October 18, 2019

Mr. Dan Field, Chair
Shanon Saldivar, Vice Chair
Oregon Health Insurance Marketplace Advisory Committee

Dear Chair and Vice-Chair;

Thank you for your recent letter outlining the Marketplace Advisory Committee’s (MAC) recommendation to move Oregon’s Health Insurance Marketplace (OHIM) toward a fully state-based model. While it was excellent to discuss the concept with the committee in person in early October, I apologize it took so long to provide you with a written response.

Let me start by stating again, how much the Marketplace team, Chiqui Flowers as administrator, and I appreciate the strategic role of the Advisory Committee to ensure Oregon’s Marketplace is successful and meets the guiding principles outlined in your letter. But more importantly, we want to acknowledge both the expertise and dedication provided by each of the volunteer committee members in our shared mission.

The committee’s letter outlines many of the significant benefits of moving to a fully state-based marketplace model both directly for the Marketplace’s operations as well as for potential health policy initiatives under consideration by policy makers. With this letter, we want to make sure the MAC also understands the policy, budget, information technology decisions and processes that we will need to navigate as we move forward.

As an update, Chiqui and I met with the Governor’s Office, including Berri Leslie and Tina Edlund, to discuss the possible move to a full state-based model. We agree on many of the benefits outlined by the committee and discussed the complexity and potential opportunity of this effort being linked to other larger health policy initiatives.

We do also want to clearly highlight for the committee how policy decisions, the current statewide oversight required for large IT projects, and the competing needs of other DCBS regulatory programs will impact decision making and the timing for this recommendation.

To ensure project coordination, oversight, and success, the Enterprise Information Services (EIS, formerly the Office of the State’s Chief Information Office) has developed a robust Stage Gate process. The EIS leadership and team manages the Stage Gate process and there is specific documentation and analysis required at each stage.

In your letter, the committee recommended moving toward the RFP process, but given the requirements of Stage Gate, that may not occur until the next biennium. We have attached an example of the Stage Gate process and potential timelines to outline this process. You will see there are distinct stages including concept development of a project, resource and implementation planning, and finally execution. Each
stage requires legislative and EIS review and endorsement, along with appropriate legislative and executive branch approval for any budget needs.

While an RFI has been completed, it does not replace the requirements including a high-level business case, architectural assessment, and project charter that need to be developed and approved before receiving even Stage 1 approval. Given our recent experience, we know the process to complete the initial stage can take more than six months. Stage 2, which entails more detailed planning, is estimated to take an additional 3-6 months. Both of these stages typically need to be completed prior to issuing an RFP.

In addition to the Stage Gate process, there is also the challenge of balancing a potential shift in policy and IT systems for the Marketplace with the competing policy and IT needs of the other programs within DCBS. Currently, the technical staff to complete this work are assigned to legislatively approved or mandated projects or other IT projects previously prioritized by our team. Given other high priority or legislatively mandated IT projects already underway within DCBS programs, we anticipate we will need to request additional staffing or spending authority to ensure we have the IT resources necessary to complete the work needed to obtain Stage Gate endorsement.

We also will want to consider appropriate IT security protocols if the agency becomes responsible for any tax data or other personal identifying information that will need be collected to administer a state-based system.

Additionaly, transitioning to a state-based marketplace will result in premium assessments being collected by DCBS and future payments to the vendor delivering the project. Those budgetary changes will need to included in the biennial budget request submitted by DCBS for the 2021 Legislative Session. We anticipate that we will need additional statutory changes during that session, as well, to address these policy changes.

We look forward to continuing to work with MAC and other stakeholders to highlight for the Legislature and the Governor the complex policy and budget decisions of moving to a state-based system. A great opportunity could be during the November legislative day’s health committee hearings and could be presented by our team or jointly with MAC members.

Please do not hesitate to reach out going forward and thank you again for your and MAC members’ leadership and dedication to ensuring the Marketplace’s success.

Respectfully,

C. Smith
Director

Cc: Marketplace Advisory Committee
Joint OSCIO/LFO Stage Gate Review Process
Scenario 2 – Concepts/Projects Proposed During Biennium of Execution (v1.01)

Legislative Interim (~7 Months)
- September (Odd #d YR)
- November (Odd #d YR)
- February (Even #d YR)
- March (Even #d YR)
- May (Even #d YR)
- September (Even #d YR)
- December (Odd #d YR)
- January (Odd #d YR)
- June 30 (Odd #d YR)

Legislative Session (~9 Months)
- Absolute Time
- February
- March
- May
- September
- December
- January
- June

Project proposed during Biennium of Execution

Stage Gate 1:
- Initiation
- Leadership Governance Vision
- Origination
- Core Team
- Executive Sponsor
- Project Charter
- High-Level Scope
- Goals & Objectives
- Participations
- Finance
- Program
- Business / IT

Stage Gate 2:
- Resource Planning
- Implementation Planning
- Detailed Architecture Assessment
- LFO Review
- LEG. APPROVAL
- Conditions
- $ for Bus. Case
- $ for Detailed Plan
- $ for QA/QC Review

Stage Gate 3:
- OSCIO Review
- Requirements to CFO/Leg
- Quality Assurance
- +/- 50% Vision
- Quality Assurance

Stage Gate 4:
- LFO Review
- LEG. Approval
- Further Conditions
- Budget to Execute
- QA/QC Reviews
- Acceptable Risk
- Acceptable Quality
- Operations
- Post Implementation Review
- Product Acceptance

PMBOK Process Groups

INITIATION
SYSTEM CONCEPT DEVELOPMENT
PLANNING
REQUIREMENTS ANALYSIS
DESIGN
DEVELOPMENT
INTEGRATION/TEST
IMPLEMENTATION
OPERATIONS/MAINTENANCE

MONITORING/CONTROLLING
EXECUTION
CLOSING

Artifacts expected for each Stage Gate are available in the Stage Gate Document List
Joint OSCIO/LFO Stage Gate Review Process
Scenario 3 – Concepts/Projects Proposed During Biennial Budget Cycle (v1.01)

Governor's Agency/ETS Submission of Legislative Session
Legislative Session Submission of (Even #d YR)
Interim April 30 May 31
(45 days)
Stage Gate 2
Stage Gate 3
Stage Gate 1
Endorsement
Concept/Vision
Tied to Ent. IRM Strategy
Finance
Tied to Agency Strategy
Program
ETS Impact & Architectural Assessment
Leadership Governance Vision
Architecture Assessment
Origination
Initiation
Resource Planning
Implementation Planning
Detailed Project Planning (3-6 months)
Stage Gate 1 Endorsement
Stage Gate 2 Endorsement
Stage Gate 3 Endorsement
Stage Gate 4 Endorsement
Doing the Work
Execution
Procurement (6 - 12 months)
Project Execution & Closing
(Note: Could be a multi-biennial Project)
Detailed Project Planning
Procurement
Stage Gate 4
Stage Gate 3
Stage Gate 2
Stage Gate 1

Generic SDLC Phases

Leadership Governance Vision
Origination
Initiation
Resource Planning
Implementation Planning
Detailed Project Planning
Procurement
Stage Gate 4
Stage Gate 3
Stage Gate 2
Stage Gate 1

IT Investment Review and Approval Process
Architecture Assessment & Alignment

Preliminary Quality Assurance & Ongoing Quality Management Oversight Services

Architecture Alignment

Joint OSCIO/LFO Stage Gate Review Process
Scenario 3 – Concepts/Projects Proposed During Biennial Budget Cycle (v1.01)

Artifact expected for each Stage Gate are available in the Stage Gate Document List (https://www.oregon.gov/das/OSCIO/Documents/Stage_Gate_Document_List.pdf)