Confidential

This is a follow-up email string from today's CO status meeting with the LFO and DAS (me and Ying). The status of the software was once again reported as 82% done (the same as the two previous meetings). That didn't surprise me at all, given where CO is on the software. That said, I liked their "soft/controlled" launch approach given the fact that the board will not move on the October 1 date. That said, CO's insistence that they are ready to go (manual, automated, or both) for everything on October 1, 2013 (including selling insurance) does confuse me some. Please take a look at the email string below (start at the very bottom) and tell me whether my concerns are valid or not. My concerns are not so much with the controlled launch approach (which is about their only option given the board's unwillingness to slip the "go-live" date), but rather the insistence that they are ready to go on everything, period (even if they have to do everything manually). This is the same approach that Carolyn Lawson proposed many months ago when she said that she could make the exchange work even if much of the software didn't work, by utilizing manual processes. Admittedly, manual is a workable approach, but given the fact that less than 8-9 weeks ago, CO wasn't even planning on having many, if any, manual forms to manually process, I don't see how CO can have all of these manual processes defined and in place in such a short timeframe (particularly when paper forms weren't even a major topic of discussion until the last few months).

In any event, we haven't seen any fallback plans, no manual process plans, and apparently the go/no-go decision (without a formal checklist or criteria) has already been made (they are going on October 1). When we last talked to Rocky, formal plans were going to be put together on all of this. When you consider that we're still at 82% done (and possibly holding there for a while), Oracle is struggling getting the software regions up, testing is lagging behind where it should be, we're really 4-5 months behind where we need to be, and we are getting down to 45 days for "go-live," I begin to get concerned.

As you are aware, CO is not obliged to even talk to either DAS and the LFO at this point. Everything has been turned over to CO from OHA/DHS, so effectively, the LFO and DAS are out of the loop. That said, they've been gracious in updating us on their status and listening to our concerns, and Ying and I really want to help them to be successful. Sometimes that requires bringing up problems that folks don't want to look at or address. I want to be respectful of the great work that they've done to date, but I do believe that they are going into production with major, major risks; and I'm not sure that hitting October 1 is nearly as important as coming up with a quality set or products/services/processes/etc.

Am I just being paranoid (or simply don't understand where they're really at nor what they are trying to do), or are my concerns above and in the email string below valid. Either way, there isn't much that I can do, but I will ultimately have to brief my superiors (and probably key legislators), and I

want to make sure that I am being objective and fair. We don't want people overly worried, but we also need to make sure that they are aware of the potential risks that the state is facing on going live on October 1, 2013 (given our current state and associated risks).

Your thoughts (in confidence) would be appreciated.

Bob C.

From: Cummings Bob
Sent: Wednesday, August 14, 2013 3:56 PM
To: delaRosa Triz
Cc: KWONG Ying K * CIO; ashelton@coveroregon.com
Subject: RE: CO Launch Plan
Sensitivity: Confidential

OK. I just wanted to make sure that folks down my way don't get the wrong impression. If we tell them we are fully ready to do everything, they will assume that this means that our software is fully ready and that other than going through the partners for a few weeks, everything is good to go period. IF they hear that there still is 20% remaining software work and that development and testing are still in progress (even on the core registration software), they will probably have a problem reconciling our assertion that we are fully ready, yet still working like crazy on the software. That said, from this morning's meeting, it was clear to me that the software is a long ways from being ready for what is needed on January 1, 2014. I realize that things can be done manually to make up for missing software, but any inability to be able to store customer data in an automated database (i.e. the core software doesn't work, or doesn't work write), is not something that can be done efficiently manually (at least not overnight).

What I'm hearing you say is that whatever state the software is in, that CO will be able to provide all services/products needed on both October 1 and January 1, 2014, on OCTOBER 1. Apparently, this ability to be fully ready now on both registration and insurance purchase (and any other key business function needed on January 1, 2014) is based upon the fact that CO has put into place manual procedures that can conceivably do everything that is needed for registration and buying insurance, regardless of the state of the exchange software.

That said, I heard Amy state that she felt that the core software needed to support registration was working well enough that your partners could use it to help get folks registered during the initial weeks, and apparently it is stable enough, that after the first couple of weeks "hand holding," that it is likely that CO will open up the portal to the public. I assume that this is a foundational assumption in your go-forward plan for October 1, 2013. However, I didn't hear Amy say that the rest of the software/interfaces/shared services/etc. needed for business needs after October 1 were fully ready in the new software.

Either way, if all of this is correct, than apparently CO has developed sufficient manual backup plans that will allow it to do all required business on October 1 (i.e. registration) AND in addition, backup manual business functions are apparently in place that could allow CO (or its partners) to assist

customers in immediately buying insurance also on October 1 (either directly from the insurers themselves or with the manual assistance of your partners).

In any event, not being involved on a day-to-day basis makes it a little difficult for me to fully understand how CO can be ready to do everything when so much is left to be done on the software, nor have we have seen any of the fallback plans (or manual process documentation). In addition, it isn't clear how all this data can get stored in the CO automated databases (if the core registration software doesn't work) OR when nearly 20% of the work needed to complete all the software for January 1, 2014 is still not completed and tested. I'll have to assume that CO has built some very robust manual backup processes to "fill out" any automated services that are not fully developed and/or tested and, that if the automated systems fail, that the manual application forms will be essential in "storing" data until such time as it can be loaded into the CO automated databases.

In any event, that's my two cents worth. Thanks again for your time today and the additional clarification.

Bob C.

From: delaRosa Triz [mailto:tdelarosa@coveroregon.com]
Sent: Wednesday, August 14, 2013 3:17 PM
To: Cummings Bob
Cc: Shelton, Amy; KWONG Ying K * CIO
Subject: RE: CO Launch Plan
Sensitivity: Confidential

Bob...I will try and make this simple:

Opening with all services/products means Cover Oregon is prepared to offer individual/medicaid/SHOP services/products through the portal and manually on 10/1.

Initially individuals and employers will have access to these services/products on the portal through our partners for the first several weeks. We are just reducing numbers coming in the portal door but the services and products are there.

Does that help?

Again, this is not just about the technology. We will be "ready to do business on everything" manual or automated.

October 1, individuals/employers will be able to "purchase" through the exchange via a community partner or agent.

Triz delaRosa | Chief Operating Officer | **Cover Oregon** | 16760 SW Upper Boones Ferry Rd Suite 200 | Durham, OR 97224 | Direct: 503.373.9402 | Cell: 503.551.1818 | tdelarosa@coveroregon.com | www.coveroregon.com

---

From: Cummings Bob [bob.cummings@state.or.us]
Sent: Wednesday, August 14, 2013 2:45 PM
To: delaRosa Triz
Cc: Shelton, Amy; KWONG Ying K * CIO
Subject: RE: CO Launch Plan

Triz:

I assume that when you say that "all services/products will be available October 1," that you mean that the <u>minimum services required to enroll people</u> will be available (automated, manual, or both), and that later on (October 15, November 15, December 15, and January 1), that any additional services and products that will be needed by those dates will also become available. This also allows CO to utilize October – December to complete additional software releases, to test new releases, to do a more thorough UAT (of at least any new releases), and to fix any problems that are found during "production testing" that will occur during October-December 2013.

The reason that I make the distinction, is that while we will be able to enroll people on October 1, 2013, not all of the fully tested automated services and interfaces that we'd hoped to have available on October 1 will be available. Amy's schedule clearly showed that there is a lot more to do between now and October 1, and that it simply won't all get done (much of which is probably not directly related to the basic enrollment process). That said, apparently there will be enough of the automated services and manual services available for core registration processes, that through the controlled "launch" through CO partners in the field helping register people, that CO can begin/complete the registration process (ideally using key components of the automated system by the field specialists), and the basic need to get people registered on October 1, 2013. can be handled. That said, if for some reason, the basic IT core registration software isn't available (or working right), than CO can have people manually fill out the 20-page forms (with help out in the field), and at least begin the registration process.

I would caution saying that "all services/products will be available October 1," because it implies that CO is fully ready to do business on everything (in a fully automated manner) on October 1. While it may be true that for basic registration, that CO is indeed fully ready, folks could infer from this statement that a lot more will be ready on October 1, than may be (i.e. the additional items that may be needed between October and January). For example, I don't believe that the ability to actually buy an insurance policy will be available on October 1 (January 1, 2014 is the requirement for this service), nor will all of the automated processes and associated interfaces be fully ready on October 1 (just the ones needed to provide the basic registration processes through the controlled launch approach). Full security may also not be fully implemented on October 1, 2013.

My concern is that people may read far more into the "all services/products will be available October 1" than they should. On October 1, we will be open for business with a focus on registration, utilizing a combination of core automated processes, manual processes, paper forms, and a controlled registration approach which restricts the public from the CO portal and forces them to work through trained specialists around the state to get enrolled. If the core automated processes for registration are found to <u>not be robust enough</u>, <u>or tested enough</u>, to be utilized via the controlled registration process, than CO can fall back to a fully manual process utilizing the 20-page application form process (and then hold the registration applications, or ship these forms to Durham, for input into the automated system at a later date, once any major software glitches are fixed).

That's what I came away with today, and why I am concerned about simply stating that "all

services/products will be available October 1" without some clarification as to what "all services/products" actually means.

Are my "takeaways" from this morning's meeting correct, or am I missing something?

Bob C.

Robert L. Cummings, Ph.D.
Principal Legislative Analyst - IT
Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, OR, 97301

Phone: 503-986-1841
FAX: 503-373-7807

From: delaRosa Triz [mailto:tdelarosa@coveroregon.com]
Sent: Wednesday, August 14, 2013 2:00 PM
To: Cummings Bob; KWONG Ying K * CIO
Cc: Shelton, Amy
Subject: RE: CO Launch Plan

You are both welcome. Again, we are opening our doors and all services/products will be available October 1.

Triz delaRosa | Chief Operating Officer | **Cover Oregon** | 16760 SW Upper Boones Ferry Rd Suite 200 | Durham, OR 97224 | Direct: 503.373.9402 | Cell: 503.551.1818 | tdelarosa@coveroregon.com | www.coveroregon.com

---

From: Cummings Bob [bob.cummings@state.or.us]
Sent: Wednesday, August 14, 2013 1:51 PM
To: delaRosa Triz; KWONG Ying K * CIO
Cc: Shelton, Amy
Subject: RE: CO Launch Plan

Thanks!

From: delaRosa Triz [mailto:tdelarosa@coveroregon.com]
Sent: Wednesday, August 14, 2013 11:27 AM
To: Cummings Bob; KWONG Ying K * CIO
Cc: Shelton, Amy
Subject: CO Launch Plan

Here is the press release that outlines our plan:

Cover Oregon will be rolling out the following plan in October:

• Starting Oct. 1, individuals and small businesses will be able to apply for health insurance through

an insurance agent or community partner, including Tribal organizations, who has been certified with Cover Oregon.

- Community partners and agents will have access to the Cover Oregon "portal" (the online application and enrollment system), where they will help customers apply for financial help, compare plans and enroll in health coverage.
- Staff at the Cover Oregon Service Center will be available to answer questions and report any issues identified by community partners and agents to our technical staff. They also will refer individuals and small businesses who want to start enrolling to community partners and agents.
- Later in October, Oregonians will be able to apply online directly through Cover Oregon without the assistance of community partners or agents, if desired.

"It's not uncommon for technology projects of this importance to launch in phases," said Triz delaRosa, Chief Operating Officer of Cover Oregon. "We're opening on time with all of the planned features for individuals and small businesses. And, by launching through our network of trained agents and community partners, we can correct bugs, fine-tune the process and ensure the shopping experience is easy and seamless now and into the future."

Enrollment opens Oct. 1 and continues for individuals through March 31, 2014. Coverage does not begin until Jan. 1, so consumers have plenty of time to go through the application and shopping process.

Working with agents and community partners is free. To find certified agents and partners, call our Service Center at **1-855-CoverOR** (1-855-268-3767) or visit **CoverOregon.com** in September.

Triz delaRosa | Chief Operating Officer | **Cover Oregon** | 16760 SW Upper Boones Ferry Rd Suite 200 | Durham, OR 97224 | Direct: 503.373.9402 | Cell: 503.551.1818 | tdelarosa@coveroregon.com | www.coveroregon.com