



Oregon

Tina Kotek, Governor

Enterprise Information Services

Project Portfolio Performance

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MEMORANDUM

To: Terrence Woods, State Chief Information Officer (State CIO)
From: Alicia Miller, Oversight Analyst
Date: September 20, 2023
Subject: Oregon Health Authority, State-Based Marketplace (SBM) Project, Oversight Level 3, Stage Gate 1 Conditional Approval

BACKGROUND

In 2010, President Obama signed the Affordable Care Act (ACA) into law. Part of the intent of the ACA was to make individual health insurance more affordable so that more of the then-estimated 44 million uninsured Americans could obtain coverage. Under the ACA, if a state fails to administer its own health insurance exchange (Marketplace), the federal government will step in and do so.

States, like Oregon, that rely on the technology and call center provided by the federal Centers for Medicare and Medicaid Services (CMS), for its plan eligibility, shopping, and enrollment functionalities, are known as state-based marketplaces on the federal platform (SBM-FPs). Thus, because Oregon is an SBM-FP, Oregonians enroll in Qualified Health Plans (QHP) through HealthCare.gov, which is the front end of the enrollment technology that is known as the federal platform or federally facilitated marketplace (FFM). Tied to the FFM is a telephone Consumer Assistance Center (CAC) staffed by federal customer service representatives who help people with eligibility, plan enrollment and related support over the phone. Oregon health insurance companies selling plans through the Marketplace pay a fee for use of the federal technology. The fee has fluctuated over the years from zero percent to three percent of total premiums paid by Oregonians who purchase QHPs through the Marketplace. For example, in 2020 Oregonians paid \$22.4 Million in user fees.

In 2018, Oregon's Health Insurance Marketplace Advisory Committee (HIMAC) asked the Marketplace to begin analyses of rising costs and possible alternatives for Oregon. Becoming an SBM requires that a state acquire and implement its own SBM technology and accompanying CAC to provide support for enrollees. After initial analyses showed a likely improvement to Marketplace effectiveness, benefit to the services received by Oregonians, and savings of approximately \$10 Million annually, the HIMAC ultimately recommended in October 2019 that Oregon procure a state-based enrollment technology.

Mission: Mature enterprise technology governance, optimize investments, ensure transparency, provide oversight, and deliver secure and innovative solutions.

DISCUSSION

The SBM Project has submitted an ITI, Initial Complexity Assessment (ICA), project charter, and business case. Enterprise Information Services (EIS) Project Portfolio Performance (P3) has reviewed these documents and completed the Oversight Level Assessment (OLA), combining the ICA with the agency's maturity assessment score. The OLA tool recommends project oversight Level 3, and P3 agrees with this determination. The SBM Project will be subject to Level 3 oversight. The compiled OLA and Required Artifacts Form are attached for reference.

The project is expecting to implement the SBM technology with an anticipated Go-Live date of November 1, 2026 with the project closing out by February 28, 2027. The SBM Project estimated implementation costs to be \$14.58 Million and ongoing Maintenance and Operations costs of approximately \$12.9 Million/year totaling \$64.5 Million over five (5) years, which brings the cumulative Investment cost to just over \$79 Million.

RECOMMENDATION

Approve the SBM Project through Stage Gate 1, with the following conditions:

- 1) Agency must submit project artifacts identified in the attached Required Artifacts Form for P3 review and approval using the PPM artifacts screen and collaboration tool;
- 2) Agency must submit monthly project status reports;
- 3) Project must acquire Independent Quality Management Services (iQMS) per policy 107-004-030;
- 4) Project must engage with the assigned Cyber Security Services Business Security Advisor (BSA) regarding appropriate project security readiness activities and receive BSA acknowledgement of completion of those activities ;
- 5) Project manager must meet with EIS Oversight Analyst monthly;
- 6) Project must maintain the PPM tool per the PPM Update List document in the Knowledge Store.

Analysis prepared by: *Alicia Miller* Date: September 20, 2023

Analysis approved by: *Bethina Davis* Date: September 20, 2023