

California Health Benefit Exchange Information Technology Support Project

Governance Plan

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1. INTRODUCTION

1.1 Project Background

On March 23, 2010, President Obama signed the Affordable Care Act (ACA), which extends health care to an estimated 32 million uninsured individuals and makes coverage more affordable for many others. Governor Arnold Schwarzenegger signed legislation on September 30, 2010 to create the California Health Benefit Exchange. Beginning in 2014, the California Health Benefit Exchange will allow individuals and small businesses to compare plans and buy health insurance on the private market, enhancing competition and provide the same advantages available to large employer groups by organizing the private insurance market, including a more stable risk pool, greater purchasing power, more competition among insurers and detailed information regarding the price, quality and service of health coverage. Further, the Exchange will eventually enroll millions of Californians.

The Exchange will have important roles, including:

- Provide a high quality experience for individuals seeking health care coverage as well as the participants in the Exchange.
- Screen for and enroll individuals in the Exchange, Medi-Cal (Department of Health Care Services) or the Healthy Families Program (Managed Risk Medical Insurance Board) if they are eligible for those programs.
- Certifying qualified health plans
- Coordinate with the Department of Health Care Services (DHCS), the Managed Risk Medical Insurance Board (MRMIB), and California counties to ensure that individuals are seamlessly transitioned between coverage programs if their eligibility changes.
- Work with small employers on the choices and collection of payments for their employees.
- Negotiate with health plans on products to be offered in the Exchange.

While states are waiting for additional guidelines from the federal government regarding health care reform, planning efforts must begin immediately to meet key dates established by the federal government as noted below:

- January 1, 2013 – States must demonstrate their readiness with significant progress towards implementation of a Health Benefit Exchange.
- July 1, 2013 – System is developed and ready for user testing.
- January 1, 2014 – Completion of a Health Benefit Exchange that California consumers will be able to use to research their health coverage options and access federally-funded tax credits and cost sharing subsidies.

Many changes take effect in Fiscal Year (FY) 2010-11, and significant preparation must also begin in 2010-11 for the activities that will occur between 2010 and 2014.

The state's legislation called for the California Exchange to be governed by an independent board with five members appointed by the Governor and the Legislature. In 2011, the California Exchange Board was constituted and the Board has been meeting since April 2011. The Board elected the Secretary of the California Health and Human Services Agency (CHHS) as an interim Chair, and a permanent chair will be elected soon. The Board is collaborating and coordinating with all State Departments impacted by the legislation.

In June 2011, the California Health Benefit Exchange submitted a Level One Establishment Grant application to the Centers for Medicare and Medicaid Services (CMS) for the time period July 1, 2011 to June 30, 2012. The funding requested will enable California to engage in planning, research and early implementation as appropriate in all core areas identified in the federal Department of Health and Human Services application. It will also help the state develop policy goals for the California Exchange consistent with state and federal law as well as secure staff, consultants and subject matter expert resources and actively engage stakeholders to inform and support Exchange planning and implementation activities.

One of the federal goals that is required of the Exchange is to "ensure a modular, flexible approach to systems development and complete IT milestones related to Exchange business operations." Because of its past experience with large-scale IT project planning and development and its familiarity with several existing eligibility and enrollment systems for public programs, the Office of Systems Integration has been chosen to initiate the Health Benefit Exchange Information Technology Support (HBEx-ITS) project to assist the Exchange with the IT systems component of the overall work plan.

1.2 Purpose

This document is the Governance Plan for the Health Benefit Exchange IT Support Project. The purpose of this plan is to identify the key roles and responsibilities for governing the project and making project decisions.

1.3 Scope

This Governance Plan identifies the key governance roles and responsibilities for the project. In addition to documenting the stakeholders involved in managing the project, the plan covers who is responsible for reviewing and approving project documents and work products.

The scope of this Governance Plan is limited to the activities necessary to achieve the Exchange IT Systems core area's key tasks and milestones as described in the California Exchange Level One Establishment Grant Work Plan:

1. Planning – The planning phase includes all of the activities necessary for the project to establish the staffing infrastructure and stakeholder accountability, along with all the project plans, including the appropriate levels of pre-planning documentation for the follow-on phases. Individual tasks during this phase include:

- a. Assessment of innovator state assets
 - b. Assessment of vendor offerings
 - c. Continued development of business requirements and IT architectural and integration framework
 - d. Development of business operations alternatives and recommendations.
2. Procurement – Includes all of the activities necessary for the project to develop the solicitation documents, select the vendors, and award the contracts. Individual tasks during this phase include:
- a. Development of purchasing strategies
 - b. Issuance of appropriate vendor solicitations
 - c. Evaluation and selection of vendor(s)
 - d. Contract negotiations and approvals

Subsequent project phases will be defined once the Level Two Establishment Grant is approved and the development and implementation work plan is determined.

2. PARTICIPANTS

There are various organizations that are considered stakeholders of the project and many have been involved throughout the Exchange planning process. From the beginning, stakeholders contributed through legislative process to the ACA and many worked for its passage. Not all of the stakeholders will directly participate in the HBEx-ITS Project governance decisions and activities, but they will collaborate with Exchange staff on matters relating to the Exchange's IT systems and they will be affected by the project's decisions and activities.

2.1 Primary Participants

The primary participants of the HBEx-ITS Project are represented in the project's Steering Committee and are responsible for ensuring that the deliverables and functionality of the HBEx-ITS Project are achieved. These participants provide high-level project direction and approve changes to scope, budget, and schedule.

2.1.1 Project Sponsor – California Health Benefit Exchange Board

The California Health Benefit Exchange Board is an independent public entity within state government with a five-member board appointed by the Governor and the Legislature that has authority over all aspects of the Exchange development and operations, including the IT services required to support it. The Board is the HBEx-ITS Project sponsor and provides the overall vision for the project and promotes the success of the project by removing barriers and providing needed resources. It is the highest level of authority in matters involving the HBEx-ITS Project.

2.1.2 Office of Systems Integration

The Office of Systems Integration (OSI) currently provides project management, oversight, procurement and support services for several large IT projects. In this capacity, OSI coordinates communication, collaboration and decision making among project stakeholders and program-side sponsors of the projects. OSI manages the procurement, contract negotiations and contract management aspects of the acquisition of technology systems and services.

Because of its experience with large-scale IT project planning and development and its familiarity with eligibility and enrollment systems, OSI has been chosen to initiate and manage the HBEx-ITS Project whose objective is to develop an IT strategy to meet Exchange requirements, and acquire necessary services to implement the strategy.

2.1.3 Department of Health Care Services

DHCS finances and administers a number of individual health care service delivery programs, including the California Medical Assistance Program (Medi-Cal), California Children's Services program, Child Health and Disability Prevention program and Genetically Handicapped Persons Program.

Within DHCS, the Information Technology Services Division (ITSD) provides the information technology environment and IT services to support the program and administrative objectives of the DHCS. ITSD supports a portfolio of program applications, the largest of which is the Medi-Cal Eligibility Data System (MEDS). MEDS consolidates information from the three county-managed eligibility systems on individuals receiving public benefits in California into a central database, and performs a variety of functions based upon that information.

2.1.4 Managed Risk Medical Insurance Board (MRMIB)

The Managed Risk Medical Insurance Board oversees the financing and the administrative oversight of four programs that serve lower income and medically uninsurable individuals, including the Healthy Families Program, the Access to Infants and Mothers (AIM) Program, Pre-Existing Condition Insurance Plan, and Major Risk Medical Insurance Program. MRMIB implements programs via a contracted administrative vendor. The administrative vendor provides for daily operations of multiple call centers, supports the electronic application, conducts premium billing and collections, application processing, correspondence, annual eligibility review, disenrollment, and health plan coordination and reconciliation.

2.2 Other Participants

While not directly participating in the governance of the HBEx-ITS Project, the project's other participants are project stakeholders and may provide business requirements and other feedback necessary for the development of the mandated IT systems via Exchange staff.

2.2.1 California Health and Human Services Agency

The California Health and Human Services Agency (CHHS) oversees twelve departments that provide a range of health care and social services, including the programs managed by DHCS.

2.2.2 Department of Managed Health Care

The California Department of Managed Health Care (DMHC) is a regulatory body governing managed health care in California and a consumer rights organization that helps California consumers resolve problems with their health plan and works to provide a more stable and financially solvent managed health care system.

2.2.3 Department of Insurance

The California Department of Insurance (DOI) is a regulator and oversight agency that is responsible for enforcing many of the state's insurance-related laws.

2.2.4 Department of Finance

The Department of Finance (DOF) monitors and reviews the project's direction and progress and ensures appropriate funding for acquisition, development and implementation activities. Finance has oversight responsibility for all automated system projects developed or contracted by state departments.

2.2.5 California Technology Agency

The California Technology Agency (CTA) is California's cabinet-level agency with statutory authority over IT strategic vision and planning, enterprise architecture, policy, and project approval and oversight for the State's information technology programs.

2.2.6 California Legislature and Governor

The California Legislature and Governor have the final authority to approve or reject budgets prepared by Finance. The Legislature has authority to create legislation that affects the Health Benefit Exchange, the Medi-Cal programs, the MRMIB-administered programs, and other health care programs in California.

2.2.7 County Welfare Directors Association

The County Welfare Directors Association of California (CWDA) is a non-profit association representing the human service directors from each of California's 58 counties. The changes mandated by the ACA will significantly impact how health care programs are administered by the counties, including the eligibility and enrollment systems that automate their business processes.

2.2.8 Consumers, Consumer Advocates, Advisory Groups, Agents and Brokers

The Exchange will seek the input from consumers, consumer advocates and other advisory groups on the Exchange IT system development, including health care

consumers enrolled in health plans, individuals and entities with experience facilitating enrollment in health plans, representatives of small businesses and self-employed individuals, advocates for enrolling hard-to-reach populations, etc.

2.2.9 Centers for Medicare and Medicaid Services (CMS)

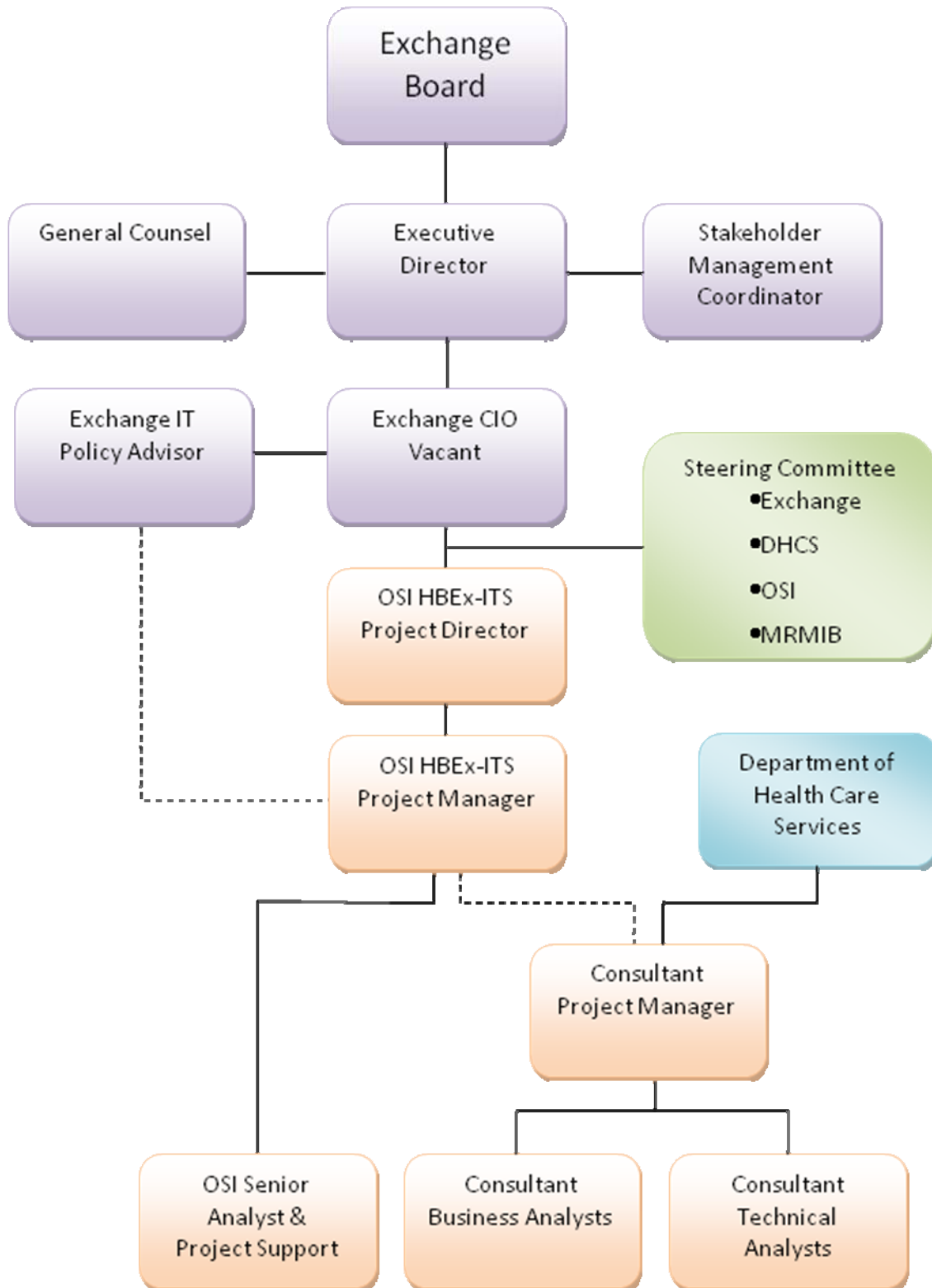
CMS is the federal agency responsible for overall oversight of ACA implementation including the Exchange. Design and implementation activities of the Exchange are paid for with federal funds. CMS approves Exchange Establishment Grant proposals, project approval documents, solicitation documents and final contract. Within CMS, the Center for Consumer Information and Insurance Oversight (CCIIO) is charged with helping implement many provisions of the Affordable Care Act. CCIIO oversees the implementation of the provisions related to private health insurance.

2.2.10 Bidders/Prime Contractor

Bidders are responsible for preparing proposals in response to the requirements described in the solicitation documents. The bidders have the right to request information related to the solicitation. The HBEx-ITS Project is the clearinghouse for all bidder requests. The inquiries are directed to the procurement team who will contact the appropriate departments. The team ensures responses are fairly distributed to the bidders in accordance with the rules of the solicitation.

3. PROJECT GOVERNANCE

The governance structure for the HBEx-ITS project is illustrated below:



3.1 Decisional Authority

IT governance specifies decision rights and creates an accountability framework that encourages desirable behavior in the use of IT. The table below describes those who participate in the HBEx-ITS Project and identifies the final decision makers:

PROJECT ROLE	RESPONSIBILITIES
Project Sponsor – California Health Benefit Exchange Board	Overall authority for the project. Provides vision and direction for the project and policy leadership. Promotes the success of the project by assisting in removing barriers. Key Exchange Board support staff are the following:
<ul style="list-style-type: none"> • Executive Director 	Chief executive officer of the Health Benefit Exchange and responsible for providing leadership and direction for formulating the Exchange’s strategic objectives and bringing them to the Board for input, discussion and decision and developing and maintaining effective relationships and communication with the HBEx-ITS Project, key stakeholders, and the Executive and Legislative branches of federal and state government. The Executive Director reports directly to the California Health Benefit Exchange Board.
<ul style="list-style-type: none"> • Chief Information Officer 	Responsible for the information technology and computer systems that support the strategic objectives of the Exchange. Provides IT guidance and leadership. Coordinates the development of all information technology activities and services, and leads the information technology team.
<ul style="list-style-type: none"> • Stakeholder Management Coordinator 	Primary responsibility is to consult with Exchange stakeholders (e.g., DMHC, DOI, consumers, consumer advocates, advisory groups, agents and brokers, etc.) and elicit stakeholder input into Exchange IT systems planning activities and work products.
<ul style="list-style-type: none"> • Legal Counsel 	Chief legal advisor who provides the Executive Director and Exchange senior staff with legal advice on a variety of matters pertaining to the Exchange and its programs and operations.
<ul style="list-style-type: none"> • IT Policy Advisor 	Primary responsibility is to assist the Exchange in development of an IT strategy and acquisition of vendor services necessary to implement Exchange IT systems.

<p>Project Steering Committee</p>	<p>Composed of a single representative from each of the primary participants: OSI, the Exchange, DHCS, and MRMIB. Responsible for ensuring that the deliverables and functionality of the HBEx-ITS Project are achieved. It provides high-level project direction and recommendations, receives project status updates, and addresses issues, and risks. It approves changes to the scope, budget, and schedule, on the project. Decisions reached by the committee will be based upon a consensus of the members present. In some cases, issues, and risks not resolved at this level may be escalated to the Exchange.</p>
<p>Project Director</p>	<p>Primary responsibility for the success of the project and manages all resources assigned to the project including OSI staff, the DHCS consultants on loan to the project, consultants, and vendors. Directs the project management functions.</p> <p>The Project Director serves as the primary liaison between the project and the Project Sponsor and Steering Committee and escalates decisions and issues as needed.</p>
<p>Project Manager</p>	<p>Plans, directs and oversees the day-to-day activities of state and vendor staff. Ensures that project management practices are being employed. Meets weekly to review progress, discuss weekly priorities, and address issues, changes, and risks. In some cases, identifies potential issues and risks that may be escalated to the Steering Committee. Responsible for the PMO activities (work plan, schedule, staffing, etc.) and overall project status reporting.</p> <p>Accountable to Project Director.</p>
<p>Project Team</p>	<p>At the direction of the Project Manager, provides project management support including resource management, assessing and mitigating risk, facilitating communications and teamwork and assisting in resolving issues among the project, the steering committee and the Exchange Board support staff.</p> <p>Accountable to Project Manager.</p>
<p>Business and Technical Analysis Team (consultant staff)</p>	<p>Provide the business and technical support and expertise required to design and deploy the HBEx IT systems.</p> <p>Accountable to Project Manager.</p>

3.2 Project Approval

The HBEx-ITS Project was approved by the California Exchange Board and the project's high-level work plan is currently under consideration by CMS/CCIIO as part of the Level One Establishment Grant submitted in June 2011.

The planning activities of the Exchange IT systems described in the Grant may involve development of Advance Planning Documents (APD) and if so, the project will complete approval documents that meet the requirements of Finance and the federal agencies. If required, the project will submit the documents to the state and federal approval authorities. Table 1 lists the review and approval agencies.

Table 1. Project Approval Documents

WORK PRODUCT	REVIEW AND APPROVE
Advance Planning Documents.	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate ✓ California Technology Agency ✓ CMS

3.3 Project Funding

3.3.1 State Funding

The state's ACA legislation requires the California Exchange to ensure the operation and administration of the Exchange does not exceed the combination of federal funds requested in the Establishment Grant, private donations and available funds.

However, the project is awaiting federal clarification to determine if the Medicaid portion of the Exchange development will require state matching funds. Once this is determined, the Governance Plan will be updated.

Table 2 summarizes the review and approval agencies should state funding documents be required.

Table 2. State Funding Documents

WORK PRODUCT	REVIEW AND APPROVE
Budget Change Proposal (BCP)	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate ✓ California Technology Agency ✓ Department of Finance

3.3.2 Federal Funding

The state’s Level One Establishment Grant is the principal documents for securing federal approval and funding for the project through June 30, 2012.

3.4 Project Management

The HBEx-ITS project is an unusual undertaking in that several agencies are providing staff with expertise, skills, and experience. Additionally, consultants have been retained to fill roles in the PMO as well as to assist with the development of requirements for the solicitation documents that will result in acquisition of system integration vendors to design, develop, and implement the Exchange IT systems. Because the project team represents cross department and consulting staffing, the project must be managed in a way that provides clear direction and purpose to all involved to ensure project success in the implementation of the HBEx IT systems.

The HBEx-ITS project is responsible for the day-to-day management of the project, and the approach to managing the overall project requires that:

- Policies, procedures, and processes are clearly defined and followed for managing deliverables, documents, issues, changes, and costs to their respective plan.
- Comprehensive, timely, and effective communication between all project staff and stakeholders takes place.
- Project work efforts are planned, documented, and managed through a formalized work plan.
- Project risks are appropriately identified and mitigation strategies developed.
- Product quality is evaluated to ensure that the business and technical requirements are being met.

Table 3 shows the deliverable documents to be developed by the project along with review and approval agencies.

Table 3. HBEx-ITS Project Planning Deliverables

WORK PRODUCT	REVIEW AND APPROVE
<ul style="list-style-type: none"> ○ HBEx-ITS Project Charter 	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate

WORK PRODUCT	REVIEW AND APPROVE
○ HBEx-ITS Governance Plan	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate
○ HBEx-ITS Communication Plan	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate
○ HBEx-ITS Risk Plan	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate
○ Alternatives analysis & Board presentation for IT solution strategy supporting the Exchange business/operational plan	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate
○ Vendor solicitation documents setting forth the System Development Lifecycle (SDLC) and applicable service level agreements for Exchange IT development and ongoing operations	<ul style="list-style-type: none"> ✓ OSI HBEx-ITS Project ✓ DHCS ✓ MRMIB ✓ Exchange Directorate

Note: Additional Work Products will be added as the planning project progresses and the work plan is further defined.

4. ISSUE RESOLUTION PROCESS

The HBEx-ITS Project is responsible for managing issues identified by the project or its stakeholders. An issue is defined as a statement of concern or need that (1) is known ahead of time or is in the project workplan, but whose resolution is in question or lacking agreement among stakeholders; (2) is highly visible or involves external stakeholders such as requests from control agencies; (3) has critical deadlines or timeframes which cannot be missed; (4) results in an important decision or resolution whose rationale and activities must be captured for historical purposes; or (5) is an item that may impede project progress. An issue is a situation which has occurred or will definitely occur, as opposed to a risk which is a potential event.

The project will enlist the assistance of its stakeholders in the resolution of an issue to ensure the resolution represents the best interests of the project, program and its stakeholders.

In the event a resolution cannot be agreed upon by the stakeholders, the issue may be escalated via the Escalation Process.

5. ESCALATION PROCESS

The Escalation Process addresses those situations when an agreement cannot be reached between the project and one or more of its stakeholders in a timely manner. The process raises the issue to the next level of management for resolution. If the issue cannot be resolved within the defined time period, the issue is escalated to the next level of management for resolution.

Refer to the Escalation Process in the HBEx-ITS Communication Plan for more information.