State of Vermont
Joint Fiscal Office

Independent Review
of
State Information Technology Projects, Operations, and Organizations
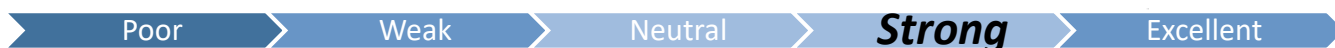# (H.492 Sec. 36 / H.519 Sec. 32/33)

Consolidated Summary

September 28, 2018

Prepared by:

Daniel Smith

P&C Software Services, LLC

The following sections describe those IT Projects and Operations that are being evaluated and monitored by the Legislative Joint Fiscal Office (JFO). In each case the process begins with a formal review that is usually, but not always, conducted by the JFO. For example, in the case of Health Information Technology Activities (section 6), the most recent evaluation was conducted by an external contractor, HealthTech Solutions. For most projects, once the initial review has been completed there may be one or more follow up reviews in the form of an Interim Update. These updates are less extensive than the original review, and are used when there have been significant changes in project direction, activities, or risks. For projects that are past planning stages and in the process of executing, there may not be a recent update if the project is generally on track. In all cases, the JFO continues to monitor project status through ongoing reviews of project management documents, status reports, independent reviews, and other documentation.

For the projects and operations listed below, evaluations are as of the current date (in this case September 28, 2018) and are based on the most recent documentation and information. These evaluations may be better or worse than those contained in the most recent formal review, whether a complete initial review or an Interim Update. For the most part, those projects that are facing challenges (Neutral or Weak ratings) are experiencing difficulties due to limited resources or aggressive schedules, or both.

1. Agency of Human Services – Integrated Eligibility and Enrollment Project

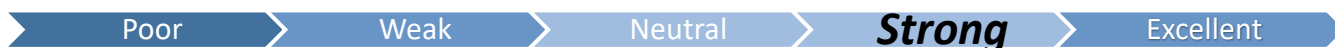| Poor | Weak | Neutral | **Strong** | Excellent |

Last Project Review: Interim Update of July 31, 2018. This project has improved over the past year, and continues to make progress. While there are still weaknesses and risks to be managed, the chance of achieving meaningful, measurable success is better than it has been since the IE&E program first began. The real test over the next six months will be whether the latest plans and actions result in quantifiable improvements to existing eligibility and enrollment business processes.

2. Agency of Administration – ERP Expansion Project / Vision Upgrade

| Poor | Weak | **Neutral** | Strong | Excellent |

Last Project Review: Full Review of March 20, 2017. While basically sound, this project has experienced significant schedule slippage over the past six months. Project status reports haveindicated that a majority of project tasks were not completed on time, and while the most recent report shows improvement challenges remain. The good news is that while there are concerns regarding schedule, the upgrade is meeting technical expectations. Unless something changes during the next six months, the likely outcome is that the project will achieve the original goals, but not within the original schedule.

3. Agency of Human Services – Vermont Health Connect Operations

| Poor | Weak | Neutral | **Strong** | Excellent |

Last Operations Review: Independent Review of VHC (SSG) December 17, 2016. During the past year VHC has significantly improved operations, and monthly Key Performance Indicator reports show most metrics as meeting organizational goals. The recent Open Enrollment period concluded successfully, and there are no significant issues. However, as pointed out in the 12/17/2016 SSG review, long term success is not guaranteed due to innate structural weaknesses of the system, as well as concerns regarding funding and supportability. While additional improvements may be implemented as part of the IE&E project, given the uncertainty regarding the future of State Based Exchanges no further reviews of VHC are recommended at this time.

4. Judiciary – Next Generation Case Management System Project

Poor	Weak	Neutral	*Strong*	Excellent

Last Project Review: Interim Update of September 30, 2017. This project continues to be strong, in that it is remaining in scope, on schedule, and within budget. Significant activities this year will include the first trial implementations which will provide insights into actual successes. The only major concern at this point is that although the project is actively progressing through development and implementation it has not yet been fully funded. The next project review should be performed as an Interim Update, and is tentatively scheduled for December 31, 2018.

5. Department of Labor – Unemployment Insurance Modernization Project

Poor	*Weak*	Neutral	Strong	Excellent

Last Project Review: Full Review of January 23, 2017. This project is structurally strong in that it builds on a proven solution from another state and does not require any Vermont funding. However, lack of sufficient resources for software development continues to negatively impact the schedule, and challenges regarding multi-state governance contribute to project risks. Additional resources have been approved, and if they can be found and effectively integrated into the project over the next several months the status should improve. Barring significant changes in status this project should not require an additional review during the upcoming year.

6. Health Information Technology Activities (HIE/HIT/VITL)

Poor	Weak	*Neutral*	Strong	Excellent

Last Review: Independent Evaluation of Vermont HIE/HIT (HealthTech Solutions) of November 10, 2017. This evaluation was required by Act 73 of 2017, and while it did not result in an overall grade or score the content of the report indicates that it should be somewhere between Weak and Neutral.

Following the submission of the HIT/HIE evaluation, the Legislature enacted H.901/Act 187 ("An act relating to health information technology and health information exchange"). This act was intended to address the findings of the November 2017 evaluation, and requires the Department of Vermont Health Access (DVHA) and Vermont Information Technology Leaders (VITL) to perform various actions over the 2019 fiscal year. These actions include:

- Submission of a work plan "detailing the process by which the Department and VITL shall implement the recommendations of the health information technology report". This work plan is also to include a timeline of tasks to be completed and clear objectives to be met;
- Submission of a contingency plan to be used if DVHA/VITL are unsuccessful in addressing the recommendations of the HIE/HIT evaluation;
- Submission of bimonthly reports starting on May 1 2018 which provide updates on progress made in implementing the report recommendations;

As of September 27 2018, DVHA and VITL have performed these actions. All reports and plans are available on the Legislature's reports and research page (https://legislature.vermont.gov/reports-and-research/find/2016), and can be located by entering "Health Information" in the "Refine Results" box.

My review of the work plan, contingency plan, and bimonthly reports indicates that DVHA and VITL are making good progress in addressing the recommendations of the HIE/HIT evaluation and the requirements of H.901/Act 187. However, much of the work to date consists of planning and the initial execution of those plans. The true measure of success will be when the new HIT Plan is complete and submitted, and the projects listed in the September 1 progress update have matured or completed. Those projects include:

- Building a Strategic Plan (target completion: December 31, 2018);
- Improving Board Governance (target completion: March 31, 2019);
- Improving Data Quality and Terminology Services (target completion: December 6, 2018);
- Implementing Easier Ways to Access Data (target completion: December 31, 2018);
- Increasing the Percentage of Patients Who Have Provided Consent (target completion: unknown);
- Reducing Duplicate Patient Records (target completion: December 31, 2018);
- Completing a Financial Performance and Operational Audit (target completion: September 30, 2018).

At this point my recommendation is to continue monitoring progress in addressing the HIE/HIT evaluation recommendations, with the expectation that most of the projects listed should be complete by the end of 2018. At that time, if progress is not sufficient to address the HIE/HIT report the contingency report should be reevaluated and the preferred alternative selected. While the alternative may not actually be implemented for some time (if at all), having it identified early will simplify planning during the upcoming legislative session.

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7. General – Agency of Digital Services Organizational Review

| Poor | Weak | *Neutral* | Strong | Excellent |

Last Review: Independent Review of ADS Reorganization (JFO internal / Draft) of December 30, 2017. The Joint Fiscal Office requested that an internal review of the DII/ADS reorganization be performed in order to determine whether this reorganization was effective, and also to review how this reorganization compared to similar efforts in other states. The essential finding was that this reorganization aligns well with other states, however it was too early to determine whether the reorganization is meeting expectations. The key recommendation from the review was that in order to both achieve and measure success, ADS must define specific high level goals, document the steps and schedule that will be used to achieve those goals, establish baselines of current performance, and identify metrics that will be used to establish progress against goals. Ideally this takes the form of an approved Strategic Plan, which serves both to guide the CIO in the performance of his duties, and as a way for Legislative committees to evaluate the performance of the Agency. The ADS Strategic Plan of January 12 2018 should be evaluated against those expectations.

Additionally, the FY 2019 Budget Bill included a requirement that the Joint Fiscal Office (JFO) Information Technology consultant report on the Agency of Digital Services' (ADS) planned Security Operations Center plan. This plan and the corresponding report are available on the JFO IT page (http://www.leg.state.vt.us/jfo/state_it.aspx) under the title "Independent Review of VT Security Operations Center Plan". To summarize, although there were concerns regarding the plan the report recommendation was that the plan be implemented with some restrictions.