



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

Final Version

Benefits Administration System Project

Assessment Report 15

for the Period: May 1 – June 30, 2011

Submitted: August 2, 2011

Engagement: 223942511



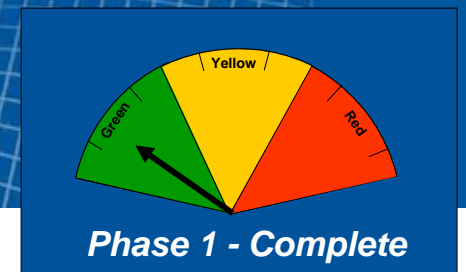
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Agenda

- Project Timeline Status
- Summary of Key Assessment Changes
 - Since the Last Project Assessment Report
- Summary of Key Recommendation Changes
 - Since the Last Project Assessment Report
- 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 report briefing (May 9, 2011).

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



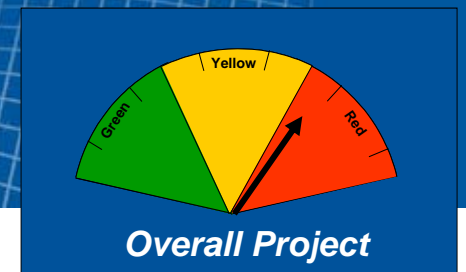
The overall status of the Phase 1 implementation is **Green – Low Risk**.

- The BAS system went live on September 28, 2009:
- The EUTF is realizing Phase 1 project benefits from the base functionality.
- The following Supplemental Contract 1 tasks are complete.
 - Change Order 4 - Determining Rates by Bargaining Unit and Employer.
 - Change Order 5 - Proposed Administrative Rule Change for Coverage and Deduction Begin Date.
 - Change Order 6 - Bargaining Unit 07 Rate Changes.
 - Change Order 7 - EC1 and EC2 Forms Re-design Due to Active and Retiree Plan Design Changes.
- The following Supplemental Contract 2 tasks are complete.
 - Change Order 12 - VEBA Transition and Data Translation.
 - Change Requests IT 13 & IT 14 - New VEBA Plans/Calculations/Data Move and VEBA 834 Updates due to Court Order.
 - **Change Order 13 - Provide Benefits for Adult Dependents up to Age 26.**

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Summary of Key Assessment Changes

- Since the Last Project Assessment Report



Overall the implementation of employer and employee/retiree self service (ESS) functionality in Phases 2 and 3 is **Red – High Risk**.

- Achieving project benefits of the Phase 2 and 3 continues to be at risk due to external influence on the BAS Project and EUTF staff workload.
- **The Team has started initial planning for Phases 2 and 3 although deployment of ESS is delayed until the EUTF staff can support Organizational Change Management (OCM) activities:**
 - Initial Phase 2 and 3 planning meetings were conducted, and the Phase 2 Design Document and Training Materials were discussed.
 - Initial communications with potential beta employers have been conducted.
 - A new EUTF resource will be hired and allocated at a minimum of 75% in support of the Phase 2 and 3 organizational change management activities.
 - An employer self service functionality demonstration was requested from Vitech in order to:
 - Become familiar with the current Phase 2 design.
 - Demonstrate the upgraded user interface.
 - Discuss potential V3 enhancements already in progress for other V3 clients.
 - Determine the influence of the above on the ESS Deployment Strategy.

- 8 **Red** – High Risk areas
- 3 **Yellow** – Medium Risk areas
- 18 **Green** – Low Risk areas

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Summary of Key Assessment Changes (cont)

- Since the Last Project Assessment Report

- The following Supplemental Contract 1 activities are in progress:
 - Change Order 8 - Interface and Report Configuration for EUTF-Owned Bank Account.
 - **Change Order 9 - A Business Continuity Plan was developed which includes the process for the Disaster Recovery Hosting Solution at Vitech's New York Site.**
- Supplemental Contract 2 included Maintenance and Operations (M&O) Support hours which can be used for system changes using the Change Request Process.
 - **Remaining M&O Support hours consumption is being closely monitored using the hours tracking tool.**
- **M&O Support hours for this year and next year has been approved in the EUTF budget but must be included in the Vitech contract in Supplemental Contract 3.**
- **The V3 Upgrade is in progress (at no additional cost to the EUTF).**
- **A new Vitech Project Manager was approved in June 2011. He is also serving as Vitech's ERS Project Manager.**
- EUTF resources are not assigned full-time due to expectations to perform day-to-day business activities.

Note: The use of **bold text** throughout this report designates changes/updates since the last report briefing (May 9, 2011).

Summary of Key Recommendation Changes (cont)

- Since the Last Project Assessment Report

The following Key Phase 2 and 3 Recommendations should be implemented to mitigate the current high risk associated with achieving benefits of ESS:

- Consider the development of a time-phased ESS Deployment Strategy and Schedule in alignment with the Organizational Change Management Plan. - *New*
- Dedicate **EUTF resources** to the BAS Project as much as possible. - *In Progress*
- Place a renewed focus on exploring **alternative EUTF resources** and plans to support Phase 2 and 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 Contract 1 - 3 Tasks and Phase 2 & 3 functionality. - *In Progress*
- Consider the impact on **Vitech's resources** when planning for Supplemental Contracts 1 - 3 and Phase 2 & 3 deployments. - *In Progress*

Note: The use of **bold text** throughout this report designates changes/updates since the last report briefing (May 9, 2011).

Summary of Key Recommendation Changes (cont)

- Since the Last Project Assessment Report

Other Key Recommendations:

- **Develop a Business Continuity Plan that includes Disaster Recovery. - Complete**
- Approve additional M&O Support hours for future years and include them in the Vitech contract (e.g. hours for statue changes, Board of Trustee decisions, and other external impacts). - **In Progress**
- Provide sufficient time for Vitech to accurately estimate Change Orders. - **In Progress**
- Resume monthly Steering Committee Meetings now that the EUTF has an EUTF Administrator. - **In Progress**
- Provide an overview session of user interface improvements prior to user acceptance testing for the V3 Upgrade. - **In Progress**
- Post issue resolution documentation and training materials to the network drive (in preparation for the V3 Knowledge Base in Phase 3). - **In Progress**
- Continue to follow up with Vitech executives regarding the requested improvements to management communication and M&O Support. - **In Progress**

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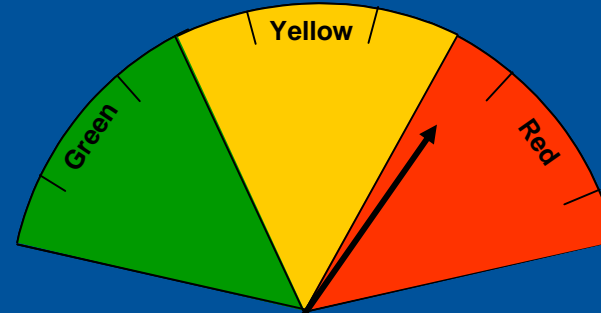
Overall Project Assessment Findings

Overall Phases 2 and 3 are rated **Red** – High Risk.

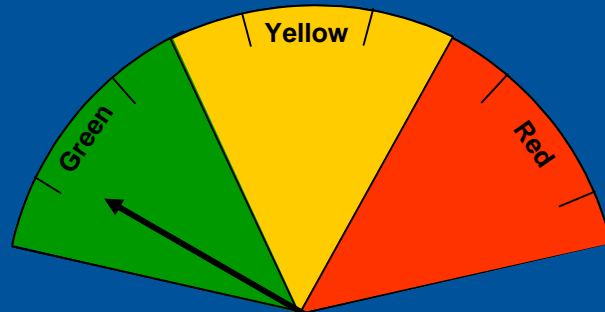
- There were **8 Red** – High Risk areas identified.
- There were **3 Yellow** – Medium Risk areas identified.
- There were **18 Green** – Low Risk areas identified.

Note: Continued high risk introduced by the Age 26 Change has impacted the execution of Phases 2 and 3 and Supplemental Contract activities. The heavy EUTF workload and a continued lack of dedicated EUTF resources also continue to present high risk. Overall risk has decreased with the renewed focus on Phase 2 & 3 planning activities.

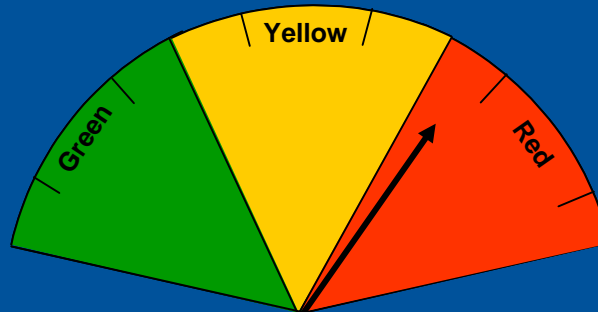
BAS Project Assessment Summary



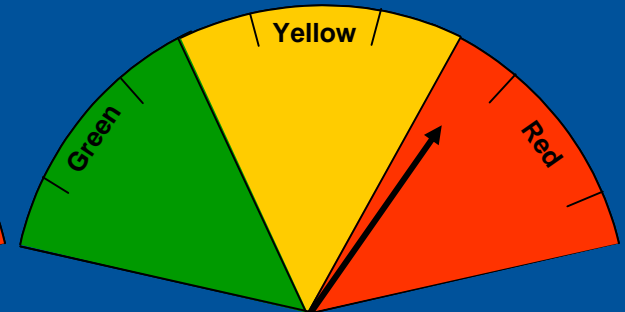
Remaining Overall Project (Phases 2 and 3)



Phase 1 - Complete



Phase 2



Phase 3

- There are 29 rated Categories.

Project Assessment Scorecard

Areas of Potential Risk	#1 Jun 08	#2 Aug 08	#3 Nov 08	#4 Feb 09	#5 Apr 09	#6 Jun 09	#7 Aug 09	#8 Nov 09	#9 Feb 10	#10 Jun 10	#11 Aug 10	#12 Dec 10	#13 Feb 11	#14 Apr 11	#15 Jun 11
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	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

High Risk  Medium Risk  Low Risk 

- Remaining M&O Support hours consumption is being closely monitored using the hours tracking tool.
- M&O Support hours for future years has been approved in the new EUTF budget; but must be included in the Vitech contract.
- The prioritization and complexity of the Age 26 change delayed the execution of Phases 2 and 3 tasks.
- A new Vitech Project Manager (PM) was approved in June 2011. He is also serving as Vitech's ERS PM.
- EUTF resources are not assigned full-time.
- A new EUTF resource will be hired and allocated at a minimum of 75% in support of the Phase 2 and 3 organizational change management activities.

Project Assessment Scorecard

Areas of Potential Risk	#1 Jun 08	#2 Aug 08	#3 Nov 08	#4 Feb 09	#5 Apr 09	#6 Jun 09	#7 Aug 09	#8 Nov 09	#9 Feb 10	#10 Jun 10	#11 Aug 10	#12 Dec 10	#13 Feb 11	#14 Apr 11	#15 Jun 11
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	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

High Risk  Medium Risk  Low Risk 

- The volume of User Acceptance Testing continued due to Supplemental Contract tasks.
- Organizational Change Management for the Beta Employers in Phase 2 has been delayed due to the EUTF workload and the Age 26 change.
- The impact of external influences continues to redirect staff time away from Phase 2 and 3 activities.

Deliverables Review

- Gartner assessed the following Deliverable Expectations Documents (DEDs) and Deliverables and provided recommendations:
 - **Change Order 13 Dependent Age 26 Rules Using Parameters In Production - *Reviewed***
 - **EUTF Change Request Documents - *Reviewed and Approved***
 - **V3 Support Process - *Reviewed***
 - **Business Continuity Plan - *Reviewed and Approved***
 - **Project Status Reports and Project Schedule - *Reviewed***
 - **M&O Support Hours Tracking Tool - *Reviewed***

Meetings Support and Participation

- Gartner supported/attended the following BAS Project meetings:
 - EUTF Board of Trustees Meeting - recommendations for risk mitigation
 - Project Management Team Meetings - ongoing recommendations
 - Project Oversight Planning Meetings - focus areas
 - Project Assessment Review Meetings - validation and recommendations
 - **Phase 2 and 3 Planning Meetings - historical knowledge and planning recommendations**
 - **Vitech Project Manager Transition and Approval Meetings - recommendations and vendor relationship support**

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 **Final** Project Assessment and deliver Project Assessment Report 16.



■ ■ ■ ■ **Contact Information**

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