



CASE STUDY: IMPLEMENTING ONE OF THE NATION'S FIRST INTEGRATED MANAGED CARE CONTRACTS

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Authors Note: *This case study is based on a real-world case that instructors of the Health Insights Hub were a part of. The name of the organization, location and other identifying details have been changed to protect the anonymity of the client.*

INTRODUCTION AND BACKGROUND

ABC Corp is one of the nation's first fully integrated physical health and behavioral health managed care organizations serving individuals with serious mental illness. They were awarded a contract by a State Medicaid Authority that covered approximately one-million lives, including approximately 50,000 individuals with serious mental illness, 40,000 children/youth with severe emotional disturbance, and roughly 910,000 individuals with general mental and/or substance use conditions. The contract was estimated to be worth \$4 billion per year for three years.

PROJECT PURPOSE

The purposes of this project was to successfully demonstrate readiness for contract go-live following a six-month implementation period offered by the State Medicaid Authority. To demonstrate readiness, ABC Corp was required to develop all deliverables necessary to operationalize the contract and associated attachments. Deliverables comprised approximately 5,000 artifacts including over 200 policies and procedures, training curriculum, desktop protocols, Member materials, Provider materials, Provider contracts with 5,000+ entities, hiring and onboarding approximately 500-staff, successful testing of all information technology systems and a robust plan to ensure continuity of care to seamlessly transition one-million Members.

METHOD AND APPROACH

Below we provide a summary of how the project management process groups and knowledge areas were used to achieve project success.

PROJECT INITIATION

Upon notice of contract award, ABC Corp defined a **project charter** and through preliminary stakeholder-identification, determined the need to **procure** a third party-consulting firm to support internal leadership with the implementation. Members of the Health Insights Hub team served as consultants for this project.

PROJECT PLANNING

Collectively, the internal team and consultants developed a high-level **project management plan**, discussing roles and responsibilities and the **communication management plan**, which were documented in the scope of work between ABC Corp and the consulting team.

PROJECT EXECUTION

The executive leadership, internal team and consultants facilitated a project kick off meeting with approximately 120 participants, including all affected stakeholders and individuals needed to remain 'in-the-know' to review the high-level project charter and project management plan. Following the project kick off meeting, project activities commenced immediately; as described below.



Project Scope Management. Project scope was defined using the define, measure, analyze, improve, control (DMAIC) framework from LEAN Six Sigma. They **collected requirements** by reviewing the contract terms and conditions, contract scope of work, attachments, and a readiness requirements document provided by the State Medicaid Authority, totaling over 2,000 pages of requirements. Requirements were entered into a compliance matrix and were then translated into a list of deliverables/outputs, **defining the work breakdown structure**. Once deliverables were defined, the consultants developed an **activities list** to estimate the work needed to develop each deliverable.

Project Schedule Management. Activities **durations were estimated**, and **activities were sequenced** and then **scheduled** based on activity relationships. This activities list included the requirements to ensure that all deliverables met requirements and to prevent risk associated with misunderstanding requirements.

Project Cost Management. Project costs were managed by ABC Corp's executive leadership and was not in scope for the project team. ABC Corp is administered by a Fortune 100 company who were fully committed to the project's success and did not impose strict budgetary limitations to launch this new line of business.

Project Quality Management. Project quality was embedded a responsible, accountable, consulted and informed (RACI) matrix into the activities list, such that every deliverable was assigned to an individual who was responsible to produce the output; identified the accountable entity to review and approve the output, along with parties to consult and keep informed throughout the development of the output. This approach seamlessly aligned **quality management, stakeholder management** and **resource management** within the project activities list.

Project Resource Management. Project resources were managed internally by ABC Corp's executive management team. As a local incumbent health plan, they leveraged existing staff and immediately on-boarded key personnel for the new health plan to lead and guide the implementation of the new contract requirements. As needed, they engaged resources from their national health plan administrator and leveraged the master services agreement with the consulting firm to on-board and off-board additional consultant-resources to support period of high-activity and highly specialized subject matter expertise. Throughout the course of the implementation, over 100-internal staff and approximately 30-consultants were engaged to support this project.

Project Communication Management. Communication took place through a variety of modalities, including:

- **Global Project Status Meetings.** ABC Corp held global project status meetings no less than weekly with the 30+ business owners and project management staff.
- **Functional Area Status Meetings.** Project work was divided across functional areas; largely aligned to the various departments within the organization. Functional area teams held dedicated status meetings, typically weekly.
- **Working Sessions.** Business owners, subject matter experts and project coordinators held ad hoc working sessions to develop deliverables. These meetings often included a problem to be solved for, a facilitator and subject matter experts to help generate potential solutions.
- **War Rooms.** the senior leadership team routinely held 'war room' SCRUM style-stand up meetings that focused on addressing project risks. These 'war room' meetings ebbed and flowed based on the evolving risk of the project; at times they were held daily for a sprint-cycle (approximately two-weeks); and other times they were held three-times per week.

Project Risk Management. Risks to the project were continually **identified, analyzed** and **responded to** throughout daily activities. As project risks were identified, they were documented on a risk, assumptions,



interdependencies, decisions and questions (RAIDQs) log, that was managed by the project team. The RAIDQs log included description of requirements referenced, a description of the RAIDQ, who submitted the RAIDQ, the date, and who was responsible to provide a response. The project team then routed RAIDQs to the appropriate party. The responsible party conducted **qualitative and quantitative analysis of risks**, reviewed best practices and convened subject matter experts to **identify risk mitigation strategies**. When risk mitigation strategies were provided, they were documented on the RAIDQ log and submitted directly to the submitting party for implementation; and closing the loop. Through this process, over 200 risks were successfully managed during this project.

Risk Management: Contract Award Protest and Stay of Implementation

Shortly after the contract was awarded, the incumbent, who lost the contract, filed a legal protest of the contract award, as allowed by Arizona Procurement Law. Three months into the six-month project implementation, a judge ordered that the State suspend all implementation activities and ordered a firewall prohibiting the State from coordinating with ABC Corp about the implementation, which ended up lasting six months.

Despite being prohibited from coordinating with the State, ABC Corp continued implementation activities, but was unable to ask clarifying questions, obtain feedback, nor get approval of any produced deliverables, introducing significant risk to project success. Due to the project extension, the project team was consolidated from a team of 30 consultants to five, who assumed responsibility to complete all project deliverables.

When the suspension was lifted, ABC Corp immediately convened with the State, provided a comprehensive update on project progress, submitted open questions, and revised the project activities list and schedule to align with the new go-live date of April 1, 2014.

Project Procurement Management. Procurements were managed both by internal executive leaders and the project team. Part of the project scope included contracting with 5,000+ health and behavioral health Providers, which required **defining individualized scopes of work, issuing requests for proposal(s), evaluating proposals, contract negotiations, executing contracts**, loading into the provider management system and testing to verify successful claims processing. The project team led these activities.

In addition to contracting with Providers, ABC Corp needed to procure consultants, health information technology, a new office complex for the additional 400-employees, and all related administrative technology (e.g. laptops, cell phones, copy machines, mobile hotspots, printers, office furniture etc.). Procurement needs were identified through the project team, then submitted to executive leadership for approval and then to the national procurement office for purchasing of these items. When equipment and supplies arrived, the project team helped configure and distribute them.

Project Stakeholder Management. Stakeholders were engaged throughout the implementation through:

- **Stakeholder Site Visits.** Throughout the implementation, executive leadership and members of the project team conducted dozens of site visits to local hospitals, health systems, Provider and stakeholder's facilities to discuss implementation updates, and obtain feedback.
- **Stakeholder Listening Sessions.** ABC Corp facilitated townhalls with stakeholders, including behavioral health Providers, Members, their caregivers, child welfare partners, justice partners, first responders, schools, and advocacy groups to provide updates and receive feedback on the implementation. Feedback from listening sessions was shared with the project team, ABC Corp Senior Leadership and Implementation Advisory Committee to be incorporated into project updates.



- **Implementation Advisory Committee.** ABC Corp launched an implementation advisory committee comprised Providers, health plan Members and their caregivers to review progress on the implementation and provide recommendations.

MONITORING AND CONTROLLING PROJECT SUCCESS

The project team monitored and controlled success through a variety of tactics:

- **Project Activities List Dashboard.** The project team configured a dashboard that was connected to the project activities list to track progress towards completion of all required deliverables. The dashboard tracked progress by functional area/department and by responsible party. The dashboard additionally tracked project risk status tied to each deliverable on the activities list, including the project schedule to identify deliverables that were behind schedule. As deliverables were submitted to the State Mental Health Authority, they received formal 'approval,' indicating they satisfied requirements.
- **Project Communication.** As described above, a series of project status and war room meetings were used to monitor and control project success.
- **RAID-Qs Log.** The risk, assumptions, interdependencies, decisions and questions log was used to track all concerns and needs that arose throughout the project. Each item was categorized and assigned a risk score so that it could be escalated to the appropriate party with the appropriate sense of urgency.

PROJECT CLOSURE

Once all project deliverables were submitted and approved by the State Medicaid Authority, the State then facilitated a formal readiness review. The readiness review included a multi-day site visit, interviewing staff to verify their knowledge and training of the contract requirements and full system testing to verify health plan Members could access medications when they went to the pharmacy, Provider claims would get paid and all data multi-directional data feeds were operating as intended.

Following the readiness review, ABC Corp received authorization and approval to go live on the scheduled go-live date and the implementation project was closed. Project resources were released to return to their on-going daily duties or to support other projects. All project documents were submitted to the project management team for cataloguing and to be safely stored to inform future projects.

DISCUSSION

Throughout this project, the project team demonstrated exemplary use of the project management process groups, knowledge areas and associated tactics. The team applied agile principles to adapt to the evolving project environment, risks, to resolve feedback from the State Medicaid Authority and insights from project stakeholders. Despite the high-stress, fast-paced environment, the project team members worked through conflict and challenges as they arose; escalating team member-specific concerns to the management hierarchy within ABC Corp. Due to the legal-protest, project resources and the project schedule shifted dramatically. Thanks to the strategic decision to continue developing deliverables, once the stay of action was lifted by the court, ABC Corp was able to immediately re-engage with the State Medicaid Authority and swiftly continue meeting their expectations.