

# AHCA Florida Health Care Connections (FX)

## S-4: Strategic Project Portfolio Management Plan

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## Revision History

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Modifications to the approved baseline version (100) of this artifact must be made in accordance with the Artifact Management Standards.



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## SECTION 1 INTRODUCTION

### 1.1 BACKGROUND

The Florida Agency for Health Care Administration (AHCA or Agency) is adapting to the changing landscape of healthcare administration and increased use of the Centers for Medicare and Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA) to improve the administration and operation of the Florida Medicaid Enterprise. The current Florida Medicaid Enterprise is complex; it includes services, business processes, data management and processes, technical processes within the Agency, and interconnections and touchpoints with systems necessary for administration of the Florida Medicaid program that reside outside the Agency. The future of the Florida Medicaid Enterprise integration is to allow the Agency to secure services that can interoperate and communicate without relying on a common platform or technology.

The Florida Medicaid Management Information System (FMMIS) has historically been the central system within the Florida Medicaid Enterprise; functioning as the single, integrated system for claims processing and information retrieval. As the Medicaid program has grown more complex, the systems needed to support the Florida Medicaid Enterprise have grown in number and complexity.

The Medicaid Enterprise System (MES) Procurement Project was re-named Florida Health Care Connections (FX) in the summer of 2018. FX is a multi-year transformation to modernize the current Medicaid technology using a modular approach, while simultaneously improving overall Agency functionality and building better connections to other data sources and programs.

CMS released the Medicaid Program Final Rule: Mechanized Claims Processing and Information Retrieval Systems in December 2015. This final rule modifies regulations pertaining to 42 Code of Federal Regulations (CFR) 433 and 45 CFR 95.6111, effective January 1, 2016. Among other changes, this final rule supports increased use of the MITA Framework. The Agency documents its high-level plans to increase service interoperability and advance the maturity of the FX in accordance with the MITA Framework in the FX Roadmap. Considering the emerging guidance from CMS, the Agency released the initial Florida MES Procurement Strategy on May 2, 2016.

The *S-3: FX Strategic Plan* was refreshed in January 2020, including a comprehensive FX Roadmap to meet state statutory requirements to resolve the existing fiscal agent contract by December 31, 2024, and to maintain continuity of services. The FX Roadmap includes implementing projects that modernize existing functionality to transform the Agency's Medicaid Enterprise. The *S-3: FX Strategic Plan* furthers the transformation approach defining the FX Vision, guiding principles, strategic priorities, and the high-level tactics to transform the Medicaid Enterprise. The *S-4: Strategic Project Portfolio Management Plan* provides structure and organization to identify, select, prioritize, procure, track, and report projects aligned to the strategic priorities of the *S-3: FX Strategic Plan*:



1. Procure Strategic Enterprise Advisory Services (SEAS) Vendor to operate an Enterprise Project Management Office and provide strategic, programmatic, and technical advisory services to the state regarding system integration. The Agency contracted with North Highland to be the SEAS Vendor in September 2017 and Cognosante (now NTT Data) in November 2017 for Independent Verification and Validation (IV&V) services. The Agency and SEAS Vendor next developed enterprise governance, a strategic plan, and project management standards to be used by future projects. Details for these are documented in the SEAS deliverables below and support this *S-4: Strategic Project Portfolio Management Plan*:
  - a. S-1: FX Governance Plan
  - b. S-3: FX Strategic Plan, including the MITA Concept of Operations
  - c. P-2: FX Project Management Standards
  - d. P-3: FX Project Management Toolkit
2. Develop an Infrastructure with the procurement of an Integration Services and Integration Platform (IS/IP) Vendor and an Enterprise Data Warehouse (EDW) Vendor.
3. Enterprise Services Integration – This involves integrating business and technical services and data from various functions in the Medicaid Enterprise.
4. Module Acquisition – This includes the acquisition of the modular components needed to support the FX.

## 1.2 BUSINESS NEED

The Agency's business need for strategic project portfolio management services is to optimize outcomes and returns on investments from FX projects. The *S-4: Strategic Project Portfolio Management Plan* structure to portfolio decision-making to help achieve the Agency's mission and goals defined in the *S-3: FX Strategic Plan*. Portfolio management provides the Agency with a structured approach to look at *FX projects*, allowing leadership to economize and streamline its procurements and implementation of information technology (IT) systems. Strategic project portfolio management will also enable the FX Program to balance the many demands on the FX Program's resources.

## 1.3 PURPOSE

The purpose of this *S-4: Strategic Project Portfolio Management Plan* is to define processes for the identification, categorization, evaluation, selection, and prioritization of projects to accomplish the Agency's FX Program strategies. The processes defined in the plan consider the need to balance conflicting demands on human and fiscal resources, assets, and priorities. This plan describes the management support tools necessary to achieve the strategic objectives of the FX Program, managing and optimizing the portfolio of projects and programs, and to perform portfolio management processes, including measuring and reporting portfolio performance to FX Governance. The FX Portfolio includes projects, programs, and operations authorized and approved by FX Governance.





The *S-4: Strategic Project Portfolio Management Plan* aligns with the guidance of the Project Management Institute (PMI). PMI defines a portfolio as “a collection of projects, programs, subsidiary portfolios, and operations managed as a group to achieve strategic objectives.” PMI defines portfolio management as “the centralized management of one or more portfolios to achieve strategic objectives, as defined in the organization’s strategic plan.” The FX Portfolio’s management strategies, processes, and tools will leverage PMI guidance and insights.

PMI defines the continuous portfolio life cycle in four stages: initiation, planning, execution, and optimization. The interactions between these stages is not always linear and instead iterate between stages during the execution of the portfolio. Some of the activities within these stages have occurred through the development of the *S-3: FX Strategic Plan* and the *S-1: FX Governance Plan*. **Exhibit 1-1: Portfolio Life Cycle Stages and Activities** shows activities by portfolio life cycle stages specific to the FX Portfolio.

PORTFOLIO LIFE CYCLE STAGES	
Initiation	<ul style="list-style-type: none"> <li>▪ FX Portfolio charter (<i>S-4: Strategic Project Portfolio Management Plan</i>)</li> <li>▪ Strategy and management plan created (<i>S-3: FX Strategic Plan</i>)</li> <li>▪ FX Governance defined (<i>S-1: FX Governance Plan</i>)</li> <li>▪ FX Portfolio Roadmap</li> <li>▪ Value metrics (FX Outcome Framework)</li> <li>▪ FX Portfolio selection and prioritization criteria defined (<i>S-4: Strategic Project Portfolio Management Plan</i>)</li> </ul>
Planning	<ul style="list-style-type: none"> <li>▪ Yearly goals/objectives set (<i>S-4: Strategic Project Portfolio Management Plan</i>, FX Portfolio Roadmap)</li> <li>▪ Capacity and capability planning</li> <li>▪ Optimization of the FX Portfolio</li> <li>▪ FX Portfolio Roadmap refined</li> </ul>
Execution	<ul style="list-style-type: none"> <li>▪ Optimization of the FX Portfolio</li> <li>▪ Portfolio health reporting</li> <li>▪ Demand and resource planning adjustments</li> <li>▪ FX Governance decisions</li> </ul>
Optimization	<ul style="list-style-type: none"> <li>▪ Optimization of the FX Portfolio</li> <li>▪ Demand and resource planning adjustments</li> <li>▪ FX Portfolio closure (final activity)</li> </ul>

**Exhibit 1-1: Portfolio Life Cycle Stages and Activities**

The portfolio life cycle, shown in **Exhibit 1-2: Portfolio Life Cycle**, illustrates the iteration between stages. Through the execution of the *S-4: Strategic Project Portfolio Management Plan*, using the standards from PMI, aligning Agency efforts with the *S-3: FX Strategic Plan*, and using FX Governance through the *S-1: FX Governance Plan*, a framework for implementing and executing the FX Portfolio is formed.



**Exhibit 1-2: Portfolio Life Cycle**

This plan provides the framework for initializing the FX Portfolio by addressing the functions listed below:

- Methodology for portfolio management
- Processes and tools for portfolio planning, portfolio monitoring, and control
- Portfolio strategic management to document how FX projects should be prioritized, managed, executed, and measured to achieve strategic goals
- Portfolio governance management
- Portfolio communication management
- Portfolio risk management
- Portfolio performance management

#### 1.4 SCOPE STATEMENT

The scope of this *S-4: Strategic Project Portfolio Management Plan* is to define portfolio management processes in the System Strategy and Execution life cycle. The processes described in this plan are applicable to portfolio management of projects for FX establishing a structured, repeatable process to receive, track, prioritize, and plan FX projects that advance the Florida Medicaid systems. The *S-4: FX Strategic Project Portfolio Management Plan* emphasizes discussion of processes and the baseline tools to increase Agency maturity of



Project Portfolio Management (PPM). Foundational PPM components include the following: (1) establishing an inventory of projects for the portfolio; (2) defining portfolio management processes and responsibilities; (3) describing a comparative evaluation process for potential projects; (4) defining an outcome or value model for evaluation decisions; (5) establishing tools and processes to consider projects; and (6) identifying resource dependencies.

The PPM processes support decision-making and optimization of investments for projects aligned to the FX Program, organizational units, and the entire Agency. The plan assumes use of the described approach and processes are applicable for portfolios within the Agency. The FX Governance structure defines the specific scope of projects and the human and financial resources and assets required to achieve the portfolio's strategic objectives.

This *S-4: Strategic Project Portfolio Management Plan* uses standards from the Agency, Project Management Institute (PMI), and the SEAS Vendor for optimizing FX Program investments.

## 1.5 GOALS AND OBJECTIVES

The goals of this *S-4: Strategic Project Portfolio Management Plan* include:

- Goal 1 - Governance – framework to enable effective decision-making within the Agency and set executive direction of the FX Program
  - › Objective 1 – Direct the Agency to focus on those projects (modules) that support the execution of strategic initiatives.
  - › Objective 2 – Enable informed decisions and governance by bringing together project stakeholders, data, and processes into a single, integrated governance model.
- Goal 2 - Strategic Alignment – enable continuous alignment with program strategy
  - › Objective 1 – Guide Agency decision-makers to prioritize, plan, and control projects based on the FX strategy.
  - › Objective 2 – Maintain an inventory of projects aligned with the strategy and executive direction of the FX Program.
- Goal 3 - Risk Management – maximize portfolio value by managing risks
  - › Objective 1 – Evaluate risks (both positive and negative) across the portfolio. Develop and execute risk mitigation plans that achieve the portfolio's strategic goals and manage or eliminate the portfolio risks.
- Goal 4 - Capability and Capacity Management – optimize use of infrastructure, resources, and assets
  - › Objective 1 – Monitor resource capacity and capability across the portfolio to manage current resources and forecast future resource needs. Align the right resources to the right projects at the right time. This includes funding requirements for resources and projects.



- Goal 5 - Performance Management – track and monitor portfolio performance
  - › Objective 1 – Monitor and report the performance of projects, programs, and other portfolio components (items that can be measured, ranked, and prioritized) to confirm all are working to achieve the strategic objectives of the portfolio.
  - › Objective 2 – Initiate corrective action when there are deviations.
- Goal 6 - Benefits Realization Management – achieve desired Agency outcomes
  - › Objective 1 – Enable the investments in a portfolio to yield the expected value as defined by the S-3: *FX Strategic Plan*.
  - › Objective 2 – Monitor benefits realization and sustainment throughout the execution of projects and post implementation.

## 1.6 REFERENCED DOCUMENTS

Documents referenced to support the development of this plan include the following:

- *Project Management Institute's (PMI) The Standard for Portfolio Management, 3rd Edition*
- *PMI's The Standard for Portfolio Management, 4th Edition*
- S-1: FX Governance Plan available for review in the FX Projects Repository
- S-3: FX Strategic Plan available for review in the FX Projects Repository
- P-2: FX Project Management Standards available for review in the FX Projects Repository
- O-1: SEAS Management Plan available for review in the FX Projects Repository
- FX Portfolio Management Tracker (PMT) User Guide
- FX Portfolio Process Design



## SECTION 2 PROJECT PORTFOLIO MANAGEMENT (PPM) GOVERNANCE

### 2.1 GOVERNANCE

The *S-4: Strategic Project Portfolio Management Plan* relies on the execution of the *S-1: FX Governance Plan* for Agency functional and technical portfolio and program decisions. The SEAS Vendor interviewed Agency stakeholders to understand how to best customize an enterprise governance model for the Agency. That input shaped the initial *S-1: FX Governance Plan* and the *S-3: FX Strategic Plan*, which is updated as needed.

With a defined governance process over the portfolio of programs and projects, the following benefits are expected:

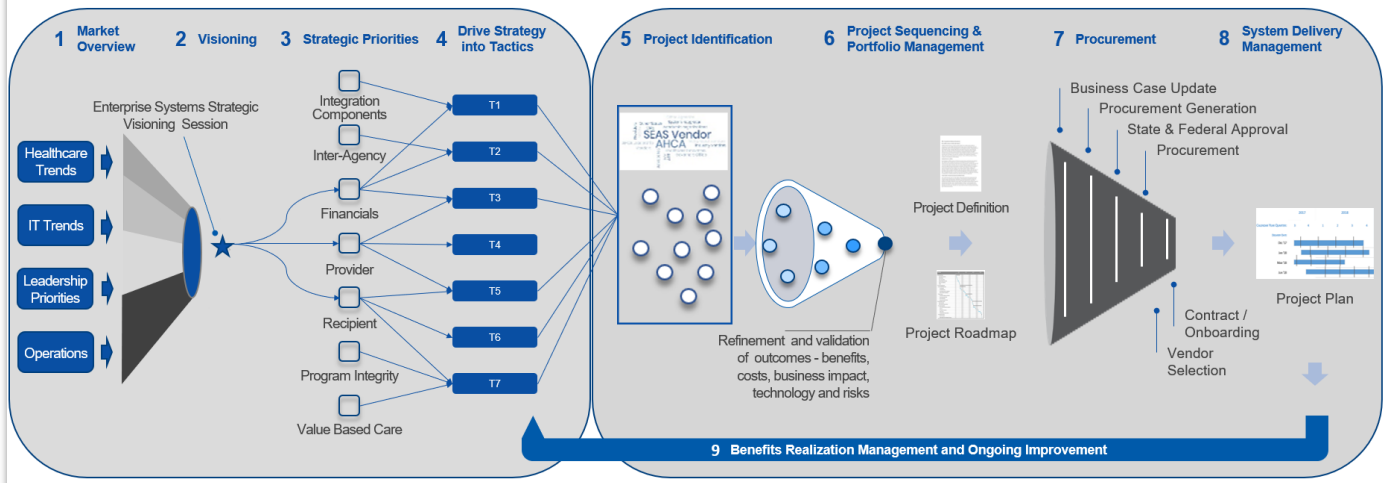
- Improved visibility and understanding of projects and their interdependencies
- Spending on projects or activities consider anticipated returns on investments
- Spending on projects or activities is aligned with organizational goals
- Improved capacity and capability management
- Reduced risk of failing to meet project budget and milestones
- Managed change when projects do not meet expectations

The escalation of decisions related to the *S-4: Strategic Project Portfolio Management Plan* are made by FX Governance groups defined in the *S-1: FX Governance Plan*. FX Governance establishes decision-making authority for the FX Portfolio with the responsibility for portfolio day-to-day management services to be performed by the SEAS Vendor and the FX Portfolio Manager. The *S-1: FX Governance Plan* directs the Agency to focus on those projects that support the execution of the Agency's strategic initiatives. The governance structure and details of FX Governance are found in the *S-1: FX Governance Plan*.

**Exhibit 2-1: System Strategy and Portfolio Management Execution Process** shows the phases of FX System Strategy and Execution activities. The *S-3: FX Strategic Plan* focuses on the first four phases, while phases 5.0 and 6.0 of execution are the primary focus of this *S-4: Strategic Project Portfolio Management Plan*. This *S-4: Strategic Project Portfolio Management Plan* provides inputs and monitoring for the remaining three phases: 7.0, 8.0, and 9.0. The decision-making authority throughout the strategy and portfolio management is defined in the *S-1: FX Governance Plan*. The FX Portfolio Management Process enables the system strategy, defines activities in execution phase activities, and provides guidance on key decisions for each phase (**Exhibit 2-2: System Strategy and Portfolio Management Phases**).

## SYSTEM STRATEGY

## EXECUTION



**Exhibit 2-1: System Strategy and Portfolio Management Execution Process**

PHASE	DEFINITION	KEY DECISIONS
1.0 – Market Overview	The collection of up-to-date information on the state of the Medicaid Management Information Systems (MMIS) vendor market, trends in the private health care and technology spaces, Agency executive leadership priorities, and the Agency’s internal operations, strengths, and challenges. The S-3: <i>FX Strategic Plan</i> bases its recommendations on these four factors.  Supporting Document: S-3: <i>FX Strategic Plan</i>	<ul style="list-style-type: none"> <li>No decisions needed</li> </ul>
2.0 – Visioning	To take advantage of healthcare and technology innovation, the SEAS Vendor collaborates with FX Governance to set the FX Vision, creating a consistent focus throughout the transformation.  Supporting Document: S-3: <i>FX Strategic Plan</i>	<ul style="list-style-type: none"> <li>Approval of vision</li> </ul>
3.0 – Strategic Priorities	Careful consideration by FX Governance of the challenges, opportunities, industry disruptors, and trends occurring in the market resulting in a documented selection of the top strategic priorities for the organization’s focus and investment.  Supporting Document: S-3: <i>FX Strategic Plan</i>	<ul style="list-style-type: none"> <li>Approval of strategic priorities</li> </ul>
4.0 – Drive Strategy into Tactics	Subject Matter Experts (SMEs) in the business areas identify relevant tactics and business needs that address strategic priorities. A tactic is an approach focused on outcome improvement in a strategic priority. The input from the SMEs shapes the tactical approach to meet the business needs. Tangible implementation projects are specific scopes of work that align with the tactics.  Supporting Document: S-3: <i>FX Strategic Plan</i>	<ul style="list-style-type: none"> <li>Approval of tactics</li> </ul>



PHASE	DEFINITION	KEY DECISIONS
5.0 – Project Identification	<p>The ideas for a solution to an identified business need aligns with the strategic priorities and tactics identified in the strategic planning phases are then brought to FX Governance for review and approval.</p> <p>Projects are defined as a scope of work or service with a clear objective and defined start and finish dates.</p> <p>Supporting Document: <i>S-4: Strategic Project Portfolio Management Plan</i></p>	<ul style="list-style-type: none"> <li>Approval to proceed with assessment</li> </ul>
6.0 – Project Assessment	<p>Ideas are considered for inclusion in the FX Portfolio. A project evaluation process analyzes the identified ideas, potential modular solutions, and potential projects on an ongoing basis. FX Governance is used to initiate and obtain decisions for proposed FX projects. The project evaluation validates if the idea warrants investment through consideration of multiple criteria (e.g., outcomes, demand, alignment, cost). The output of the Project Assessment Process is a business case.</p> <p>Supporting Document: <i>S-4: Strategic Project Portfolio Management Plan</i></p>	<ul style="list-style-type: none"> <li>Approval of business case for proposed project</li> </ul>
7.0 – Procurement	<p>Approved projects go through the processes to justify, select, and procure resources needed to implement the project. Previously approved projects may need to have a refresh of the business case, market scan, or review by approving organizations. Projects requiring additional resources (e.g., people, professional services, software, hardware) are procured and contracted for during this phase.</p> <p>Supporting Documents: <i>P-4: Medicaid Enterprise Certification Management Plan</i> and existing Agency Procurement Policies and Processes</p>	<ul style="list-style-type: none"> <li>Funding approval from state/feds</li> <li>Approval of Vendor Solicitation Package</li> <li>Approval of vendor award</li> </ul>
8.0 – Delivery Management	<p>The implementation of a modular solution or project. Project implementation focuses on achieving the defined benefits at the specified cost and schedule. Projects in the Delivery Management Phase represent Agency investment and are subject to ongoing review and confirmation that continued investment is justified.</p> <p>Supporting Documents: <i>P-2: FX Project Management Standards</i> and <i>P-4: Medicaid Enterprise Certification Management Plan</i></p>	<ul style="list-style-type: none"> <li>Resolution of issues related to scope, schedule, cost, and quality</li> <li>Approval for contract amendments</li> </ul>
9.0 – Benefits Realization Management and Ongoing Improvement	<p>Monitors the overall investments from the implementation of projects. Ongoing review of outcomes from the system strategy and execution processes identify and implement recommendations for changes to the processes or updates to strategic tactics or even priorities.</p> <p>Supporting Document: <i>S-4: Strategic Project Portfolio Management Plan</i></p>	<ul style="list-style-type: none"> <li>Adjust portfolio as decided through FX Governance</li> </ul>

## Exhibit 2-2: System Strategy and Portfolio Management Phases

### 2.1.1 GOVERNANCE DIRECTED PROJECTS

While the *S-1: FX Governance Plan* follows the path of *top down direction / bottom up solutioning*, there are times when FX Governance may be more prescriptive. In such situations, FX Governance may direct specific projects and their timing, and the FX Portfolio Manager will determine impacts to the portfolio and develop recommendations.



## 2.2 ROLES AND RESPONSIBILITIES

The roles and responsibilities will be revised through the confirmation, adoption, and future changes of the *S-1: FX Governance Plan*. **Exhibit 2-3: Roles and Responsibilities** provides the recommended roles and responsibilities of the FX Portfolio Management entities not included in the *S-1: FX Governance Plan*. The governance roles, responsibilities, and members are maintained in the *S-1: FX Governance Plan*.

ROLE	RESPONSIBILITIES
FX Governance	<ul style="list-style-type: none"> <li>▪ Refer to the <i>S-1: FX Governance Plan</i></li> <li>▪ Approve the FX Portfolio Roadmap</li> <li>▪ Confirm and recommend the inclusion or exclusion of projects in the FX Portfolio</li> <li>▪ Members serve as the Portfolio Sponsors and approve Agency funding, staffing assignments, and scope for projects in the FX Portfolio</li> <li>▪ Identify the Project Sponsor for approved projects</li> <li>▪ Identify the Project Lead and Contract Manager for approved projects</li> </ul>
Project Sponsor	<ul style="list-style-type: none"> <li>▪ Define initial scoping for a project before the project is approved or authorized</li> <li>▪ Identify business and value case for FX projects</li> <li>▪ Identify Agency staffing resource availability for the project</li> <li>▪ Confirm project alignment with strategic priorities</li> </ul>
Subject Matter Experts (SMEs)	<ul style="list-style-type: none"> <li>▪ Refer to the <i>S-1: FX Governance Plan</i></li> <li>▪ Provide input and support to planning, procurement, and implementation projects including activities during project identification</li> <li>▪ Support the develop of initial cost estimates during project preliminary screening</li> </ul>
FX Project Vendor(s)	<ul style="list-style-type: none"> <li>▪ Implement projects</li> <li>▪ Communicate with other vendors to develop and support solutions</li> <li>▪ Manage FX Project Vendor resources and budget (in accordance with contractual obligations)</li> </ul>





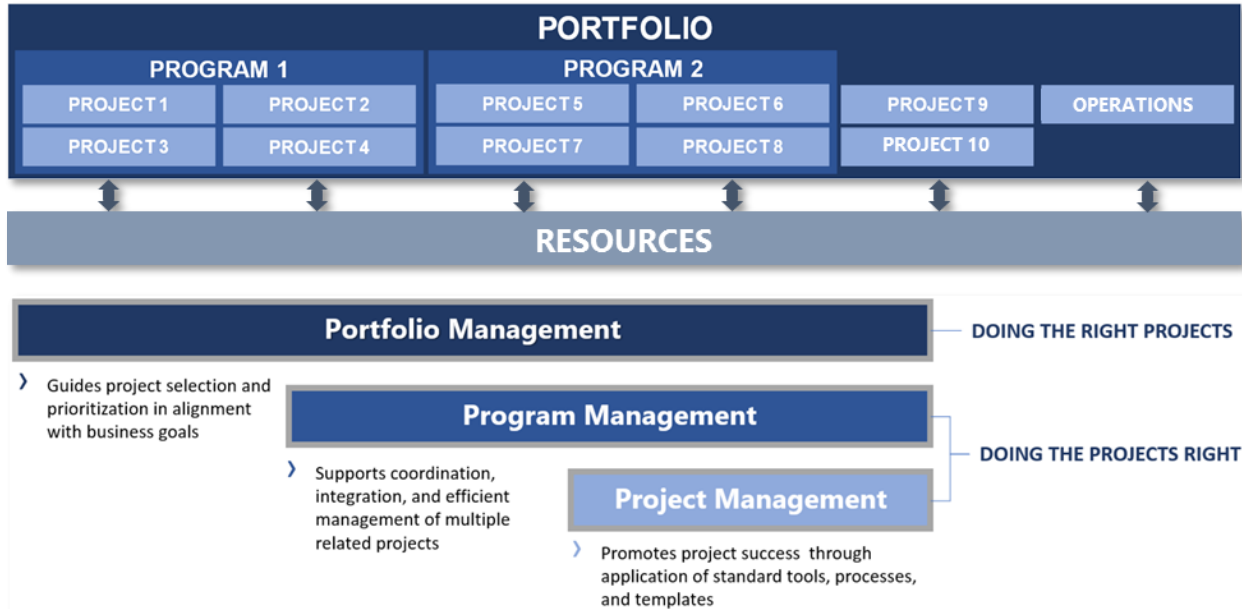
ROLE	RESPONSIBILITIES
FX Portfolio Manager	<ul style="list-style-type: none"> <li>▪ Manage and coordinate the FX Portfolio Management processes and tools</li> <li>▪ Perform the day-to-day management of the portfolio as authorized by FX Governance</li> <li>▪ Deliver proper communication and coordination in performing FX Portfolio Management processes</li> <li>▪ Collect, review, evaluate, and package information from components, programs, projects, and operations. Portfolio contents that can be measured, ranked, and prioritized are considered components.</li> <li>▪ Prepare and review performance, management, and information on resources, risks, performance, contracts, and financial information</li> <li>▪ Report to FX Governance on how portfolio components are aligned to and performing toward strategic goals</li> <li>▪ Provide recommendations for optimizing the portfolio</li> <li>▪ Update performance metrics as required</li> <li>▪ Lead and facilitate specific portfolio review meetings, such as finance, contract, performance, or resource bench needs with program and project managers to confirm program and project status and requirements</li> <li>▪ Review portfolio information for quality and compliance to the portfolio standards</li> <li>▪ Apply the planned scoring or weighting criteria for prioritizing portfolio projects</li> <li>▪ Monitor resource capacity and recommend the reallocation of resources</li> <li>▪ Monitor expected value and benefits (financial and non-financial) of current and proposed projects or work efforts</li> <li>▪ Identify portfolio projects to be approved, suspended, re-prioritized, or terminated via the portfolio authorization</li> </ul>
SEAS Vendor	<ul style="list-style-type: none"> <li>▪ Support the FX Portfolio Manager in the execution of the S-4: <i>Strategic Project Portfolio Management Plan</i></li> <li>▪ Work with project teams, including sponsors, to validate the scope of benefits realization activities and the approach to measure benefits</li> <li>▪ Facilitate the portfolio planning and coordination with FX Project teams and applicable SMEs within the Agency and other agencies</li> <li>▪ Coordinate with program and project managers on implementations</li> </ul>

**Exhibit 2-3: Roles and Responsibilities**

**2.3 PORTFOLIO, PROGRAM, AND PROJECT INTEGRATION**

Portfolios, programs, and projects need different management focus ranging from strategic to tactical. A project is a body of work or activities with a specific beginning and end date and a defined scope and budget, undertaken to create a unique product, service, or result. A program is a group of related projects with a common goal that are managed in a coordinated manner to obtain benefits not available from managing them separately. A portfolio is a collection of projects and programs that are managed as a group to achieve an organization’s strategic goals. **Exhibit 2-4: Portfolio, Program, Project Integration** depicts a portfolio structure, including program and project integration. The exhibit also identifies the respective focus of a

portfolio and the focus of a program or project. Details about FX Program and project integration can be found in the *P-2: FX Project Management Standards*.



**Exhibit 2-4: Portfolio, Program, Project Integration**

FX Governance provides strategic and policy guidance for the Agency. Those strategies are aligned with business and system priorities. The SEAS Vendor will establish an Enterprise Program Management Office (EPMO) and FX Portfolio Manager for future FX projects. The FX Portfolio Manager manages the portfolio in coordination with FX Governance. The SEAS Vendor will provide program management for FX projects in the FX Portfolio as directed by FX Governance.



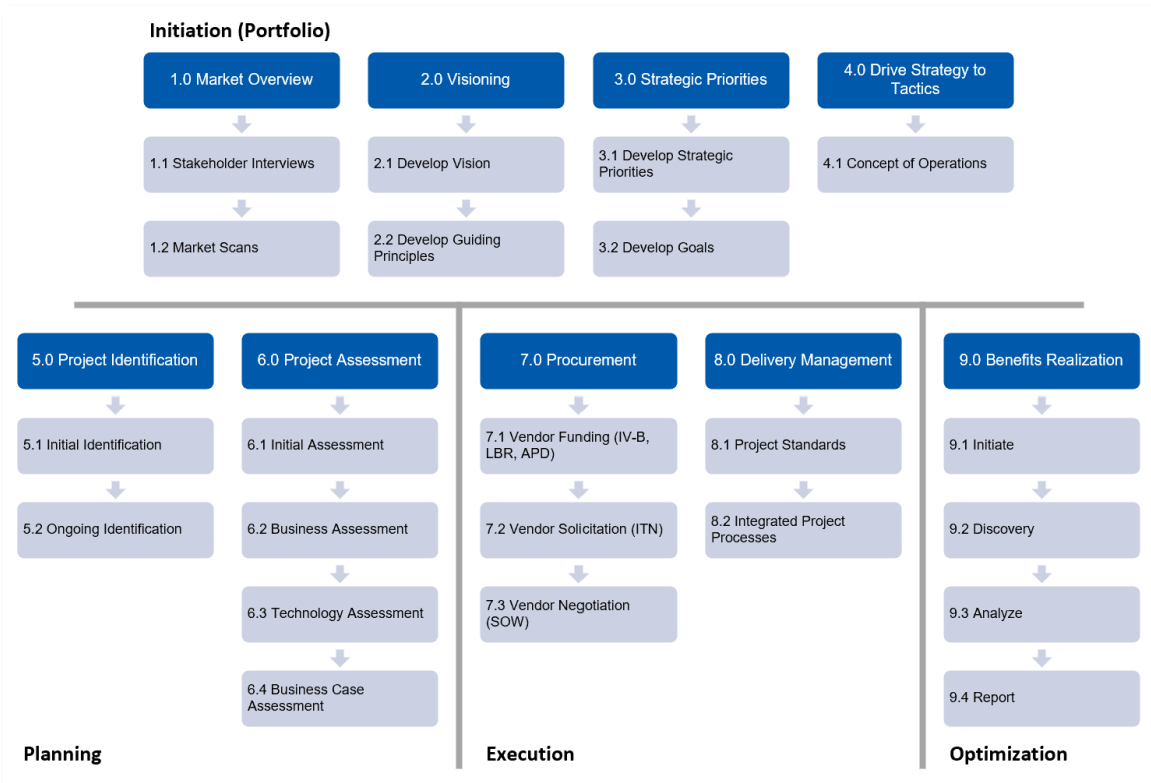
## SECTION 3 PORTFOLIO MANAGEMENT METHODOLOGY

Effective portfolio management will help the Agency answer the following questions:

- What are the right projects/programs the organization should focus on?
- Is the organization working on projects it should not be working on?
- How can the organization improve decision-making as it relates to project prioritization?
- How can leadership make sure the organization is doing the right things?
- How can the organization improve its PPM?

The last question suggests change will be part of the portfolio management life cycle. As the Agency implements and executes the *S-4: Strategic Project Portfolio Management Plan*, it will find areas needing changes to improve decision-making and portfolio performance. The portfolio life cycle consists of the following stages: initiation (for each portfolio), planning, execution, and optimization.

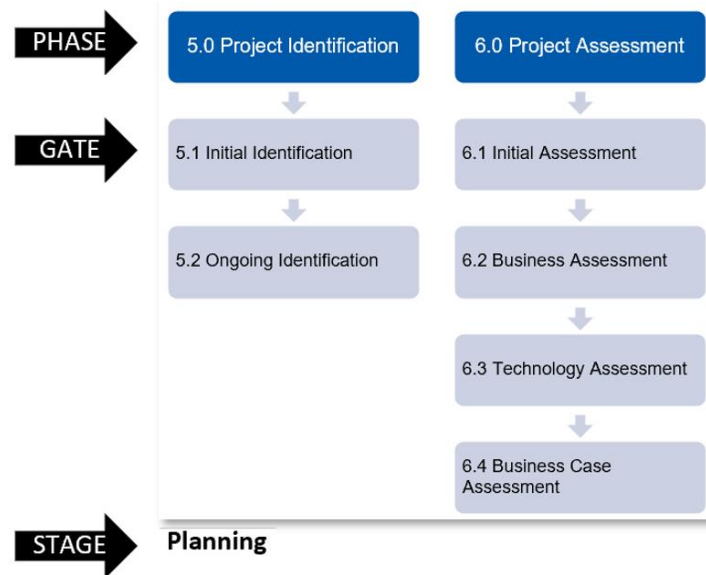
The *S-1: FX Governance Plan* guides the execution of the FX Portfolio Management Process Functions (see **Exhibit 3-1: Portfolio Management Process Functions**) using the System Strategy and Portfolio Management (see **Exhibit 2-1: System Strategy and Portfolio Management Execution Process**) life cycle.



### Exhibit 3-1: Portfolio Management Process Functions

The Portfolio Management Process has strategic decision points and FX Governance decides the direction and content of the FX Portfolio. The FX Portfolio Manager manages the FX Portfolio Management Process Functions.

The System Strategy and Portfolio Management Execution Process, shown previously in **Exhibit 2-1: System Strategy and Portfolio Management Execution Process**, reflects the four stages of the Portfolio Management Process life cycle (Initiation, Planning, Execution, and Optimization) as nine distinct phases; each phase having individual gates or functions. **Exhibit 3-2: Portfolio Stages, Phases, and Gates** below shows the stage, phase, and gate relationships.



**Exhibit 3-2: Portfolio Stages, Phases, and Gates**

**Exhibit 3-3: Phase Frequency** below presents the suggested frequency for each phase of the portfolio life cycle. The Portfolio Management Process includes activities that are ongoing and not limited to a defined frequency.

PHASE	WEEK	MONTH	QTR	SEMI-ANNUAL	ANNUAL	PHASE GATE
1.0 Market Overview and 2.0 Visioning					X	
3.0 Strategic Priorities					X	
4.0 Drive Strategy into Tactics					X	
5.0 Project Identification			X	X	X	
6.0 Project Assessment			X	X	X	
7.0 Procurement					X	
8.0 Delivery Management	X	X				X
9.0 Benefits Realization Management and Ongoing Improvement					X	

**Exhibit 3-3: Phase Frequency**



This *S-4: Strategic Project Portfolio Management Plan* is used for identifying, categorizing, evaluating, and selecting outcome driven FX projects.

For MITA maturity efforts, outcomes are essential. The outcome model in this plan defines programmatic and operational outcome categories to evaluate projects.

- Programmatic outcomes focus on the strategic mission which are *big picture* items such as improve healthcare outcomes, reduce complexity, and improve provider and recipient experience.
- Operational outcomes are those that focus on achieving desired operational objectives such as the costs of administering a program, technology costs, staff costs, compliance with regulations and law, reduction of data silos, and improved data quality and analytics for operational efficiencies.

A way to improve outcomes is by implementing projects that improve program operations. Therefore, the portfolio management approach will show and select projects that align with desired outcomes aligned to the *S-3: FX Strategic Plan*. To maximize outcome improvements, the approach is to pursue projects in the right sequence using an evaluation and phase gate process to categorize, evaluate, and select projects that improve outcomes.

This *S-4: Strategic Project Portfolio Management Plan* specifies the processes and tools used to manage the portfolio. For PPM, the SEAS Vendor is using the FX Portfolio Management Tracker (PMT) tool which employs a Microsoft Excel workbook for managing and reporting on the FX Portfolio content. In the future, additional or replacement tools may be considered to expand on the processes and capabilities of the portfolio.

As the Agency continues to execute the *S-3: FX Strategic Plan*, the process will evaluate potential projects against the strategic guiding principles and desired outcomes. This evaluation against the desired outcomes model scores potential projects in the portfolio. Section 3.2.2 describes the scoring and approval process.

The outcome model (**Exhibit 3-4: Outcome Model Perspectives**), based on the strategic guiding principles, gives a common vocabulary to evaluate projects from a programmatic and operational perspective:



PERSPECTIVE	DESCRIPTION
Programmatic Outcomes	<p>Overall program goals incorporating the S-3: <i>FX Strategic Plan</i> guiding principles:</p> <ul style="list-style-type: none"> <li>Enable high-quality and accessible data</li> <li>Improve healthcare outcomes</li> <li>Reduce complexity</li> <li>Use evidenced-based decision-making</li> <li>Improve integration with partners</li> <li>Improve provider and recipient experience</li> <li>Enable good stewardship of Medicaid funds</li> <li>Enable holistic decision-making rather than short-term focus</li> </ul>
Operational Outcomes	<ul style="list-style-type: none"> <li>Operational Goals:</li> <li>Personnel Costs – Agency Managed Staff</li> <li>Application Maintenance Costs</li> <li>Data Center Provider Costs</li> <li>Plant and Facility Costs</li> <li>Optimize Program Payments</li> <li>Increase Quality and Speed of Information</li> <li>Compliance with regulations and law</li> </ul>

### Exhibit 3-4: Outcome Model Perspectives

## 3.1 PORTFOLIO INITIATION

Portfolio Initiation is the stage that starts the portfolio and establishes vision and strategic priorities. **Exhibit 3-5: Portfolio Initiation Summary** below summarizes the phases and activities performed in this stage of the portfolio life cycle.

PORTFOLIO INITIATION SUMMARY	
Who	<ul style="list-style-type: none"> <li>AHCA (FX Governance)</li> <li>SEAS Vendor</li> </ul>
What	<ul style="list-style-type: none"> <li>1.0 Market Overview</li> <li>2.0 Visioning</li> <li>3.0 Strategic Priorities</li> <li>4.0 Drive Strategy into Tactics</li> </ul>
When	<ul style="list-style-type: none"> <li>Annually (<b>Note:</b> optimally the timing of confirming strategic priorities will coincide with the Agency Legislative Budget Request and Long-Range Program Plan processes. FX Governance shall determine the specific timing based on recommendations and decisions)</li> <li>Project alignment with strategic priorities should be completed during the business case decision memo creation and/or during the creation of the project charter</li> </ul>
How	<ul style="list-style-type: none"> <li>Conduct interviews with Agency stakeholders</li> <li>Develop or update and confirm the S-3: <i>FX Strategic Plan</i></li> <li>Develop or update and confirm the S-1: <i>FX Governance Plan</i></li> <li>Develop or update and confirm the S-4: <i>Strategic Project Portfolio Management Plan</i></li> </ul>



### PORTFOLIO INITIATION SUMMARY

Why	<ul style="list-style-type: none"> <li>▪ To authorize the <i>S-4: Strategic Project Portfolio Management Plan</i></li> <li>▪ To set up FX Governance authority and communication</li> <li>▪ To identify the FX Vision and desired outcomes</li> <li>▪ To define the strategic priorities for the Agency</li> <li>▪ To establish tactics from priorities and identify projects to serve the FX Vision</li> </ul>
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### Exhibit 3-5: Portfolio Initiation Summary

#### 3.1.1 PORTFOLIO CHARTER

FX Governance, defined in the *S-1: FX Governance Plan*, approves and authorizes the *S-4: Strategic Project Portfolio Management Plan*. This plan is the charter for the FX Portfolio. The charter serves the same vision and priorities defined in the *S-3: FX Strategic Plan* and is organized to improve returns on information technology investments for FX projects.

FX is defined as the collection of interdependent systems that are both within the Agency and exist in other state agencies that manage the provision of essential services to Medicaid recipients and collect data that are key to the management and operation of the Medicaid program in Florida. The FX Portfolio includes projects funded through Agency investments.

#### 3.1.2 MARKET OVERVIEW (PHASE 1.0)

Market overview includes internal and external reviews. The initial internal review involved the SEAS Vendor interviewing Agency stakeholders and examining data on hundreds of providers' and recipients' interactions with the Agency. These interviews yielded general themes on the current state of the Agency's Medicaid operations and the related MITA business process. The resulting *S-3: FX Strategic Plan* is available in the FX Projects Repository. The external reviews are the ongoing market scans on the state of the vendor market, trends in private health care, and technology spaces. Reference the *S-3: FX Strategic Plan* for the most recent results.

#### 3.1.3 VISIONING (PHASE 2.0)

The vision for the FX Program has been articulated through the *S-3: FX Strategic Plan* as the need to transform the Medicaid Enterprise to provide the greatest quality, the best experience, and the highest value in health care. The SEAS Vendor collaborates with Agency executives to set the vision, creating a consistent focus throughout the transformation. The desired outcomes support the vision as the guiding principles. **Exhibit 3-6: FX Guiding Principles, MITA Goals and MITA Objectives Integration** shows the relationship of the desired outcomes and MITA goals and objectives.





FX GUIDING PRINCIPLES	MITA GOALS	MITA OBJECTIVES
Enable high-quality and accessible data	<ul style="list-style-type: none"> <li>▪ Seamless and integrated systems</li> <li>▪ Enterprise-level view to support enabling technologies</li> <li>▪ Data that is timely, accurate, usable, and accessible</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adapt data and industry standards</li> <li>▪ Support interoperability and integration using open architecture standards</li> <li>▪ Promote good programmatic practices</li> <li>▪ Break down artificial boundaries between systems, geography, and funding</li> </ul>
Improve healthcare outcomes	<ul style="list-style-type: none"> <li>▪ Data that is timely, accurate, usable, and accessible</li> <li>▪ Performance measurement for accountability and planning</li> <li>▪ Integrate health outcomes within the Medicaid community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote efficient and effective data sharing to meet stakeholders' needs</li> <li>▪ Provide a beneficiary-centric focus</li> <li>▪ Support interoperability and integration using open architecture standards</li> <li>▪ Support integration of clinical and administrative data for decision-making</li> </ul>
Reduce complexity	<ul style="list-style-type: none"> <li>▪ Seamless and integrated systems</li> <li>▪ Enterprise-level view to support enabling technologies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adapt data and industry standards</li> <li>▪ Support interoperability and integration using open architecture standards</li> <li>▪ Promote good programmatic practices</li> <li>▪ Break down artificial boundaries between systems, geography, and funding</li> </ul>
Use evidenced-based decision-making	<ul style="list-style-type: none"> <li>▪ Data that is timely, accurate, usable, and accessible</li> <li>▪ Performance measurement for accountability and planning</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support integration of clinical and administrative data for decision-making</li> </ul>
Improve integration with partners	<ul style="list-style-type: none"> <li>▪ Seamless and integrated systems</li> <li>▪ Flexible, adaptable, and rapid environment</li> <li>▪ Enterprise-level view to support enabling technologies</li> <li>▪ Data that is timely, accurate, usable, and accessible</li> <li>▪ Integrate health outcomes within the Medicaid community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote efficient and effective data sharing to meet stakeholders' needs</li> <li>▪ Support interoperability and integration using open architecture standards</li> <li>▪ Promote good programmatic practices</li> <li>▪ Break down artificial boundaries between systems, geography, and funding</li> </ul>



FX GUIDING PRINCIPLES	MITA GOALS	MITA OBJECTIVES
Improve Provider and Recipient experience	<ul style="list-style-type: none"> <li>Data that is timely, accurate, usable, and accessible</li> <li>Performance measurement for accountability and planning</li> </ul>	<ul style="list-style-type: none"> <li>Promote efficient and effective data sharing to meet stakeholders' needs</li> <li>Provide a beneficiary-centric focus</li> <li>Support interoperability and integration using open architecture standards</li> <li>Break down artificial boundaries between systems, geography, and funding</li> </ul>
Provide good stewardship of Medicaid funds	<ul style="list-style-type: none"> <li>Seamless and integrated systems</li> <li>Flexible, adaptable, and rapid environment</li> <li>Enterprise-level view to support enabling technologies</li> <li>Data that is timely, accurate, usable, and accessible</li> <li>Performance measurement for accountability and planning</li> </ul>	<ul style="list-style-type: none"> <li>Promote secure data exchange</li> <li>Promote reusable components through modularity</li> <li>Promote efficient and effective data sharing to meet stakeholders' needs</li> <li>Support interoperability and integration using open architecture standards</li> <li>Break down artificial boundaries between systems, geography, and funding</li> </ul>
Enable holistic decision-making rather than short-term focus	<ul style="list-style-type: none"> <li>Data that is timely, accurate, usable, and accessible</li> <li>Performance measurement for accountability and planning</li> <li>Integrate health outcomes within the Medicaid community</li> </ul>	<ul style="list-style-type: none"> <li>Provide a beneficiary-centric focus</li> <li>Support integration of clinical and administrative data for decision-making</li> </ul>

**Exhibit 3-6: FX Guiding Principles, MITA Goals and MITA Objectives Integration**

The annual strategy refresh includes the overall FX Vision and is found in the *S-3: FX Strategic Plan*.

**3.1.4 STRATEGIC PRIORITIES (PHASE 3.0)**

The strategic priorities define the areas of practical importance to achieve the FX Vision. The table below (**Exhibit 3-7: Strategic Priorities**) lists the current strategic priorities for the Agency.

STRATEGIC PRIORITY	DESCRIPTION
Reduce Fiscal Agent FMMIS costs and integration risk by accelerating contract resolution	Procure and build a standalone system to replace Fiscal Agent FMMIS functionality. Forego any integration with existing Fiscal Agent FMMIS. Prioritize those projects and procurements to allow resolution of the \$85M contract as early as possible.
Provider Experience: Streamline credentialing, licensing, improve provider data, and overall experience	Improve the major process issues faced by Providers in measurable ways. Improve the Provider experience. Improve the Agency's ability to recognize and match providers for multiple program functions (e.g., program integrity, outreach, customer service).



STRATEGIC PRIORITY	DESCRIPTION
Prioritize ability to have high-quality, accessible data, analytics, and reporting	Expedite the ability to have a <i>single source of truth</i> for major data and reporting areas by focusing on past and current pain points including reducing overpayments, identifying and reducing fraud, and managing health plans. Leverage data across divisions to identify and address gaps in (or improve) quality and performance.
Prioritize interoperability opportunities between agencies and within the Agency	Actively identify and solve ways to improve the exchange between technical systems and business processes across all bureaus, divisions, and units within the Agency, as well as external state agencies that provide critical Health and Human Services (HHS) data to the Agency.
Strategically leverage efficient procurement vehicles where possible	Consider and/or leverage other procurement methods (i.e., reuse, public business requirements documentation, NASPO) when appropriate to maximize efficiencies.
Maximize staff efficiency	Streamline processes to maximize staff efficiency. Eliminate redundant processes, reduce the number of workarounds, and move from paper-based to automated workflows. Maximize staff time to enable staff to focus on higher value tasks.
Prioritize renegotiating and improving functionality and technology for large (non-Fiscal Agent FMMIS) systems contracts	Initially, focus on the other large dollar contracts to increase the amount of benefits realization early in the project. Focus on updating the technology and improving the functionality.
Minimize impacts of procurements on Agency staff	Focus on improving the procurement process. Increase visibility and project management skills to the process. Cut out parts of the process that involve excess people or call for multiple revisions. Review other contracting vehicles that can save time and effort.
Improve visibility and experience through portal and Contact Center	Streamline the way Recipients receive information and interact with Medicaid across multiple agencies.
Maximize accountability for vendor performance	Improve ability to identify and manage vendors to contract terms.
Align to CMS modularity to streamline system transformation and modernization	Follow a modular roadmap to increase the likelihood of receiving a federal match. Implement modularly in the most streamlined manner possible, using methods such as cohorts where reasonable.
Reduce impact to the Agency and staff	Identify and minimize those areas that will create impact and risk to the Agency. Leverage systems and processes that are similar or duplicative to improve efficiency.

### Exhibit 3-7: Strategic Priorities

#### 3.1.5 DRIVE STRATEGY INTO TACTICS (PHASE 4.0)

SMEs in the relevant business areas identify relevant tactics and business needs that are actionable efforts to fulfill the strategic priorities. A tactic is an approach focused on outcome improvement in a strategic priority. For example, the *Provider* strategic priority could have a tactic for *Streamlined Provider Enrollment*. This tactic may be a specific project or group of projects to deliver improvements toward the strategic priority. The input from SMEs shape the tactical approach to meet the business needs for specific scopes of work. These tactics are contained within the *S-3: FX Strategic Plan*. Tangible implementation projects are specific scopes of work that align with the tactics that align with the strategic priorities. The MITA Concept of Operations also includes the development of tactics defined by strategic priorities in the approach to transformation.



The annual strategy refresh includes the review and any potential update to the strategic priorities, tactics, MITA Concept of Operations, and S-3: *FX Strategic Plan*.

### 3.2 PORTFOLIO PLANNING

Portfolio planning is the stage that develops the portfolio contents and consists of two core processes: Project Identification and Project Assessment. **Exhibit 3-8: Portfolio Planning Summary** below summarizes the phases and activities performed in this stage of the portfolio life cycle.

PORTFOLIO PLANNING SUMMARY	
Who	<ul style="list-style-type: none"> <li>▪ Requester</li> <li>▪ FX Portfolio Team</li> <li>▪ FX Governance</li> <li>▪ SEAS Vendor</li> <li>▪ SMEs</li> <li>▪ FX EPMO Team</li> </ul>
What	<ul style="list-style-type: none"> <li>▪ 5.0 Project Identification</li> <li>▪ 6.0 Project Assessment</li> </ul>
When	<ul style="list-style-type: none"> <li>▪ Quarterly and Semi-Annually               <ul style="list-style-type: none"> <li>› Portfolio content review and evaluations</li> </ul> </li> <li>▪ Annually               <ul style="list-style-type: none"> <li>› Strategy and Vision evaluation and refresh</li> </ul> </li> <li>▪ Ongoing               <ul style="list-style-type: none"> <li>› Internal and external changes based on portfolio performance</li> <li>› Identification and changes to portfolio content</li> </ul> </li> </ul>
How	<ul style="list-style-type: none"> <li>▪ Maintain inventory of projects</li> <li>▪ Maintain FX Portfolio Roadmap (approved projects in the FX Portfolio)</li> <li>▪ Provide FX Governance with information to make decisions</li> </ul>
Why	<ul style="list-style-type: none"> <li>▪ To identify the inventory of projects in the FX Portfolio</li> <li>▪ To define how the FX Portfolio adds new projects</li> <li>▪ To define how changes are made within the FX Portfolio</li> </ul>

**Exhibit 3-8: Portfolio Planning Summary**

#### 3.2.1 PROJECT IDENTIFICATION (PHASE 5.0)

Project identification begins with the submission of an idea for consideration to become a project for inclusion in the FX Portfolio. The FX Portfolio Team reviews the idea to determine if there is enough information to understand the objective. Additional information is requested until the objective is understood. As the strategic priorities change, the FX Portfolio Team will engage internal and external SMEs to refine projects in the FX Portfolio as needed. The SEAS Vendor will help identify solutions and proposed projects that meet current and future business needs.

##### 3.2.1.1 INVENTORY OF PROJECTS

The inventory of projects will include active and potential projects for review, approval, or modification. FX Governance will prioritize and approve the sequencing of approved projects.



New projects are identified through recommendations from potential sources below and should originate through the need of an Advanced Planning Document, and/or Legislative Budget Request.

Projects come from various sources. Potential sources include:

- FX Governance
- Florida Legislature
- AHCA FX Program Administration Team
- FX Portfolio
- Florida Department of Management Services
- Other agencies with Medicaid functions
- Federally mandated policies and programs impacting the Florida Medicaid Enterprise

### **3.2.1.2 FX PORTFOLIO MANAGEMENT TRACKER (PMT)**

The approach to managing the inventory of projects is through documenting projects in a portfolio management tool. The PMT is a tool to document key attributes of projects, metrics to be measured, project prioritization, and dependencies. The PMT for the FX Portfolio standardizes projects, identifies opportunities to combine projects, uses ongoing projects, and reinforces alignment to outcomes. The attributes captured in the PMT, including combining projects, are used to develop recommendations to FX Governance. A separate user guide was created and provides more detail to the PMT components. The FX Portfolio Team maintains this guide.

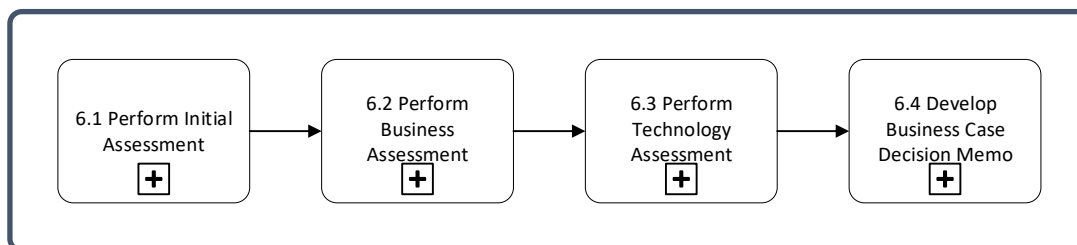
The PMT was initially populated with the inventory of projects collected from FX Governance and is updated as the FX Portfolio Team receives new ideas via the project intake process, which is described in the next section below.

### **3.2.1.3 PROJECT INTAKE**

The project intake process captures initial proposed project details before evaluation by the FX Portfolio Team and SMEs. Projects are identified from potential sources, such as AHCA Project Governance (APG) or Medicaid Steering Committee, and determined if a funding request is needed. If a determined project is eligible for Federal Funding Participation (FFP) and will be included in an FX Legislative Budget Request (LBR), then an Advanced Planning Document (APD) is created or updated and the project is added to the FX Portfolio by the FX Portfolio Team. Once the proposed project's appropriate information is gathered, the request is recorded in the PMT and supporting documentation will be stored in the FX Projects Repository. This leads to the Project Assessment Phase (6.0) described in the following section.

### 3.2.2 PROJECT ASSESSMENT (PHASE 6.0)

Project assessment consists of a four phase gates culminating in a business case to assist FX Governance in efficiently evaluating and prioritizing submitted ideas. These gates help evaluate and prioritize the request. The evaluation of potential investments identifies high-level costs, duration, ancillary needs, and impacts to items in the FX Portfolio. This phase seeks to maximize program outcomes by performing the best level of analysis of potential investment opportunities and projects. **Exhibit 3-9: 6.0 Phase Gates** shows the phase gates performed in the Project Assessment Phase (6.0):



**Exhibit 3-9: 6.0 Phase Gates**

The overall purpose of the phase gates is to:

- Support preliminary project assessments to gauge alignment with the future state FX strategy, goals, guiding principles, and standards

Key Considerations:

- Confirm projects, modules, and services required to deliver the business imperatives are identified and validated with the Agency and FX strategic priorities
- Highlight opportunities for reuse
- Look to highlight any cross-capability and cross-release issues
- Since each project has a different profile, size, and scope, gates 6.2 and 6.3 need to be flexible, scalable, and adaptable
- A project may not fully align with the FX Portfolio project criteria but may have a large business value/sponsorship and should therefore be considered for further evaluation

The evaluation of potential investments is the assessment of benefits, demand, sponsorship, strategic alignment, technical feasibility, costs, capacity, capability, resource investment, and risks. This analysis is intended to equip decision-makers to make informed decisions about potential projects and their scheduling for future implementation.

#### 3.2.2.1 INITIAL ASSESSMENT (GATE 6.1)

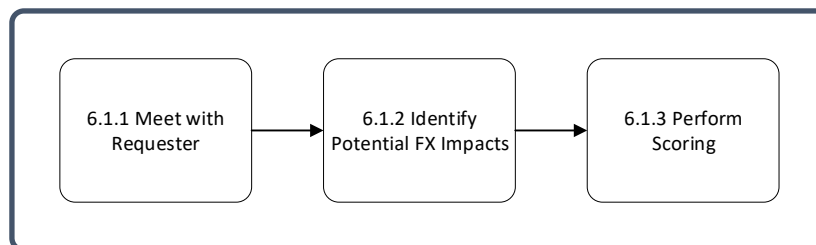
Entry Criteria:

- Accepted Intake Form

Exit Criteria:

- Completed initial assessment (for each project)

Initial assessment is the gate where potential projects are considered for further investment and occurs whenever new intakes or projects are identified. Screening also occurs if information regarding any component within the portfolio changes. Potential projects go through the initial assessment process to be screened for meeting project criteria, identifying potential impacts, and scored. **Exhibit 3-10: Initial Assessment** shows the phase gates performed in the initial assessment:



**Exhibit 3-10: Initial Assessment**

Objectives:

- Screen out intakes that do not meet the minimum intake standards:
  - › Federal matching funds apply
  - › Total estimated cost > \$50,000
  - › Estimated schedule to implement is > 3 months
  - › Estimated FTEs or contract staff is > 2
  - › Not duplicative of an existing project
  - › Aligns with strategic priorities and tactics
  - › Adheres to FX scope – Supplies an input to or receive an output from the Agency’s mission to provide better health care for all Floridians including, Recipients, Providers, Processes, and Technology
- Determine potential impacts to the FX Portfolio
- Proposed project scorecard

Owner:

- FX Portfolio Manager



Inputs:

- Intake Form

Outputs:

- Updated PMT
- Potential impact to existing FX Portfolio projects

Scorecard:

The scoring is performed using an initial screening scorecard where quantitative values are assigned for each response in the scorecard. The values for each response use configurable values within the PMT. While there is no absolute threshold needed to further pursue a project, scoring potential projects provides a comparison to help with prioritization. The scoring also highlights where further analysis and validation may be needed. This information will be used to develop the Business Case FX Decision Memo. **Exhibit 3-11: Sample Scorecard Guidelines** is a sample of the scorecard found in the PMT. The complete scorecard is configurable within the PMT, and as the strategy, goals, and tactics are refined, the Agency may update the scorecard to help with the scoring and prioritization of future projects.

AREA	OUTCOMES	METRIC	HIGH		MEDIUM		LOW	
Value / Outcome Model	Operational Outcomes	1. Optimize Operational Effectiveness	15	Significant Value	10	Moderate Value	5	Minimal Value
		2. Tangible Benefits	15	Significant Value	10	Moderate Value	5	Minimal Value

**Exhibit 3-11: Sample Scorecard Guidelines**

**3.2.2.2 BUSINESS ASSESSMENT (GATE 6.2)**

Entry Criteria:

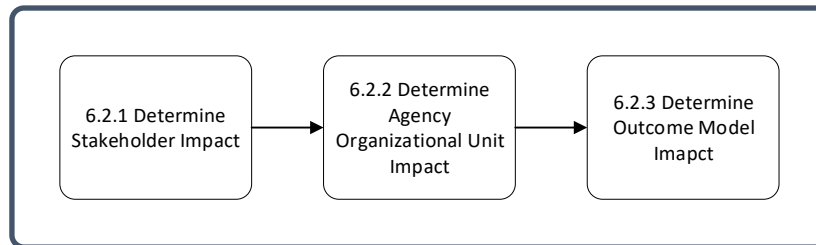
- Completed initial assessment (for each project)

Exit Criteria:

- Completed business assessment (for each project)

The business assessment focuses on determining stakeholder impacts, organizational unit impacts, FX Portfolio project alignment with desired outcomes, and setting a rough estimate for projected benefits of implementing the project. This information will be used to develop the Business Case FX Decision Memo. **Exhibit 3-12: Business Assessment** shows the activities performed in the business assessment:





### Exhibit 3-12: Business Assessment

#### Objectives:

- Complete mapping of proposed projects to business outcomes
- Review the Inventory of Projects and understand the scope of business impacts
- Document findings of the business impacts (i.e., stakeholders, Agency organizational units, outcome model)

#### Inputs:

- Inventory of Projects
- Intake data
- Results from the initial assessment

#### Outputs:

- Documented stakeholder impacts, organizational unit impacts, and FX Portfolio project alignment with desired outcomes

#### 3.2.2.3 TECHNOLOGY ASSESSMENT (GATE 6.3)

##### Entry Criteria:

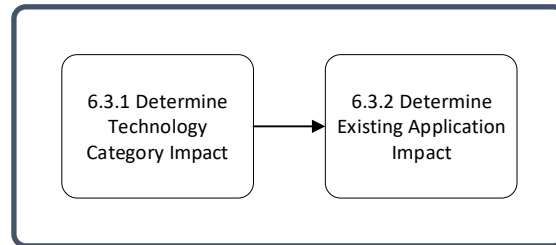
- Completed business assessment (for each project)

##### Exit Criteria:

- Completed technology assessment (for each project)

The technology assessment focuses on gaining technical input to determine which technology categories would be needed, how the proposed project aligns with reuse and impact on existing technology assets, and identification of existing application impact. The technology assessment identifies if the technology component or service requires an enhancement to existing capabilities or requires new technology to support the implementation of the project.

This information will be used to develop the Business Case FX Decision Memo. **Exhibit 3-13: Technology Assessment** shows the activities performed in the Technology Assessment:



**Exhibit 3-13: Technology Assessment**

Objectives:

- Map technical components based on the proposed project to identify potential impacts
- Identify existing applications where there is a potential impact

Inputs:

- Inventory of Projects
- Intake data
- Results from the initial assessment

Outputs:

- Documented technology categories needed, how the proposed project aligns with reuse, impact on existing technology assets, and identification of existing application impact

As approved projects are assigned proposed release dates, the SEAS Vendor aggregates the technology service usage and enhancement needs across all identified projects to derive the architecture needs at future points in time. For example, multiple projects may contain the scope for Interactive Voice Response technology services. Instead of developing multiple separate technical architectures, there may be an opportunity to combine and leverage a single technical solution to support the multiple projects. The table below (**Exhibit 3-14: Technology Assessment Examples**) is a sample from the PMT showing the alignment of a technical service area with related categories and components.



SERVICE AREA	SERVICE CATEGORY	SERVICE COMPONENT EXAMPLES
Information Management Technologies	Business Intelligence and Data Warehouse Platforms	<ul style="list-style-type: none"> <li>▪ Business Intelligence Platforms</li> <li>▪ Clinical Environment and Tools</li> <li>▪ Dashboard/Scorecard Tools</li> <li>▪ Data Analytics (Statistical Analysis, Prediction, and Modeling)</li> <li>▪ Data Mining Tools</li> <li>▪ Data Warehouses</li> <li>▪ Geographic Information Systems</li> <li>▪ Geospatial Tools</li> <li>▪ Proof of Concepts Analytical Applications</li> <li>▪ Unstructured Data / Natural Language Processing</li> <li>▪ Web Reporting Tools</li> </ul>
	Data Integration	<ul style="list-style-type: none"> <li>▪ Data Replication</li> <li>▪ Database Replication and Clustering</li> <li>▪ Extract, Transform, and Load (ETL)</li> </ul>

**Exhibit 3-14: Technology Assessment Examples**

**3.2.2.4 BUSINESS CASE ASSESSMENT (GATE 6.4)**

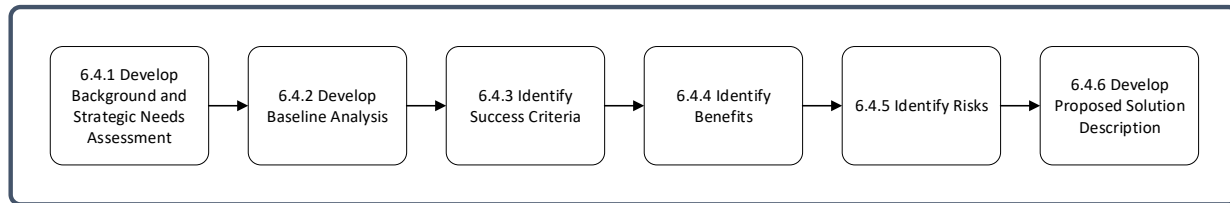
Entry Criteria:

- Completed initial assessment (for each project)
- Completed business assessment (for each project)
- Completed technology assessment (for each project)

Exit Criteria:

- Completed business case assessment (for each project)
- FX Governance decision

Business case assessment is the gate focused on validating the proposed project business case. This includes evaluation of costs, benefits, and risks that affect the net present value calculation. For IT projects exceeding \$1 million, the Florida Legislature and the Governor’s Office of Policy and Budget require project business case information to be documented in a Schedule IV-B. A business case should be developed, using a Schedule IV-B as a guide, for potential implementation projects before procurement or implementation activities begin. In some cases, enough details to support a business case could be documented in a decision memo for agreement to proceed from FX Governance. The FX Portfolio Team will support the process and information needed to make recommendations to FX Governance. **Exhibit 3-15: Business Case Assessment** shows activities performed in the business case assessment gate.



### Exhibit 3-15: Business Case Assessment

#### Objectives:

- Document the business need/issue/problem the proposed project will address, including any legislative mandates, regulations, short-term goals, long-term goals, and objectives
- Document the baseline analysis using the initial assessment, business assessment, and the technology assessment
- Document the critical results, both outputs and outcomes, that must be realized for the project to be considered a success
- Document internal and external performance benefits the investment is expected to deliver to the Agency
- Document basic business and technical risks/issues (description and impact) of executing and/or not executing the proposed project
- Document options for the proposed project and identify a preferred solution. Include an outline/description of each alternative considered, cost-benefit analysis, preliminary acquisition strategy/plan, assumptions, and constraints

#### Inputs:

- Inventory of Projects
- Intake data
- Results from the initial assessment
- Results from the technology assessment

#### Outputs:

- Business Case
- Business Case Decision Memo
- Identified Project Sponsor
- Identified Project Management Oversight



At this phase in the Portfolio Management Process, the costs and benefits should be quantifiable with a level of certainty appropriate to the anticipated timing of the project. For example, for projects targeted for future implementation, the Procurement (Phase 7.0) may perform a business case update that is more accurate. Depending on the module(s) the proposed project will implement, the detailed estimated costs and outcomes could take several weeks to complete.

The business case assessment is documented in the Business Case Decision Memo and used by FX Governance to make an informed decision on proceeding with a proposed project. The document uses information gathered during the initial assessment, business assessment, and technology assessment to develop a baseline analysis. Other components of the document focus on the background, need, success criteria, benefits, risks, costs, and alternative analysis. Costs and benefits should be quantifiable with a level of certainty appropriate to the anticipated timing of the project.

An FX Portfolio Roadmap impact analysis will be performed to determine what impacts, if any, the proposed project will have on existing FX Portfolio projects. The main areas of focus will be on the existing project timelines and resource availability.

For each project listed in the FX Portfolio, there may not always be a recommendation for a project to be approved. Other recommendations that would be confirmed through FX Governance include deferring or rejecting the project. The current response action for each project in the FX Portfolio is captured as either Approved, Deferred, or Rejected.

### 3.3 PORTFOLIO EXECUTION

Portfolio execution is the stage where components in the portfolio are procured and delivered. FX Portfolio projects are classified as *Planning and Analysis*, *Procurement*, or *Implementation*. Activities are tracked individually at the project level and Project Change Requests (PCR) will be reviewed by the FX Portfolio Team to complete impact analysis, with results presented to FX Governance. **Exhibit 3-16: Portfolio Execution Summary** below summarizes the phases and activities performed in this stage of the portfolio life cycle.

PORTFOLIO EXECUTION SUMMARY	
Who	<ul style="list-style-type: none"> <li>▪ FX Portfolio Team</li> <li>▪ FX Governance</li> <li>▪ Project Sponsors</li> <li>▪ AHCA FX Program Administration Team</li> <li>▪ AHCA Project Team</li> <li>▪ AHCA Procurement Office</li> <li>▪ SEAS Vendor</li> <li>▪ FX Project Vendors</li> </ul>
What	<ul style="list-style-type: none"> <li>▪ 7.0 Procurement</li> <li>▪ 8.0 Delivery Management</li> </ul>
When	<ul style="list-style-type: none"> <li>▪ As planned through the FX Portfolio Roadmap</li> <li>▪ As new ideas are approved through FX Governance</li> </ul>



### PORTFOLIO EXECUTION SUMMARY

How	<ul style="list-style-type: none"> <li>▪ Name funding sources for proposed projects</li> <li>▪ Determine if project will be completed by Agency staff and/or by a contracted vendor</li> <li>▪ Develop business cases through <i>Planning and Analysis</i> projects</li> <li>▪ Develop Legislative Budget Requests (LBRs) and Advanced Planning Documents (APDs), if state and federal funds are required</li> <li>▪ Develop vendor solicitation and execute vendor solicitation strategies through <i>Procurement</i> projects</li> <li>▪ Select vendors and initiate projects with defined statements of work</li> <li>▪ Execute delivery of projects following standard integrated processes through <i>Implementation</i> projects</li> <li>▪ Update FX Portfolio content as needed</li> </ul>
Why	<ul style="list-style-type: none"> <li>▪ To select the best vendors and solutions to optimize the FX Portfolio performance</li> <li>▪ To identify projects best aligned with the FX Vision and desired outcomes</li> <li>▪ To coordinate projects within the FX Portfolio</li> </ul>

**Exhibit 3-16: Portfolio Execution Summary**

### 3.3.1 PROCUREMENT (PHASE 7.0)

Approved projects go through the processes to justify, select, and procure resources needed to implement the project. A *Procurement* project focuses on developing the procurement vehicle for procuring the desired solution. Key activities include refining requirements, developing R1 certification artifacts in support of the CMS Project Initiation Milestone Review, evaluations, negotiations, and contract award.

The APD process governs the procedure by which states obtain approval for FFP in the cost of acquiring automated data processing equipment and services as described below in Section 3.3.1.2. The Florida LBR process provides the Florida Legislature and Governor with a budget request reflecting the Agency’s assessment of the resources needed to perform the functions authorized and required by law as described below in Section 3.3.1.1. The Agency manages and tracks projects through the funding process and FX Governance approvals for LBRs and APDs.

#### 3.3.1.1 LEGISLATIVE BUDGET REQUEST

Annual LBRs are state funding requests supported by budget and planning efforts through the FX Portfolio. The LBRs shall follow published guidelines from the Florida Fiscal Portal within the LBR Instructions. The Agency directs the support needed from the SEAS Vendor to develop these funding requests and other supporting documentation through task orders. For LBRs, the Agency prepares and submits the following:

- LBR supporting documents including Schedule IV-Bs, D-3As, Operational Work Plans (OWPs), and Spending Plan
- Develop responses requesting additional information related to the LBRs and related documents



The required Schedule IV-B(s) contain clear and concise analysis and provide a solution defining the technical and non-technical capabilities (**Exhibit 3-17: Approach to Developing Schedule IV-B**).

SECTION	DEFINITIONS
Cover Sheet and Agency Project Approval	<ul style="list-style-type: none"> <li>▪ Title of request and sign off by Agency leadership</li> </ul>
Business Case	<ul style="list-style-type: none"> <li>▪ Background and Strategic Needs Assessment, including Business Needs and Business Objectives</li> <li>▪ Baseline Analysis, including Current Business Processes, Assumptions, and Constraints</li> <li>▪ Proposed Business Process Requirements</li> <li>▪ Business Solution Alternatives</li> <li>▪ Rationale for Selection</li> <li>▪ Recommended Business Solution</li> </ul>
Success Criteria	<ul style="list-style-type: none"> <li>▪ The Agency's long-term goals and objectives will drive this section</li> <li>▪ Describe the business outcomes and service requirements</li> <li>▪ List the critical results that must be realized to declare the project a success based on the Agency's goals and objectives</li> <li>▪ Identify the specific minimum performance measures that need to be included in the contract</li> <li>▪ Identify which risks are most closely associated with the critical success factors and readdress mitigation, as necessary</li> </ul>
Benefits Realization and Cost-Benefit Analysis (CBA)	<ul style="list-style-type: none"> <li>▪ The selection of alternatives, the depth, and clarity of the analysis, the state of the art in industry, the identification of leading practices, the choice of technology, and the rigor of the CBA will all be addressed in this chapter</li> <li>▪ Benefits Realization Table and the CBA, including CBA forms, completed CBA forms</li> </ul>
Major Project Risk Assessment	<ul style="list-style-type: none"> <li>▪ The main component of this section is the project risk assessment tool</li> </ul>
Technology Planning	<ul style="list-style-type: none"> <li>▪ A key objective for this section is to identify a suitable technology solution to serve as a basis for estimating the hardware, software, and infrastructure costs for the project</li> <li>▪ This approach examines the technical requirements and alternatives without making a commitment to a solution</li> <li>▪ This section contains               <ul style="list-style-type: none"> <li>› The Current Information Technology Environment, including a description of the Current System and Information Technology Standards</li> <li>› The Current Hardware and Software Inventory</li> <li>› The Proposed Technical Solution, including Technical Solution Alternatives</li> <li>› Rationale for Selection</li> <li>› The Proposed Solution Description, including a summary description of the Proposed Solution and Resources and Summary Level Funding requirements for the Proposed Solution (if known)</li> <li>› Capacity Planning</li> </ul> </li> </ul>



SECTION	DEFINITIONS
Project Management Planning	<ul style="list-style-type: none"> <li>▪ This section includes a Project Management Plan (PMP) for the project, specifically, the following information: scope, phasing plan, schedule, organization, quality assurance plan, risk and issue management, and implementation plan</li> <li>▪ Some of the elements in this section are subject to contract negotiations and will be immediately replaced by the selected system implementation vendor. Nevertheless, the thought and planning that goes into the development of these plans enhance the understanding of the project and raise important issues for management consideration. Key considerations for this section include: establishing project sponsorship and an effective governance model; identifying executive project sponsorship roles, membership, and advisory groups; updating the project scope and work breakdown structure (WBS); updating the project schedule; and planning for the transition to operations and maintenance</li> </ul>

**Exhibit 3-17: Approach to Developing Schedule IV-B**

Regarding OWPs and spending plans, the SEAS Vendor will capture the progress against project schedules, identify risks and issues, and track spending relative to the assumptions contained in the approved budget and any other legislative proviso attached to the funding authorization, as directed by the Agency.

**3.3.1.2 ADVANCED PLANNING DOCUMENT**

The approach to developing, documenting, updating, and tracking APDs (**Exhibit 3-18: Approach to Developing APDs**), including Planning Advanced Planning Document(s) (PAPDs), Implementation APDs (IAPDs), Annual APDs, APD updates, and Operational APDs, for federal enhanced funding requests for FX projects is supported by the SEAS Vendor as requested by the Agency. Upon the direction from the Agency, the SEAS Vendor will develop APDs to present and gain approval from CMS for FX Portfolio projects to secure FFP for the planning, procurement, design, development, and implementation (DDI) of the future solutions. The approach applies to the development of the documents through the following four phases:

PHASE	DEFINITIONS
Planning	<ul style="list-style-type: none"> <li>▪ Establish the foundation for subsequent activities, including data gathering, analysis, and development of the APD</li> <li>▪ Schedule interviews and meetings to collect the data required to prepare the APD</li> <li>▪ Prepare an initial set of data requests, including, but not limited to, existing relevant FX Program and MMIS documentation</li> <li>▪ Conference call with CMS to discuss the purpose of the APD and confirm their expectations in terms of the organization of the document, the planned submission date to CMS, and the information and level of detail to be included in the document</li> </ul>
Data Collection and Analysis	<ul style="list-style-type: none"> <li>▪ Perform a detailed review and analysis of the data and validate findings with Agency SMEs. Data collection and analysis is an iterative process</li> <li>▪ Continue data collection and analysis activities until the necessary information is sufficiently detailed and complete</li> </ul>





PHASE	DEFINITIONS
APD Development	<ul style="list-style-type: none"> <li>▪ Prepare iterative drafts of individual sections of the APD, reflecting the information and analysis completed in the previous phase. An important aspect of the approach is close coordination with the Agency throughout the creation of the APD</li> <li>▪ As drafts of major sections of the document are completed, provide them to the Agency for informal review and feedback. This iterative process allows the Agency to confirm early on that the development of the APD is on-track and the content and findings are consistent with the Agency's expectations. In addition, the informal draft reviews facilitate and accelerate the formal review of the consolidated APD since there should be no surprises as the Agency is already familiar with the information contained in the document</li> <li>▪ According to the timeline agreed to by the Agency, the SEAS Vendor combines all draft sections and submits a consolidated draft of the APD to the Agency for formal review</li> <li>▪ Based on the feedback received from this review, update the APD and submit a final draft to the Agency for review and approval</li> </ul>
Federal Review and Approval	<ul style="list-style-type: none"> <li>▪ Once the Agency has submitted the APD for review, at the Agency's request, the SEAS Vendor provides the necessary support to assist the Agency in obtaining approval of the document, including participating in conference calls to discuss the APD with CMS, preparing written responses to questions or requests for additional information, and revising the APD content</li> </ul>

**Exhibit 3-18: Approach to Developing APDs**

### 3.3.1.2.1 VENDOR SOLICITATION

At the direction of the Agency, the SEAS Vendor will provide programmatic expertise for the following:

- Developing solicitation charter
- Developing procurement management plans for needed products or services
- Developing the project scope, solicitation requirements, and project performance standards
- Identifying the specific products and services to be purchased
- Identifying appropriate purchasing methods and recommending solicitation types and justification
- Developing documents for competitive solicitations and procurements for FX projects
- Assisting the Agency throughout the procurement process and providing support for procurement activities that occur after solicitation release through vendor contract execution

The SEAS Vendor will engage Agency SMEs to build on the project evaluations to develop business case and funding requirements for the approved sequence of projects.



Once developed, a solicitation will be reviewed and validated, including the business case and funding requirement recommendations for sequenced projects, according to the *S-1: FX Governance Plan*.

In accordance with the goal to manage a project portfolio that is outcome driven, the SEAS Vendor will develop procurement plans to procure and manage services and technologies to deliver projects that produce outcomes at the expected cost and schedule. To do so, the following procurement strategies and techniques may be used:

- Use of outcome-based contracts or requirements
- Build scenario-based solution capability demonstrations
- Use of rapid prototyping and proof of concept as part of the negotiation process
- Incentives and penalties tied to impacts on outcomes, cost, and schedule

#### **3.3.1.2.2 VENDOR SELECTION**

As part of the procurement plan, the SEAS Vendor will support the Agency in the development and execution of a detailed approach for selecting a vendor to execute the implementation of the project. The approach will include the following:

- Evaluation process
- Vendor questions and answers process
- Negotiation strategy
- Post-solicitation release activities

Once selected by the Agency and approved by the Secretary (or designee), the vendor selection should result in an executed contract with a defined statement of work. This allows the project in the FX Portfolio to be initiated and implemented by the selected vendor. The proposed project that originated through a project intake is now a project to be monitored and tracked through the Delivery Management Phase (8.0).

#### **3.3.2 DELIVERY MANAGEMENT (PHASE 8.0)**

The *P-2: FX Project Management Standards* guides FX Vendor(s) execution of their service delivery. The standards instruct the FX Vendor(s) to perform professional project management per:

- The current edition of the Project Management Institute's (PMI) Standard for Portfolio Management, Standard for Program Management, Project Management Body of Knowledge (PMBOK® Guide)
- The Department of Management Services (DMS) requirements including the Florida Information Technology Project Management and Oversight Standards described in Florida Administrative Rule Chapter 60GG-1, Florida Administrative Code



- Any subsequently implemented rules and/or standards

The SEAS Vendor will update policies and procedures for the AHCA FX Program Administration Team as appropriate. The SEAS Vendor will provide project management services for FX integration projects and specified FX projects at the direction of the Agency.

For FX projects involving other FX vendors, the SEAS Vendor will create and update an integrated master project schedule that integrates the projects' milestones, deliverables, and summary tasks. The SEAS Vendor shall, at the direction of the Agency, develop other integrated project management plans and processes for such FX projects that include, but are not limited to:

- Integrated risk, action item, issue, and decision tracking
- Integrated cost management
- Integrated change management
- Integrated organizational change management

The FX Portfolio Team delivers and monitors the FX Portfolio project during this phase through integrated project management by the SEAS Vendor. The monitoring may identify strategic changes or risks for the portfolio requiring direction or decisions from FX Governance. Changes to the portfolio are made through Strategic Change Management in Section 4.3 below.

### 3.3.2.1 PLANNING AND ANALYSIS PROJECT

During the Project Identification Phase (5.0), a project is classified as *Planning and Analysis*, *Procurement*, or *Implementation*. A *Planning and Analysis* project focuses on creating a business case through the development of As-Is and To-Be process analysis aiding in establishing an evaluation of costs, benefits, performance measures, and risks affecting the net present value calculation. This information will be used to prepare alternatives with an FX Portfolio Roadmap impact analysis. Costs and benefits should be quantifiable with a level of certainty appropriate to the anticipated timing of the project. The business case is the recommended output from a *Planning and Analysis* project.

### 3.3.2.2 IMPLEMENTATION PROJECT

An *Implementation* project focuses on the activities necessary to deliver the solution. Technical projects follow traditional execution phases including analysis, design, development, testing, and implementation. Included in these phases is the MITA certification artifacts. Non-technical projects will follow execution phases appropriate for the defined scope in the Project Charter. The delivery life cycle methodology used for *Implementation* projects will be agreed upon by the Agency prior to project initiation.

### 3.4 PORTFOLIO OPTIMIZATION

Portfolio optimization is the stage that applies changes to improve portfolio effectiveness. **Exhibit 3-19: Portfolio Optimization Summary** below summarizes the phases and activities performed in this stage of the portfolio life cycle.

PORTFOLIO OPTIMIZATION SUMMARY	
Who	<ul style="list-style-type: none"> <li>▪ FX Portfolio Team</li> <li>▪ FX Governance</li> <li>▪ SEAS Vendor</li> <li>▪ FX Director or designee</li> </ul>
What	<ul style="list-style-type: none"> <li>▪ 9.0 Benefits Realization Management and Ongoing Improvement</li> </ul>
When	<ul style="list-style-type: none"> <li>▪ Annually (aligned with strategy refresh)</li> <li>▪ Ongoing</li> <li>▪ When adding or removing FX Portfolio components</li> </ul>
How	<ul style="list-style-type: none"> <li>▪ Monitoring FX Portfolio performance and view of all portfolio components</li> <li>▪ Developing recommendations for changes to the FX Portfolio components and processes</li> <li>▪ Impact analysis of implementing or not implementing recommended changes</li> <li>▪ Impact analysis for changes requested by individual projects</li> <li>▪ Establish benefits realization planning for measuring benefits from implementing projects within the portfolio</li> </ul>
Why	<ul style="list-style-type: none"> <li>▪ To improve the FX Portfolio effectiveness</li> </ul>

#### Exhibit 3-19: Portfolio Optimization Summary

The Agency and SEAS Vendor will continuously and proactively seek to identify potential FX projects to help achieve the Agency’s strategic and operational goals as specified in the S-3: *FX Strategic Plan*. The focus on monitoring project performance within the FX Portfolio against the desired outcomes previously identified, help determine if optimization within the portfolio is needed. This monitoring is coordinated through the FX Portfolio Team and FX Governance. Recommendations for changes may be needed for portfolio optimization.

This S-4: *Strategic Project Portfolio Management Plan* is designed to incorporate performance knowledge and FX Governance to make the FX Portfolio as effective as possible. This is achieved by maximizing available processes, constraints, and resources. The key elements of the approach that make this possible are:

- Employ an approach for approving and rejecting projects through FX Governance and guiding them through the planning and execution stages of the portfolio life cycle
- Score and prioritize projects based on the predetermined and relevant criteria for the type and scope of the project
- Perform a business case analysis for each FX Project



- Ensure each FX Project performs to standards, supports strategic goals, and advances MITA maturity
- Evaluate and adjust portfolio performance management to improve portfolio effectiveness

The FX Portfolio may also be optimized through continual evaluation of the portfolio management processes and tools. Through the execution of the FX Portfolio, FX Governance, and annual strategy refresh, opportunities for improvement may arise. Some conditions that could drive changes to the processes and tools include portfolio performance reporting, volume of the portfolio, expectations of FX Governance, use and flexibility of the portfolio tools, or resource availability.

### 3.4.1 BENEFITS REALIZATION MANAGEMENT AND ONGOING IMPROVEMENT (PHASE 9.0)

Benefits realization management and ongoing improvement are accomplished through the use of the FX Outcome Framework. The FX Outcome Framework is a structured approach to identifying, monitoring, and managing the outcomes of FX projects, in order to facilitate the alignment of project outcomes with strategic goals and objectives.

Each project in the framework will have inputs that enable the FX Portfolio Team to monitor the achievement of estimated or anticipated project outcomes or benefits.

Beginning with the *base* of benefits definition (benefits expected as a result from a project), the framework then defines what will be tracked to show benefits realization, what will drive the desired outcome, and how the outcome will align with Agency goals.

The overall value of the FX Outcome Framework is to align FX projects with the expected benefits and outcomes as they are identified and developed through the planning, procurement, and implementation phases.

- In a planning project, benefits are determined and documented in the framework.
- In a procurement project, benefits are refined from a previous planning project and validated through the requirements definition and procurement expectations for prospective vendors.
- In an implementation project, the vendor is incentivized to achieve the estimated benefits, and benefits may be refined further as changes occur during implementation.

The following information regarding benefits realization is input into the framework by the FX Portfolio Team:

- Expected positive project outcomes
- Objective, data-driven, and trackable project benefits measures that have a strong causal link to the outcome
- Time period for benefits measurement



- Estimated dollar benefits over the measurement time period
- The Agency goal/guiding principle(s) the benefits corresponds with the outcomes and/or expected benefits
- The drivers for how the outcomes and/or benefits will be achieved

Intangible benefits are also identified when specific benefits value cannot be represented monetarily, or for which calculation of the benefits would be cost prohibitive.

During an *Implementation* project, the following outputs are collected and recorded by the FX Portfolio Team:

- Realized intangible benefits
- Realized tangible benefits (actual realized dollar benefits of measurable benefits)
- Determination of actual Return on Investment (ROI) given actual project costs

The FX Outcome Framework supports the following FX work products:

- OWP
- Business Cases
- Benefits Realization Reports
- Schedule IV-Bs
- APDs

The FX Portfolio Team manages the FX Outcome Framework as a component of total PPM. The FX Portfolio Team is the framework *gatekeeper*, determining the appropriate inputs and outputs that align with Agency policy objectives, and managing the framework parameters over the life cycle of projects within the portfolio.

The FX Portfolio Team, Project Sponsors, and SMEs will work together to establish the expected benefits for projects within the FX Portfolio according to the approach defined in this section (**Exhibit 3-20: Portfolio Benefits Realization Approach**). The expected benefits should align with the strategic priorities defined in Phase 2.0 (Visioning) during the portfolio initiation stage. The monitoring of benefits realization is a component of portfolio performance management and is an ongoing activity throughout the life of the portfolio.

The portfolio benefits realization process approach focuses on the benefits expected and realized from the individual FX Portfolio components (items that can be measured, ranked, and prioritized). The sample activities are listed below.



LIFE CYCLE STAGE	ACTIVITY
Initiation	<ul style="list-style-type: none"> <li>▪ Confirm portfolio components with FX Governance</li> <li>▪ Obtain consensus with FX Strategy and Portfolio teams on portfolio components</li> </ul>
Planning	<ul style="list-style-type: none"> <li>▪ Identify and define expected project benefits (in accordance with the business case, CBA, and the current Schedule IV-B)</li> <li>▪ Validate identified and defined project benefits</li> <li>▪ Confirm expected benefits with project and benefits realization stakeholders</li> <li>▪ Determine baseline data collection method</li> <li>▪ Determine baseline collection time frame and start date</li> <li>▪ Determine who will be measuring benefits realization</li> <li>▪ Identify additional information to determine the extent of each benefit (e.g., when are the specific benefits to be realized over time, and how the benefits will be calculated)</li> <li>▪ Identify the source of data for benefits measurement</li> </ul>
Execution	<ul style="list-style-type: none"> <li>▪ Formalize benefits realization plan before project implementation</li> <li>▪ Confirm benefits realization expectations with project implementation vendor</li> <li>▪ Confirm planning efforts for how benefits will be measured, who measures, and when benefits measurement occurs</li> <li>▪ Confirm how benefits measured for the projects will be reflected in reporting benefits of the portfolio</li> </ul>
Optimization	<ul style="list-style-type: none"> <li>▪ Modify plan as needed throughout the duration of the project or when the benefits are expected</li> <li>▪ Coordinate with vendors and bureaus on capturing measurements</li> <li>▪ Perform interim measurements throughout the project or when the benefits are expected</li> <li>▪ Create and disseminate periodic realization reporting</li> </ul>

**Exhibit 3-20: Portfolio Benefits Realization Approach**

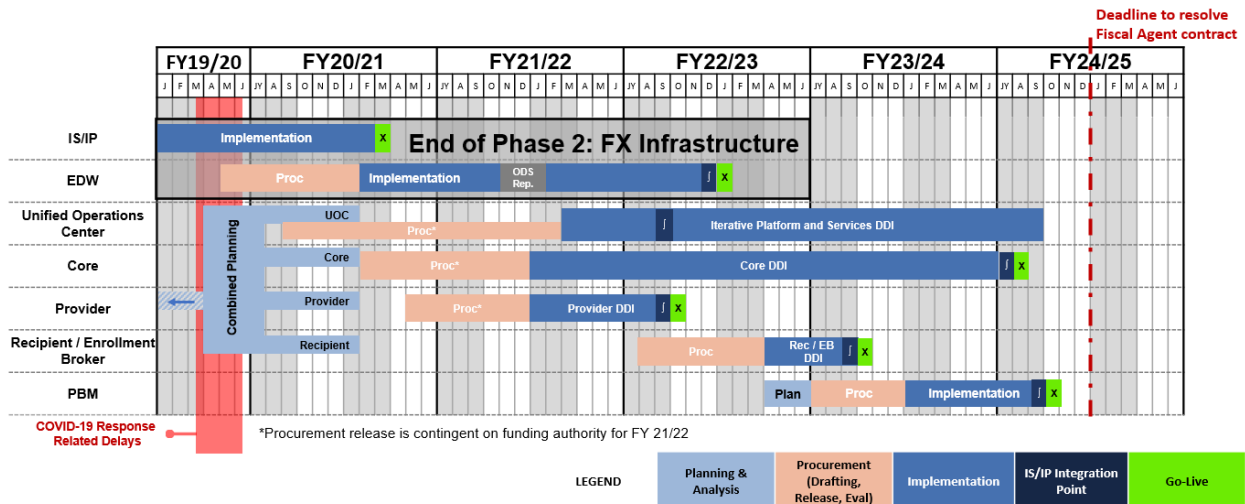


## SECTION 4 MANAGEMENT OF THE PORTFOLIO

This section describes the portfolio management processes for the FX Portfolio Roadmap, performance management, strategic change management, risk management, and communications management. The FX Portfolio Manager is responsible for the management and coordination of these processes and improving them through changes approved by FX Governance.

### 4.1 FX PORTFOLIO ROADMAP

The FX Portfolio Team will create and maintain the FX Portfolio Roadmap. The initial roadmap originated from projects that were collected and loaded into the PMT. The roadmap contains projects within the FX Portfolio that are reported on to FX Governance and is a graphical view that chronologically lists the expected start and finish date of each project. The roadmap also shows each project's expected fiscal year completion through planning, procurement, and implementation. FX Governance makes the recommendation and decision of adding or removing projects to/from the FX Portfolio Roadmap. Variations of the roadmap can be produced using details from the portfolio for different audiences and purposes. **Exhibit 4-1: Example Portfolio Roadmap** below is an example of the FX Portfolio Roadmap developed for public communication.



**Exhibit 4-1: Example Portfolio Roadmap**

#### 4.1.1 INTEGRATED MITA ROADMAP

Guidance for the MITA Roadmap is provided in the State Self-Assessment (SS-A) Companion Guide provided with the MITA 3.0 Framework. The MITA SS-A document identifies which specific issues within the in-scope systems are creating the greatest roadblocks to accomplishing goals and achieving an increased rating on the MITA Maturity Model. MITA Maturity is measured and maintained in the MITA Pulse toolkit provided by SourcePulse.





Projects identified in the FX Portfolio Roadmap are assessed and updated in MITA Pulse through facilitated sessions with Agency SMEs and SEAS. The MITA Roadmap is the same representation of the projects contained within the FX Portfolio Roadmap.

## 4.2 PERFORMANCE MANAGEMENT

The Portfolio Manager will monitor the portfolio investments, analyze the outcomes reported, and evaluate actual versus expected benefits and costs. As part of the benefits realization process defined in Section 3.4.1, the Portfolio Manager works with the FX vendors (vendors awarded contracts to perform FX projects) and the Agency to validate the individual project goals align with the current strategic priorities. The focus of portfolio performance management is to connect the projects and components in the portfolio to the strategic priorities and vision defined during the Portfolio Initiation Phase. Portfolio performance management consists of the following six domains:

- Capacity and Capability Management
- Portfolio Stakeholder Engagement
- Portfolio Value Management
- Portfolio Risk Management
- Portfolio Strategic Management (*S-3: FX Strategic Plan*)
- Portfolio Governance (*S-1: FX Governance Plan*)

### 4.2.1 CAPACITY AND CAPABILITY MANAGEMENT

Capacity management evaluates the types of resources, skills, quantity, and timing of resource use to support projects within the FX Portfolio. Resource decisions about capacity and capability rely on informed recommendations developed through FX Governance and evaluating the resources available to the Agency. The governance authority for managing and assigning resources, providing recommendations, and reporting on portfolio progress uses the following elements:

- **Leadership:** Obtain the support of FX Governance for each project and identify Executive and Project Sponsors to champion and be actively involved in supporting the project
- **Culture:** Implement an organizational culture that encourages change and support for the prioritized projects
- **Stakeholders:** Identify and engage key internal and external stakeholders affected by each project
- **Resources:** Dedicate and assign the qualified internal resources necessary to implement the prioritized projects
- **Funding:** Secure federal and state funding for solutions that represent the best value for the Agency, which may not necessarily be the lowest priced option



- **Tactical Planning:** Conduct detailed planning for each Internal, Support Services, and Procurement and Implementation project in the S-3: FX Strategic Plan

Resource needs are evaluated during specific events throughout the year. These include annual planning for preparing LBRs, assessing a proposed project to develop a business case, monthly evaluation to determine allocation adjustments and preparing for upcoming projects, and approved project schedule changes.

Annual planning for preparing LBRs includes reevaluating effort for a previously defined project and identifying resource needs for a new project. This process includes identifying capability needs (e.g., project management support, business analysts, technical analyst), the number of resources by capability, the timing of resource needs, and the potential resource impacts to the FX Portfolio projects planned and in progress.

Resource needs are also identified when assessing a proposed project for developing a business case. This process focuses on the same resource need activities performed for preparing LBRs.

At a minimum, a monthly evaluation of resource needs is performed using resources allocated to current projects and resources planned for upcoming projects. The outcome is to determine any allocation adjustments needed (under/over allocations). Resources with significant allocation variances are identified and discussed with project managers and team leads to develop resource leveling strategies.

Managing resource needs for an approved project begins prior to the start of the project. The project manager will review the estimated resource needs for the project and use this as a starting point for identifying the availability of team members who match the capability need. The project schedule is developed during the project initiation and planning phases where any additional resource needs are identified. Through the execution of the projects, capacity risks and issues are managed at the project level and escalated for visibility at the FX EPMO and FX Portfolio levels.

As the PPM processes mature, capacity and capability management will improve. Improving the ability to manage capacity and capability reduces resource conflicts and improves the overall performance of the portfolio.

#### 4.2.2 PORTFOLIO STAKEHOLDER ENGAGEMENT

FX Portfolio stakeholders include individuals, groups, or organizations that have a stake or role in the decisions or changes implemented through the portfolio execution. The approval and addition of projects to the FX Portfolio Roadmap will cause stakeholders to consider the effects of approved projects. The key stakeholder interactions through the execution of this S-4: *Strategic Project Portfolio Management Plan* are those established in the S-1: *FX Governance Plan*.



FX Governance will define and control which stakeholders to engage and for what purpose through the project life cycle of identification, screening, assessment, approval, and execution. The FX Portfolio Manager performs stakeholder engagement and coordination on the direction set and decisions made by FX Governance.

### 4.2.3 PORTFOLIO VALUE MANAGEMENT

FX Portfolio value management helps to show that investments made for approved projects within the portfolio align with the enterprise strategic priorities and vision. The FX Portfolio Manager coordinates with FX Governance, through approved recommendations, to define the appropriate portfolio metrics for reporting the portfolio value. These metrics will combine quantitative and qualitative values to identify patterns and trends to support future decision-making. **Exhibit 4-2: Portfolio Value Metrics** defines suggested metrics to track portfolio performance.

PORTFOLIO CATEGORY	QUESTION	PROPOSED METRICS
Content	Is the portfolio aligned with the S-3: <i>FX Strategic Plan</i> priorities?	<ul style="list-style-type: none"> <li>▪ % of portfolio projects by outcome</li> <li>▪ % of portfolio projects with a planned duration less than or equal to 2 years</li> <li>▪ % of portfolio projects with a planned duration greater than or equal to 3 years</li> </ul>
Capacity	Are there enough human and fiscal resources to maintain the portfolio content?	<ul style="list-style-type: none"> <li>▪ % of Agency requested budget for FX Portfolio projects that have Florida Legislative approval</li> <li>▪ % of Agency human resources available for new projects</li> </ul>
Portfolio Health	How are the portfolio projects performing?	<ul style="list-style-type: none"> <li>▪ # of strategic outcome issues by project</li> <li>▪ % of projects on schedule (SPI &gt; .9 or SPI &lt; 1.1)</li> <li>▪ % of projects on budget (CPI ≥ .9 or CPI ≤ 1.1)</li> </ul>

**Exhibit 4-2: Portfolio Value Metrics**

### 4.2.4 PORTFOLIO RISK MANAGEMENT

Risk and issue management in the FX Portfolio is different from project-level risk and issue management. Risk management, including issue management, in the FX Portfolio focuses on enabling portfolio components to be as successful as possible within the context of the S-3: *FX Strategic Plan*. Portfolio risks are determined using the Agency's risk tolerance with strategic consideration on how to best balance risks to optimize the portfolio, i.e., leveraging positive risk



(opportunities) and minimizing negative risks (threats) in the best interest of the portfolio overall, which may not be in the best interest of a portfolio project and/or component. Risks are also determined based on events occurring as planned in the portfolio. If projects are not progressing as scheduled, then dependencies and missed opportunities will surface as new risks or realized issues within individual projects.

The *P-2: FX Project Management Standards* and the *S-1: FX Governance Plan* define the processes to identify and escalate project and program-level risks and issues through FX Governance for resolution. The SEAS Vendor is responsible for working with each Risk Manager to address portfolio-level risks with the appropriate level of FX Governance.

The FX Portfolio Team is responsible for managing risks that affect the FX Portfolio and the portfolio's ability to meet the strategic priorities and desired outcomes. Portfolio risk management includes risk management planning, risk identification, risk assessment, and risk response.

#### 4.2.4.1 PORTFOLIO RISK IDENTIFICATION

Initially, the FX Portfolio risks derive from the risks identified through the individual projects within the portfolio. As the portfolio matures and the FX Portfolio Roadmap contains more projects, risk planning, identification, analysis, and response strategies will evolve at the direction of FX Governance. As FX Portfolio risks are identified from multiple sources, they will be recorded in the FX Risk Register and assigned a risk owner. The elements to be captured for each portfolio risk are:

- FX Portfolio Risk Register assigns
  - › Item # – unique sequence number assigned to each risk identified
- Portfolio Risk Originator records
  - › Identified by – name of the individual who identified the risk
  - › Description – narrative of the nature of the risk and potential impacts
- Risk Team records
  - › Probability – assessment of the likelihood of the risk to happen
  - › Impact – assessment of the extent of consequences
  - › Status – an indicator of the status
  - › Owner – name of the risk owner who is responsible for contributing to the risk assessment with the FX Portfolio Manager
  - › Risk Score – a calculated risk exposure created by a multiplier of probability times the impact
  - › Interdependencies – the interdependencies with other portfolio components

- › Priority – FX Governance assigned priority (High, Medium, or Low) for risk monitoring and mitigation activities
- › Category – categorization of the risk provides a way to logically group certain risks
- Risk Owner records
  - › Risk Response – type of response plan to be developed
  - › Response Plan – narrative of the strategies identified to address the risk
  - › Contingency Plan – narrative of strategies identified to address the risk to reduce impact to the portfolio
  - › Trigger (Timing) – estimated date or time frame for when the risk would be realized
  - › Trigger Description – narrative of the events which would cause the risk to become realized

#### 4.2.4.2 PORTFOLIO RISK ASSESSMENT

For projects that complete Gate 6.1, the Portfolio Management Tracking Tool calculates the project risk ranking. The following risk score ranges below determine the initial risk assessment for High, Medium, and Low:

- High (-33 to -39)
- Medium (-32 to -19)
- Low (-18 to 0)

After a project moves into Phase 7.0 (Procurement) or Phase 8.0 (Delivery Management), the project manager will use the risk rating determined by the DMS Risk and Complexity Assessment tool (available at the DMS website). The purpose is defined in the tool by DMS as the following:

*“In order to determine the level of risk associated with the undertaking of a project effort, this worksheet presents a series of risk and complexity questions. Each question has a weighted value. Once the assessment is complete, the project is classified into one of four project categories from low risk/low complexity to high risk/high complexity. Based on the project’s risk and complexity categorization, project management best practice risk mitigation strategies become required. Mitigation strategies include the mandatory creation of certain project management artifacts, status reporting, governance oversight, scope/schedule/budget accuracy thresholds, and independent verification and validation (IV&V) support.”*

The results from the assessment are then used by the project manager to determine the required project artifacts for the *Procurement* or *Implementation* project.



#### 4.2.4.3 PORTFOLIO RISK RESPONSE

The risk response for portfolio risks are integrated in the monthly PPM report and provided to FX Governance to support strategic decision-making regarding the FX Portfolio. The trends and status of the portfolio risks, along with recommendations developed by the FX Portfolio Manager, help FX Governance manage balancing the portfolio.

### 4.3 STRATEGIC CHANGE MANAGEMENT

Throughout the portfolio life cycle and following annual *S-3: FX Strategic Plan* refreshes, changes may be needed that affect the FX Portfolio. These changes may result from updates or revisions to scope, budget, leadership, or the overall strategy. When there is a change in strategy, the FX Portfolio Team will evaluate and analyze impacts to portfolio components that are currently in progress or prioritized for future delivery. The changes may be captured in, but not be limited to, the *S-3: FX Strategic Plan*, *S-4: Strategic Project Portfolio Management Plan*, and related materials. FX Governance will review and approve updated plans and impact analysis with recommendations.

The SEAS Vendor will collaborate iteratively with the Agency, and at their direction, to complete an annual strategy refresh, make course corrections, and promote consistent communication.

- Annual Strategy Refresh – Annually, the SEAS Vendor will collect new information, adjust strategic priorities and tactics, and update the planned projects for the next year.
- Course Correction – These annual strategy refreshes will incorporate trends and lessons learned to enable a viable system after implementation. These continuous *course corrections* will inform the next cycle of work and procurements.
- Consistent Communication – The iterative approach relies on consistent communication and timely decision-making through a strong governance framework.

Changes to the FX Portfolio are made through decisions and direction provided by FX Governance. The addition or removal of projects to/from the FX Portfolio can occur because of recommendations and decisions made by the Agency. Changes may initiate from requests and direction provided from an enterprise governance level (top-down) or from recommendations from FX Portfolio stakeholders (bottom-up).

### 4.4 COMMUNICATIONS MANAGEMENT

The FX Portfolio Manager will coordinate with the Agency to develop the communication techniques for PPM relevant events. The communications process will evolve to keep FX Portfolio stakeholders well-informed of the portfolio status. FX Portfolio Manager communications will also provide information for FX Governance to make informed decisions on project selection and portfolio balancing. The FX Portfolio Manager is responsible for the following communications with FX Governance:



- Reporting FX Portfolio progress
- Providing recommendations for decisions to FX Governance
- Coordinating with strategic and technical groups to align priorities with available resources

The PPM Communications Table identifies how portfolio topics will be communicated to stakeholders. The primary stakeholder audience for portfolio communications is FX Governance. The PPM Communications Table will be maintained in the FX Projects Repository and will be updated as communication needs change. Project documentation used to develop recommendations for decisions for FX Governance are stored in the FX Projects Repository.

**Exhibit 4-3: PPM Communications Table** shows information about defined PPM related communications maintained in the FX Projects Repository.

- **Title** – the name of the communication being provided (e.g., FX Portfolio Monthly Report, FX Portfolio Impact Analysis)
- **Frequency** – how often the communication is provided (e.g., as needed, weekly, monthly, quarterly)
- **Recipient/Audience** – who receives the communication
- **Method** – how the communication is disseminated (email, meeting, FX Projects Repository)

The PPM Communications Table will evolve as FX Governance communication processes mature, and additional elaboration of defined communications becomes relevant and appropriate.

COMMUNICATION AREA	FREQUENCY	RECIPIENT(S)	COMMUNICATION METHOD
S-4: Strategic Project Portfolio Management Plan refresh	Annually	FX Governance	Presentation; FX Projects Repository
FX Portfolio Monthly Report	Monthly	FX Governance	Presentation; FX Projects Repository
FX Portfolio Ad hoc Reports	As needed; varies	FX Governance	Presentation; FX Projects Repository
FX Portfolio Proposed Project Business Case Development and Roadmap Impact Analysis	As needed	FX Governance	Presentation; FX Projects Repository
FX Portfolio Proposed Project Final Recommendation Decisions	Upon proposed project final recommendation decision	FX Portfolio Manager	Presentation; Email; FX Projects Repository
FX Portfolio Roadmap	As needed	FX Governance	Presentation; FX Projects Repository



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<b>COMMUNICATION AREA</b>	<b>FREQUENCY</b>	<b>RECIPIENT(S)</b>	<b>COMMUNICATION METHOD</b>
FX Portfolio Risk and Issue Reviews	Monthly	FX Governance	Presentation; FX Projects Repository

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**Exhibit 4-3: PPM Communications Table**





## SECTION 5 PORTFOLIO MANAGEMENT REPORTING

The *S-4: Strategic Project Portfolio Management Plan* processes provide a set of information that supports the communication and decision-making needs of the Agency. This section describes PPM reporting categories, the initial reports to support the PPM processes, and the process to incorporate new PPM reports into the communications management process.

PPM reports seek to provide information that is:

- Easy to access
- Appropriate to the audience
- Timely
- Accurate
- Cost effective to produce and maintain

The initial FX PPM tool and reports will reside in the FX Projects Repository, under FX Portfolio Reports. Additionally, to support specific PPM processes, the FX Portfolio Team may electronically distribute reports or links to the PPM report information. Some reports may be developed using other tools such as Microsoft Power BI, Excel, or PowerPoint. For example, prior to a governance meeting the FX Portfolio Team may provide the current List of Proposed FX Projects.

### 5.1 PROJECT PORTFOLIO MANAGEMENT REPORTING CATEGORIES

The maturity of PPM processes and PPM reports are highly correlated. The need for additional PPM reports and accountability will increase as PPM processes mature and the Agency achieves higher levels of PPM maturity.

### 5.2 PERFORMANCE REPORTING

The FX Portfolio Team will provide a monthly PPM report for monitoring and control of all active FX Portfolio projects and components (**Exhibit 5-1: Components of the Strategic Project Portfolio Management Report**). The FX Portfolio Team will obtain information from stakeholders and project managers to prepare the monthly report for FX Governance. The FX Portfolio Team provides the PPM status report to FX Governance monthly.

The monthly report content will initially consist of four segments and will use the PPM as the source for data. Additional segments for enhancing the monthly report are made through recommendations and approvals through FX Governance.



SEGMENT	PURPOSE
Financials	<ul style="list-style-type: none"> <li>▪ Portfolio Value: current fiscal year total budget, amount spent as of the most recent fiscal year month, and remaining balance for all FX Portfolio approved projects</li> <li>▪ Portfolio Value Projections: total projected budget of all FX Portfolio components for each of the next three fiscal years</li> <li>▪ Top Budgeted Projections: top five budgeted FX Portfolio approved projects for the current fiscal year, and each of the next two fiscal years</li> </ul>
Charts	<ul style="list-style-type: none"> <li>▪ Components in the FX Portfolio grouped by Phase</li> <li>▪ Number of projects started or will start in the current fiscal year</li> <li>▪ Number of projects in Delivery Management (Phase 8.0) grouped by duration</li> </ul>
Content	<ul style="list-style-type: none"> <li>▪ List of defined outcome goals and the count of FX Portfolio components for each, regardless of the component's status</li> <li>▪ Counts of all approved projects: starting in next 60 days, completed in last 60 days, planned in progress for the current fiscal year, planned in progress for each of the next two fiscal years</li> </ul>
Notes	<ul style="list-style-type: none"> <li>▪ Portfolio risks</li> <li>▪ Portfolio activity</li> <li>▪ Executed contracts</li> <li>▪ To be executed contracts</li> <li>▪ Additional notes</li> </ul>

**Exhibit 5-1: Components of the Strategic Project Portfolio Management Report**

The SEAS Vendor will develop other executive reports regarding project status and funding management, including reports required by DMS.

**5.3 PPM DASHBOARDS**

The *S-4: Strategic Project Portfolio Management Plan* approach anticipates the need for dashboards to present frequently accessed or real-time PPM information. Dashboards and reports will be developed to support the decision-making using information from the FX Portfolio.

**5.4 VALUE REPORTING**

The FX Portfolio Manager develops reports for FX Governance showing the planned and value of the FX Portfolio. This reporting includes qualitative and quantitative factors to describe the value of the projects in the portfolio. Quantitative elements will include costs projected and realized by the individual projects. These will be cumulated to show value of the FX Portfolio. The qualitative elements will include analysis of the expected intangible benefits or outcomes to be achieved through the expected implementation of specific projects. Other factors such as changes to project costs or risks that affect the value of the portfolio will be included in the report with analysis on the impacts and recommendations for changes to improve the performance of the FX Portfolio. Value reporting for the FX Portfolio is shown in the Monthly PPM and Impact Analysis reports.



## 5.5 INCORPORATING NEW REPORTS IN THE COMMUNICATIONS MANAGEMENT PROCESSES

New reports provide information and analysis to stakeholders to improve their understanding and decision-making to advance the mission and strategic objectives of the Agency. New reports may be recommended and developed to support decision-making and understanding of portfolio performance. These reports will be updated in the PPM Communications Table referenced previously in Section 4.4 Communications Management.

### 5.5.1 DISTRIBUTION OF NEW PPM REPORTS

The FX Portfolio Manager incorporates new reports in the communications management processes by:

- Enabling the new PPM reports and access to authorized users in the PPM tool
- Providing release notes to PPM tool users
- Distributing new PPM reports or links to new reports at appropriate points to PPM processes
- Communicating the existence of new PPM reports through existing program and project status reporting, governance, and change management processes

### 5.5.2 REQUESTS FOR NEW REPORTS

Stakeholders can request new reports or changes to existing PPM reports by sending an email describing their request to the FX Director and FX Portfolio Manager. As directed by the Agency, the FX Portfolio Manager will determine the effort required to implement the request and provide a recommendation to design, develop, test, and implement the change. If there is not a recommendation to implement the change, then the FX Portfolio Manager will provide an alternative recommendation to the FX Director. Depending on the resulting recommendation, existing processes for authorizing work through task orders, internal Agency work, new procurements, or including the changes as a new project in the FX Portfolio will be used.