

Rapid Intervention Drives Health Plan's Enterprise System Replacement



Due to exponential membership growth and changing operational needs, a major Medi-Cal and Medicare health plan needed to switch from its core legacy managed care and claims processing system, used since the mid-1990s, into a modern, robust and functional system. The project needed to be completed within 18 months. Plans for the changeover were not progressing as needed.

When confronted with an obstacle, pause and reflect on the best course of action, then act quickly and decisively.

That was the course taken by a fast-growing major Medi-Cal and Medicare health plan, which had grown more than 1,800% in 20 years, as it faced multiple issues when installing and introducing a substantial new managed care system across its enterprise. Below highlights the critical program management activities that enabled this health plan to quickly and effectively overcome its barriers.

Problem to Solve

Due to exponential membership growth and changing operational needs, the health plan needed to switch from its core legacy managed care and claims processing system, used since the mid-1990s, into a modern, robust and functional system. The project needed to be completed within 18 months to meet the health plan's strategic business goals. Plans for the changeover were not progressing as needed to meet the desired timeline. After six months of limited progress, the health plan knew it needed external help.

The health plan engaged Freed Associates (Freed) to objectively assess and review its changeover plans and progress to-date. Based on Freed's recommendations, the health plan's leaders realized they would need to make several process, policy and personnel changes to ensure project success.

Strategy

To identify the course corrections needed to help the program changeover succeed, the engagement began with a thorough, independent review of all project activities to-date. This included interviewing all relevant stakeholders and reviewing system documentation and workflow plans. Six months into the system changeover proved to be an optimal time to revisit the existing program structure and processes, as it revealed what parts were working well and most critically, what was not.

The review of the project and affiliated works streams revealed multiple issues with each of the client's four critical component areas. The primary issues were:

1. **Unclear deliverables** – The business requirements process/documentation was insufficient, the issues log was not actively managed, and there was a poorly developed system conversion plan.
2. **Substandard program management** – The program lacked a singular leadership focus and emphasis on program management best practices. Program execution was not aligned with goals, there was no integrated work plan, resource plan or executive-level status reporting in place, and risks and issues were not being actively managed.
3. **Resource challenges** – The software and integrator lead personnel were not working together effectively, some teams were understaffed, and program management support for analysis and reports was lacking.
4. **Insufficient technical management** – The proof of concept and production build were occurring simultaneously, risking resource conflicts and go-live distractions, and there was no published current state architectural diagram or future state diagram to drive the designs.

If the client did not immediately make changes regarding these issues, there would be delays in system testing and go-live dates and a risk of reduced scope. Additionally, it could be foreseen that the health plan's internal resources would soon burn out due to the stresses imposed by these issues, and leave the project and/or the organization, negatively impacting deliverables and timing.

Several project changes were recommended, including restructuring the project, replacing the program manager and enhancing the program team's governance and reporting structure. Additionally, the client needed more administrative help for the program manager role, and IT personnel needed to take a greater lead in working with the project and its affiliated teams.

Results

By redefining and overhauling the organization's program management, and having Freed assume the role of program manager and system integrator overseeing 200+ personnel, the client put its system installation back on track to meet a revised implementation deadline. The major wins included:

1. **Integrated deliverables** – Identified critical path tasks and properly sequenced program deliverables across project teams to ensure focus on the right work. Employed an integrated resource plan to manage and adjust program resources and ensure the right people worked on the right tasks.
2. **Clarified communication and program governance** – Effectively managed project communication to prepare stakeholders for the new system and processes, reinforcing execution and goals alignment. Additionally, clarified key staff roles and responsibilities and identified appropriate oversight, risk management and change management steps. This included managing the project's command center via a "feet on the floor" support model and daily user huddles. It also included tracking and reporting on more than 3,700 support tickets during the first two months after go-live.
3. **Enhanced resource performance** – Replaced the original system integrator and implemented quality practices and standards that were consistently measured and reported on a weekly basis. Determined agreed-upon program performance metrics to improve the understanding of project progress and challenges. Ensured resource levels were appropriate and available.
4. **Managed technical standards and specifications** – Ensured that software development lifecycle best practices and standards were in place and that technical work was managed

Conclusion

The health plan succeeded by restructuring its program management office, implementing best program practices to optimize performance, and ensuring accurate and timely executive reporting on all plans, dependencies, resource issues and scope changes. As many of these program oversight, change management and leadership enhancements were new to the client, Freed's main role was to recommend, develop, implement and model the desired changes. Freed also provided post-go-live program management support to stabilize the system and help the client quantify operational results, and delivered reusable tools, templates and reports to support the client's current and future projects.