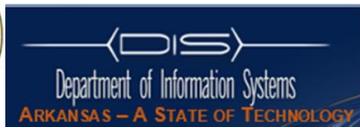
High-Level Schedule Summary

| # | Project/Initiative | Immediate | | Short-Term | | | | | | Mid-Term | | | | Long-Term | | | | | |
|---|--|-----------|--------|--|--------|--------|--------|--------|--------|----------|------|------|------|-----------|------|------|------|------|------|
| | | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 |
| 1 | Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place | [Yellow] | | SNAP and HCR/CGISS Integration and Development only through UAT | | | | | | | | | | | | | | | |
| 2 | Define/Ratify and Promote State's Health and Human Services Vision | [Yellow] | | Continuous Communication and Organizational Change Management (Project 7) | | | | | | | | | | | | | | | |
| 3 | Enhance Investment and Program Governance and Management | [Yellow] | | Continuous Improvement of processes and tools for Monitoring Program Performance and envisioned benefits realization | | | | | | | | | | | | | | | |
| 4 | Develop Strategic Sourcing and Vendor Management Capabilities | [Yellow] | | Continuous Improvement of processes and tools for Monitoring Vendor Performance | | | | | | | | | | | | | | | |
| 5 | Define and Implement Architecture Vision, Standards and Methodologies | [Yellow] | | Monitor Technology Standards Adoption | | | | | | | | | | | | | | | |
| 6 | Competitive Procurement System Integration Services | [Yellow] | | Monitor SI Implementation and Performance | | | | | | | | | | | | | | | |
| 7 | Enhance Communications and Organizational Change Management Processes | [Yellow] | | Continuous Communication | | | | | | | | | | | | | | | |

Note: Details for each project can be found in the Recommendations and Roadmap section of this report



Project Summaries, Timelines and Roadmap



Recommendations and Roadmap Development Approach

Inputs

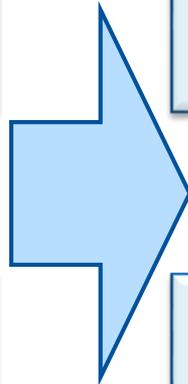
Identification of Project Drivers and Imperatives

What are the business case, expectations, drivers and critical success factors for the IE/BM Project?



Organization Strengths and Challenges

What are the Various Strengths and Challenges of the Organization?



Analysis

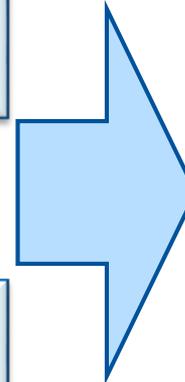
Risk Analysis

What are the business case, expectations, drivers and critical success factors for the IE/BM Project?



Program Capabilities

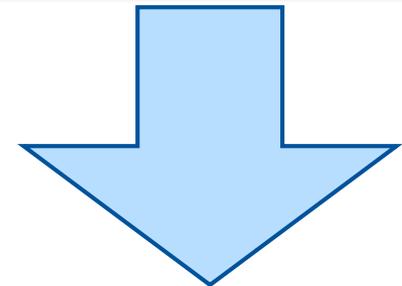
What are the Various Strengths and Challenges of the Organization?



Outputs

Key Recommendations

What are some of the key Recommendations to move Forward in the Immediate, Short, Medium and Long Terms?

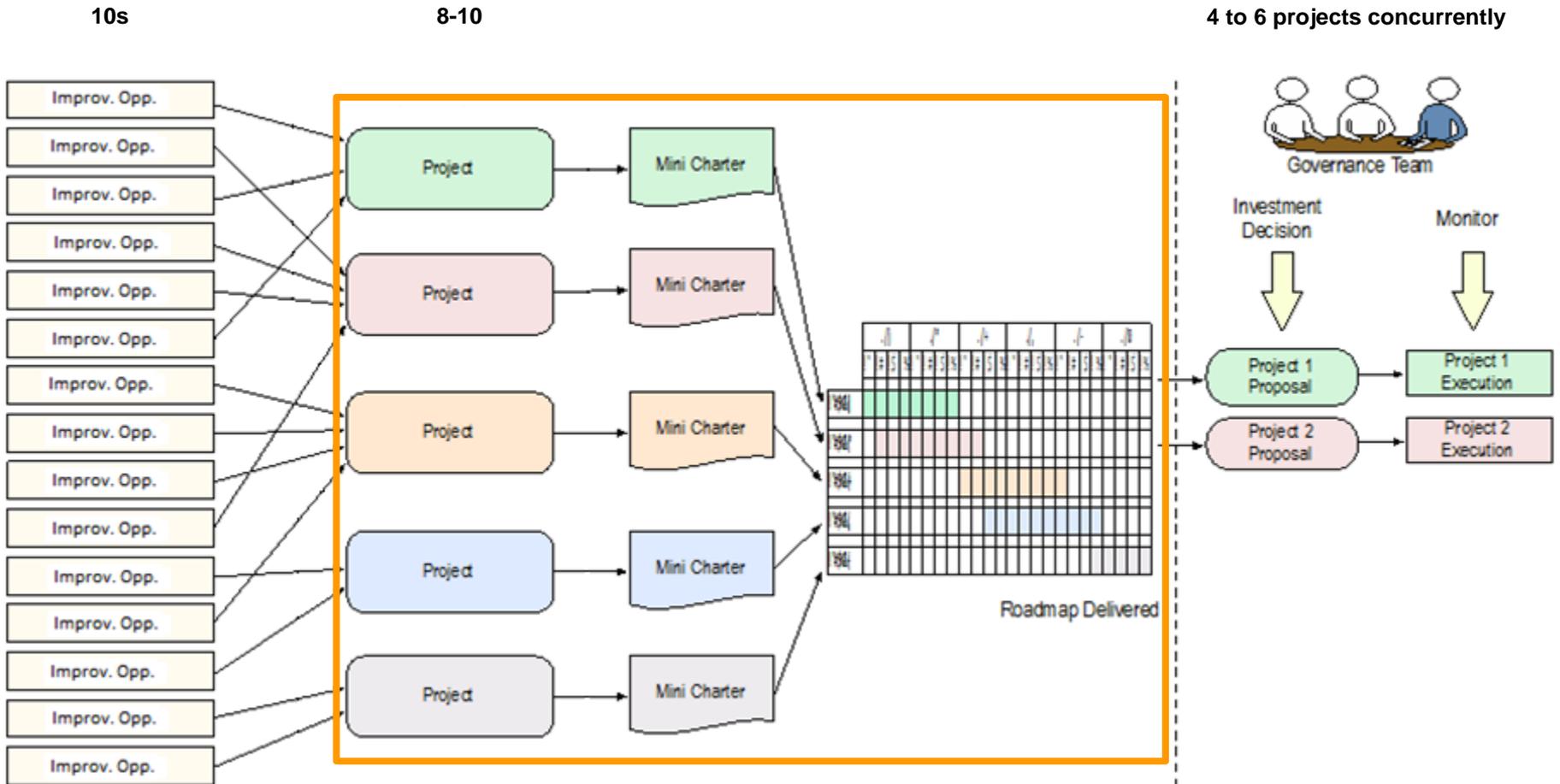


Roadmap with Key Projects to Undertake

What is the Roadmap to undertake key Projects in the Immediate, Short, Medium and Long Terms?



Roadmap Creation — Linking Recommendations to Projects and Investment Decisions



Projects Identified

- After a detailed analysis of multiple recommendations identified in the earlier workshops with the State, the following list of 7 (seven) projects are being recommended across the various domains:

| # | Domain | Project Name | Project Description |
|---|--------------------|--|---|
| 1 | Solution Platform | Halting Cúram Deployment until foundational capabilities and infrastructure are in place | <ul style="list-style-type: none"> • Halt further development on the Cúram solution until key State foundational capabilities and infrastructure are in place, with the exception of current development effort for SNAP IE and HCR/CGISS integration only through the completion of UAT if the State decides to move forward with UAT |
| 2 | Business Alignment | Define/Ratify and Promote State's Health and Human Services Vision | <ul style="list-style-type: none"> • Updating/ratifying and communicating the State's vision for health and human services and how the investments and benefits of an Integrated Eligibility and Benefits Management System supports the State's vision with Leadership support through robust Organizational Change Management |



Projects Identified, Cont'd

| # | Domain | Project Name | Project Description |
|---|-----------------------------------|---|--|
| 3 | Governance and Program Management | Enhance Investment and Program Governance and Management | <ul style="list-style-type: none"> • Develop new governance charter and define appropriate roles for State's executive leadership in investment and program decision making and risk management • Enhance the Program Management Office (PMO) staffing approach with additional internal resources. Enhance PMO processes, mechanisms and tools to support all key areas and PMO activities including: Governance, Decision Making, Risk Analysis / Mitigation, Vendor Management, Contract Management, Communications, Change Management and Project Management |
| 4 | Sourcing and Vendor Management | Develop Strategic Sourcing and Vendor Management Capabilities | <ul style="list-style-type: none"> • Meet health and human services business demand for new IT capabilities through strategic Vendor Management and partnerships, providing the ability to rapidly scale up and down IT resources to meet demand, hold vendors accountable, and coordinate multiple vendors' activities and interactions |



Projects Identified, Cont'd

| # | Domain | Project Name | Project Description |
|---|--|--|--|
| 5 | Technology Platform and Solution Development | Define and Implement Architecture Vision, Standards and Methodologies | <ul style="list-style-type: none"> Align DHS Enterprise Platform with Enterprise governance, processes and standards and ensure that it is architected to fully meet the needs of the Integrated Eligibility and Benefits Management initiative and be adaptable as business needs change Ensure that the Integrated Eligibility and Benefits Management Initiative is aligned to the State's Vision for Health and Human Services |
| 6 | Systems Integrator (SI) Procurement | Conduct open and competitive Procurement for System Integration Services | <ul style="list-style-type: none"> Conduct an open, competitive procurement to select and hire a Systems Integrator using a fixed price deliverable based contract with performance incentives and penalties |
| 7 | Organization Change Management | Enhance Communications and Organizational Change Management Processes | <ul style="list-style-type: none"> Enhance the Organization Change Management processes to align individuals and teams, manage performance and help business transformation, addressing Policy, Practice, Organizational Structure, Operations and Management and Staff Development |



Project Summary

Project 1 — Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place

■ Project Summary and Purpose —

- Halting all deployment activities (with the exception of SNAP IE and HCR/CGISS Integration through UAT — if the State chooses to move forward with UAT) until the completion of the procurement and selection of a System Integrator (SI) and the State assesses the current foundational capabilities and infrastructure around Investment and Program Governance and Management to identify and implement go forward direction to achieve the State’s Vision for health and human services and Integrated Eligibility and Benefits Management Solution
- Future Cost and Schedule overruns will be minimized through partnering with a competent SI vendor and ensuring the foundational elements (Vision and Well Defined health and human services model of practice) and capabilities (Investment and Program Governance and Management) are in place

■ Focus in the Immediate and Short Term Timeframe —

- Stop further deployment of the Cúram solution except for the current development effort for SNAP IE and HCR/CGISS integration through the completion of UAT if the State chooses to move forward with UAT
- Stopping all development activities after completion of SNAP and HCR/CGISS Integration UAT (no pilot or production deployment)
- Closing down all active design, development and implementation services contracts post SNAP UAT and ensuring complete documentation turnover
- Initiate an effort to identify and address all issues (perceived or real) with the current MAGI Medicaid solution including minor enhancements, metrics tracking and communications/change management activities

■ Focus in the Medium and Long Term Timeframe —

- Only MAGI Medicaid M&O and critical issue resolution will continue, until a new SI is onboard
- Only prioritized enhancements to MAGI Medicaid to be allowed to address critical federal mandates during M&O

■ High-Level Resource Requirements —

- One-time: 0.25 PY for stopping all activities and archival (except for continuing certain components through UAT)
- Ongoing: 0.5 PY for M&O and critical enhancement activities for MAGI Medicaid



Project Summary

Project 2 — Define/Ratify and Promote State’s Health and Human Services Vision

■ Project Summary and Purpose —

- Updating/ratifying and communicating the State’s vision for health and human services and how the investments and benefits of an Integrated Eligibility and Benefits Management System supports the State’s vision with Leadership support through robust Organizational Change Management
- Review and validate if the State is moving forward with a vision for an Enterprise model of practice for the full continuum of the State’s health and human services programs — especially with regard to assistance programs’ Eligibility and Benefits Management
- Fully define and communicate scope of programs and services impacted and contained within the Integrated Eligibility and Benefits Management solution with clear and measurable benefits to stakeholders
- Fully understand the impact of the strategy on technology and operations

■ Focus in the Immediate and Short Term Timeframe —

- Establish a Vision Development Workgroup and assign lead resource
- Define the goals, scope and identify program/organizational participants
- Fully define the future vision for the State’s health and human services model of practice

■ Focus in the Medium and Long Term Timeframe —

- Assess the current approach and identify and implement enhancements to the business process re-engineering efforts that align people, processes and technology to achieve the State’s vision
- Conduct Organizational Change Management Activities through the life of the Program (Project 7)

■ High-Level Resource Requirements —

- One-time: 0.50 PY to establish
- Ongoing: 0.25 PY Ongoing



Project Summary

Project 3 — Enhance Investment and Program Governance and Management

■ Project Summary and Purpose —

- Enhance the Enterprise Governance structure, processes and staffing to achieve State’s vision and goals for health and human services
- Enhance Program Management Office (PMO) capabilities by assessing which tasks should be performed by internal vs. outsourced resources, and further mature PMO processes
- Improve alignment between business outcome and project investments (clearly articulated benefits and benefit owner(s))

■ Focus in the Immediate and Short Term Timeframe —

- Define the participants and roles of the Executive leadership team around project mandates, investment decisions and the expectations they have for status and risk reporting
- Refine Governance structure, process, and tools
- Define the PMO structure accountable for future decision-making, including the roles and responsibilities
- Assign key internal (State) staff to PMO, and train staff and resources
- Inventory and apply new PMO processes to current projects
- Deploy processes

■ Focus in the Medium and Long Term Timeframe —

- Ongoing training and implementation of the PMO processes on future projects
- Adjust/update processes as needed

■ High-Level Resource Requirements —

- One-time: 0.50 PY for Setup
- Ongoing: 2 PY for Execution and Performance Measurement



Project Summary

Project 4 — Develop Strategic Sourcing and Vendor Management Capabilities

■ Project Summary and Purpose —

- Development of a procurement strategy for selecting appropriate vendors, with required experience and expertise, that can supply staff that meet clearly defined job descriptions
- Provides the ability to rapidly scale up and down business and IT resources to meet demand
- Reduce vendor project delays, overruns, and failures

■ Focus in the Immediate and Short Term Timeframe —

- Establish gaps in current IT resources to support the State through the implementation of the recommendations that result from the State's acceptance of this report
- Develop sourcing approach and design
- Establish and implement sourcing capabilities

■ Focus in the Medium and Long Term Timeframe —

- Develop framework for building and managing long term vendor relationships
- Inventory and track all vendor contracts
- Track vendor Service Level Agreement (SLA) attainment and leverage appropriate incentives and penalties for vendor performance
- Track and report vendor management metrics to leadership team

■ High-Level Resource Requirements —

- One-time: 0.50 PY for Strategy Planning
- Ongoing: 2 PY for Execution and Performance Measurement



Project Summary

Project 5 — Define and Implement Architecture Vision, Standards and Methodologies

■ Project Summary and Purpose —

- Define and Implement Technology Standards and Methodologies for the Integrated Eligibility and Benefits Management Initiative aligned to the State’s Vision for Health and Human Services
- Maximize return on investment through a lasting, adaptable architecture

■ Focus in the Immediate and Short Term Timeframe —

- Establish an Enterprise Architecture capability (part of PMO), that will be responsible for effectively leading, reviewing, and approving the Enterprise Architecture (EA) process and standards
- Development of Technical artifacts including General System Design, Technology and Architecture Principles, Standards and Preferences, Security Requirements and Plan, etc. to support the “Go Forward” recommendations and content for the RFP and Procurement Library
- Document the agreed high-level Enterprise Platform Architecture Framework (including Business, Information, Technology and Solution Architecture views)
- Facilitate and drive Services Oriented Architecture (SOA) Governance and coordination of Shared Services development and use as part of the PMO structure and responsibilities

■ Focus in the Medium and Long Term Timeframe —

- Work with the PMO-defined governance processes to establish adoption of the technology and architecture principles, standards and preferences

■ High-Level Resource Requirements —

- One-time: 0.25 PY for Planning and 2 PY for Solution and Information Architects
- Ongoing: 1 PY for EA standards maintenance, updates and related process adoption



Project Summary

Project 6 — Competitive Procurement System Integration Services

■ Project Summary and Purpose —

- “Go to Market” with an open competitive process for selecting the best value approach for completing the Integrated Eligibility and Benefits Management (IE/BM) Solution and securing a System Integrator (SI) partner
- Validating Cúram as the go forward technical solution or validating an alternative as a “best value” solution

■ Focus in the Immediate and Short Term Timeframe —

- Identify the best aligned procurement strategy for going to market
- Define in detail the Vision, Business Case and Statement of Work for the IE/BM Solution and Platform
- Define in detail the Functional (Business) and Non-Functional (Technical, Architecture, Implementation, Performance, Maintenance and Operations and Hosting) Requirements
- Develop the RFP Outline, Prepare the RFP and Establish the Procurement Library
- Develop Proposal Evaluation Framework and Criteria
- Federal Approval of RFP
- Issue the RFP
- Establish and Train the Proposal Review Team
- Receive Proposals, Review and Execute the Proposal Evaluation Process for all Proposals that meet Minimum Mandatory Requirements

■ Focus in the Medium and Long Term Timeframe —

- BEST and Final Offer (BAFO), Vendor Selection and Finalize Contract
- Federal Approval of Contract

■ High-Level Resource Requirements —

- One-time: 1.25 PY — Procurement Strategy and Development of Procurement Documents and Library, and 1 PY Proposal Review Team Evaluation of Vendor Proposals, BAFO and Contract Negotiations



Project Summary

Project 7 — Enhance Communications and Organizational Change Management Processes

■ Project Summary and Purpose —

- Establish a robust Change Management process aligned with the State’s vision for health and human services, that can support the required transformation, addressing Organizational Structure, Policy, Practice, Management and Staff Development needs
- Communicate the vision for the future of the State’s health and human services and gain commitment from stakeholders — management, operations, programs, service delivery, etc.
- Maximize positive impact of this transformation and minimize the negative impact of change

■ Focus in the Immediate and Short Term Timeframe —

- Establish Communications and Change Management objectives
- Define Communication and Change Management organization structure and staff
- Define Communication and Change Management frameworks and processes
- Identify the universe of organizational change, communications and training needs
- Develop a communications plan with appropriate stakeholder/audience segmentation

■ Focus in the Medium and Long Term Timeframe —

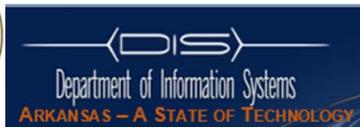
- Extend current Change Management process to implement plan in coordination with the rollout of the technical and organizational changes that will occur
- Build stakeholder awareness, understanding and participation throughout the life cycle of the transformation

■ High-Level Resource Requirements —

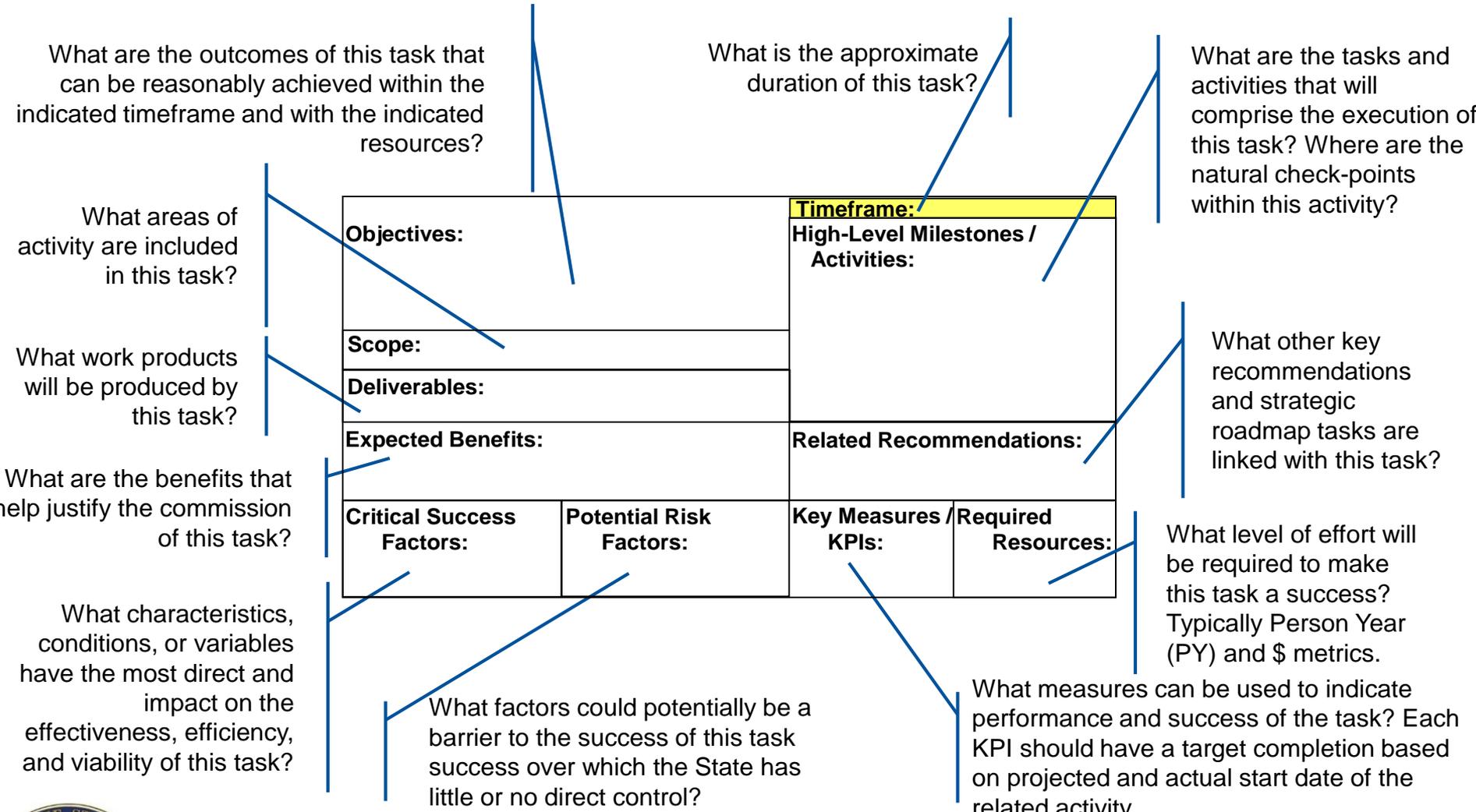
- One-time: 1 PY — Planning and Training
- Ongoing: 1 PY — Change Management and 1 PY — Communications Management



Go Forward Project Details



Go Forward Strategy Framework for Roadmap Details for Executing Each Recommended Project



Project 1 — Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place (Pg. 1 of 3)

| | |
|--|---|
| Initiative: | Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none"> • Stop further deployment of the Cúram solution except for the current development effort for SNAP IE and HCR/CGISS Integration through the completion of UAT – The State needs to make a decision of whether or not to go forward with UAT • Stopping all DDI activities after completion of SNAP and HCR/CGISS Integration UAT (no pilot or production deployment). • Only M&O for MAGI Medicaid will continue until a new SI is onboard • Only minor enhancements to MAGI Medicaid to be allowed to address critical federal mandates • Planful and well managed halting all deployment activities (except for SNAP IE and HCR/CGISS Integration through UAT) until the completion of the procurement and selection of a Systems Integrator (SI) and once the State assesses the current foundational capabilities and infrastructure around Investment and Program Governance and Management. This assessment will help the State to identify and implement the process change efforts that align people, processes and technology to achieve the State’s Vision for health and human services and Integrated Eligibility and Benefits Management Solution | |
| Scope: | |
| <ul style="list-style-type: none"> • Current Cúram DDI activities including both SNAP development and HCR/CGISS Integration. Includes: if the State chooses, completing UAT on SNAP, and preparing all DDI artifacts to become a part of the procurement library | |
| Benefits: | |
| <ul style="list-style-type: none"> • As there is a change a solution other than Cúram is selected through the procurement process, this removes the risk that the inefficiencies and effort required to roll-out a solution is wasted if another vendor is selected • Remove the risk that Cúram’s reputation is damaged by go-live issues • Allows for the organization to get comfortable with MAGI Medicaid and decrease the resistance to expanding the Cúram footprint if Cúram is selected | |



Project 1 — Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place (Pg. 2 of 3)

| | | | |
|---|---|--|---|
| Initiative | Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place | | |
| Duration | | | Resources |
| <p>Initial Project: 2 – 3 Months</p> <p>Ongoing: M&O activities for MAGI Medicaid</p> | | | <p>One-time: 0.25 PY for stopping all activities and archival) Existing DDI Resources to complete SNAP and HCR/CGISS Integration UAT</p> <p>Ongoing: 0.5 PY for MAGI Medicaid M&O resources from eSystems</p> |
| Metrics | | | Deliverables |
| <ul style="list-style-type: none"> • Performance measures for successful completion of SNAP IE and HCR/CGISS Integration UAT • Performance measures for M&O phase for MAGI Medicaid | | | <ul style="list-style-type: none"> • All current project deliverables and artifacts to be archived • Transition plan to new SI • Planning and monitoring artifacts developed for the M&O phase for MAGI Medicaid including budget, schedule, scope and staffing |
| Key Risks | | | Critical Success Factors |
| <ul style="list-style-type: none"> • Ensuring the support of the State’s Federal Partners (CMS and FNS) • Impact on State staff morale waiting for enhancements in technology support • Cost of delaying/canceling contracts | | | <ul style="list-style-type: none"> • Ensure Federal and State funding continue to be available to match the timing of – halting all project activities, laying the foundational capabilities, and procuring new SI Vendor to restart development activities • Ensure that key contributing staff are retained so as not to lose institutional knowledge when the new project starts |

PY = Person Year = 2000 Hours
 Note: Cost of Consulting Services or staff augmentation are not included in the resource estimate.



Project 1 — Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place (Pg. 3 of 3)

| | |
|--------------------------------|---|
| Tasks Completed to Date | <ul style="list-style-type: none">• MAGI Medicaid has been implemented using Cúram• SNAP IE and HCR/CGISS Integration are currently under development using Cúram, and will continue through UAT |
|--------------------------------|---|

High-Level Project Plan - Key Milestones

1. Key Project Milestones include
 - a. Develop project plan
 - b. Complete UAT (If the State chooses to move forward with UAT)
 - c. Develop transition plan
 - d. Archive materials
 - e. Develop MAGI-Medicaid M&O plan including enhancements, change management/communications



Project 2 — Define/Ratify and Promote State’s Health and Human Services Vision (Pg. 1 of 3)

| | |
|---|---|
| Initiative: | Define/Ratify and Promote State’s Health and Human Services Vision |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none"> • Confirm and refine the State’s Health and Human Services Vision and role of Integrated Eligibility and Benefits Management initiative in achieving the Vision <ul style="list-style-type: none"> ○ Communicate scope of State Health and Human Services programs impacted and contained within Vision ○ Detail clear and measurable benefits to stakeholders ○ Focus on goals, not process • Align program and staffing resources and projects with key goals and develop long-term cost allocation strategy and goals for program participation | |
| Scope: | |
| <ul style="list-style-type: none"> • Clarifying the State’s Vision for Health and Human Services and align all impacted departments • Assessment of the current Integrated Eligibility and Benefits Management alignment with the State’s Vision • Identify and implement business process reengineering efforts that align people, processes and technology to achieve the State’s vision | |
| Benefits: | |
| <ul style="list-style-type: none"> • Provides executive leadership and direction for the State’s Health and Human Services programs to enhance access, outcomes, costs, accountability and quality of the State’s services • Assures alignment of traditionally disparate and siloed Health and Human Services programs to improve cost effectiveness and accountability • Clearly communicates the value proposition for future investments into the Integrated Eligibility and Benefits Management Solution • Maximizes Enhanced Federal Financial Participation (FFP) | |



Project 2 — Define/Ratify and Promote State’s Health and Human Services Vision (Pg. 2 of 3)

| | | |
|---|---|--|
| Initiative | Define/Ratify and Promote State’s Health and Human Services Vision | |
| Duration | Resources | |
| <p>Initial Project: 2 – 3 months Communication/Implementation Strategy: Ongoing</p> | <p>One-time: 0.50 PY to establish (6-8 hours per Health and Human Services Executives supported by Vision development team) Ongoing: 0.25 PY Ongoing</p> | |
| Metrics | Deliverables | |
| <ul style="list-style-type: none"> • Milestone dates identified • Critical activities identified and resources assigned | <ul style="list-style-type: none"> • Clearly articulated State Health and Human Services Vision and Goals • Defined Scope, Purpose and Goals for Integrated Eligibility and Benefits Management aligned to State’s Vision for Health and Human Services Programs | |
| Key Risks | Critical Success Factors | |
| <ul style="list-style-type: none"> • Overcoming decades of silo-centric approaches to Health and Human Services • Bringing the TANF Program into the Vision • Adequacy of communications and change management process to support stakeholders’ Awareness, Understanding and Participation in the effort • Inadequate definition of the BPR efforts and general lack of awareness about the transformed model of practice across the Program (Enterprise) | <ul style="list-style-type: none"> • Participation by Executive Leadership across the State’s leadership supporting the State’s Health and Human Services vision and agenda • Assess the current BPR approach and identify and implement business process reengineering efforts that align people, processes and technology to achieve the State’s vision | |



Project 2 — Define/Ratify and Promote State’s Health and Human Services Vision (Pg. 3 of 3)

Tasks Completed to Date

- AR vision is continuing for a “no wrong door” and a streamlined consumer experience for Medicaid and SNAP
- Integrated Eligibility and Benefits Management program goals and objectives have been established
- Approved Federal Funding for work to date
- AR maintains a line of communication with other States to understand the state of their Cúram implementations, identifying challenges and best practices as it relates to its vision

High-Level Project Plan - Key Milestones

1. Establish a Vision Development Workgroup and Lead
2. Define the goals, scope and identify program/organizational participants
3. Fully define the future vision for the State’s health and human services model of practice
4. Based on clarifying the State’s vision for health and human services assess the current approach and identify and implement business process reengineering efforts that align people, processes and technology to achieve the State’s vision



Project 3 — Enhance Investment and Program Governance and Management

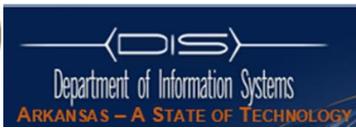
(Pg. 1 of 4)

| | |
|--|---|
| Initiative: | Enhance Investment and Program Governance and Management |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none"> • Enhance the Investment and Program Governance and Management structure, participants and responsibilities, processes and staffing to help facilitate achievement of State’s vision and goals for health and human services • Focus the scope of Program Management Office (PMO) on the Management of all Integrated Eligibility and Benefits Management initiatives – including the Projects proposed and accepted by the State from this report’s recommendations • Enhance PMO Processes, Mechanisms and Tools to support all key areas and PMO activities including: Governance, Decision Making, Risk Analysis/Mitigation, Vendor Management, Contract Management, Communications, Change Management and Project Management • Establish formal charters for each project. Provide visibility into project spending, time to completion and cost of completion • Improve alignment between business outcome and project investments (clearly articulated benefits and benefit owner(s)) • Establish clear business and IT accountability structures for achieving the technology milestones and business results • Improve execution of projects by ensuring adequate resources and funding upfront | |
| Scope: | |
| <ul style="list-style-type: none"> • Governance, organizational structure, participants, roles and responsibilities, decision rights, tools and processes for Investment and Program Management | |
| Benefits: | |
| <ul style="list-style-type: none"> • Executive Leadership and Oversight • Ensuring disciplined approach to investment decisions • Faster response to key project risks and issues (such as scope, schedule, budget overruns, resource contentions, change orders, etc.) • Accelerated benefits realization through enhanced program management | |



Project 3 — Enhance Investment and Program Governance and Management (Pg. 2 of 4)

| | | |
|---|---|--|
| Initiative | Enhance Investment and Program Governance and Management | |
| Duration | | Resources |
| <ul style="list-style-type: none"> Initial Setup: 4 – 6 months Ongoing: Through the Life of the Program | | <ul style="list-style-type: none"> One-time: 0.50 PY for setup Ongoing: 2 PY per year |
| Metrics | | Deliverables |
| <ul style="list-style-type: none"> Impact of decision making on project outcomes <ul style="list-style-type: none"> Impact of decision making on project outcomes # of decisions made in the PMO # of decisions escalated beyond the PMO Performance measures identified for External PMO Vendor(s) and ready to be applied to allocated State resources Adherence to the Program’s projects budgets and schedules Adherence to program reporting standards | | <ul style="list-style-type: none"> Investment and Program Governance and Management Structure including: <ul style="list-style-type: none"> Charters for Governance Structure Entities (Executive Steering Committee; PMO; Operating Committee) and PMO Projects (Including projects resulting from acceptance of the recommendations from this report) Governance and decision process flow diagrams PMO Organization, Roles, Responsibilities and Staffing Plan Program Performance and Success Metrics Plan (including Key Performance Indicators. Timeline and Responsible Entities) |
| Key Risks | | Mitigation Plan |
| <ul style="list-style-type: none"> Establishing and implementing enhanced Investment and Program Governance and Management Appropriate staffing in each body Fidelity to new Program Governance and Management charters, structure, decision rights, etc. | | <ul style="list-style-type: none"> Identify critical decision makers from across HHS for key roles Document clear decision making responsibilities and escalation procedures Establish accountability check-points to ensure operational processes are employed and decisions are executed |



Project 3 — Enhance Investment and Program Governance and Management (Pg. 3 of 4)

Tasks Completed to Date

- The Steering Committee membership has been identified and will be reviewed and enhanced based on this project's recommendations
- Processes and tools have been put in place for formulating IT plans
- A dedicated State Project Manager has been put in place and empowered to make decisions in consultation with the current Project Steering Committee
- An IE/BM Program Management Office has been established as of July 2015 and has been staffed with 11 full time resources from a vendor (Cognosante)
- There is a recognition that higher levels of program management, coordination, communications and control of the internal and external resources are required to achieve success with Integrated Eligibility and Benefits Management initiative



Project 3 — Enhance Investment and Program Governance and Management (Pg. 4 of 4)

High-Level Project Plan - Key Milestones

1. Define the Investment and Program Governance structure, process, and tools
 - A. Develop the Charter for the Executive Steering Committee
 - 1) Define the participants and roles of the Executive Steering Committee around project mandates, investment decisions and the expectations they have for status and risk reporting
 - 2) Define the governance decision making process as well as escalations
 - 3) Identify the process to manage, track and document decisions, action items, and status updates that result from governance committee meetings
 - 4) Define Executive Steering Committee reporting templates and tools (collaboratively with PMO)
 - B. Begin conducting governance sessions focusing first on the refinement, validation and execution of the recommendations resulting from this report
2. Define the Integrated Eligibility and Benefits Management PMO structure accountable for future decision-making, including the roles and responsibilities
 - A. Develop and enhance Charter for the PMO and Operating Committee
 - 1) Define the PMO Organizational Structure
 - 2) Define the participants and roles of the PMO
 - 3) Define the decision rights and escalation process
 - 4) Identify approach, processes and tools to manage the PMO and the PMO Projects
 - B. Define performance and success metrics for the Program
 - C. Inventory Projects and enhance and finalize projects' charters
 - D. Identify the PMO organizational needs (effort and skills) based on the governance model and PMO Projects
 - E. Establish an accessible, easy to use repository and collaboration site for PMO operations and information sharing
 - F. Provide training for those participating in Program and PMO
 - G. Conduct facilitated sessions with staff who will be reporting on projects or preparing project proposals
 - H. Review and refine processes and templates (assumed ~ 10 people who will be reporting on projects)
 - I. Conduct training and mentoring real time and support the transition of responsibilities for maintaining the PMO
3. Deploy, measure, evaluate and adjust enhanced processes as needed



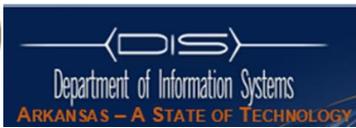
Project 4 — Develop Strategic Sourcing and Vendor Management Capabilities (Pg. 1 of 3)

| | |
|--|--|
| Initiative: | Develop Strategic Sourcing and Vendor Management Capabilities |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none">• Meet business demand for enhanced IT capabilities despite internal resource constraints• Provides the ability to rapidly scale up and down business and IT resources to meet demand• Define rules of engagement and improve coordination and communications among multiple vendors engaged by AR DHS• Improve vendor partnerships | |
| Scope: | |
| <ul style="list-style-type: none">• Developing an inventory of various needs and current capabilities going forward• Development of a procurement strategy for selecting suitable vendors that can supply staff that meet the key State skills gaps with the right level of experience• Development of a Vendor performance management framework• Rules of engagement for multiple vendors working on AR DHS DDI and Technology Infrastructure projects | |
| Benefits | |
| <ul style="list-style-type: none">• Increased capacity to meet business demand for IT capabilities• Reduction in project delays, overruns, and failures through better contract terms and coordination of interactions• Ability to hold vendors to higher levels of accountability• Formal process for risk mitigation and escalation• Reduced risk of project execution to the State and its funding partners | |



Project 4 — Develop Strategic Sourcing and Vendor Management Capabilities (Pg. 2 of 3)

| | | |
|--|---|--|
| Initiative | Develop Strategic Sourcing and Vendor Management Capabilities | |
| Duration | Resources | |
| <ul style="list-style-type: none"> Initial Setup: 5 – 7 Months Ongoing: Through the life of the Program | <p>One-time: 0.50 PY for planning Ongoing: 2 PY for Implementation</p> | |
| Metrics | Deliverables | |
| <ul style="list-style-type: none"> Time and Cost to complete procurement cycle Time to deliver solutions to business needs | <ul style="list-style-type: none"> Sourcing Strategy Plan Resource Requirements framework Artifacts for Vendor Management Framework and approach for tracking Vendor Contracts Framework and approach to tracking Performance Metrics | |
| Key Risks | Critical Success Factors | |
| <ul style="list-style-type: none"> State procurement policies and restrictions Effective negotiation of new terms | <ul style="list-style-type: none"> Work with State procurement to identify contracting vehicles to tap into IT skilled temporary resources for specific periods of time Identify and employ best practices for negotiating favorable terms and conditions with vendors for large projects | |



Project 4 — Develop Strategic Sourcing and Vendor Management Capabilities (Pg. 3 of 3)

Tasks Completed to Date

- Though limited in scope, the State has some Contract Management capabilities in place

High-Level Project Plan - Key Milestones

1. Identify gaps in current Vendor Management resources
 - A. Establish formal processes and tools for tracking of projects and contracts
 - B. Define Vendor Management roles and develop staffing plan
 - C. Work with business and IT leaders to identify the resource requirements and current gap
 - D. Define and create associated artifacts for Vendor Management and Sourcing processes (particularly focused on integrating a sourcing decision as part of the investment management and project approval process)
 - E. Assess and modify existing procurement process
 - F. Assess and make improvements to vendor checkpoints associated with the project lifecycle and systems development lifecycle
2. Build sourcing capabilities
 - A. Staff Vendor Management function
 - B. Train vendor management resources
 - C. Define list of strategic vendors and develop a relationship plan for each
 - D. Pilot sourcing process improvements, with emphasis on integration with investment management process
3. Implement sourcing capabilities
 - A. Execute and manage vendor relationship plans
 - B. Operationalize and standardize sourcing decision checkpoint as part of investment management process
 - C. Inventory and track all vendor contracts
 - D. Track vendor SLA attainment and leverage appropriate incentives and penalties for vendor performance
 - E. Track and report vendor management metrics to leadership team



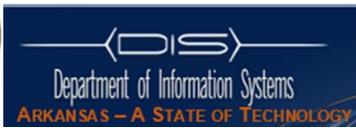
Project 5 — Define and Implement Architecture Vision, Standards and Methodologies (Pg. 1 of 4)

| | |
|---|--|
| Initiative: | Define and Implement Architecture Vision, Standards and Methodologies |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none">• Establish Enterprise Architecture Governance integrated into the PMO structure and responsibilities• Define the “Go Forward” Integrated Eligibility Platform Architecture Principles, Standards and Preferences aligned with the vision and goals of the Investment and Program Governance• Ensure fidelity to Architecture Principles and Standards across the Program and by selected vendors including the proposed new Systems Integrator• Establish organization for Enterprise Platform Operations (external or internal) as part of the PMO | |
| Scope: | |
| <ul style="list-style-type: none">• All aspects of the Program’s Enterprise Architecture• Assessment of the Integrated Eligibility and Benefits Management Solution’s component contributors to identify the various technology components that must be extended to build out the Architecture Standards | |
| Benefits | |
| <ul style="list-style-type: none">• Enables the State to achieve its business objectives through close alignment of business and IT• Maximized return on investment through a lasting, adaptable architecture• Ensures standards are defined and maintained in order to reduce costs and improve manageability by maintaining and enforcing preferred architecture standards• Leverage of Enterprise Technology assets resulting in lower costs of acquisition and operations through the reuse of common shared technology services and components across the continuum of the State’s health and human services (“build once and use many times”)• Enterprise-wide view allows optimization efforts to be done on a State-wide level instead of silos• Alignment with State and Federal mandates on architecture and standards | |



Project 5 — Define and Implement Architecture Vision, Standards and Methodologies (Pg. 2 of 4)

| | | | |
|--|--|--|--|
| Initiative | Define and Implement Architecture Vision, Standards and Methodologies | | |
| Duration | Resources | | |
| <ul style="list-style-type: none"> Initial Setup: 5 – 6 Months Ongoing: Through the Life of the Program | <ul style="list-style-type: none"> One-time <ul style="list-style-type: none"> 0.50 PY for Planning 2 PY for Solution and Information Architects Ongoing <ul style="list-style-type: none"> 1 PY for EA standards maintenance, updates and related process adoption | | |
| Metrics | Deliverables | | |
| <ul style="list-style-type: none"> Active participation of key IT and business stakeholders Application Architectural framework, principles and guidelines Completed Service Level Metrics Defined # of Solution Components leveraged from existing assets # of Technology Infrastructure gaps identified and addressed | <ul style="list-style-type: none"> DHS Enterprise Architecture Planning Framework and Process Governance Architecture Principles, Standards and Preferences Platform General Systems Design | | |
| Key Risks | Critical Success Factors | | |
| <ul style="list-style-type: none"> Availability of Enterprise Architecture skill sets Resistance from various IT Silos managing various applications | <ul style="list-style-type: none"> Executive Leadership, Senior Management and Stakeholder understanding and support Participation of SMEs from the business and IT in the architecture team Formal agreement on standards and mechanisms for compliance | | |



Project 5 — Define and Implement Architecture Vision, Standards and Methodologies (Pg. 3 of 4)

Tasks Completed to Date

- The IE/BM solution is based on Service Oriented Architecture (SOA), n-Tier design, leveraging industry standard SOA infrastructure and technology components
- Solution development staff across the various vendors generally seem well versed with the overall Solution Architecture components as it relates to their scope of development work
- New Cúram features are being adopted by ARDHS, and the customizations required to support the life cycle of MAGI Medicaid cases (e.g., CoC, Renewals, etc.) are being removed, which can lower the ongoing maintenance and operations costs in the long run
- Out-of-the-box business rules represent 100% match to those required for MAGI



Project 5 — Define and Implement Architecture Vision, Standards and Methodologies (Pg. 4 of 4)

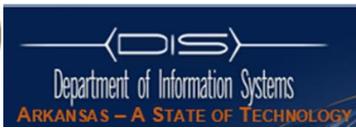
High-Level Project Plan - Key Milestones

1. Define and implement Enterprise Architecture governance to ensure a programmatic inclusive approach where the focus is on integration as opposed to application-by-application needs
2. Identify and recruit an Enterprise Architect to be assigned to the PMO
3. Define roles, responsibilities and processes for coordination of activities between the various members of the project technical team and the Enterprise Architect resource
4. Document the agreed high-level IE/BM Enterprise Platform Architecture Framework (including Business, Information, Technology and Solution Architecture views)
5. Produce the Technical artifacts like General System Design, Security plan etc. for the RFP procurement library
6. Work with the PMO-defined governance processes to establish adoption of the architecture and related standards
7. Facilitate and drive SOA Governance and coordination of Shared Services development and use in collaboration with PMO
8. Obtain leadership commitment and establish clear channels of communication across all the entities that encompass the Enterprise Architecture governance body
9. Evaluate each of the potentially leverageable technology assets and their compliance to the Enterprise Platform standards including their compliance with SOA principles and whether any of these components are loosely-coupled and are candidates for Enterprise class business or technical services
10. Map the Architecture of the technology assets to the overall IE/BM Technology Solution, and for each component ensure enterprise use of components is feasible and identify the cases:
 - A. Where additional technology configuration and/or development is required
 - B. Where support structures need to be established



Project 6 — Competitive Procurement System Integration Services (Pg. 1 of 3)

| | |
|---|--|
| Initiative: | Competitive Procurement System Integration Services |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none"> • “Select the best value approach for completing the Integrated Eligibility and Benefits Management (IE/BM) Solution and securing a Systems Integrator (SI) partner including software, hardware and infrastructure, Design, Development and Implementation (DDI) Services, data conversion and legacy retirement • Execute competitive, open, objective, and transparent procurement process • Communicate a preference for continuing to leverage Cúram as the Preferred Solution, and provide opportunity for vendors to propose an alternative solution with compelling justification | |
| Scope: | |
| <ul style="list-style-type: none"> • Development of the full Procurement Life Cycle for the best value solution and Systems Integrator (SI) partner • Use a disciplined process, compliant with the State procurement guidelines, to procure the software, infrastructure and SI services to support the DDI of the State’s IE/BM solution and platform aligned with the State’s Vision and Objectives | |
| Benefits | |
| <ul style="list-style-type: none"> • Enhances confidence in future investments in a best value IE/B solution aligned with the State’s Vision • Leveraging current investments to date and assessing the best solutions the market has to offer • Defensible procurement decision | |



Project 6 — Competitive Procurement System Integration Services (Pg. 2 of 3)

| | | |
|---|---|--|
| Initiative | Competitive Procurement System Integration Services | |
| Duration | Resources | |
| <ul style="list-style-type: none"> • SI Procurement : 7 – 9 Months | <ul style="list-style-type: none"> • One-time <ul style="list-style-type: none"> • 1.25 PY – Procurement Strategy and Development of Procurement Documents and Library • 1 PY – Proposal Review Team Evaluation of Vendor Proposals, BAFO and Contract Negotiations | |
| Metrics | Deliverables | |
| <ul style="list-style-type: none"> • Federal Approval of RFP and Contract • Timely execution of procurement process • Demonstrated vendor interest and participation in the procurement process • No successful vendor protests | <ul style="list-style-type: none"> • Procurement Strategy • Functional (Business) and Non-Functional (Technical, Architecture, Implementation, Performance, Maintenance and Operations and Hosting) Requirements • Proposal Evaluation Framework and Criteria • RFP Materials and Procurement Library | |
| Key Risks | Critical Success Factors | |
| <ul style="list-style-type: none"> • Ensuring vendor participation in the procurement • Ensuring Federal approvals • Prolonged procurement process due to unanticipated delays | <ul style="list-style-type: none"> • Executive and Management Leadership and Support • Early engagement of State procurement and IT resources • Comprehensive requirements • Agreed to evaluation criteria • Federal Approvals • Strong Project Management | |



Project 6 — Competitive Procurement System Integration Services (Pg. 3 of 3)

Tasks Completed to Date

- State recognizes the benefits of procuring a Systems Integrator (SI) using an open and competitive process, and fixed price deliverable based contract vehicle
- The current scope of work and related deliverables have been adequately defined and can be leveraged to define the scope of work and requirements for the procurement process

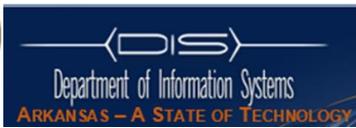
High-Level Project Plan - Key Milestones

1. Establish and Validate Procurement Strategy
2. Define in detail the Vision, Business Case and Statement of Work for the IE/BM Solution and Platform
3. Define in detail the Functional (Business) and Non-Functional (Technical, Architecture, Implementation, Performance, Maintenance and Operations and Hosting) Requirements
4. Develop the RFP Outline, Prepare the RFP and Establish the Procurement Library
5. Develop Proposal Evaluation Framework and Criteria
6. Federal Approval of RFP
7. Issue the RFP
8. Establish and Train the Proposal Review Team
9. Receive Proposals, Review and Execute the Proposal Evaluation Process for all Proposals that meet Minimum Mandatory Requirements
10. Conduct BAFO and Contract Negotiations
11. Finalize Contract
12. Federal approval of contract



Project 7 — Enhance Communications and Organizational Change Management Processes (Pg. 1 of 3)

| | |
|--|--|
| Initiative: | Enhance Communications and Organizational Change Management Processes |
| Sponsor: | TBD |
| Objectives: | |
| <ul style="list-style-type: none"> • Establish a robust Change Management process that aligns individuals and teams, manages performance and transforms culture, addressing, Organizational Structure, Policy, Practice, Management and Staff Development needs • Communicate the vision for the future of the State’s health and human services • Plan, align and mobilize impacted resources • Capture and publish benefits of the envisioned transformation and the implementation of core initiatives for Integrated Eligibility and Benefits Management (IE/BM) | |
| Scope: | |
| <ul style="list-style-type: none"> • Implementation of a robust Enterprise wide Communications and Change Management Methodology | |
| Benefits | |
| <ul style="list-style-type: none"> • Maximizes stakeholder acceptance and participation as well as the positive impact of the envisioned transformation while minimizing the negative impact of change • Increases coordination and cooperation between stakeholders and tasks at all levels • Increases knowledge transfer through stakeholder participation • Improves an enterprise approach to the consistency of business process standardizations as necessary | |



Project 7 — Enhance Communications and Organizational Change Management Processes (Pg. 2 of 3)

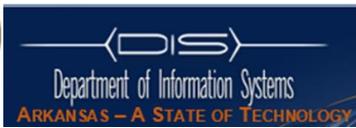
| | | |
|---|--|--|
| Initiative | Enhance Communications and Organizational Change Management Processes | |
| Duration | Resources | |
| <ul style="list-style-type: none"> • Initial Setup: 6 – 8 Months • Ongoing: Through the life of the Program | <ul style="list-style-type: none"> • One-time - 1 PY – Planning and Training • Ongoing <ul style="list-style-type: none"> ○ 1 PY – Change Management ○ 1 PY – Communications Management | |
| Metrics | Deliverables | |
| <ul style="list-style-type: none"> • Level of awareness targeted stakeholder groups of the transformation, IE/BM effort and benefits to be achieved • Staff Level of Satisfaction | <ul style="list-style-type: none"> • Change Readiness Assessment • Change Management Plan • Communications Plan | |
| Key Risks | Critical Success Factors | |
| <ul style="list-style-type: none"> • Insufficient capacity and required capabilities in house to manage the change • Ensuring required capabilities in house to create, execute and manage the Communication and Change Management Plan • Lack of buy-in from stakeholders • Resistance to change | <ul style="list-style-type: none"> • Executive and Management Leadership and Support • Stakeholder Support and Participation • Use of Champions • Coordination with other State initiatives | |



Project 7 — Enhance Communications and Organizational Change Management Processes (Pg. 3 of 3)

| | |
|--------------------------------|---|
| Tasks Completed to Date | <ul style="list-style-type: none">• Can build on benefits achieved to date as some of the core functionality has been well received by the end users• There are two designated program eligibility analysts in each of the 6 regions who help troubleshoot process and policy issues• Management has recognized the gap regarding Organizational Change Management and the new PMO has a full time Cultural Change Manager scheduled to start July 27th to assist with the transition to the redesigned processes |
|--------------------------------|---|

| |
|---|
| High-Level Project Plan - Key Milestones |
| <ol style="list-style-type: none">1. Establish Communications and Change Management Goals and Objectives2. Establish Communication and Change Management Organization Structure and Staffing3. Identify the universe of organizational changes, communications and training needed4. Develop a Communications Plan with appropriate stakeholder/audience segmentation, channel identification, and messaging to reach all internal and external stakeholders5. Develop Change Management Plan and extend current Change Management process to implement plan in coordination with the rollout of the technical and organizational changes that will occur6. Build stakeholder awareness, understanding and participation, across other State entities that are impacted, and where appropriate, with external partners |



Projects' Activities Mapped Against the Time Horizons

■ Immediate = 60 Day Timeline (11/2015 — 12/2015)

- Stop further deployment of the Cúram solution except for the current development effort for SNAP IE only, with the exception of completion of UAT if the State decides to move forward with UAT
- Nominate and convene a Health and Human Services Visioning committee — Confirm scope of program/organizational participants
- Fully Define the State's Health and Human Services Vision and Goals and the role of the IE/BM solution aligned to the vision and goals
- Define Governance structure, process, and tools
- Define the IE/BM PMO structure accountable for future decision-making, including the roles and responsibilities
- Gain approvals for Roadmap projects
- Establish gaps in current IT resources
- Establish the Enterprise Architecture (EA) role and responsibilities for effectively leading, reviewing, and approving the EA process and standards, and producing the Technical artifacts like General System Design, Security plan etc. for the RFP procurement library
- Define the procurement strategy to go Forward with an RFP to procure new System Integrator (SI) Services
- Develop sourcing approach and design
- Establish Communications and Change Management objectives
- Define Communication and Change Management organizational structure and staff



Projects' Activities Mapped Against the Time Horizons, Cont'd

■ Short Term = Immediate + 6 Month Timeline (1/2016 — 6/2016)

- Develop long-term cost allocation strategy and goals for program participation and maximizing Federal Financial Participation (FFP)
- Train staff and resources
- Deploy PMO processes
- Build sourcing management capabilities including Vendor performance monitoring
- Document the agreed high-level IE/BM Enterprise Platform Architecture Framework (including Business, Information, Technology and Solution Architecture views)
- Develop the Request for Proposal template based on DHS procurement guidelines
- Develop procurement strategy and prepare and finalize the Statement of Work and the detailed requirements package
- Develop evaluation criteria, framework, and process with involvement of key DHS stakeholders
- Issue the RFP, evaluate vendor responses, and select SI vendor and the final technology solution
- Define Communication and Change Management frameworks and processes
- Identify the universe of organizational changes, communications and training that need to occur to facilitate IE/BM
- Develop a communications plan with appropriate stakeholder/audience segmentation



Projects' Activities Mapped Against the Time Horizons, Cont'd

■ **Medium Term = Short Term + 12 Month Timeline (7/2016 — 6/2017)**

- Stopping all DDI activities (no pilot or production deployment).
 - Only M&O for MAGI Medicaid will continue, until a new SI vendor is onboard
 - Only minor enhancements to MAGI Medicaid to be allowed to address critical federal mandates during M&O
- Continue the business process re-engineering efforts that align people, processes and technology to achieve the State's finalized Health and Human Services Vision and Goals
- Conduct Organizational Change Management Activities throughout the life of the Program
- Inventory and retrofit projects to comply with the investment governance processes
- Facilitate and drive Service Oriented Architecture (SOA) Governance and coordination of Shared Services development and use in collaboration with PMO
- Complete Vendor Selection
 - Finalize contract negotiations
- Onboard the new SI Vendor and start DDI phase
 - The scope would include full data conversion and retirement of the systems that currently only support the functions being replaced by the DDI scope.
 - The RFP's DDI and M&O scope would be for Traditional and MAGI Medicaid, CHIP, SNAP and TANF, with options for other smaller social service programs, as well as optional managed hosting services for non-production environments



Projects' Activities Mapped Against the Time Horizons, Cont'd

■ Long Term = Mid Term + 18 Month Timeline (7/2017 — 12/2018)

- Assess projects against reporting framework
- Adjust PMO and sourcing processes as needed
- Build and manage long term vendor relationships
- Inventory and track all vendor contracts
- Track vendor SLA attainment and leverage appropriate incentives and penalties for vendor performance
- Track and report vendor management metrics to leadership team
- Work with the PMO-defined governance processes to establish adoption of the architecture and related standards
- Extend current DHS Change Management process to implement plan in coordination with the rollout of the technical and organizational changes that will occur
- Build stakeholder awareness, understanding and participation within DHS
- Continue DDI implementation
 - The scope would include full data conversion and retirement of the systems that currently only support the functions being replaced by the DDI scope.
 - The RFP's DDI and M&O scope would be for Traditional and MAGI Medicaid, CHIP, SNAP and TANF, with options for other smaller social service programs, as well as optional managed hosting services for non-production environments

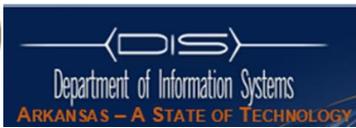


Strategic Roadmap

High-Level Schedule Summary

| # | Project/Initiative | Immediate | | Short-Term | | | | | | Mid-Term | | | | Long-Term | | | | | | | |
|---|--|----------------------|--------|--|--------|--------|--------|--------|--------|----------|------|------|------|-----------|------|------|------|------|------|--|--|
| | | Nov-15 | Dec-15 | Jan-16 | Feb-16 | Mar-16 | Apr-16 | May-16 | Jun-16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 | | |
| 1 | Halting Cúram Deployment until Foundational Capabilities and Infrastructure are in place | [Yellow shaded area] | | SNAP and HCR/CGISS Integration and Development only through UAT | | | | | | | | | | | | | | | | | |
| 2 | Define/Ratify and Promote State's Health and Human Services Vision | | | Continuous Communication and Organizational Change Management (Project 7) | | | | | | | | | | | | | | | | | |
| 3 | Enhance Investment and Program Governance and Management | | | Continuous Improvement of processes and tools for Monitoring Program Performance and envisioned benefits realization | | | | | | | | | | | | | | | | | |
| 4 | Develop Strategic Sourcing and Vendor Management Capabilities | | | Continuous Improvement of processes and tools for Monitoring Vendor Performance | | | | | | | | | | | | | | | | | |
| 5 | Define and Implement Architecture Vision, Standards and Methodologies | | | Monitor Technology Standards Adoption | | | | | | | | | | | | | | | | | |
| 6 | Competitive Procurement System Integration Services | | | Monitor SI Implementation and Performance | | | | | | | | | | | | | | | | | |
| 7 | Enhance Communications and Organizational Change Management Processes | | | Continuous Communication | | | | | | | | | | | | | | | | | |

Note: Details for each project can be found in the Recommendations and Roadmap section of this report



Strategic Roadmap

High-Level Resource Summary

■ Project 1 — Halt Current Cúram Deployment

- One-time: 0.25 PY for stopping all activities and archival, and ongoing .5 PY for MAGI M&O and Enhancements

■ Project 2 — Define/Ratify and Promote State's Health and Human Services Vision and Goals

- One-time: 0.50 PY to establish, and 0.25 PY ongoing

■ Project 3 — Enhance Investment and Program Governance and Management

- One-time: 0.50 PY for Setup, and ongoing 2 PY for Execution and Performance Measurement

■ Project 4 — Develop Strategic Sourcing and Vendor Management Capabilities

- One-time: 0.50 PY for Strategy Planning, and ongoing 2 PY for Execution and Performance Measurement

■ Project 5 — Define and Implement Architecture Vision, Standards and Methodologies

- One-time: 0.25 PY for Planning, and 2 PY for Solution and Information Architects, and ongoing 1 PY for EA standards maintenance, updates and related process adoption

■ Project 6 — Competitive Procurement System Integration Services

- One-time: 1.25 PY — Procurement Strategy and Development of Procurement Documents and Library, and 1 PY — Proposal Review Team Evaluation of Vendor Proposals, BAFO and Contract Negotiations

■ Project 7 — Enhance Communications and Organizational Change Management Processes

- One-time: 1 PY — Planning and Training, and Ongoing 1 PY — Change Management, and 1 PY — Communications Management

■ Total Required Resource — One-time: 7.5 PY, and 7.75 PY Ongoing

- One-time: 15,000 hours, Ongoing: 15,500 hours per year

Notes:

1. 1 PY = 2,000 hours
2. External resources can be leveraged



Appendix A — Current Environment Analysis Summary to Develop Plan of Action and Roadmap

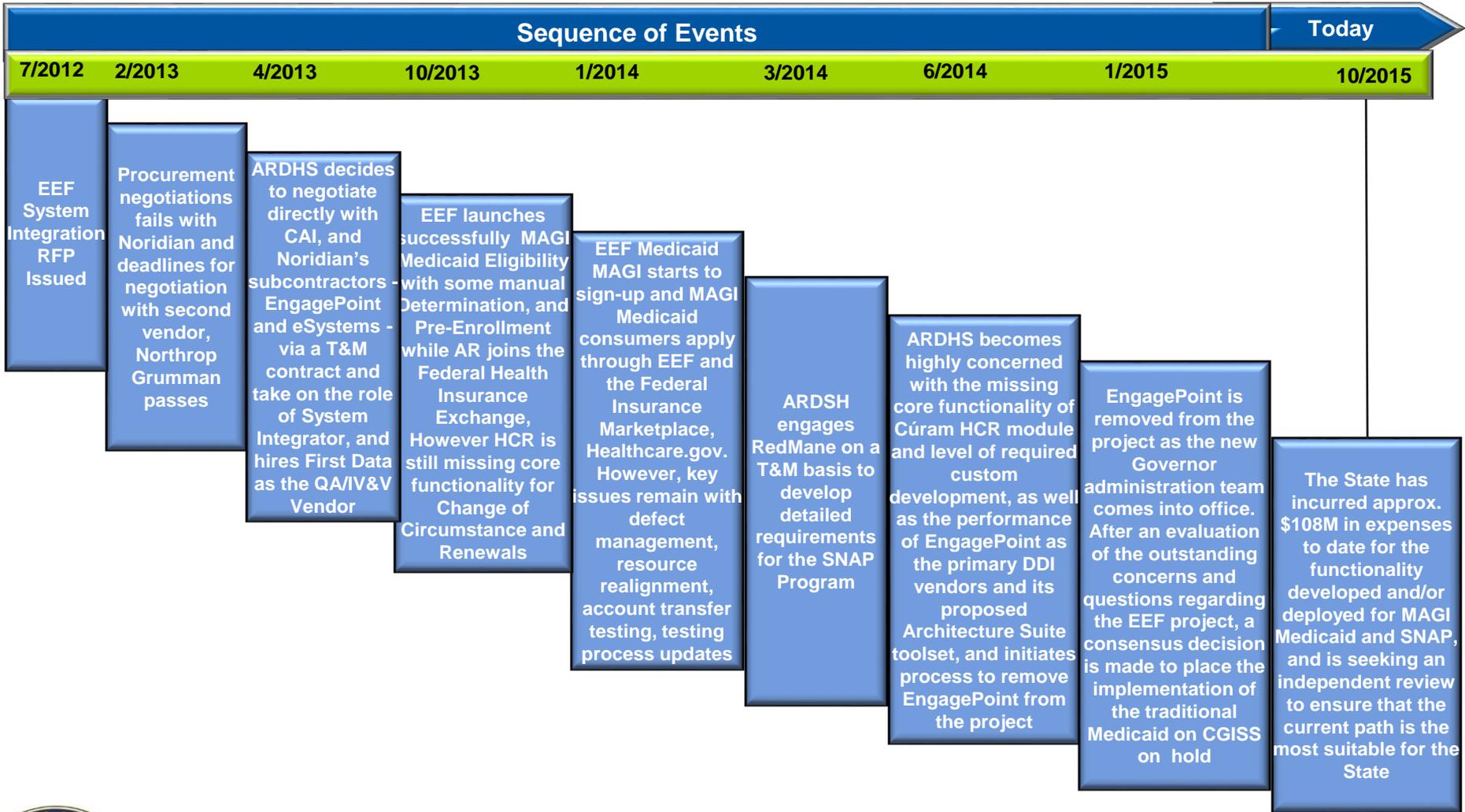


Documentation Review

- 100+ files have been received and reviewed related to the EEF project
- Documents and categories include, but are not limited to:
 - Executive Leadership Meeting Notes
 - Various IAPD, SOW, RFP, Proposal and Contract packages — Proposals from Engage Point, eSystems, RedMane, First Data etc.
 - Various internal and third-party project review documentation
 - Project Management Plans — Org Charts, Project Management plan, Risk Management plan, Change Management plan, Staffing Management plan, Quality Management plan, Performance Management plan etc.
 - Platform Design, Development and Implementation Documents — Requirements Traceability Matrix (RTM), Overall System Architecture, System Design plans, Operations planning, Test plans, Privacy and Security plans, Implementation Plans, etc.
 - IVV Status Reports
 - Health Reform Legislative Task force documents



Project Timeline and Major Events



Options Analysis Approach and Go Forward Strategy Development

- Gartner and State of Arkansas project team followed a thorough and disciplined process to identify and select the best value option for the State –
 1. Developed and confirmed business drivers and imperatives
 2. Identified and prioritized risks to the IE/BM initiatives
 3. Analyzed State’s capability maturity in key domains critical to success
 4. Identified and analyzed four distinct solution alternatives that can produce best value results for the State, and developed a consensus decision on the best path forward
 5. Developed risk mitigation strategies based on industry proven practices and observations related to projects of similar scope and complexity in the Health and Human Services industry
 6. Organized mitigation strategies and recommendations into 7 key projects and a roadmap for execution
- The pages that follow provide a high level summary of the key findings and the analysis conducted by the evaluation team
- The process followed by the evaluation team took full advantage of Gartner’s analysis of each of the criterion for each of the options, and resulted in the final recommendation in favor of the option to continue with the implementation of the Cúram solution. However, there is a critical need for the State to significantly improve its internal capabilities along several domains deemed important to successful execution



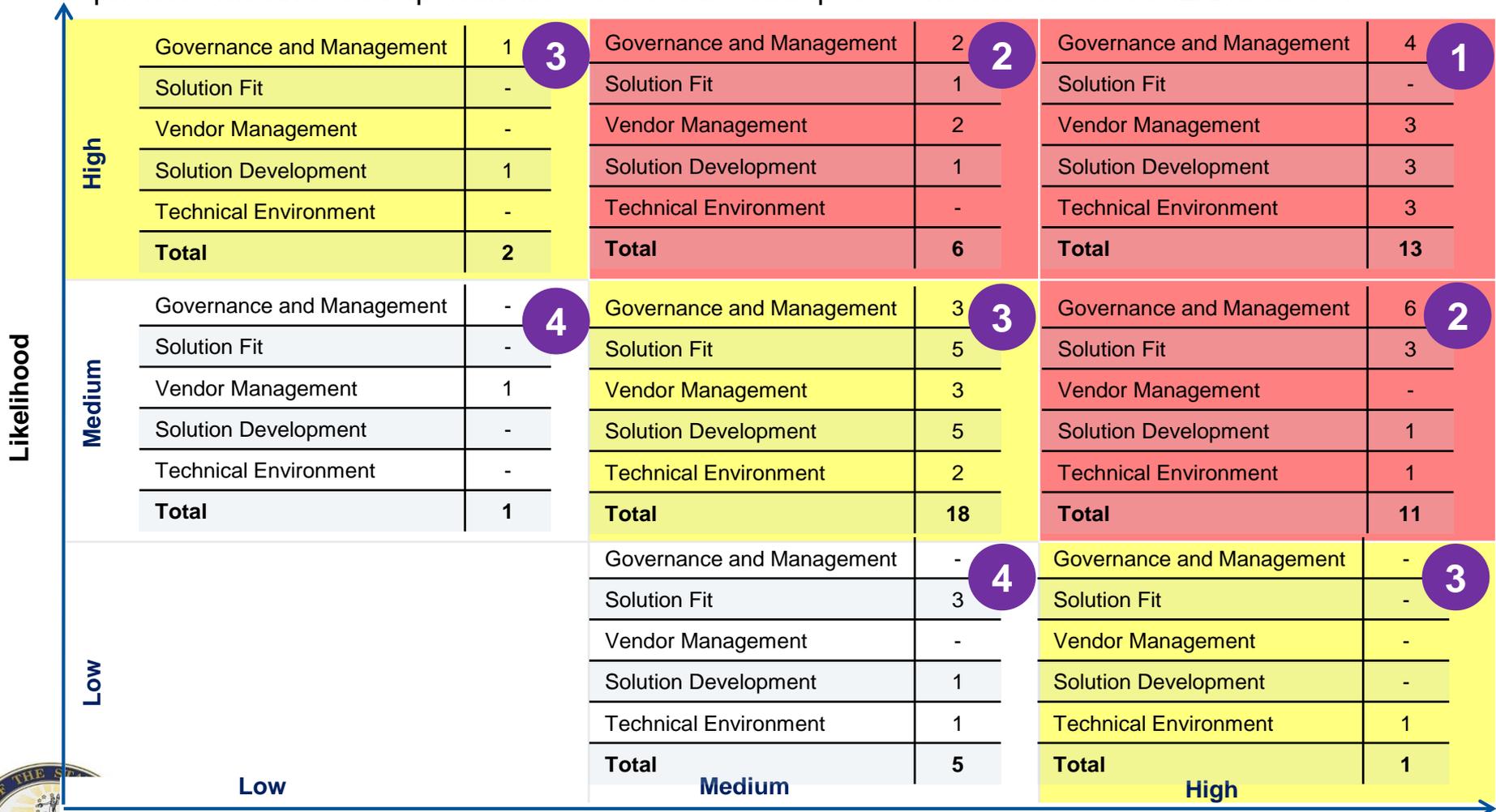
Risk Analysis Summary and Program Capability Assessment

- The following is a brief overview of the results of the risk analysis:
 - Gartner has documented a total of **57** risks
 - **13** priority 1 risks
 - **17** priority 2 risks
 - **21** priority 3 risks
 - **6** priority 4 risks
- Gartner also assessed ARDHS' internal capabilities in six domains deemed germane to the successful mitigation of risks and issues identified using Gartner's Capability Maturity reference models
 - Governance and Investment Management
 - Project, Program and Portfolio Management
 - Vendor Management and Sourcing
 - Enterprise Architecture Management
 - Applications and IT Service Management
 - Organizational Change Management
- ARDHS capabilities were ranked between maturity levels 1 and 2 in all domains
- Risk Mitigation strategies and final recommendations are based on the above completed analysis



Risk Prioritization Matrix — Number of Risks by Priority Level

- Based upon the challenges, risks were identified across each domain. Each risk is placed in this priorities matrix based upon likelihood to occur and impact to the success of the IE/BM initiative

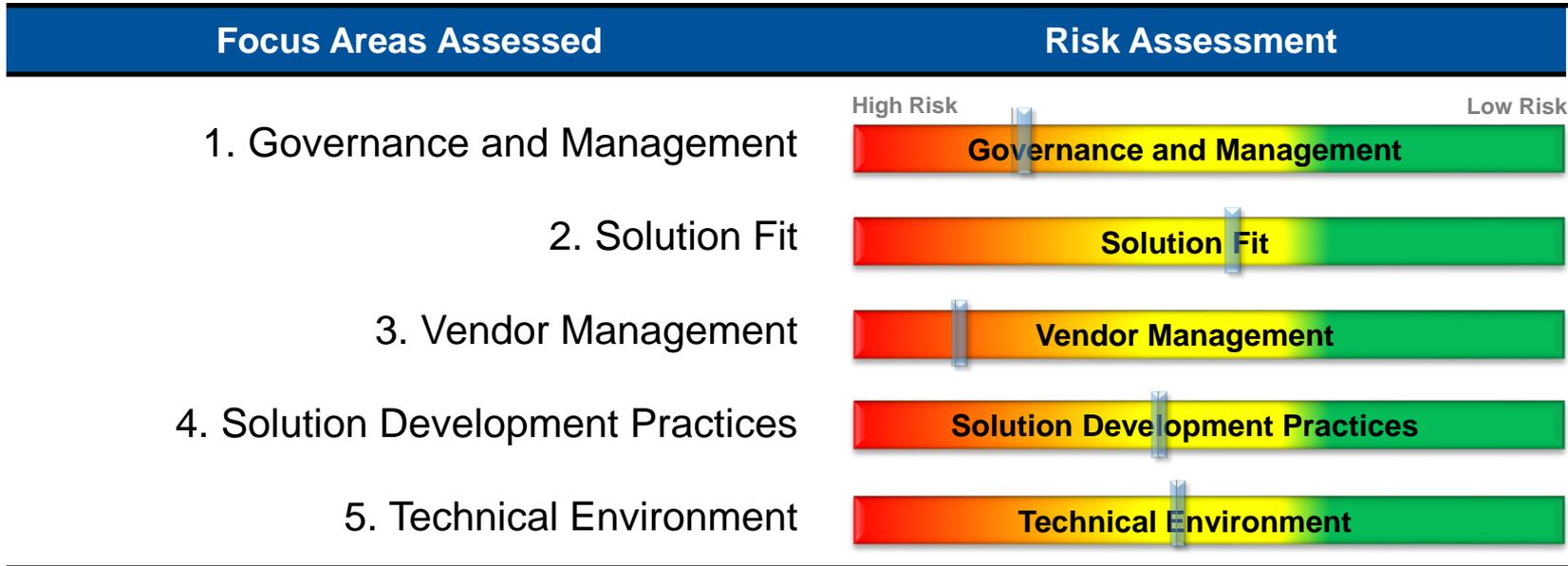


X Priority Level Grouping
See Appendix C for listing of risks



Risk Assessment

Assessment Summary

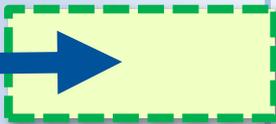
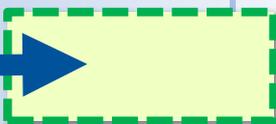
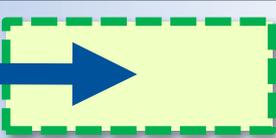
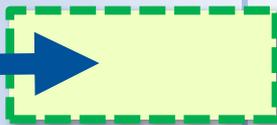


- Risk Assessment Rating: In an effort to illustrate alignment with IE/BM strategy and imperatives Gartner uses a “red, yellow, green” alignment scale reporting framework for each of the focus areas assessed
 - **“Green”** The approach meets or exceeds established Best Practices and processes. To receive this ranking, the State’s current approach is well aligned and presents no significant risks to achieving the envisioned success of the program.
 - **“Yellow”** The current approach is not clearly defined or consistently executed and does present a risk to the program. Recommendations for areas assigned this rating are important considerations for the State to ensure the program’s success.
 - **“Red”** The current approach in areas with this rating presents serious risks to the program and requires the State’s immediate attention. Recommendations for areas assigned this rating are essential for improving alignment and mitigating program risk.



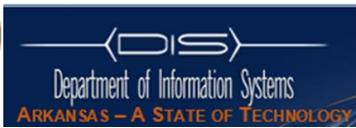
Program Capabilities Assessment Overview Using Reference Maturity Models

Identifying Required Program Capabilities to Enhance Risk Management

| Maturity Levels | 1. Unaware | 2. Tactical | 3. Focused | 4. Strategic | 5. Pervasive |
|--|---|--|--|--------------|--------------|
| <i>Governance and Investment Management</i> | |  |  | | |
| <i>Project, Program and Portfolio Management</i> |  | |  | | |
| <i>Vendor and Sourcing Management</i> |  | |  | | |
| <i>Enterprise Architecture Management</i> | |  |  | | |
| <i>Applications Management and IT Service Management</i> | |  |  | | |
| <i>Organizational Change Management</i> |  | |  | | |

Current State

Future Goal



Solution Alternatives Analysis Methodology

- Gartner facilitated a disciplined alternative analysis process which applied rigor to the decision making process and ensured that key facts are taken into consideration by focusing on criteria that is most important to the business

- The process consisted of the following five steps:



Alternatives for Consideration

- The following four alternatives were taken into consideration to evaluate best value options and the optimal path forward for AR DHS:
 - A. **Alternative A** — Full implementation of the Cúram platform for Eligibility and Enrolment (E&E) and Benefit/Case Management for MAGI Medicaid, SNAP and traditional Medicaid. Develop plan to extend the Cúram platform to other State programs and fully retire ANSWER/ACCESS
 - B. **Alternative B** — Implement only Eligibility and Enrollment for MAGI Medicaid, SNAP and traditional Medicaid using the Cúram platform, and “go to market” for a new Benefit Management System that is capable of accepting Eligibility and Enrollment decisions from the Cúram solution for SNAP and other DHS non-healthcare programs
 - C. **Alternative C** — Continue using Cúram for Eligibility and Enrollment for MAGI Medicaid-only and develop a “go to market” plan for a new integrated Eligibility and Enrollment and Benefits / Case Management System to support SNAP and traditional Medicaid as well as other DHS programs. The MAGI Medicaid component may be replaced with the new platform in a future phase / release
 - D. **Alternative D** — Develop a full migration/transition strategy and “go to market” plan for a new integrated Eligibility and Enrollment and Benefits/Case Management System to support all programs including MAGI Medicaid, SNAP and traditional Medicaid as well as other DHS programs



Alternatives for Consideration — Matrix Representation of Platform Roles

| Platform | Eligibility and Enrollment | | | Benefits/Case Management | | | Other DHS Programs |
|----------------------|----------------------------|----------------------|------|----------------------------|-----------------------------------|------|--------------------|
| | MAGI Medicaid | Traditional Medicaid | SNAP | MAGI Medicaid ¹ | Traditional Medicaid ¹ | SNAP | |
| Alternative A | | | | | | | |
| Cúram Platform | X | X | X | - | - | X | X |
| New Platform(s) | | | | | | | |
| Alternative B | | | | | | | |
| Cúram Platform | X | X | X | | | | |
| New Platform(s) | | | | - | - | X | X |
| Alternative C | | | | | | | |
| Cúram Platform | X | | | | | | |
| New Platform(s) | | X | X | - | - | X | X |
| Alternative D | | | | | | | |
| Cúram Platform | | | | | | | |
| New Platform(s) | X | X | X | - | - | X | X |

¹ Medicaid Member Management is handled through the State's Medicaid Management Information System (MMIS)



Criteria Weights for Alternative Evaluation

The evaluation team discussed each evaluation criteria in detail and developed the following weights for each criteria based on the leadership's top priorities and key environment drivers:

| Criteria | Weights |
|---|-------------|
| 1. Alignment with State's Business Needs | 35% |
| 2. State's Ability to Govern and Manage the Complexity of the Initiative | 20% |
| 3. Total Cost of Ownership | 20% |
| 4. Percent of Investment that can be Leveraged for Future use | 10% |
| 5. Time to Deployment and Achieving complete Vision | 15% |
| TOTAL | 100% |



Analysis, Scoring and Evaluation Results

- The identified alternatives were scored in a working session with DHS, DIS and State Executives to identify the best value alternative by scoring each criterion as follows:

- 1 — Poor / Non Existent
- 2 — Moderately Acceptable
- 3. — Acceptable
- 4 — Good
- 5 — Excellent

| | | Arkansas DHS EEF Alternatives Analysis | | | | | | | |
|--|-------------|--|------------------------|-----------------------------|------------------------|------------------|------------------------|-----------------------------|------------------------|
| | | Average Score | | | | Weighted Average | | | |
| Criteria | Weighting | A All Curam | B Curam E&E + BM | C Curam MAGI + E&E/BM | D All New E&E/BM | A All Curam | B Curam E&E + BM | C Curam MAGI + E&E/BM | D All New E&E/BM |
| 1. Alignment with State's Business Needs | 35% | 3.11 | 3.00 | 2.11 | 2.89 | 1.09 | 1.05 | 0.74 | 1.01 |
| 2. State's Ability to Govern and Manage the Complexity of the Initiative | 20% | 2.67 | 2.11 | 2.22 | 2.33 | 0.53 | 0.42 | 0.44 | 0.47 |
| 3. Total Cost of Ownership | 20% | 2.67 | 1.89 | 1.67 | 2.89 | 0.53 | 0.38 | 0.33 | 0.58 |
| 4. Percent of Investment that can be Leveraged for Future use | 10% | 3.67 | 2.78 | 2.33 | 1.33 | 0.37 | 0.28 | 0.23 | 0.13 |
| 5. Time to Deployment and Achieving complete Vision | 15% | 2.78 | 1.78 | 1.44 | 1.78 | 0.42 | 0.27 | 0.22 | 0.27 |
| Totals | 100% | 14.89 | 11.56 | 9.78 | 11.22 | 2.94 | 2.39 | 1.97 | 2.46 |



Appendix B: Business Drivers and Imperatives



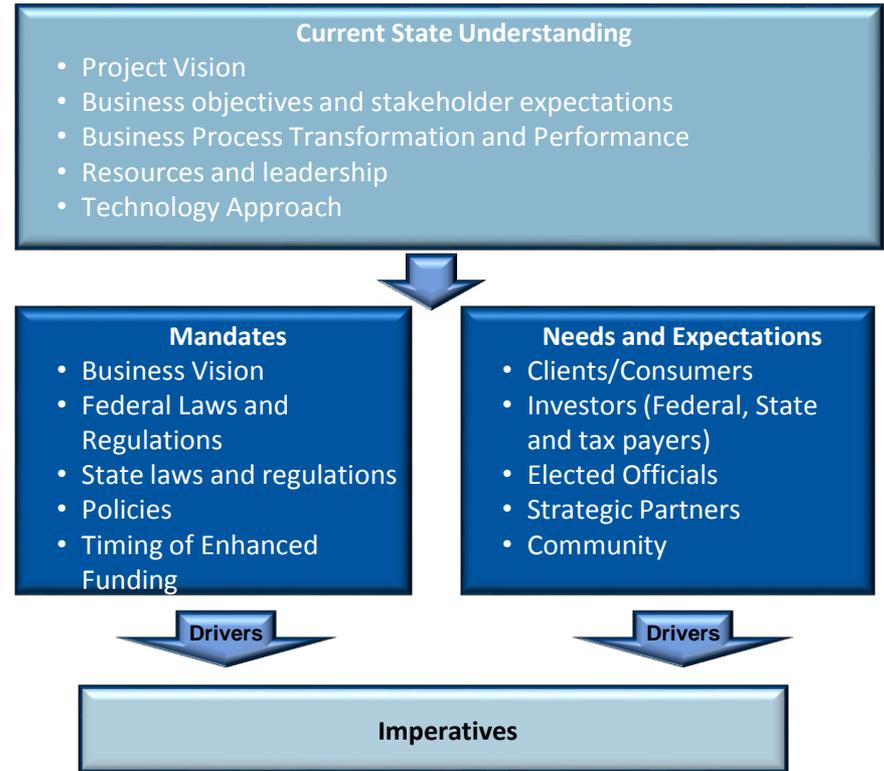
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Identifying Go-Forward Imperatives

Imperatives are items organizations must do to implement the strategic changes required to meet the mandates and the needs of the stakeholders. Performance against these needs should be measurable and focus the program on these objectives.

- **Imperatives identification is based on information gathered through interviews and documentation review and the knowledge gained from other states**
- **Mandates and Needs and Expectations of stakeholders are the key drivers that lead to the drafting of go-forward imperatives**
- **Imperatives are items that the effort must accomplish to respond to and address the drivers**



Key Project Drivers

Internal Drivers

- State Leadership concern that the EEF Project approach, execution strategy and implementation has not delivered to expectations and further investment may be imprudent
- Given the significant investment that has been made in the current solution, and the progress in addressing many of the issues and defects, State and Federal Leadership and Funders would like to consider leveraging some or many of the components in a go forward strategy
- Meeting federal partner and state leadership timelines mandates and demands
- Cúram HCR is in production and is processing applications and renewals, and internal users and clients have learned how to use the system, however, the no touch application processing rate is at 20% vs. 80%
- The EEF Project team has had challenges implementing the Cúram solution (i.e., internal, vendors, CMS, etc.) resulting in pockets of support and resistance for the solution
- Concerns regarding the supportability, upgradability and ongoing cost of the customizations to the Cúram HCR module, and IBM's commitment and ongoing investment in the Cúram COTS product
- Recent DHS changes to its Project and Program management approach, including the process of changing personnel and hiring new vendors

Go-Forward
Imperatives

External Drivers

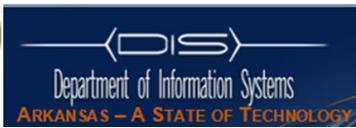
- Federal partners want to leverage current investment and may not support/fund a full replacement
- The local media recognizes the investment made in the solution and challenges experienced to date, and will likely provide considerable scrutiny over any DHS go-forward strategy
- Strained relationship with the COTS Vendor, IBM Cúram Software, due to missed expectations around level of out of the box functionality (ARDHS expected 80%+ for all modules) and level of support for the project



Go Forward Imperatives, Implications and Considerations

Solution Architecture and Investment

| Business Imperatives | Business Implications | IT Implications and Considerations |
|--|---|--|
| <p>1. Solution Architecture: Determine the IE/BM solution architecture needed to satisfy AR requirements in the short and long term</p> | <ul style="list-style-type: none"> ▪ Satisfy Arkansas’s client-centric vision for Integrated Eligibility and Enrollment ▪ Align with the State’s chosen models of practice | <ul style="list-style-type: none"> ▪ Systems will require a client-centered model to enable views of all services provided to a specific individual or family ▪ Ensure the Solution Architecture will enable Extensible, Maintainable and Sustainable Systems ▪ Exploit reusability and rules engines where appropriate |
| <p>2. Cúram Viability: Determine the viability of the Cúram Solution and the resulting change strategy going forward including what aspects, if any, of the solution that should be leveraged</p> | <ul style="list-style-type: none"> ▪ Where the Cúram Solution supports the Solution Architecture and is deemed viable define the recovery and remediation strategy and actions needed ▪ Where Cúram is NOT deemed viable define the “exit strategy” and how to execute the strategy | <ul style="list-style-type: none"> ▪ Support incremental adoption of national standards for interoperability and data sharing ▪ Strong data management practices are needed to ensure the interoperability works as needed |
| <p>3. Investment Strategy: Devise a wise investment strategy including total cost of ownership, considering impact on users (internal and external) and vision for required system capabilities</p> | <ul style="list-style-type: none"> ▪ Establish and pursue risk minimization strategies in investment decision-making, systems deployment and future support ▪ Protect current and future systems investments ▪ Fully leverage FFP while ensuring Federal Funding criteria is aligned with AR goals, and to not just meet the financial needs | <ul style="list-style-type: none"> ▪ Use a pace-layered portfolio (systems of innovation, differentiation and record) approach to protect existing investments where appropriate ▪ Enhance ability to integrate legacy systems through use of interoperability standards ▪ Federal funding sources demand compliance with interoperability and architecture standards such as MITA and the CMS Seven Standards and Conditions |



Go Forward Imperatives, Implications and Considerations

Governance and Project Management

| Business Imperatives | Business Implications | IT Implications and Considerations |
|---|---|---|
| <p>4. Governance: Establish and enable program and project governance policy and processes with a clear organizational structure for management of IE/BM and integrated with other related AR Health and Human Services (HHS) Programs and initiatives</p> | <ul style="list-style-type: none"> • IE/BM governance must be enabled by the State and DHS organizational governance through actions and authority over all related AR HHS initiatives • IE/BM is not primarily an IT effort. AR must establish a business-driven resource to coordinate across and govern the related efforts <ul style="list-style-type: none"> ▪ These resources need to be centrally managed with visibility into all current and planned future initiatives. ▪ These resources need to be appropriately skilled in addition to having a suitable governance body (the Steering Committee) | <ul style="list-style-type: none"> ▪ IT infrastructure projects (e.g. customizations of Cúram) need to be coordinated and managed ▪ Standard methods (such as PMBOK) and measures (such as SLAs for performance monitoring and management) are critical to the resources ability to understand trends and become effective. |
| <p>5. Project Management: Apply adequate level of skilled resources and robust program and project management for all aspects of IE/BM execution</p> | <ul style="list-style-type: none"> • Establish the capabilities and structure, under the direction of the Governance structure, to significantly improve project performance and reduce the execution risk going forward. • Implement and maintain a robust communication plan and change management activities (e.g. awareness, leadership and participation campaigns and training) that ensure that stakeholders at all levels are aware | <ul style="list-style-type: none"> ▪ Enforce compliance with standard methods on both internal and external project resources ▪ Identify and emphasize early wins that demonstrate success ▪ Use any of the communication media available in a very targeted way to make the communications effective and efficient. |



Go Forward Imperatives, Implications and Considerations

Governance and Project Management, Cont'd

| Business Imperatives | Business Implications | IT Implications and Considerations |
|---|---|---|
| <p>6. Procurement and Multi-Vendor Integration: Ensure services of vendors are acquired and managed to minimize execution and delivery risks</p> | <ul style="list-style-type: none"> ▪ Employ effective and adaptive sourcing strategies: <ul style="list-style-type: none"> – Effective use of internal and external resources, leveraged to maximize State benefits – Transfer risk to vendors using contracting methods available (e.g. fixed price contracts) – Employ Systems Integration resources with a single point of accountability for results and coordination of all project/program resources – Determine the core “strategic” competencies that must be retained within AR agencies – Determine how to maximize the benefits of partnerships without losing or abdicating control, and actively provide oversight and measure the success of the vendor AND the relationship – Employ proactive contract management and vendor performance management best practices – Be prepared for contract revisions and a succession/exit strategy ▪ Establish and document transparent processes for Multi-Vendor Governance and Management ▪ Specify “rules of engagement” and detailed roles and responsibilities regarding who touches what/when/where/how (using techniques such as RACI) | <ul style="list-style-type: none"> ▪ Allow for flexibility so that responsibilities, competencies and skills that have been retained by the State may be delegated safely to vendors ▪ Systems flexibility will be critical to efficiently facilitate the required organizational adaptability and agility ▪ Data exchange across vendors must be standardized ▪ All dependencies on vendor systems and system resources must be well documented (part of the contract) and understood ▪ Actively manage hand-off and coordination among all vendor resources working on infrastructure or software development activities |



Appendix C: Risk Analysis and Prioritization



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1. Governance and Management



Domain 1 — Governance and Management

A — Vision/Strategy

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Vision misalignment – Risk of ineffective execution of a complex project due to gaps in vision alignment and execution strategy between the business and IT organization leading to unintended outcomes | H | M | 2 |
| 2 | Inadequate communications – Risk of inadequate communication of Business drivers and case for change across a number of IT and Business Operational levels | H | M | 2 |
| 3 | Ineffective processes – Risk of poor quality, scope creep, cost overruns and schedule slippages due to inefficient and ineffective processes, guidelines and approaches being used to ensure collaboration between business and IT, as well as between various Vendors executing the project tasks | H | M | 2 |
| 4 | Reactionary project management – Risk to enterprise level project due to reactive project management where enterprise strategy and delivery timelines are driven primarily by tight timeframes tied to availability of enhanced FFP | M | M | 3 |



Domain 1 — Governance and Management

B — Project/Program Governance

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Customization scope control – Risk of insufficient scope control, business case and effective management practices to ensure maximum use of existing or emerging Out of Box functionality of the COTS solution and optimal investments in customization leading to higher than normal M&O and Total Cost of Ownership | H | M | 2 |
| 2 | Compliance with State standards and practices –Non-compliance with State’s preferred standards and decision-making guidelines due to lack of comprehensive set of structured and documented processes as well as “decision rights” and “decisions made” may lead to not realizing the intended benefits or delaying the delivery of project outcomes | H | H | 1 |
| 3 | Enterprise Governance – Limited cross-Departmental governance structures to enable the Enterprise vision for an integrated AR Health and Human Services may lead to State not achieving the original IE/BM vision and anticipated benefits | H | H | 1 |



Domain 1 — Governance and Management

B — Project/Program Governance, Cont'd

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 4 | Business case understanding –Risk of not having a fully vetted and approved business case, and a published vision for IE/BM outside of the Project Charter, grant funding applications and Project organization charts may lead to missing key benefits | M | M | 3 |
| 5 | Organizational change management – Risk of inadequate budget, processes and resource availability to conduct Organizational Change Management activities to facilitate user adaptation of the new model of practice, system and functionality | H | M | 2 |



Domain 1 — Governance and Management

C — Funding/Federal Partners

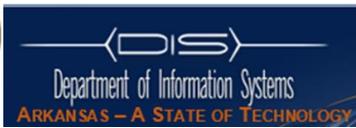
| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Inadequate cost estimation, tracking and monitoring – Lack of comprehensive reporting mechanisms and tools to accurately estimate, track and report costs, variances and/or overruns may continue to undermine project execution effectiveness and predictability of outcome and results | H | M | 2 |
| 2 | Insufficient funding – Risk of adequacy of Federal funding to complete all CMS and FNS required functionality (MAGI Medicaid and CHIP, Traditional Medicaid, SNAP, etc.) as well as cost overruns to date may threaten the viability of the State’s investment in Eligibility and Enrollment modernization | H | L | 3 |



Domain 1 — Governance and Management

D — State Resources and Skills

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 1 | Staffing levels and mix – Inadequacy of current and planned State staffing levels and dependency on temporary/contracting resources for key skills (e.g. organizational change management, testing, quality management, etc.) may lead to higher costs, vendor dependency and poor quality of project results | H | H | 1 |
| 2 | Staffing structure – Ineffectiveness of the staffing structure, in terms of business process ownership, lines of communication and alignment with the business, may continue to pose significant risks to management and execution of a project of this complexity | H | M | 2 |



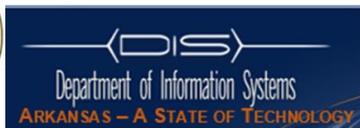
Domain 1 — Governance and Management

E — QA/IV&V and Oversight

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Deliverable quality review – Lack of effective IV&V and quality assurance oversight to review deliverable expectation documents, key work products and critical deliverables, through an independent lens, may result in poor quality of deliverable submissions leading to cost overruns and schedule slippages | H | M | 2 |
| 2 | Risk monitoring oversight – Lack of full scope of IV&V and oversight activities around effective risk management and reporting across all key IE/BM Program domains may result in overlooking key enterprise and program level risks leading to missed deadlines and cost overruns | H | H | 1 |
| 3 | Project integration and intervention – Lack of integration, clarity of role and expectations of the IV&V team with respect to the full scope of project activities may render the oversight role ineffective and contained only to limited domains and insights | M | M | 3 |



2. Solution Fit



Domain 2 — Solution Fit

A — Business Process Redesign (BPR)

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | BPR definition and awareness – Inadequate definition of the BPR efforts and general lack of awareness about the transformed model of practice may result in lack of User acceptance and adoption of the new system | H | M | 2 |
| 2 | Requirements validation – Due to lack of detailed business and functional requirements from the State’s key stakeholders, vendor requirements validation and finalization may continue to be a major challenge leading to schedule slippages and rework affecting solution design and development activities | M | M | 3 |



Domain 2 — Solution Fit

B — State-Specific Configurability and Enhancement

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 1 | Level of customization – Significant customization may impact future COTS solution upgradability wherein there is not enough alignment and support with industry standard Cúram product roadmap, leading to higher maintenance, operations and enhancement costs and inability to leverage the continued investment in the platform | M | M | 3 |
| 2 | Program Integration Approach – Lack of a consistent and coherent integration architecture for Consumers and Case Workers as new Programs are added to IE/BM may result in not realizing the anticipated benefits and higher Total Cost of Ownership | M | M | 3 |
| 3 | Cúram product roadmap – Lack of a clear medium to long term product roadmap for Cúram may lead to technological or functional misalignment and redundant investment in needed capabilities | M | L | 4 |
| 4 | Lack of comprehensive documentation – Inadequate documentation of all the customizations and the impact of deviating from the standard Cúram product roadmap poses the risk of rework on future defect fixes leading to high maintenance costs | M | L | 4 |



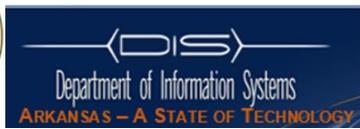
Domain 2 — Solution Fit

C — Total Cost of Ownership

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Inaccurate Estimation of Costs – Inadequate program management, budgeting and unanticipated costs have resulted in significant cost overruns and a much higher TCO than initially projected which poses the risk of not covering the full functionality required by ARDHS | H | M | 2 |
| 2 | Inadequate Budget – Inadequate CMS/FNS/State budget for completion of traditional Medicaid, MAGI Medicaid and SNAP Programs may lead to incomplete functionality needed for a fully integrated Enterprise Eligibility and Enrollment platform and retirement of legacy systems | H | M | 2 |
| 3 | M&O budget shortages – The current Cúram HCR M&O costs estimated at around \$1M / month may be considered excessive for a COTS E&E implementation, may not be fully covered by CMS’ enhanced M&O reimbursements, and may lead to State’s inability to maintain and support the product for the long term | M | M | 3 |



3. Vendor Management



Domain 3 — Vendor Management

A — Contract Management

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 1 | T & M Contracts – The continued use of the current contracting model using T&M and not to exceed cost levels which does not specify fixed fee deliverables, milestones, nor detailed acceptance criteria may result in unnecessarily expanded scope, cost overruns, missed schedules and higher TCO | H | H | 1 |
| 2 | Vendor performance management – Vendor performance metrics are not being captured, reported, action taken and penalties imposed. Vendors are not currently incentivized to manage to a fixed scope or timeline which likely results in scope creep and cost overruns. | M | H | 2 |
| 3 | Contract management approach – If Contract Management processes and roles are not properly defined and duties fully discharged, the State may be at a disadvantage with the vendor controlling the relationship thus leading to uncontrolled costs, scope creep and unpredictable outcomes | M | H | 2 |
| 4 | Limited scope for competitive procurement – Not all the current Vendors were contracted through a competitive procurement which may result in ARDHS paying more than market rates for the requested services | L | M | 4 |



Domain 3 — Vendor Management

B — Multi-Vendor Management

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Multi-Vendor management – Inadequate processes and tools for Multi-Vendor management with respect to process integration along various vendor processes, as well as ambiguity of responsibilities for coordination of various Vendor activities may lead to project delays, finger pointing and cost overruns | H | H | 1 |
| 2 | Multi-Vendor collaboration and cohesion – Lack of a previous successful working relationship as well as competition in the marketplace between RedMane and eSystems, may result in Vendors not collaborating to the extent required for a project of this size and complexity, especially as the contracts evolve to become fixed fee, deliverable based contracts, leading to project quality and timeliness issues | M | M | 3 |



Domain 3 — Vendor Management

C — Vendor Roles and Deliverable Expectations

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 1 | Systems Integrator (SI) – State is acting as the SI using staff augmentation resources for the PMO on a very complex project with limited definition of processes and clarity of responsibilities, and has not transferred the significant risks inherent in such an undertaking to a SI vendor. Continuing with the current strategy will expose the State to significant risks around cost overruns, schedule slippage and product/solution quality | H | H | 1 |
| 2 | Lack of clear M&O requirements definition – There is no clear definition of M&O requirements as the State plans to move away from T&M contracts. Moreover, due to State operational needs and priorities, the Vendors have shifted some DDI resources to operational support. This may continue to adversely affect DDI throughput and the scope of functionality delivered within certain releases | M | M | 3 |
| 3 | IBM Lab Services Support – IBM Lab Services support activities are critical to the successful implementation of the solution, however, their contract has expired which may lead to lack of timely communications and support from the IBM Product team as well as timely critical issue resolution | M | M | 3 |



4. Solution Development Practices



Domain 4 — Solution Development Practices

A — Project Management Plan /Schedule

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 1 | PMO Processes and Tools – Inadequate processes and tools to manage the Program of this size and complexity including not having an integrated schedule and Project Management plan present a whole set of project management risks leading to project cost overruns and delays. However, aggressive steps are being taken by the new PMO to fill the gaps and put all the key foundational elements in place by 3 rd quarter | H | L | 3 |
| 2 | Reporting Processes – Inadequate Program level Status reporting on key risks and issues including identification, analysis and reporting presents significant project management risks that may result in delayed management reaction and ultimately affect the successful delivery of the project. However, aggressive steps are being taken through the new PMO to fill this gap and put all the key foundational elements in place in August of 2015 | M | L | 4 |



Domain 4 — Solution Development Practices

B — SDLC Methodology

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Key skills across SDLC – Lack of appropriate involvement of key in-house functions at a program level across SDLC including Enterprise Architecture (EA), Enterprise Security and Vendor and Contract Management functions may continue to present ongoing risks to project quality and timeliness | H | H | 1 |
| 2 | Stakeholder involvement – Lack of consistent involvement of the right set of stakeholders required for a particular phase of the project (e.g. the Reporting team has not been included in all of the JADs and change management discussions) may present risks around the solution’s “fit for purpose” and end user acceptance and adoption | H | M | 2 |
| 3 | Metrics – Lack of project metrics across the full SDLC including quality metrics, defects, missed deliverable deadlines, schedule variances, cost variances etc. may increase IE/BM Program risks across full SDLC | M | H | 2 |
| 4 | Build process – Lack of an automated build process may continue to contribute to deployment delays and poor quality of the released product | M | M | 3 |



Domain 4 — Solution Development Practices

C — Testing

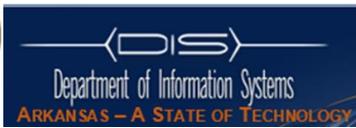
| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Requirements Traceability – Lack of traceability back to requirements with only the Functional Design Document accompanying each release may present significant risk of developing a solution that is “not fit for purpose” | H | H | 1 |
| 2 | Test Data – SIT is not using masked production data and Test scripts are based on examples from other States, or developed by DHS SMEs based on design documents leading to inaccuracy of the defects identified in UAT, related to older case data thus rendering the UAT findings less than reliable leading to lengthier UAT timelines and missed deadlines | M | M | 3 |
| 3 | Release Planning and Testing – Release planning is usually in a “Just in time” mode and does not provide sufficient notification and time for UAT to develop and run through test scripts. Inadequate Release testing may result in the reoccurrence of previously resolved defects leading to missed timelines and cost overruns | M | M | 3 |
| 4 | Federal Testing Requirements – The lack of test plans and strong test processes may result in non-compliance with Federal funding partner requirements. | H | H | 1 |



Domain 4 — Solution Development Practices

D — Training

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Training plan – Lack of a cross-departmental and integrated training plan may present risks related to user adoption and acceptance | M | M | 3 |
| 2 | Training processes – Inadequate processes to identify training needs, training curriculum, learning plans, training mechanisms and approach for developing training materials may increase risks around user adoption and acceptance | M | M | 3 |



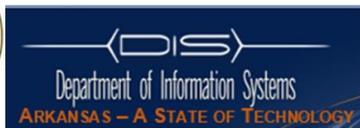
5. Technical Environment



Domain 5 — Technical Environment

A — Enterprise Platform

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Gaps in Enterprise Architecture definition – Not having a fully defined and documented DHS Enterprise Architecture and Enterprise Platform poses the risk of inadequate compliance with the various business and technical architectural standards, tools and procedures required to enable the vision of an integrated health and human services and no wrong door environment | H | H | 1 |
| 2 | Bifurcated target platform – There are instances (e.g. TEA program) where the public benefit applicants may need to visit other systems that are being built to apply for services they may be eligible for, entering duplicate demographic data that has already been provided and undermining the vision of no wrong door and enhanced access to resources to lift themselves out of poverty | H | H | 1 |
| 3 | Integration Architecture – Lack of Enterprise standards towards application and data integration as well as lack of an integration backbone to connect 300+ legacy applications may increase the risk for relatively higher M&O costs | H | H | 1 |



Domain 5 — Technical Environment

B — Software and Technical Infrastructure

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|--|--------|------------|----------|
| 1 | Operational planning gaps – Significant gaps around management of the enterprise IT assets, capacity planning, vendor management processes to monitor third party/outsourcing providers poses risk for increased operational costs | M | M | 3 |
| 2 | Non standard software components – Cúram HCR and CGISS integration is being designed leveraging the Cúram Evidence Broker functionality that may not be a standard feature within the Cúram Product Roadmap. Also, Cúram Express Rules Engine (CER) may not be usable for non Cúram based Programs, and will require specialized maintenance skills likely resulting in higher M&O costs | L | H | 3 |
| 3 | Business and Resource Capacity Plans – Lack of adequate Capacity planning and infrastructure upgrades for deployment of SNAP functionality onto the IE/BM production platform may result in system performance issues, user dissatisfaction and further loss of user and management confidence | H | M | 2 |



Domain 5 — Technical Environment

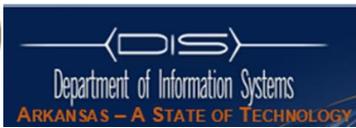
C — Maintenance and Operations

| # | Risks/Issues | Impact | Likelihood | Priority |
|---|---|--------|------------|----------|
| 1 | Competitive procurement – Lack of a competitive procurement process where multiple vendors can bid on the M&O contract may lead to less favorable terms and/or prices and securing the best return on investment | M | M | 3 |
| 2 | Capacity constraints – Inadequate network capacity planning and testing may pose the risk of deploying a system that cannot be supported leading to performance issues, loss of user confidence and lack of user adoption | M | L | 4 |



Appendix D: Go Forward Alternatives Analysis — Solution Approach

Eligibility and Enrollment and Benefits Management



Overview of the Current Solution Challenges

- Several major areas of concern were initially identified by the State, including —
 - The effort is behind schedule and facing budget stresses on many fronts including:
 - Support for MAGI eligibility re-determination capabilities and handling change of circumstances
 - SNAP capabilities
 - Supporting Traditional Medicaid Services
 - Because the State did not get the business functionality expected from the Cúram Commercial Off The Shelf (COTS) solution, the State, with the support of contractors other than IBM, have had to customize the Cúram COTS solution. This customization is presenting several challenges and risks, including:
 - Budget Over-Run
 - Schedule Slippage
 - The customization that has been required to meet the State’s business needs can impact the system stability / maintainability issues in the future
 - Customization to the current Cúram version will require additional costs and effort by the State to be able to accommodate the newer releases of Cúram
 - The Maintenance and Operations (M&O) for Cúram can be more costly than other COTS solutions due to the proprietary nature of some of the Cúram solution components and the customization that has been required to date. There are also concerns regarding the State’s federal partners willingness to support the potentially higher M&O costs of the Cúram solution and the resulting total cost of ownership



Overview of the Current Solution Challenges, Cont'd

- There are several vendors working on the Cúram EEF effort that raises a number of challenges for the State's capacity to manage execution effectively, and apparently also perform the role of System Integrator —
 - Solution Development / Configuration and legacy retirement support from: eSystems; RedMane; Northrop Grumman; and staff augmentation contracting through CAI
 - IBM Software Support providing Cúram product support
 - IV&V provided through First Data
 - Cognosante providing Project and Program Management support

Note: EngagePoint has been separated from the project
- There is a need to ensure that the State has robust program governance, project and vendor management, as well as Multi-Vendor Integration capabilities in place, including multi-vendor governance and management



Considerations Going Into Alternatives Analysis

- \$130M invested to date with an estimated additional \$100M to completion (\$200-230M for the MAGI and Traditional Medicaid and SNAP scope)
- The IE/BM handles two key components of the stated business needs for ARDHS —
 - **Eligibility and Enrollment (E&E)** — Screening; Application; Determination and Feed for Enrollment
 - **Benefits Management** — Case and Benefit Management for Non- Healthcare Programs and full retirement of the State ARDHS Legacy System
- Cúram can be seen as a viable solution to meet the Eligibility needs of the State — MAGI Medicaid Completed; SNAP soon to be deployed; and Traditional Medicaid planned but development not started
- Cúram can be seen as viable for Benefits Management for ARDHS Non-Healthcare Programs and retirement of Legacy system — this work has not fully started
- The State has several options that need further analysis against the assessment criteria —
 - Go forward with the full development and deployment of IE/BM using the IBM Cúram solution
 - Develop a phased approach in going forward with only the Eligibility and Enrollment functionality being provided by Cúram and initiate a requirements development and go to market for the Benefits Management capabilities
 - Leverage the MAGI Medicaid functionality that is a part of the Cúram implementation — and go to market for a new solution to meet the requirements for Eligibility and Enrollment for all other programs and Benefits Management functionality
 - Go to market for a new solution to meet the full requirements for Eligibility and Enrollment and Benefits Management
 - Potentially other approaches that are variations of the above



Considerations Going Into Alternatives Analysis, Cont'd

Regardless of the “Go Forward” decision for the IE/BM Project the State must attend to strengthening —

- Clarity of the State’s Priorities and Vision for Health and Human Services Program Approach and Model of Practice
- Program Governance
 - Executive Leadership and Investment Strategy Development and Decision Making Process
- Program and Project Management and Staffing
 - Vendor and Contract Management
 - Fixed Price Deliverable Based Contracting
 - Clear Performance Expectations
 - Sanctions for Sub Par Performance



Alternatives Analysis Methodology

Gartner follows a disciplined alternative analysis process which applies rigor to the decision making process and ensures that key facts are taken into consideration by focusing on criteria that is most important to the business

- The process consists of the following five steps:



Alternatives for Consideration

- The following four potential alternatives will be taken into consideration to evaluate the right “fit for purpose”
 - A. **Alternative A** — Full implementation of the Cúram platform for Eligibility and Enrolment (E&E) and Benefit/Case Management for MAGI Medicaid, SNAP and traditional Medicaid. Develop plan to extend the Cúram platform to other State programs and fully retire ANSWER/ACCESS
 - B. **Alternative B** — Implement only Eligibility and Enrollment for MAGI Medicaid, SNAP and traditional Medicaid using the Cúram platform, and “go to market” for a new Benefit Management System that is capable of accepting Eligibility and Enrollment decisions from the Cúram solution for SNAP and other DHS non-healthcare programs
 - C. **Alternative C** — Continue using Cúram for Eligibility and Enrollment for MAGI Medicaid-only and develop a “go to market” plan for a new integrated Eligibility and Enrollment and Benefits / Case Management System to support SNAP and traditional Medicaid as well as other DHS programs. The MAGI Medicaid component may be replaced with the new platform in a future phase / release
 - D. **Alternative D** — Develop a full migration/transition strategy and “go to market” plan for a new integrated Eligibility and Enrollment and Benefits/Case Management System to support all programs including MAGI Medicaid, SNAP and traditional Medicaid as well as other DHS programs



Alternatives for Consideration — Matrix Representation

| Platform | Eligibility and Enrollment | | | Benefits/Case Management | | | Other DHS Programs |
|----------------------|----------------------------|----------------------|------|----------------------------|-----------------------------------|------|--------------------|
| | MAGI Medicaid | Traditional Medicaid | SNAP | MAGI Medicaid ¹ | Traditional Medicaid ¹ | SNAP | |
| Alternative A | | | | | | | |
| Cúram Platform | X | X | X | - | - | X | X |
| New Platform(s) | | | | | | | |
| Alternative B | | | | | | | |
| Cúram Platform | X | X | X | | | | |
| New Platform(s) | | | | - | - | X | X |
| Alternative C | | | | | | | |
| Cúram Platform | X | | | | | | |
| New Platform(s) | | X | X | - | - | X | X |
| Alternative D | | | | | | | |
| Cúram Platform | | | | | | | |
| New Platform(s) | X | X | X | - | - | X | X |

¹ Medicaid Member Management is handled through the State's Medicaid Management Information System (MMIS)



Alternative A — Definition

- Alternative A — Full implementation of the Cúram platform for Eligibility and Enrolment (E&E) and Benefit/Case Management for MAGI Medicaid, SNAP and traditional Medicaid. Develop plan to extend the Cúram platform to other DHS programs and fully retire ANSWER/ACCESS
 - Cúram will be the only application and used as an integrated platform across all DHS current and future programs, delivering required functionality
 - The Cúram platform will be used to complete all E&E as well as Benefit/Case Management functionality
 - The Cúram platform will fulfill all requirements relating to MAGI Medicaid, SNAP and Traditional Medicaid
 - The Cúram platform will also be developed to extend the services to other DHS programs in the future
 - Fully retire the ACCESS system



Alternative B — Definition

- Alternative B — Implement Cúram platform for Eligibility and Enrollment functions for MAGI Medicaid, SNAP and traditional Medicaid, and “go to market” for a new Benefit Management System which is capable of accepting Eligibility and Enrollment decisions from the Cúram platform for SNAP and other DHS programs
 - This will continue with the current deployment of the Cúram platform, but only for E&E (Screening, Application, Determination and Feed for Enrollment) functionality
 - Cúram platform will fulfill the requirements for all MAGI Medicaid, SNAP and Traditional Medicaid
 - A new platform will be procured and developed for Benefits Management and to fulfill the requirements for SNAP, as well as extend the services to other DHS programs in the future



Alternative C — Definition

- Alternative C — Continue with the current deployment of Cúram, but only for the Eligibility and Enrollment function of MAGI Medicaid, and “go to market” for a new platform(s) to implement SNAP and Traditional Medicaid for Eligibility and Enrollment as well as all Benefit/Case Management functions for SNAP and other programs
 - This will continue with the current deployment of the Cúram platform, but only for Eligibility and Enrollment function of MAGI Medicaid
 - Develop a “Go to Market” strategy for a new integrated Eligibility and Enrollment and Benefits/Case Management System to support all DHS programs except the Eligibility and Enrollment function of MAGI Medicaid
 - The new platform will also be developed to extend the services to other DHS programs in the future



Alternative D — Definition

- Alternative D — Develop a full migration/transition strategy and “Go to Market” for a new integrated Eligibility and Enrollment and Benefits/Case Management System to support MAGI Medicaid, SNAP and traditional Medicaid as well as other DHS programs
 - This will migrate all functionality off of the Cúram platform
 - A new platform will be used to complete all E&E functionality as well as Benefits Management functionality
 - The new platform will fulfill all requirements relating to MAGI Medicaid, SNAP and Traditional Medicaid
 - The new platform will also be developed to extend the services to other DHS programs in the future



Criteria for Consideration — Definition

- The following criteria will be used to evaluate each of the alternatives to find the right option that is “fit for purpose”:
 1. **Criteria # 1 — Alignment with State’s Vision, Approach and Model of Practice for Health and Human Services (HHS)** — Alignment with the State’s Vision for an enterprise approach for the planning, funding, delivery and accountability of the State’s continuum of HHS programs and services and the technology enablement essential to support that vision. Some of the key business needs that need to be supported include —
 - **Integrated Enterprise Platform** — facilitates system integration, process integration, data integration, content integration and transaction integration across legacy and future systems
 - **Person/Family Centered** — Robust self-service supporting consumer empowerment and responsibility through an integrated approach of services across HHS programs and services to minimize duplication and improve access, cost, outcomes, quality and accountability (Program Integrity — Fraud, Waste and Abuse)
 - **Business Process Alignment** — provide flexibility to align with current and future HHS service delivery models and processes
 - **Eligibility Determination** — for various types of eligibility models, both current and future
 - **Enrollment Administration** — unified handling of all life events and evidence management
 - **Benefits Management** — Issuing, re-issuing benefit, tracking benefits redeemed, canceled or voided; recovering over payments; correcting under payments through issuing reimbursements
 - **Financial Administration** — cost sharing, subsidies, payments and attribution
 - **Platform Adaptability and Openness** — provide adaptability and openness to fulfilling diverse business functions
 - **Platform Interoperability and Integration** — provide full interoperability and integration mechanisms to other platforms or systems



Criteria for Consideration — Definition, Cont'd

2. **Criteria # 2 — State's Ability to Govern, Staff and Manage the Complexity of the Initiative**

- **Governance** — The ability of the State to provide leadership and strategy while focusing on the 'big picture'
- **Staffing and Management** — The ability of the State to organize the work, allocate State personnel resources and oversee the day-to-day operations given the complexity of the alternative

3. **Criteria # 3 — Total Cost of Ownership**

- **Design, Development and Implementation (DDI) Costs** — The total cost required for designing, developing and deploying the solution
- **Enhancement, Maintenance and Operation Costs** — The total cost for performing enhancements and maintaining and operating the solution, including hosting

4. **Criteria # 4 — Percent of Investment Leveragable for Future Use for Future Health and Human Services Needs**

- **Investment Leveraging** — A rough “order of magnitude estimate” of the percentage of the investment that can be leveraged for future use
- **Maximize Enhance Federal Funding** — The ability to leverage future Federal Financial Participation

5. **Criteria #5 — Time to Deployment and Achieving the State's Vision**

- **Time to Deployment of the Core Solution** — The total time taken from conception to design, development and deployment of the core solution that includes E&E and Benefits Management components for MAGI Medicaid, SNAP and traditional Medicaid
- **Time to Achieving Complete Vision** — Time taken to achieving the complete vision of a truly integrated platform servicing future DHS business needs and retiring ACCESS



Analysis and Evaluation Approach

Prepare Analysis

- The Alternatives Analysis team will review, analyze, compare and arrive at the most viable alternative solution using the criteria below:
 1. Criteria #1 — Alignment with State’s Business Needs
 2. Criteria #2 — State’s Ability to Govern, Staff and Manage the complexity of the Initiative
 3. Criteria #3 — Total Cost of Ownership
 4. Criteria #4 — Percent of Investment Leveragable for Future Use
 5. Criteria #5 — Time to Deployment and Achieving Complete Vision
- Strengths and challenges for each alternative based on these criteria are outlined for the discussion and evaluation



Analysis and Evaluation Approach

Weighting Criteria

- Weights are allocated to each criterion, adding up to 100%
- Criteria are scored independently for each alternative
- Scores are rolled up using the weights
- Evaluators assign a score in the Alternatives Scoring workshop
- Ratings range from 1 to 5, using whole numbers only — Ratings are as follows:
 - 1 — Poor / Non Existent
 - 2 — Moderately Acceptable
 - 3 — Acceptable
 - 4 — Good
 - 5 — Excellent
- Comments regarding the scores given in the workshop will be captured
- Evaluation worksheet consolidates the scoring results of the Evaluators for each alternative.



Alternatives Evaluation

Alignment with State's Business Needs

Criteria #1 – Alignment with State's Business Needs

| Alternative | Strengths | Challenges |
|--|---|---|
| Alternative A – Full Cúram Implementation | <ul style="list-style-type: none"> Integrated platform within Cúram CGIS with a case-centric focus across programs supports future systems Supports multiple program eligibility rule sets in a single rules engine and aligns with the integrated business processes | <ul style="list-style-type: none"> Traditional Medicaid E&E is critical and has been pushed out into the future Uncertain integration path for Cúram HCR and CGIS modules Integration with non-Cúram platforms Rules engine can not be leveraged beyond the Cúram modules |
| Alternative B - Cúram for E&E and New platform for Benefits Management | <ul style="list-style-type: none"> Supports multiple program eligibility rules sets in a single rules engine and aligns with the integrated business processes | <ul style="list-style-type: none"> Multiple platform/products supporting operational needs creates additional integration complexity |
| Alternative C - Cúram for MAGI Medicaid E&E and New platform for all other programs | <ul style="list-style-type: none"> Provides opportunity for migration to a better aligned solution for E&E and benefits management for Traditional Medicaid, SNAP and other human services programs | <ul style="list-style-type: none"> Multiple platform/products supporting operational needs creates additional integration needs Uncertain integration path for Cúram HCR and other platform |
| Alternative D - Full Replacement using a New Platform(s) | <ul style="list-style-type: none"> Single platform for full integration across all programs, including future HHS program Supports multiple program eligibility rules sets in a single rules engine and aligns with the integrated business processes | <ul style="list-style-type: none"> Complexity of restarting the E&E and Benefit / Case Management effort, and lack of responsiveness to pent up demand for enhanced technology enablement - “delivering improvements sooner than later” |

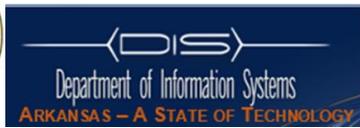


Alternatives Evaluation

State’s Ability to Govern, Staff and Manage the Initiative Complexity

Criteria #2 – State’s Ability to Govern, Staff and Manage the Complexity of the Initiative

| Alternative | Strengths | Challenges |
|--|--|---|
| Alternative A – Full Cúram Implementation | <ul style="list-style-type: none"> • A single platform facilitates management focus and staff skills development • A single SI vendor (post-procurement) allows for more directed governance and decision making | <ul style="list-style-type: none"> • Lack of visibility into the concrete nature of the Cúram “roadmap” makes governance and investment decisions more difficult • Challenges in staffing and management of the current effort continues |
| Alternative B - Cúram for E&E and New platform for Benefits Management | | <ul style="list-style-type: none"> • Challenges in staffing and management of two different platforms |
| Alternative C - Cúram for E&E MAGI Medicaid and New platform for all other programs | <ul style="list-style-type: none"> • Limiting the dependencies on the Cúram solution lowers current solution management risks | <ul style="list-style-type: none"> • Challenges in staffing and management of two different platforms |
| Alternative D - Full Replacement using a New Platform(s) | <ul style="list-style-type: none"> • A single platform facilitates management focus and staff skills development • A single SI vendor (post-procurement) allows for more directed governance and decision making | <ul style="list-style-type: none"> • Challenges in staffing and organization of new teams or configuring the existing teams to meet the new demands of starting over with procurement planning, execution, contracting and new restarting the DDI effort |



Alternatives Evaluation

Total Cost of Ownership (TCO) — DDI; M&O; Hardware; Licenses; Enhancements

Criteria #3 – Total Cost of Ownership (TCO)

| Alternative | Strengths | Challenges |
|---|---|--|
| Alternative A – Full Cúram Implementation | <ul style="list-style-type: none"> Leveraging the existing Cúram platform for DDI efforts is less costly because a significant portion of future functionality can be built upon the current investment | <ul style="list-style-type: none"> The challenges of M&O costs, depending on the level of customization to maintain and operate the solution Changes to health and human services may incur greater costs than more open policy driven rules engines |
| Alternative B - Cúram for E&E and New platform for Benefits Management | <ul style="list-style-type: none"> Cúram functionality will be leveraged for the E&E portion of the envisioned solution, building on the current investment M&O for the Benefits Management functionality will be on par with Alternative A | <ul style="list-style-type: none"> The DDI costs will increase the investment requirements depending on the level of effort required to build the Benefits Management functionality in a new solution This Alternative will likely have a higher TCO due to maintaining 2 solution components (E&E and Benefits Management) and the required integration |



Alternatives Evaluation

Total Cost of Ownership (TCO) — DDI; M&O; Hardware; Licenses; Enhancements, Cont'd

Criteria #3 – Total Cost of Ownership (TCO) cont.

| Alternative | Strengths | Challenges |
|--|---|---|
| Alternative C - Cúram for E&E MAGI Medicaid and New platform for all other programs | <ul style="list-style-type: none"> Existing Cúram deployment will continue to be leveraged for the E&E MAGI Medicaid portion, thus allowing for the current investments to be fully leveraged without sunk costs | <ul style="list-style-type: none"> The DDI cost for E&E will increase the investment requirements The DDI cost for benefits management may increase the investment requirements depending on the level of effort required to build the Benefits Management functionality in a new solution to retire the current legacy system This Alternative will likely have a higher TCO due to maintaining 3 solution components (Cúram E&E, New E&E, and Benefits Management) and their integration |
| Alternative D - Full Replacement using a New Platform | <ul style="list-style-type: none"> A well-structured procurement can result in a fixed-price solution with contracted DDI and M&O costs that could be more affordable and consistent going forward | <ul style="list-style-type: none"> Most current investments in Cúram platform will need to be categorized under sunk costs Because of the required new investments, this alternative will have the highest TCO The DDI costs for this Alternative, in procuring and configuring a new system from scratch, will be higher than all other alternatives The M&O costs for this alternative are likely to be in the same range as Alternative A and lower than Alternatives B and C |



Alternatives Evaluation

Leveraging Investments

Criteria #4 – Leverage of Investments to Date

| Alternative | Strengths | Challenges |
|--|---|--|
| Alternative A – Full Cúram Implementation | <ul style="list-style-type: none"> By fully leveraging the existing Cúram platform investment, sunk costs are leveraged, and maximizes existing and planned FFP | <ul style="list-style-type: none"> The high level of customization may result in an inability to leverage future product enhancements and upgrades |
| Alternative B - Cúram for E&E and New platform for Benefits Management | <ul style="list-style-type: none"> Moving forward with the Cúram platform for all the Eligibility and Enrollment requirements leverages sunk costs (Approximately 3/4) of the current investments | <ul style="list-style-type: none"> New Benefit/Case Management solution has to integrate through the ESB with the Cúram solution |
| Alternative C - Cúram for E&E MAGI Medicaid and New platform for all other programs | <ul style="list-style-type: none"> Moving forward with the Cúram platform for E&E MAGI requirements leverages sunk costs (Approximately 1/4) of the current investments | New E&E and Benefit/Case Management solution has to integrate through the ESB with the current Cúram solution |
| Alternative D - Full Replacement using a New Platform(s) | <ul style="list-style-type: none"> A new solution may be able to leverage existing infrastructure and network investments that have been made as part of the IE/BM project but little to none of the functional capabilities | <ul style="list-style-type: none"> This approach will allow for the procurement, configuration and development of a new platform to replace Cúram, and thus minimal investments will be leveraged |



Alternatives Evaluation

Time to Deployment

Criteria #5 – Time to Deployment and achieving complete Vision

| Alternative | Strengths | Challenges |
|---|--|---|
| Alternative A – Full Cúram Implementation | <ul style="list-style-type: none"> Eligibility and enrollment requirements for major programs are documented, and SNAP functionality is ready to go to UAT Additional program functionality may be available through Cúram out-of-the-box for implementing Case Management solutions | <ul style="list-style-type: none"> Time to deployment will be impacted by potential customization required to meet the envisioned functionality, or dependency on the Cúram product roadmap to provide the envisioned functionality, if customization is to be minimized. This may result in schedule variances to the planned schedule There are unknowns about the challenges and thus time to deployment for traditional Medicaid E&E capabilities |
| Alternative B - Cúram for E&E and New platform for Benefits Management | <ul style="list-style-type: none"> Eligibility and enrollment requirements for major programs are fully documented, and SNAP functionality is ready to go to UAT | <ul style="list-style-type: none"> A new solution to provide benefit/case management functionality will need to be procured, configured and integrated with the existing Cúram platform for E&E, increasing the time to deployment |

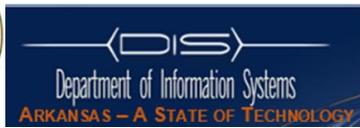


Alternatives Evaluation

Time to Deployment, Cont'd

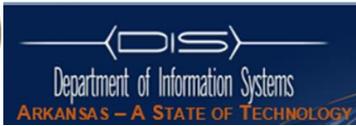
Criteria #5 – Time to Deployment and achieving complete Vision

| Alternative | Strengths | Challenges |
|--|--|---|
| Alternative C - Cúram for E&E MAGI Medicaid and New platform for all other programs | <ul style="list-style-type: none"> The current Cúram deployment for E&E MAGI Medicaid is operational and documented | <ul style="list-style-type: none"> A new solution to provide additional E&E and benefit/case management functionality will need to be procured, configured and integrated with the existing Cúram platform for E&E for MAGI, increasing the time to deployment |
| Alternative D - Full Replacement using a New Platform(s) | <ul style="list-style-type: none"> Production-ready solutions exist in the marketplace, speeding time to implement | <ul style="list-style-type: none"> As the entire solution will need to be procured, configured and/or custom developed from scratch, which will likely take longer than alternatives B and C |



Gartner's Preliminary Alternatives Evaluation — Summary

| Criteria | ALT A All Cúram | ALT B Cúram E&E + BM | ALT C Cúram MAGI + EE/BM | ALT D All New |
|---|--------------------|-------------------------|--------------------------------|------------------|
| 1. Alignment with State's Business Needs | | | | |
| 2. State's Ability to Govern, Staff and Manage the Complexity of the Initiative | | | | |
| 3. Total Cost of Ownership | | | | |
| 4. Level of Investment that could be Leveraged for Future Use | | | | |
| 5. Time to Deployment and Achieving Complete Vision | | | | |



Criteria Weights for Alternative Evaluation

The State evaluation team discussed each criteria in detail and developed the following weights for each criteria based on the leadership's top priorities and key environment drivers:

| Criteria | Weights |
|---|-------------|
| 1. Alignment with State's Business Needs | 35% |
| 2. State's Ability to Govern and Manage the Complexity of the Initiative | 20% |
| 3. Total Cost of Ownership | 20% |
| 4. Percent of Investment that can be Leveraged for Future use | 10% |
| 5. Time to Deployment and Achieving complete Vision | 15% |
| TOTAL | 100% |

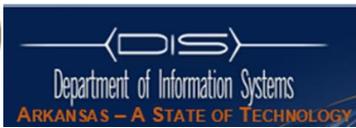


Draft Analysis, Scoring and Evaluation Results

- The identified alternatives were scored in a working session with DHS, DIS and State Executives to identify the preferred alternative by scoring the sub-criterion as follows:

- 1 — Poor / Non Existent
- 2 — Moderately Acceptable
- 3. — Acceptable
- 4 — Good
- 5 — Excellent

| | | Arkansas DHS EEF Alternatives Analysis | | | | | | | |
|--|-------------|--|------------------------|-----------------------------|------------------------|------------------|------------------------|-----------------------------|------------------------|
| | | Average Score | | | | Weighted Average | | | |
| Criteria | Weighting | A All Curam | B Curam E&E + BM | C Curam MAGI + E&E/BM | D All New E&E/BM | A All Curam | B Curam E&E + BM | C Curam MAGI + E&E/BM | D All New E&E/BM |
| 1. Alignment with State's Business Needs | 35% | 3.11 | 3.00 | 2.11 | 2.89 | 1.09 | 1.05 | 0.74 | 1.01 |
| 2. State's Ability to Govern and Manage the Complexity of the Initiative | 20% | 2.67 | 2.11 | 2.22 | 2.33 | 0.53 | 0.42 | 0.44 | 0.47 |
| 3. Total Cost of Ownership | 20% | 2.67 | 1.89 | 1.67 | 2.89 | 0.53 | 0.38 | 0.33 | 0.58 |
| 4. Percent of Investment that can be Leveraged for Future use | 10% | 3.67 | 2.78 | 2.33 | 1.33 | 0.37 | 0.28 | 0.23 | 0.13 |
| 5. Time to Deployment and Achieving complete Vision | 15% | 2.78 | 1.78 | 1.44 | 1.78 | 0.42 | 0.27 | 0.22 | 0.27 |
| Totals | 100% | 14.89 | 11.56 | 9.78 | 11.22 | 2.94 | 2.39 | 1.97 | 2.46 |



Appendix E: Risk Mitigation Approach and Strategies



Gartner.

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Assessment Framework

The assessment framework organized the key strengths, risks and issues into Five (5) key domains and Eighteen (18) sub-domains:

| Governance and Management | Solution Fit |
|---|--|
| <p>State Program and Project Governance and Management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Vision/Strategy <input type="checkbox"/> Governance <input type="checkbox"/> Funding/Federal Partners <input type="checkbox"/> State Resources/Skills <input type="checkbox"/> QA/IV&V and Oversight | <p>Cúram EEF Viability and Alignment with State Needs</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business Process Redesign <input type="checkbox"/> State-Specific Configurability and Enhancement <input type="checkbox"/> Total Cost of Ownership |

| Vendor Management | Solution Development Practices | Technical Environment |
|--|--|---|
| <p>Vendor Responsibilities, Resources and Capabilities including Vendor Project Management and Risk Mitigation Practices</p> <ul style="list-style-type: none"> <input type="checkbox"/> Contract Management <input type="checkbox"/> Multi-Vendor Management <input type="checkbox"/> Vendor Roles and Deliverable Expectations | <p>Design, Requirements Validation, Build, Testing, Quality assurance/Control, Pilot, Deployment Planning and Deployment Alignment with Industry Best Practices</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project Management Plan/Schedule <input type="checkbox"/> SDLC Methodology <input type="checkbox"/> Testing <input type="checkbox"/> Training | <p>Technical Infrastructure and Solution Enterprise Architecture underlying the envisioned IE /BM Solution</p> <ul style="list-style-type: none"> <input type="checkbox"/> Enterprise Platform <input type="checkbox"/> Software and Technical Infrastructure <input type="checkbox"/> Maintenance and Operations |



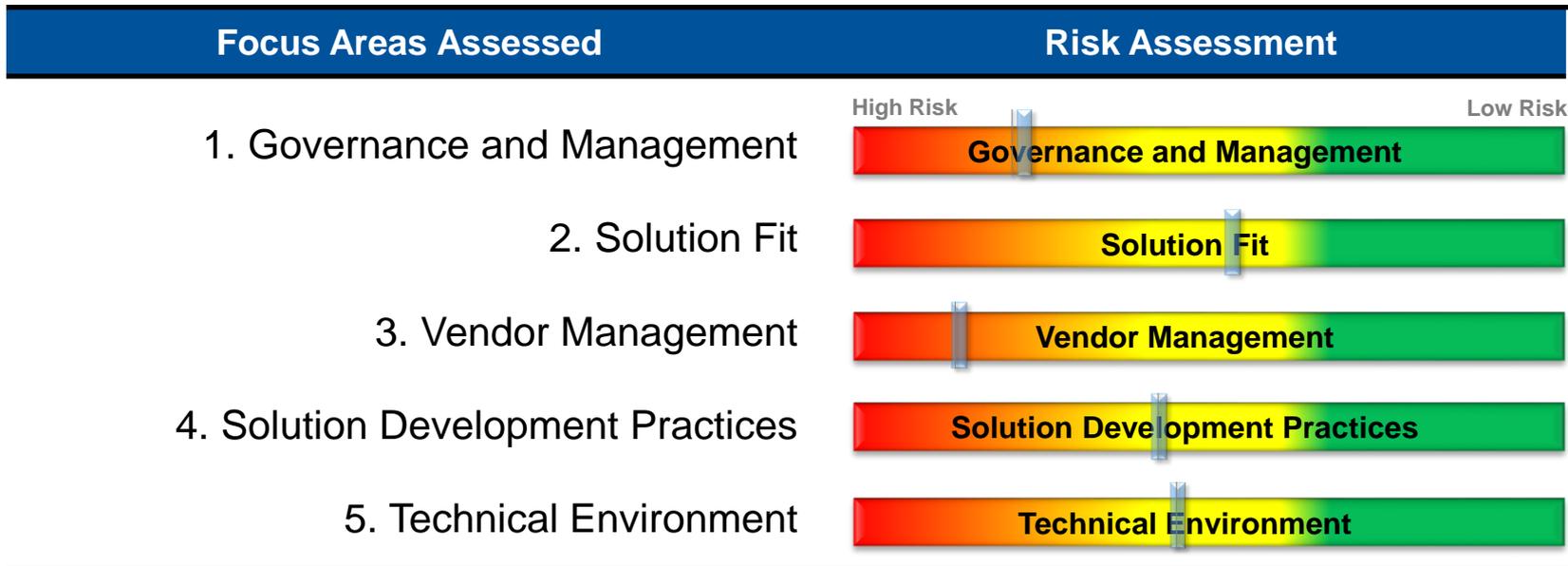
Risk Analysis Summary and Program Capability Maturity Assessment

- Gartner documented a total of 54 risks. These risks were prioritized at the September 11th workshop. The risks by priority include –
 - 13 Priority 1 risks
 - 16 Priority 2 risks
 - 20 Priority 3 risks
 - 5 Priority 4 risks
- The focus next will be on discussing risk mitigation strategies for the highest priority risks, as well as the State’s internal capabilities to successfully mitigate the risks and issues across the 5 key domains —
 1. Governance and Management
 2. Solution Fit
 3. Vendor Management and Sourcing
 4. Solution Development Management
 5. Technical Environment
- The mitigation strategies will help inform/shape the short, mid and long-term recommendations and roadmap for the IE/BM project



Risk Assessment

Assessment Summary



- Risk Assessment Rating: In an effort to illustrate alignment with IE/BM strategy and imperatives Gartner uses a “red, yellow, green” alignment scale reporting framework for each of the focus areas assessed
 - **“Green”** The approach meets or exceeds established Best Practices and processes. To receive this ranking, the State’s current approach is well aligned and presents no significant risks to achieving the envisioned success of the program.
 - **“Yellow”** The current approach is not clearly defined or consistently executed and does present a risk to the program. Recommendations for areas assigned this rating are important considerations for the State to ensure the program’s success.
 - **“Red”** The current approach in areas with this rating presents serious risks to the program and requires the State’s immediate attention. Recommendations for areas assigned this rating are essential for improving alignment and mitigating program risk.



Domain 1 — Governance and Management

- The Governance and Management domain includes:
 - A. **Vision and Strategy** — Is the vision and strategy clearly defined for the State’s approach to health and human services, and is the organization aligned with and does it adhere to and pursue the vision and strategy?
 - B. **Project/Program Governance** — Is there appropriate executive leadership in place and project/program (investment) controls to execute on executive investment decisions? Is there an effective governance and program structure in place along with appropriate processes and State personnel to ensure accountable governance, adequate program/project management and cross project coordination (e.g., integration between projects)?
 - C. **Funding/Federal Partners** — Are the funding and cost drivers understood and managed? Are project goals, schedule and costs aligned with the needs of funding partners?
 - D. **State Resources/Skills** — Is the State Project Team appropriately staffed, with sufficient skill and resource levels?
 - E. **IV&V/QA and Oversight** — Is there an organization providing independent oversight of all aspects of the project? Are they sufficiently empowered to review, verify, and communicate project strengths, risks, and issues? Is there a process to ensure their recommendations are addressed?

| | | # of Risks | |
|------------|--------|------------|------|
| | | Low | High |
| Likelihood | High | | 4 |
| | Medium | 3 | 8 |
| | Low | | 1 |
| | | Impact | |
| | | Low | High |



Domain 1 — Governance and Management

Higher Priority Risks and Mitigation Strategies

| Risk ID | Pri. | Risk Description | Risk Mitigation Strategy & Recommendations |
|---------|------|---|---|
| 1B2 | 1 | Compliance with State standards and practices – Non-compliance with State’s preferred standards and decision-making guidelines due to lack of comprehensive set of structured and documented processes as well as “decision rights” and “decisions made” may lead to not realizing the intended benefits or delaying the delivery of project outcomes | <ul style="list-style-type: none"> Following industry standards and best practices, develop core technology standards, including preferred architecture and software standards, as well as the development methodology and investment decisions practices. Implement State and DHS standards, providing compliance support and training. |
| 1B3 | 1 | Enterprise Governance – Lack of clarity regarding the future vision for the State’s health and human services approach and model of practice. Limited cross-Departmental governance structures to enable the Enterprise vision for an integrated AR Health and Human Services may lead to State not achieving the original EEF vision and anticipated benefits | <ul style="list-style-type: none"> Fully define the future vision for the State’s health and human services model of practice Define and promote DHS’ vision for an Enterprise model of practice Develop an Enterprise Governance structure, processes and staffing to assure that key decisions and investment strategies are aligned with and effectively executed to achieve State’s vision and goals for health and human services |



Domain 1 — Governance and Management

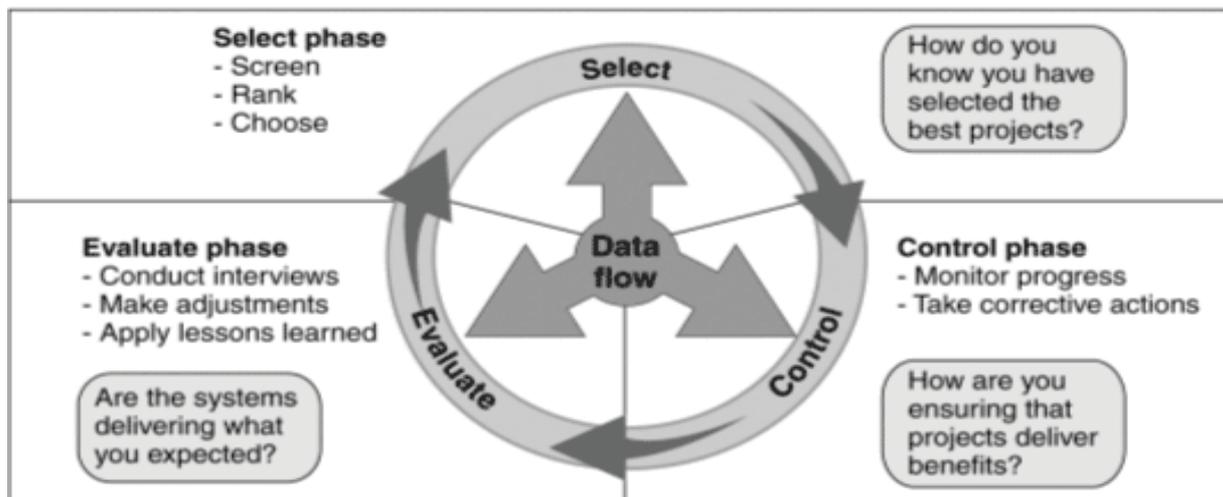
Higher Priority Risks and Mitigation Strategies

| Risk ID | Pri. | Risk Description | Risk Mitigation Strategy & Recommendations |
|---------|------|---|---|
| 1D1 | 1 | Staffing levels and mix – Inadequacy of current and planned State personnel staffing levels and high dependency on temporary/contracting resources for key skills (e.g. organizational change management, testing, quality management, etc.) may lead to higher costs, vendor dependency and poor quality of project results | <ul style="list-style-type: none"> Identify key roles within IE/BM program (e.g. testing lead, training lead, organizational change management lead) which are the highest priority for State staffing Develop a skills assessment strategy to identify gaps and available State resources from DHS and DIS (and other State entities if needed) for these key roles Investigate sourcing options for professional staffing resources to supply staff to fill identified staffing gaps that can be filled by non-State personnel |
| 1E2 | 1 | Risk monitoring oversight – Lack of robust scope and follow-through of IV&V oversight activities around effective risk management and reporting across all key IE/BM Program domains may result in overlooking key enterprise and program level risks leading to missed deadlines and cost overruns | <ul style="list-style-type: none"> Review current deliverables and scope of the IV&V contract in order to identify unmet goals and incomplete tasks and develop a corrective action plan to address gaps Refine requirements and goals of IV&V/QA services and re-procure services |



Governance = Investment Management

■ Fundamental Phases of the Investment Management Approach



Source: The U.S. Government Accountability Office (GAO).

- A business methodology for managing investments
- A framework enabling leadership to make the important and costly decisions on when and how to invest with a greater level of objectivity and transparency
- A series of standard, repeatable processes which not only facilitate management's ability to make good investment decisions, but to oversee and control those investments
- A means of assessing investments as a basis for continuously improving future decision making



Benefits of an Integrated Enterprise Approach to Program Governance

- Ensures the effective sequencing of the planning, requirements and procurement efforts for the State's Roadmap, Initiatives and Workstreams and provides opportunities for efficiencies
- Provides effective governance, oversight, and coordination Multi-Vendor Integration — the multiple vendors that will be involved with the Roadmap initiatives
- Keeps focus on an enterprise approach and the establishment of an integrated Enterprise Platform of shared common components and services essential to support the full continuum of the State's health and human services programs and services
- Maximizes the containment of risks for a program of this size and complexity and minimizes duplication of efforts, system integration and interface issues and future rework
- Provides for greater efficiency in the allocation and use of State and vendor resources across key initiatives



Definition of Terms

■ Project

- *A temporary endeavor undertaken to create a unique product, service or result*

■ Program

- *A group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may include elements of related work outside the scope of the discrete projects in the program*

■ Program Management Office (PMO)

- *An organization which coordinates execution of the Program*
 - *Manages cross-project dependencies*
 - *Manages platform design*
 - *Manages the delivery of shared services*
 - *Review all project related communications to external stakeholders*
 - *Coordinates activities between systems in M&O and active DDI projects*

■ Stakeholder

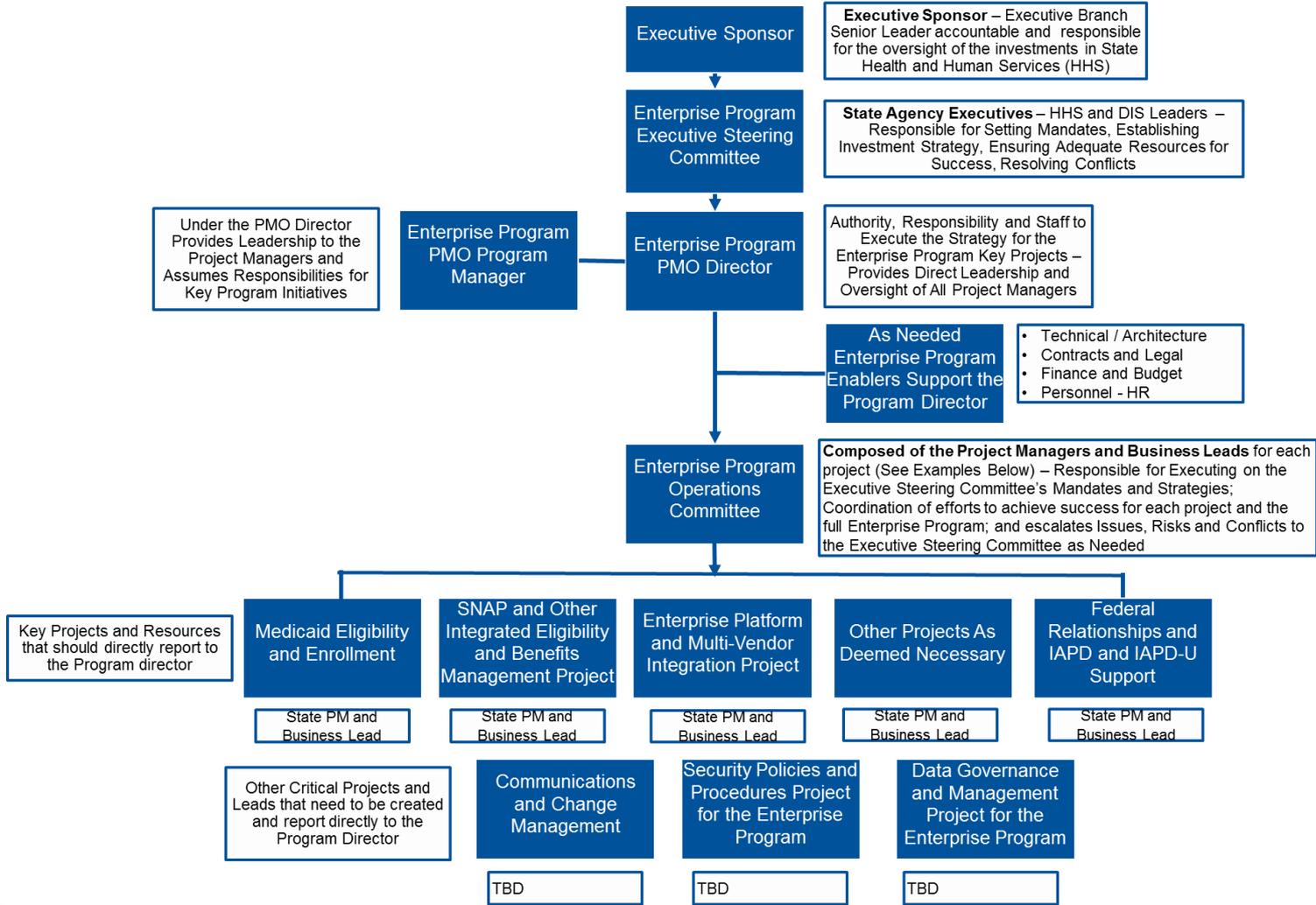
- *An individual or group that is actively involved in the projects under the PMO, that have interests that may be positively or negatively affected by the performance or completion of the project, and/or may exert influence over the project, its deliverables or its team members*



Key Activities of an Established Program Management Office



Program Management Office — Potential Structure



Executive Steering Committee

■ Purpose and Scope

- The Executive Steering Committee provides enterprise-wide program oversight and is responsible for ensuring that the Investments and proposed projects help the organization achieve the strategic goals and objectives for the program.

■ Duties and Responsibilities

- To review, prioritize and oversee initiatives.
- Monitor the effective and cost-efficient application of information technologies, related personnel resources and funding.
- Approve and monitor project proposals.
- Approve any change requests (e.g., schedule, scope and resources) for previously approved projects.
 - NOTE: not all change requests will meet criteria (e.g., magnitude of change) for Executive Steering Committee review
- Allocate the budget among approved projects.
- Monitor the progress of investments and suspend and cancel projects as necessary.
- Resolve escalated issues around policy or resources.

■ Meeting Logistics: Monthly standing meetings, no quorum required



Operations Committee

■ Purpose and Scope

- The Operations Committee is responsible for coordination between program projects and for identifying and tracking risks and issues for resolution and escalation.

■ Duties and Responsibilities

- Identify and define potential projects or project changes that may be needed to ensure the program goals are met.
- Monitor the effective and cost-efficient application of information technologies, related personnel resources and funding.
- Provide review of project proposals, charters, and change requests for cross-project impacts and dependencies.
- Be a resource for project managers and the execution of projects.
- Identify project risks and issues for resolution, tracking, and escalation.

■ Meeting Logistics:

- Monthly standing meetings, frequency increased depending on need
- No quorum required
- Ad hoc meetings as needed



Program Management Office

Program Management Office (PMO) and Governance

- Objectives:
 - Establish an Enterprise Program Management Office (PMO) focused on the governance of all initiatives and work streams, overall Program and Vendor Management for the Program
 - Ensure decisions are made at the appropriate level through identification of the decision domains and definition of the roles and responsibilities for each of the governance bodies
- Expected Benefits:
 - Enhanced ability to manage performance of projects due to increased visibility
 - Faster response to key project issues (e.g., resource contentions, scope change, schedule changes, overruns, risks)
 - Accelerated program benefits realization through active tracking and adjustments to plans
 - Fidelity to Executive Mandates, Goals and Objectives
 - Ability to escalate issues, risks and conflicts to Executives rapidly

PMO Operations Capabilities

- Objectives:
 - Define roles and responsibilities for Program and Project Management across the PMO and other key stakeholders
 - Establish PMO processes, mechanisms and tools to support all key areas and PMO activities including: Governance, Decision Making, Risk Analysis/Mitigation, Vendor Management, Contract Management, Communications, Change Management and Project Management
- Expected Benefits:
 - Efficient Program Management and Support
 - Standardized, consistent project management and reporting

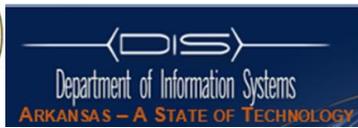


Domain 2 — Solution Fit

- The Solution Fit domain 2 includes:

- A. **Business Process Redesign (BPR)** — Has the State clearly defined the BPR “to be” for the future of health and human services? Is BPR occurring within a structured, managed process? How well does the solution align with current DHS business processes?
- B. **State-Specific Configurability and Enhancement** — Does the solution’s agility and flexibility allow for State-specific configurations based on unique program and process needs? Are State-specific configurations able to be further enhanced or backed-out as the needs arises?
- C. **Total Cost of Ownership (TCO)** — Does the solution TCO represent a good value for Arkansas?

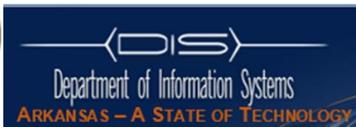
| | | # of Risks | | |
|------------|--------|------------|--------|------|
| | | Low | Medium | High |
| Likelihood | High | | | |
| | Medium | | 4 | 3 |
| | Low | | 2 | |
| | | Low | Medium | High |
| | | Impact | | |



Domain 2 — Solution Fit

Higher Priority Risks and Mitigation Strategies

| Risk ID | Pri. | Risks and Implication | Risk Mitigation Strategy & Recommendations |
|---------|------|--|---|
| 2A1 | 2 | BPR Definition and Awareness – Inadequate definition of the BPR efforts and general lack of awareness about the transformed model of practice across the Program (Enterprise) may result in lack of User acceptance and adoption of the new system beyond current deployment | <ul style="list-style-type: none"> Define and promote DHS’ vision for an Enterprise model of practice for the full continuum of the State’s health and human services programs Based on clarifying the State’s vision for health and human services assess the current approach and identify and implement business process reengineering efforts that align people, processes and technology to achieve the State’s vision |
| 2C1 | 2 | Inaccurate Estimation of Costs – Inadequate program management, budgeting and unanticipated costs have resulted in significant cost overruns and a much higher Total Cost of Ownership (TCO) than initially projected which poses the risk of not covering the full functionality required by ARDHS | <ul style="list-style-type: none"> Develop a fully-resourced program plan for the projects needed that identifies key milestone deliverables, dates, and resource costs (including Vendor costs) Procure Vendor resources through competitive fixed-price, deliverables-based contracts |
| 2C2 | 2 | Adequacy of Budget – Inadequate CMS/FNS/State budget for completion of traditional Medicaid, MAGI Medicaid and SNAP Programs may lead to incomplete functionality needed for a fully integrated Enterprise Eligibility and Enrollment platform and retirement of legacy systems | <ul style="list-style-type: none"> Base on a fully-resourced project plan, communicate budget needs through frequent and regular communication as well as the Federally required APDU process Develop long-term cost allocation strategy and goals for program participation and maximizing Federal Financial Participation (FFP) |



Domain 3 — Vendor Management

- The Vendor Management domain 3 includes:
 - A. **Contract Management** — Are the Vendor contracts deliverables-based, with specific Service Level Agreements (SLAs) including penalties and liquidated damages? Is there ongoing and frequent review of deliverables and their timeframes and quality?
 - B. **Multi-Vendor Management** — Are the appropriate people and processes in place to coordinate the different vendor activities (e.g., change/release management and testing) across the enterprise? Are Vendor roles clearly defined and communicated? Are deliverables shared across Vendors?
 - C. **Vendor Roles and Deliverable Expectations** — Do Vendor Statements of Work (SOWs) define the criteria for State acceptance of deliverables? Do the SOWs clearly define milestones?

| | | # of Risks | | |
|------------|--------|------------|--------|------|
| | | Low | Medium | High |
| Likelihood | High | | 2 | 3 |
| | Medium | 1 | 3 | |
| | Low | | | |
| | | Low | Medium | High |
| | | Impact | | |



Domain 3 — Vendor Management

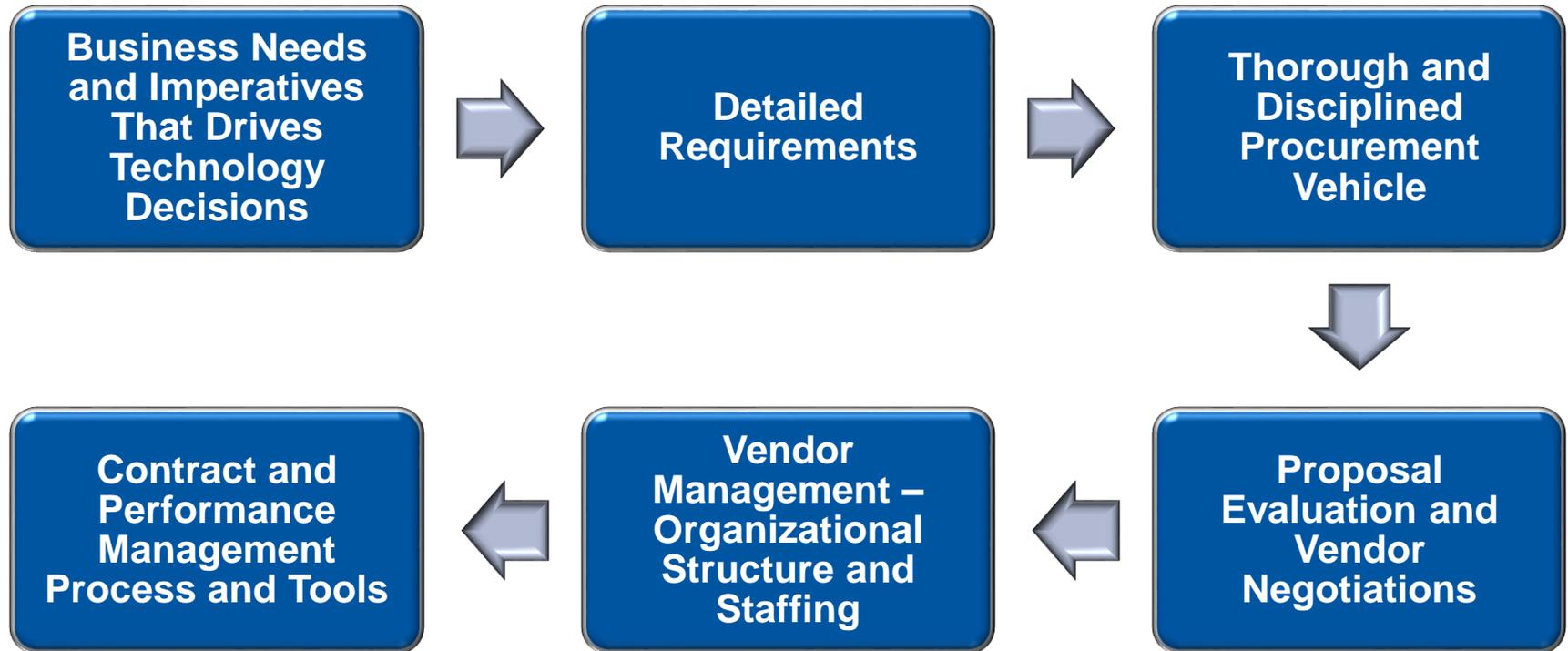
Higher Priority Risks and Mitigation Strategies

| Risk ID | Pri. | Risks and Implication | Risk Mitigation Strategy & Recommendations |
|---------|------|--|--|
| 3A1 | 1 | Time and Material (T & M) Contracts – The continued use of the current contracting model using T&M and not to exceed cost levels which does not specify fixed fee deliverables, milestones, nor deliverables expectation documents with detailed acceptance criteria will result in unnecessarily expanded scope, cost overruns, missed schedules and higher TCO | <ul style="list-style-type: none"> Develop a full procurement strategy, outlining fixed-fee, deliverables-based contracts supporting key implementation and M&O services and technology |
| 3B1 | 1 | Multi-Vendor Management – Inadequate processes and tools for Multi-Vendor governance and management with respect to process integration along various vendor processes, as well as ambiguity of responsibilities for coordination of various Vendor activities may lead to project delays, finger pointing and cost overruns | <ul style="list-style-type: none"> Develop multi-vendor governance, management processes, capabilities and role and responsibilities Alternatively, procure a single systems integrator (SI) to provide full vendor/subcontractor management |
| 3C1 | 1 | Systems Integrator (SI) – State is acting as the SI using staff augmentation resources for the Program Management Office (PMO) on a very complex project with limited definition of processes and clarity of responsibilities, and has not transferred the significant risks inherent in such an undertaking to a SI vendor. Continuing with the current strategy will expose the State to significant risks around cost overruns, schedule slippage and product/solution quality | <ul style="list-style-type: none"> Procure a single systems integrator (SI) to provide full vendor/subcontractor management |



Vendor Management

Rooted in Meeting Business Needs



Benefits of an Integrated Enterprise Approach to Vendor Management

Risks, Cost, Schedule, Scope and Accountability — Vendor Management to These Benefits

- Aligns with the enterprise approach IAPD and reduces the need for additional cost allocation across programs
- Enables the effective sequencing of the development efforts for the full enterprise and the establishment of the Enterprise Platform with common, discrete, discoverable SOA services essential to support the full enterprise of the State's health and human services programs
- Ensures an integrated approach and allocation of State and vendor resources essential to meet federally mandated milestones and full leveraging of the enhanced FFP
- Maximizes the containment of risks for a project of this size and complexity and minimizes duplication of efforts, system integration and interface issues and future rework
- More focused and effective vendor and contract management and accountability of the vendor's design, development and implementation efforts by the Program Management Office (PMO) and staff
- Provides for greater efficiency in the allocation and use of State and vendor resources across the multiple Program workstreams



Vendor Management Guided and Driven by Detailed Requirements

Business Needs
and Imperatives
That Drives
Technology
Decisions

Detailed
Requirements

Thorough and
Disciplined
Procurement
Vehicle

- **Detailed Requirements** — The State’s vision and business needs to guide the IE/BM and the Enterprise Platform procurement effort. Detailed and traceable functional and non-functional requirements need to be the foundation for the PMO Vendor Management effort — and need to be documented and used for the IE/BM continuing development and deployment. Vendor management needs to focus on the IE/BM Enterprise workstreams’ key requirements including:
 - **Functional Requirements** — Workflows, Use Cases and Traceability Matrices — that follows the life of an eligibility case from Screening to Enrollment to Benefits and Case Management — these tell the Vendor “What” the State requires and should be used throughout the Design Development and Implementation (DDI) process by the State to hold the vendor accountable
 - **Non-Functional Requirements (NFR)** — General System Design; Software Requirements; Remediation work; Data Conversion; Implementation (Phasing), Performance, etc. and NFR Traceability Matrix– This tells the Vendor the State’s technical expectations and should be used throughout the Design Development and Implementation (DDI) process by the State to hold the vendor accountable in this domain of requirements
 - **Key Personnel** — As proposed, as interviewed and no substitutions without State Approval (Which was not the case for the Exchange) for each key workstream
 - **Terms / Conditions** — Compliance requirements and recourse for the State for poor performance as defined in the legal agreements with the vendor



Vendor Management Framework

- Effective Vendor Management moves an organization from a silo and “ad-hoc” basis of managing vendors (or being managed by the vendors) to an enterprise program-based focused approach for achieving the State’s business imperatives and fulfilling the defined requirements
- For Arkansas, Vendor Management will require at least four (4) distinct process and skills competencies —
 - Contract Management
 - Financial Management
 - Performance Management and Risk Management
 - Relationship Management

Contract Management

- Change Management
- Issues Management
- Problem Escalation & Resolution
- Audits
- Governance Documentation

Financial Management

- Invoice Management
- SLA's
- Financial Planning
- Pricing Adjustments
- Sanctions and Incentives

Performance and Risk Management

- Measurement & Reporting
- Authorizations
- Security
- Architecture
- QA / IV&V Reports and Recommendations
- Risk
- Asset Management

Relationship Management

- Governance
 - Coordination of Vendors
 - Workstream Business and Technical Leads
 - End Users
- Demand Management
- State and Federal Regulatory Bodies
- Communications



Vendor Management Scorecard Example

| | |
|---|--|
| <p>Contract Management</p> | <ol style="list-style-type: none"> 1. Disputes open (number & age) 2. Issues open (number & age) 3. Audit status 4. Changes open & closed 5. Modifications/extensions/terminations timeliness |
| <p>Financial Management</p> | <ol style="list-style-type: none"> 1. Invoice accuracy 2. Invoice clarity and timeliness 3. Performance sanctions and credits 4. Critical deliverables 5. Unit cost and budget adherence |
| <p>Performance and Risk Management</p> | <ol style="list-style-type: none"> 1. Deliverables Expectations Document Compliance 2. QA / IV&V Vendor Reports and Findings 3. Service Level Fulfillment 4. Transition Milestones 5. Availability 6. Maintenance and Operations Support |
| <p>Relationship Management</p> | <ol style="list-style-type: none"> 1. End user customer satisfaction 2. Demand management 3. Reporting accuracy and timeliness 4. Collaborative decisions |



Vendor Management Framework Hurdles and Critical Success Factors

- Hurdles and Challenges to effective vendor management include:
 - Maintaining an integrated enterprise focus to address the interdependencies of vendor activities and responsibilities across the IE/BM Program workstreams — avoiding a silo or narrow focus that results in unanticipated risks and consequences
 - Commitment from the State to invest in Vendor Management — dollars / people / time / tools — understanding the ROI of making these investments
 - Gaining the cooperation and support of the IE/BM Program’s workstreams business and technical leads
 - Providing effective communication across the IE/BM Program workstreams’ stakeholders to strengthen vendor management collaboration activities at all levels
- Critical Success Factors include:
 - Effective Governance structure for Vendor Management
 - Allocation of the appropriate level of resources to support the IE/BM Program’s Vendor Management agenda and goals
 - Clear definition of roles and responsibilities within the PMO for Vendor Management
 - Managing the IE/BM Program Vendor(s) as a program (enterprise) vs. as one-off or “silo” approach



Steps for Establishing a Vendor Management Infrastructure

■ Strategize, Plan and Staff

- Define how Vendor Management will integrate into the State’s IE/BM Program PMO structure, roles/responsibilities and resources to put a formal vendor management discipline in place and drive the right behaviors across all IE/BM Program workstreams — focusing on congruency and coherence of vendor management expectations, monitoring and metrics across the workstreams
- Develop job description for Vendor Manager that includes required skills and qualifications, role and responsibilities and reporting authority
- Assign a Full Time Vendor Manager to the IE/BM Program PMO — responsible for and empowered to build out the vendor management infrastructure and achieve the vendor management goals for the IE/BM Program workstreams
- Assess the additional staffing required (develop job descriptions and allocate the resources — full and/or part time — as necessary) for Vendor Management to support the Vendor Manager in the four key Vendor Management domains: 1) Contract Management; 2) Financial Management; 3) Performance Management and Risk Management; and 4) Relationship Management

■ Establish Governance Structure

- Develop a clear Vendor Management Charter for IE/BM Program Vendor Management
- Establish a process for making decisions and assigning decision rights related to Vendor Management
- Agree on authority and flow for decision-making, including Executive Committee expectations and roles
- Implement and set up feedback mechanisms



Steps for Establishing a Vendor Management Structure, Cont'd

- **Execute** — Implement a formal and disciplined Vendor Management effort within the PMO including:
 - Ensure the optimal management of the vendor’s activities for each workstream’s life cycle aligned to vendor contract and State requirements and supporting the interdependencies across workstreams
 - Leverage and/or develop the Vendor Management tools, scorecards and recurring processes to monitor the four Vendor Management Domains — Contract, Finance, Performance & Risk and Relationships
 - Manage scorecard assessments and implement assertive actions for addressing and improving vendor performance, and for identifying, monitoring and mitigating risks in vendor performance
 - Implement vendor relationship activities to strengthen oversight, governance, and partnerships with workstream vendors and State business and technical leads
 - Develop reporting mechanisms and issue reports on Vendor Management activities, findings, accomplishments and risk mitigation efforts to Executive Committee and PMO stakeholders
- **Measure and Improve**
 - Establish Key Performance Indicators (KPIs) for each Vendor Management Domain for each IE/BM Program workstream and the IE/BM Program as a whole
 - Use KPI’s to track vendor management operations and success as well as areas for improvements and to avoid risks



Domain 4 — Solution Development Practices

- The Solution Development Practices domain 4 includes:
 - A. **Project Management Plan /Schedule** — Is there an integrated Project Schedule? Is there a Master Project Management Plan that addresses the roles and responsibilities of every Project participant, including all Vendors and the State?
 - B. **Software/Solution Development Life Cycle (SDLC) Methodology** — Does the Project follow a documented SDLC? Are all aspects of the Project aligned with the SDLC?
 - C. **Testing** — Is there a thorough and documented testing plan that includes system, integration and user acceptance testing?
 - D. **Training** — Are system users well trained in the use and features of the solution?
 - E. **Implementation/Roll-out** — Is there an Implementation Plan/Release Management Plan and are the appropriate processes and personnel included?

| | | # of Risks | |
|------------|--------|------------|------|
| | | Low | High |
| Likelihood | High | 1 | 3 |
| | Medium | 5 | 1 |
| | Low | 1 | 1 |
| | | Low | High |
| | | Impact | |



Domain 4 — Solution Development Practices

Higher Priority Risks and Mitigation Strategies

| Risk ID | Pri. | Risks and Implication | Risk Mitigation Strategy & Recommendations |
|---------|------|--|--|
| 4B1 | 1 | Skill Sets Required for Software/Solution Development Life Cycle (SDLC) – Lack of appropriate involvement of key in-house functions at a program level across SDLC including Enterprise Architecture (EA), Enterprise Security and Vendor and Contract Management functions may continue to present ongoing risks to project quality and timeliness | <ul style="list-style-type: none"> Identify key technical roles within IE/BM project (e.g. enterprise architect, enterprise security manager) which are the highest priority for State staffing Develop a skills assessment strategy to identify gaps and available State resources from DHS and DIS (and other State entities if needed) for these key roles Investigate sourcing options for professional staffing resources to supply staff to fill identified staffing gaps that can be filled by non-State personnel |
| 4C1 | 1 | Requirements Traceability – Lack of traceability back to requirements with only the Functional Design Document accompanying each release presents significant risk of developing a solution that is “not fit for purpose” | <ul style="list-style-type: none"> Document and maintain all functional and non-functional requirements of the IE/BM project Implement a requirements traceability framework, supporting all design, testing and change management activities |
| 4C4 | 1 | Federal Testing Requirements – The lack of test plans and strong test processes may result in non-compliance with Federal funding partner requirements. | <ul style="list-style-type: none"> Develop a project test management plan that aligns with relevant Federal and State requirements, outlining all testing goals, roles and responsibilities, performance measures and acceptance criteria |



Domain 5 — Technical Environment

- The Technical Environment domain 5 includes:

- A. Enterprise Platform** — Is there an understood and managed Solution Enterprise Architecture that can be utilized across the State’s health and human services programs (modularity, reusability, *build once use many times*, etc.)?
- B. Software and Technical Infrastructure** — Does the Rules Engine support the State’s and CMS requirements? Can it be used to support multiple State health and human services programs? Does it facilitate ongoing management and modification of rules?
- C. Maintenance and Operations** — Is the ongoing maintenance and operations of the technology planned and budgeted? Are there sufficient State or Vendor personnel available to provide ongoing maintenance?

| | | # of Risks | | |
|------------|--------|------------|--------|------|
| | | Low | Medium | High |
| Likelihood | High | | | 3 |
| | Medium | | 2 | 1 |
| | Low | | 1 | 1 |
| | | Low | Medium | High |
| | | Impact | | |



Domain 5 — Technical Environment

Higher Priority Risks and Mitigation Strategies

| Risk ID | Pri. | Risks and Implication | Risk Mitigation Strategy & Recommendations |
|---------|------|---|--|
| 5A1 | 1 | Enterprise Architecture Definition – Not having a fully defined and documented State Enterprise Architecture and Enterprise Platform poses the risk of inadequate compliance with the various business and technical architectural standards, tools and procedures required to enable the vision of an integrated health and human services and no wrong door environment | <ul style="list-style-type: none"> • Develop and document the future vision for the State’s health and human services Enterprise Architecture • Based on the defined State vision, develop an Architecture Plan that addresses the multi-program integration needs |
| 5A2 | 1 | Bifurcated Target Platform – There are instances (e.g. TEA program) where the public benefit applicants may need to visit other systems that are being built to apply for services they may be eligible for, entering duplicate demographic data that has already been provided and undermining the vision of no wrong door and enhanced access to resources to lift themselves out of poverty | <ul style="list-style-type: none"> • Review and validate the State’s vision for an integrated and enterprise human services model of practice and align program and staffing resources and projects with key goals |
| 5A3 | 1 | Integration Architecture – Lack of Enterprise standards towards application and data integration as well as lack of an integration backbone to connect 300+ legacy applications may increase the risk for relatively higher M&O costs | <ul style="list-style-type: none"> • Based on the defined Stat’s vision, develop an Architecture Plan that addresses the multi-program integration needs |

