



■ ■ ■ ■ **Hawaii Employer-Union Health
Benefits Trust Fund**

Final Version

**Benefits Administration System Project
Assessment Report 11**

for the Period: July 1, 2009 – August 31, 2010

Submitted: September 13, 2010

Engagement: 223942511



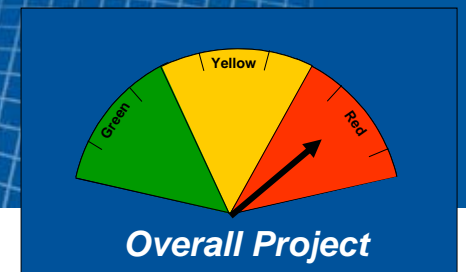
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Agenda

- Summary of Key Assessment Changes
 - Since the Last Project Assessment Report
- Summary of Key Recommendation Changes
 - Since the Last Project Assessment Report
- Project Timeline Status
- Overall Project Assessment Findings and Scorecard
- Deliverables Review
- Meetings Support and Participation
- Next Steps

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (July 12, 2010).

Summary of Key Assessment Changes - Since the Last Project Assessment Report



Overall the project risk is **Red – High Risk**.

- The BAS system went live on September 28, 2009:
 - The EUTF is realizing Phase 1 project benefits and is working to address **remaining issues, workload backlog, process improvement and training**.
 - Phase 2 and 3 project benefits continue to be at risk due to external influence on the BAS Project and EUTF staff workload.
 - Supplemental **Contract 1 and 2** tasks are in progress.
 - **Change Order 5 (Administrative Rule Change for Coverage and Deduction Begin Date)** was successfully deployed after a one-month delay that provided time for additional user acceptance testing.
- **Supplemental Contract 2 was executed to accommodate the additional level of effort and cost associated with the VEBA transition. Supplemental Contract 2 also included additional contingency hours and M&O Support hours to accommodate unanticipated tasks.**
- **The current VEBA service provider, ATPA, has responsibilities outside of the control of the EUTF. ATPA, was not able to commit to the required timeline for providing the VEBA data in the requested format; therefore, additional level of effort is required by Vitech to convert the VEBA data.**

- 11 **Red** – High Risk areas
- 1 **Yellow** – Medium Risk area
- 17 **Green** – Low Risk areas

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (July 12, 2010).

Summary of Key Assessment Changes (cont)

- Since the Last Project Assessment Report

Overall the project risk is **Red** – High Risk.

- **An EUTF Administrator has not been hired, although the Assistant Administrator position has been filled. The Benefits Program Manager was on extended leave but returned in July 2010. Per legislation, additional staff have been hired to ramp up for the additional VEBA workload.**
- EUTF resources are not assigned full-time due to expectations to perform day-to-day business activities.
- **The Vitech Project Manager was replaced by the Vitech Functional Lead from Atlanta. The previous Project Manager is continuing to provide executive support from New York City.**
- **The Project Schedule will need to be updated to include the VEBA transition in Supplemental Contract 2 and to account for the heavy EUTF workload.**
The Team is:
 - Delaying the rollout of **Phase 2 & 3** employer and employee/retiree self service (ESS) until the EUTF staff can support the Organizational Change Management Activities.
 - **Exploring alternative resources and plans to support the Phase 2 & 3 Activities.**

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (July 12, 2010).

Summary of Key Recommendation Changes

- Since the Last Project Assessment Report

Key Recommendation Changes:

- Monitor Board of Trustees and external stakeholder decisions to determine whether a second Supplemental Contract for Vitech will be required. - **Completed**
- **Add a contingency to the Vitech contract in Supplemental Contract 2 for any additional tasks (e.g. resulting from the VEBA transition, Board decisions, changes to the Administrative Rules).** - **Completed**
- Perform a budget analysis to determine how the VEBA transition will be accommodated within the EUTF budget. - **Completed**
- Conduct a meeting with the VEBA team to proactively plan for the VEBA transition. - **Completed**
- Determine how gaps between VEBA plans and EUTF plans will be resolved so that the data mapping can be completed. - **Completed**
- Add a new risk to the risk matrix documenting that the current VEBA service provider will have VEBA transition responsibilities outside of the control of the EUTF. - **Completed**

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (July 12, 2010).

Summary of Key Recommendation Changes (cont)

- Since the Last Project Assessment Report

Key Recommendation Changes:

- **Add text to the Vitech contract to accommodate rolling over unused Maintenance and Operations hours into the subsequent year. - Completed**
- **Execute the new internal Change Request approval process. - Completed**
- **Explore alternative resources and plans to support Phase 2 & 3 Organizational Change Management Activities. - In Progress**
- **Consider project benefits and the limited availability of the EUTF resources when determining the priority, order, and timing of the Supplemental Contracts 1 & 2 Tasks and Phase 3 functionality. - In Progress**
- **Hire a new EUTF Administrator and Assistant Administrator as soon as possible - *Assistant Administrator: Completed*; EUTF Administrator: In Progress**
- **Dedicate full-time resources to the BAS Project as much as possible. - In Progress**
- **Focus on Organizational Change Management activities during Phases 2 and 3. - Not Started**
- **Consider the impact on Vitech's resources when planning for Supplemental Contracts 1 and 2 and Phase 2 & 3 deployments. - In Progress**

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (July 12, 2010).

Summary of Key Recommendation Changes (cont)

- Since the Last Project Assessment Report

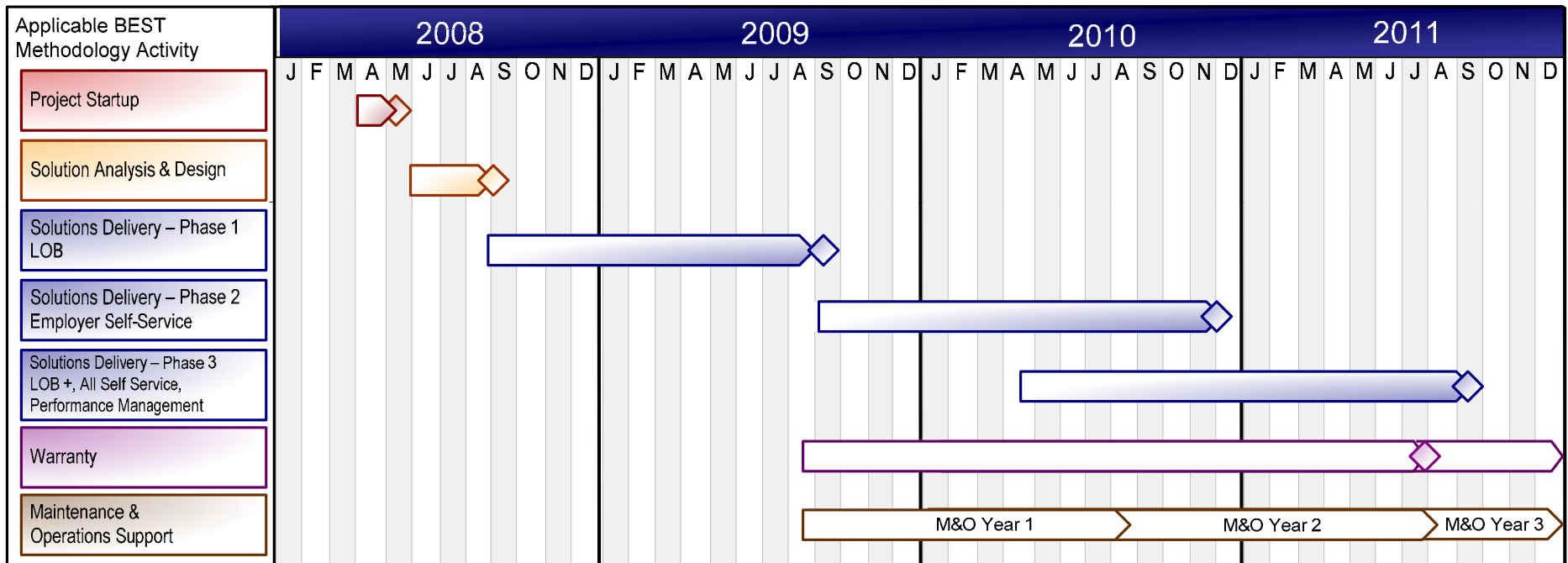
Key Recommendation Changes:

- Finalize the agreement between the State and Vitech for Disaster Recovery hosting services as soon as possible. - ***In Progress***
- Explore the EUTF's options for acquiring Acrobat software. - ***Completed***
- Perform an analysis to determine how imaging and network performance can be improved. - ***In Progress***
- **Minimize any additional configuration changes introduced by the Board of Trustees and external stakeholders until after the VEBA transition. - *New***
- **Given that the EUTF staff have to prioritize day to day work with testing, consider delaying the Change Order 5 deployment to provide additional time for testing. - *Completed***
- Post issue resolution documentation and training materials to a common area on the network drive (in preparation for the V3 Knowledge Base in Phase 3) so that they can be accessed and maintained. - ***In Progress***
- **Provide a V3 capabilities overview to EUTF IT staff to assist in understanding their M&O Support roles and responsibilities. - *Completed***

Note: The use of **bold text** throughout this report designates changes/updates since the last Project Assessment Report (July 12, 2010).

Project Timeline Status

The Benefits Administration System Project timeline is shown below with Phase 1 Go-Live completed on September 28, 2009:



↑
Where we are today

- The Project Plan phasing includes:

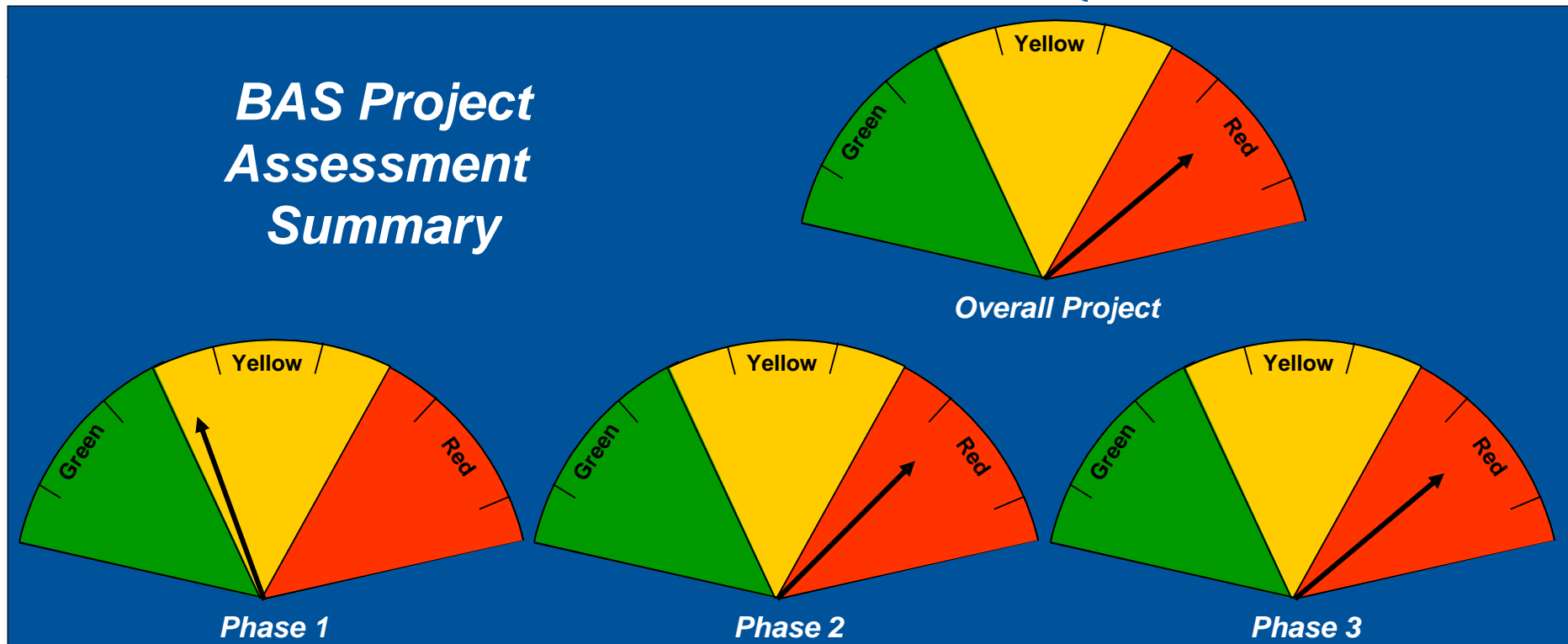
- Phase 1 - Replaced existing system functionality to provide the benefits of V3
- Supplemental Contracts 1 and 2 - Selected tasks are underway
- Phase 2 - Roll out Employer Self Service functionality to Beta Employer Organizations
- Phase 3 - Roll out Self Service to remaining Organizations and Employees and new functionality

Overall Project Assessment Findings

Overall the BAS Project is rated **Red – High Risk**.

- There were **11 Red** – High Risk areas identified.
- There were **1 Yellow** – Medium Risk area identified.
- There were **17 Green** – Low Risk areas identified.

Note: Continued high risk with the VEBA transition that has impacted the execution of Phases 2 and 3 and Supplemental Contract 1 activities. The heavy EUTF workload, unfilled EUTF Administrator position, and a continued lack of dedicated EUTF resources continue to present high risk.



- There are 29 rated Categories.

Project Assessment Scorecard

Areas of Potential Risk	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11
	Jun 08	Aug 08	Nov 08	Feb 09	Apr 09	Jun 09	Aug 09	Nov 09	Feb 10	Jun 10	Aug 10
Project Benefit Risk											
1 Project Benefit Specification	●	●	●	●	●	●	●	●	●	●	●
2 Benefit Measurement	●	●	●	●	●	●	●	●	●	●	●
3 Scope Planning	●	●	●	●	●	●	●	●	●	●	●
4 Cost Planning	●	●	●	●	●	●	●	●	●	●	●
5 Ongoing Cost Management	●	●	●	●	●	●	●	●	●	●	●
6 Gap Analysis and Mgmt	●	●	●	●	●	●	●	●	●	●	●
7 Project Prioritization	●	●	●	●	●	●	●	●	●	●	●
8 Complexity Control	●	●	●	●	●	●	●	●	●	●	●
Budget & Schedule Risk											
9 Estimation Quality	●	●	●	●	●	●	●	●	●	●	●
10 Vendor Management	●	●	●	●	●	●	●	●	●	●	●
11 Project Management	●	●	●	●	●	●	●	●	●	●	●
12 Resource Management	●	●	●	●	●	●	●	●	●	●	●
13 Budget Management	●	●	●	●	●	●	●	●	●	●	●
14 Scope Management	●	●	●	●	●	●	●	●	●	●	●

- Supplemental Contract 2 was executed to accommodate the additional level of effort and cost associated with the VEBA transition.
- Supplemental Contract 2 also included additional contingency hours and M&O Support hours to accommodate unanticipated tasks.
- The B&F, EUTF Acting Assistant Administrator, and the BAS Project Team met to discuss prioritization of Phases 2 and 3 in parallel with the VEBA transition.
- High complexity resulted from the timing of the VEBA transition, retirement of EUTF executives, the execution of the Supplemental Contract workload, and other staff workload. It has also impacted the Phase 2 & 3 timeline and Vitech's ability to allocate resources to Phase 2 & 3 deployments.
- An EUTF Administrator has not been hired, although the Assistant Administrator position has been filled. EUTF is in the process of hiring staff to support the VEBA workload.
- The Vitech Project Manager was replaced by the Vitech Functional Lead.
- EUTF resources are not dedicated full-time.

High Risk  Medium Risk  Low Risk 

See "Specific Findings" for detailed findings and recommendations in each risk area

Project Assessment Scorecard

Areas of Potential Risk	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	
	Jun 08	Aug 08	Nov 08	Feb 09	Apr 09	Jun 09	Aug 09	Nov 09	Feb 10	Jun 10	Aug 10	
Operational Risk												
15 Customization	●	●	●	●	●	●	●	●	●	●	●	●
16 Conversion Planning	●	●	●	●	●	●	●	●	●	●	●	●
17 Conversion Execution	●	●	●	●	●	●	●	●	●	●	●	●
18 Integration Testing	●	●	●	●	●	●	●	●	●	●	●	●
19 Performance Testing	●	●	●	●	●	●	●	●	●	●	●	●
20 User Acceptance Testing	●	●	●	●	●	●	●	●	●	●	●	●
21 Contingency Planning	●	●	●	●	●	●	●	●	●	●	●	●
22 M&O Support	●	●	●	●	●	●	●	●	●	●	●	●
23 Ongoing Vendor Support	●	●	●	●	●	●	●	●	●	●	●	●
Org. & External Risk												
24 Org. Change Mgmt.	●	●	●	●	●	●	●	●	●	●	●	●
25 User Involvement	●	●	●	●	●	●	●	●	●	●	●	●
26 External Stakeholders	●	●	●	●	●	●	●	●	●	●	●	●
27 Training	●	●	●	●	●	●	●	●	●	●	●	●
28 Due Diligence	●	●	●	●	●	●	●	●	●	●	●	●
29 Risk Management	●	●	●	●	●	●	●	●	●	●	●	●

- The current VEBA service provider, ATPA, has responsibilities outside of the control of the EUTF. ATPA, was not able to commit to the required timeline for providing the VEBA data in the requested format; therefore, additional level of effort is required by Vitech to convert the VEBA data.
- The volume of User Acceptance Testing continued due to Supplemental Contract tasks, specifically the testing for the Administrative Rule Change for Coverage and Deduction Begin Date. A one-month deployment delay provided time for additional testing.
- Organizational Change Management for the Beta Employers in Phase 2 has been delayed due to the EUTF resource workload issues.
- The impact of external influences continues to redirect staff time away from project activities and causes a backlog of benefits administration workload (e.g. the VEBA transition).

High Risk  Medium Risk  Low Risk 

See "Specific Findings" for detailed findings and recommendations in each risk area

Deliverables Review

- Gartner assessed the following Deliverable Expectations Documents (DEDs) and Deliverables and provided recommendations to the Project Team, which have been incorporated:
 - **Change Order 5 (Administrative Rule Change for Coverage and Deduction Begin Date) Design - *Final Accepted***
 - **Change Order 5 Deployment Plan - Approved**
 - **Change Order 5 In Production - *Final Accepted***
 - **Change Order 6 (Retro Rate Change for BU07) Design - *Final Accepted***
 - **Change Order 6 In Production - *Final Accepted***
 - **Change Order 7 (EC1 and EC2 Forms Redesign) Design - *Final Accepted***
 - **Change Order Draft Documents – Reviewed and Approved**
 - **Project Status Reports - *Completed As Required***
 - Project Team (weekly)
 - Steering Committee (monthly)
 - **Project Schedule - *Completed As Required***

Meetings Support and Participation

- Gartner supported/attended the following BAS Project meetings:
 - EUTF Board of Trustees Meeting
 - Project Management Team Meetings
 - Steering Committee Meetings
 - Project Oversight Planning Meetings
 - Project Assessment Review Meetings
 - **Deliverable Review Meetings**
 - **Phase 2 and 3 and Supplemental Contract Planning Meetings**
 - **Gartner BAS Requirements Analysis Report Meeting – included B&F and the EUTF Assistant Administrator**
 - **Phases 2 and 3 Alternative Resources Analysis Meeting – included B&F and the EUTF Assistant Administrator**
 - **Gartner VEBA Transition Scope Analysis Report Meeting – included Deputy AGs and the EUTF Assistant Administrator**
 - **VEBA Transition Planning Meetings – included EUTF, Vitech and VEBA**

Next Steps

- Respond to any questions from the EUTF Board of Trustees.
- Assist with the implementation and tracking of recommendations.
- Continue with ongoing Project Oversight activities.
- Conduct the next Project Assessment and note any variances/trends among assessment periods.



■ ■ ■ ■ **Contact Information**

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