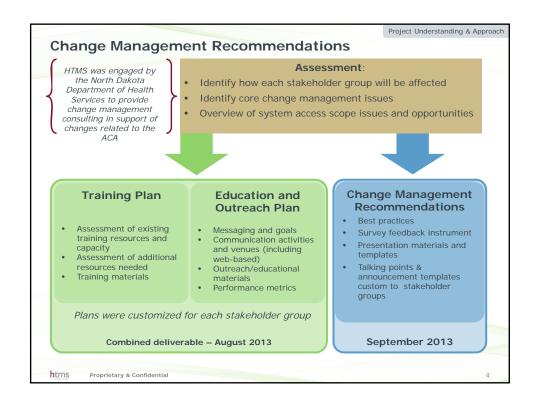
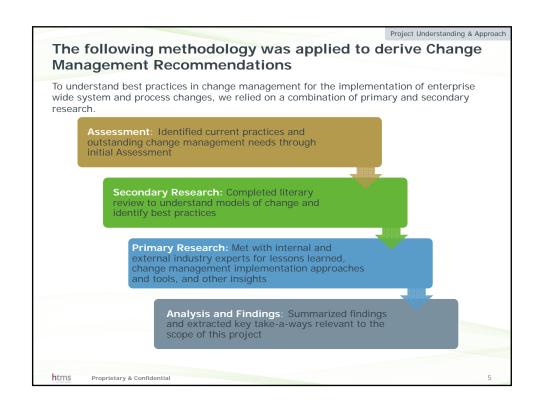
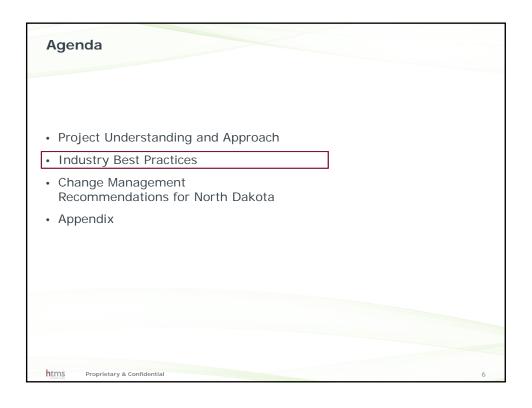


# Project Understanding and Approach Industry Best Practices Change Management Recommendations for North Dakota Appendix Proprietary & Confidential Proprietary & Confidential

Project Understanding & Approach Aspects of the ACA going into effect in 2014 collectively represent the largest change to public health programs in many years **Significance** New population purchasing Coming changes coverage Medicaid Expansion Many consumers who may Health Insurance have little to no experience Marketplaces in purchasing or consuming health coverage Individual Mandate Guaranteed Issue New model for purchasing North Dakota is expected to experience one of the largest percentages changes in eligibility in the country<sup>1</sup> <sup>1</sup> The Kaiser Family Foundation, statehealthfacts.org. Data source: Medicaid Coverage and Spending in Health Reform: National and State-By-State Results for Adults at or Below 133% FPL, the Urban Institute, May 2010. Available at: http://www.kff.org/healthreform/8076.cfm. Proprietary & Confidential







Industry Best Practices

### Proactive change management is important to any significant change in the rules, structure, or culture of an organization

A change management process can enable success by ensuring the project stays within scope, budgets, and timelines.

It also mitigates the following risks to the project, organization, or stakeholders involved:

- Projects exceeding budget, impact, or time;
- Organizational divisions between those pushing for and against change; and
- Missteps or challenges that could impact reputation or other issues.

"Having a documented change management process that the organization is educated on and understands how to use is critical."

"Push the change management process to make sure you're not absorbing change that hasn't followed the process."

"There is a great deal of time and energy wasted when people circumvent a change management process."

ntms

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Industry Best Practices

### Barriers to organizational change can impede successful transformations

Examples of these barriers include:

- Resistance to change from key figures or the culture overall
- Misunderstanding of goals and objectives of change resulting from poor communication channels
- Disagreement with the underlying need for change or new path identified
- Incentives misaligned with the old goals rather than the new vision
- Insufficient bandwidth to actively manage and absorb change
- Failure to adopt and use change management practices

"Taking the train off the track while its moving is very disruptive. Most people, as a general rule, will try to keep the train on the tracks in the original direction."

"Getting people to actually use the process vs. unilaterally making changes without communicating them, and then needing to absorb additional work, time, and costs that weren't planned for is a huge barrier."

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8

Industry Best Practices

HTMS relied on the Kotter change management model, an 8 step process of implementing change while overcoming barriers

There are numerous change management models, each with a particular emphasis or approach approach.

HTMS has a history of applying this model successfully in our implementation practice.

"It doesn't matter which change management model you choose. What's most important is that you choose a good one and use it to drive change."

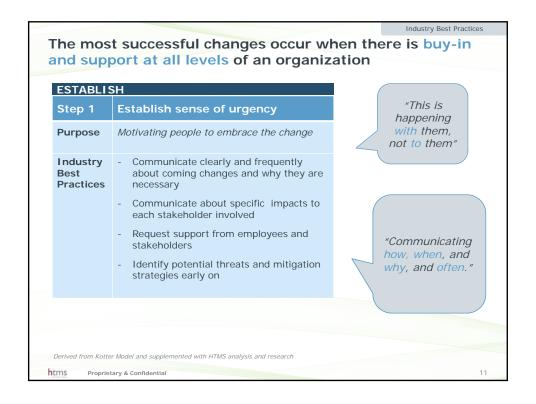
This section relies on the Kotter model supplemented with findings from third party research, team experience, and expert interviews.

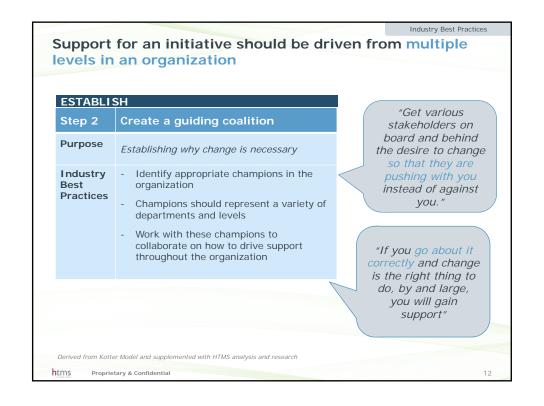
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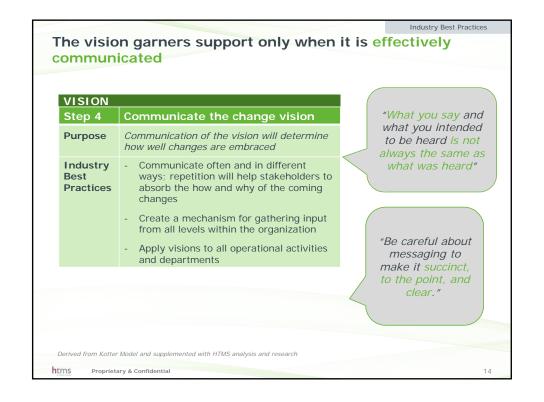
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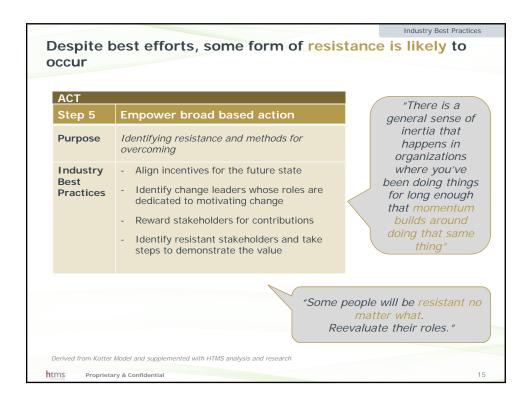
### Industry Best Practices Kotter offers an 8 step model of change that can serve as a guiding framework for implementing organizational transformation Kotter's 8-Step Model of Change Establish Ensuring that leadership and constituents have an 1. Establishing a Sense of Urgency understanding of the driving force for change and have committed to its success. 2. Creating a Guiding Coalition Understanding the current state, defining the future state Developing a Vision & Strategy vision, and assessing the gap between the current and future states. Communicate this end state with constituents. Communicating the change vision Give constituents the tools, resources, education, and training **Empowering Broad-Based Action** they will need to thrive in the future state. Generate opportunities for early success to drive interest and **Generating Short-Term Wins** accomplishment with the change Document early successes. Continue to gather feedback from improvement. Ritualize approaches to continual learning and **Consolidating Gains & Producing** More Change improvement. Generate broad-based investment in the Anchoring New Approaches in the outcome Derived from Kotter Model to be found at: http://www.kotterinternational.com/our-principles/changesteps

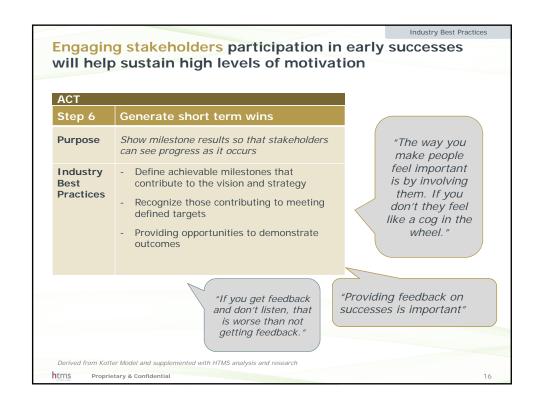




Industry Best Practices A clear vision that articulates what the transformation will look like helps everyone understand the necessity of the change VISION "Tweaking the approach to facilitate an understanding Establishing a vision for the organization and an empathy on **Purpose** that will enable stakeholders to embrace and both sides that support the coming changes you're in this together." Industry Determine how the change fits in with project goals and organizational vision Best **Practices** Ensure all levels of an organization were "Having people able to provide input feel like they Clearly communicate the vision are part of the frequently and in many venues change and that they have a say Collaboratively develop a strategy to in how it execute the vision proceeds is critical." Derived from Kotter Model and supplemented with HTMS analysis and research Proprietary & Confidential







STABILIZ	"Training is
Steps 7 and 8	Anchor new approaches in the culture and Consolidate Gains  important for people to understand the context of their new
Purpose	Embedding the changes and the value they deliver in day to day operations allows an organization to achieve a long-term cycle of identifying and implementing improvements role and how upstream and downstream processes will
Industry Best Practices	<ul> <li>Emphasize success stories</li> <li>Incorporate the change values in hiring requirements and process</li> <li>Sustain momentum for change in light of potential resource shifts</li> <li>After every win, analyze what went right and what needs improving.</li> <li>Set goals to continue building on the momentum you've achieved.</li> <li>Keep ideas fresh by nurturing organizational champions</li> </ul>

# Project Understanding and Approach Industry Best Practices Change Management Recommendations for North Dakota Appendix Proprietary & Confidential

ND DHS has demonstrated commitment to implementing large scale changes using proactive change management DHS is using changes driven by the ACA as an opportunity to realign systems and automate once manual and time consuming processes **Establish** Conducted an unbiased assessment of stakeholder needs and reduce capacity needs on current resources Established a plan for implementing ACA and Medicaid Expansion in Vision Identified the need to communicate changes to external constituents Developed a website to distribute content related to Medicaid Expansion Act Created plans to execute on education and outreach Provided training to key constituents throughout the community **Stabilize** • Sought change management best practices for ongoing maintenance Proprietary & Confidential

Recommendations Still, organizational changes being implemented could benefit from the following recommendations Recommendations 1. Engage select stakeholders and opinion leaders in the process 2. Establish ongoing communications Each of these has with all impacted parties specific best practices 3. Develop communications in terms of associated with audiences' environment and them. workflow 4. Use mandated change as an opportunity to resolve existing issues 5. Expect gaps and unknown scenarios to emerge

Principle	Engaging stakeholders and leaders in the process improves intelligence, minimizes assumptions, and engages constituents in the process.
Recommendations	<ul> <li>Develop a Steering Committee with representatives of internal and external critical stakeholders to maintain ongoing lines of communication regarding the overall change management.</li> <li>Test processes and outcomes early (even on paper) with those working with applicants could help expose areas of confusion, optimize results, and minimize rework.</li> <li>Engage a singular executive sponsor to manage the day to day activities of the project.</li> </ul>
	<ul> <li>With all teams stretched to capacity, it can be difficult to secure time and input from a broad range of constituents.</li> <li>It is important to be clear where contributors have the ability to influence outcomes or decisions vs. providing perspectives.</li> </ul>

Principle	Communications with relevant stakeholders should be two-way and continue on after implementation to ensure feedback on the current state is understood and continually improved upon.
Recommendations	<ul> <li>Provide regular talking points to county eligibility workers around changes to policy, processes, or tools so that they can address consumer concerns in a way that aligns with DHS' objectives.</li> <li>Establish more frequent but less formal opportunities for interaction, such as through webinars so that county eligibility offices can interact with subject matter.</li> <li>Develop a mechanism for establishing a feedback loop to identify what is working well and where additional efforts may be needed</li> </ul>
	<ul> <li>Ongoing communications could have an impact on resource capacity and would need to be planned for and worked into roles and responsibilities.</li> <li>Without clear and concise communications the value may be diluted.</li> </ul>

	W/s
Principle	Where relevant, develop custom communications by audience to ensure understanding and to avoid misinformation and confusion.
	Provide appropriate documentation as needed for each audience base, including:     Education
Recommendations	<ul> <li>Instruction on where to refer for further information</li> <li>Guidance on how to direct constituents toward education and referral</li> </ul>
	<ul> <li>When a policy changes, include descriptions of how roles and responsibilities are impacted.</li> </ul>
	Prepare training materials and resources based on scenarios that include logic tests and other real-life variables.
	Customizing too specifically for different audiences could offer limited incremental value relative to the effort.

Principle	Mandated changes provide an opportunity for organizations to leverage resources towards resolving existing issues or enhancing current functionalities that may coincide with the scope of changes.
Recommendations	Use the ACA changes as an opportunity to fix related issues that need to be addressed.  Perform a reality-based assessment to manage scope.  Maintain a queue of requested enhancements. Any time code in a module is being changed, it is an efficient time to include other enhancements
	It is also important not to load a mandated project with too much other change so as to limit movement or jeopardize success.

Principle	During the implementation of any major change, it is not uncommor to discover unplanned circumstances. The team may become aware of gaps in the requirements, dependencies, opportunities for greate efficiency, or resource changes. These situations should be viewed a opportunities to improve upon existing functions and processes, within limits.
Recommendations	<ul> <li>For an initial period of time after major new functionality is released utilize a "war room" approach.</li> <li>Have one or more planned "fix" releases on short cycles to cover corrections for unexpected conditions.</li> <li>Provide eligibility workers and other constituents with "work arounds" until fixes can be put into production.</li> </ul>
	Scope creep needs to be aggressively managed in order to prevent burden on budget and deadlines.

## Project Understanding and Approach Industry Best Practices Change Management Recommendations for North Dakota Appendix Proprietary & Confidential Agenda Proprietary & Confidential

Appendix

### A number of communication and training tools were developed as a result of this project that can be leveraged by DHS going forward

Audience	Deliverable	Content Topic Areas
	Fact Sheet #1: North Dakota Addresses Health Care Reform	<ul> <li>Medicaid Expansion</li> <li>FFM</li> <li>Online Eligibility Modernization</li> </ul>
	Fact Sheet #2: North Dakota and Medicaid Expansion	<ul> <li>Basic info about Medicaid</li> <li>Expansion in North Dakota</li> <li>Where to go for more info</li> </ul>
Eligibility workers and	Fact Sheet #3: North Dakota and the Affordable Care Act	- Medicaid Expansion - FFM
Advocacy organizations	Training PowerPoint – General session	- ACA - Medicaid Expansion - FFM
	Training PowerPoint – Native American session	- ACA - Medicaid Expansion - FFM
	Medicaid Expansion Resources & Contacts Sheet	- Contact information - Websites, etc.
State and County Eligibility Workers		- Who qualifies for Medicaid now (with examples)

Appendi

### A number of communication and training tools were developed as a result of this project that can be leveraged by DHS going forward

Audience	Deliverable	Content Topic Areas
	Brochure: North Dakota Medicaid Expansion & Health Care Reform	- Medicaid Expansion - FFM - Any other highlights that consumers need to know about Health Care Reform (e.g., SHOP)
	One-pager: North Dakota Medicaid Expansion & Health Care Reform	Same basic content as brochure, but in easy-to-update and print out format
Consumers	Medicaid Expansion & Health Care Reform Frequently Asked Questions	Medicaid Expansion     FFM     Native American, New American and other demographic populations addressed     Specifics for North Dakota
	Medicaid Expansion & Health Care Reform Glossary of Terms	- Medicaid - FFM - ACA - Health Reform - Health insurance basics
	Medicaid Expansion Posters	<ul><li>Poster for all audiences</li><li>Poster for Native American population</li></ul>
	Public service announcements	- Medicaid Expansion

	•	Individuals in training	
Audience	•	Consumers	
Content	•	Verbal overview of Medicaid expansion	Public Service
	•	The role ND is playing	Announcement video will be embedded here.
	•	Illustrative of key points in training classes	
Use	٠	TV public service/news broadcast	
	•	On-line resource	

dustry best praction	es		
Tool	Purpose		
	*All Word and PPT materials created can be used as templates for future communications.		
Presentation materials and templates*	<ul> <li>A library of materials and templates that can be used and updated as the program evolves.</li> </ul>		
and tomplates	Having standard templates and language will ensure continuity in format and messaging.		
	The library will enable the State to efficiently make changes and updates.		
Talking points and announcement templates custom to stakeholder groups	The library will also include talking points, content, and templates that can be used with external constituents, and can be used in similar ways.		