

# Case Study: healthcare.gov

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# Project Background

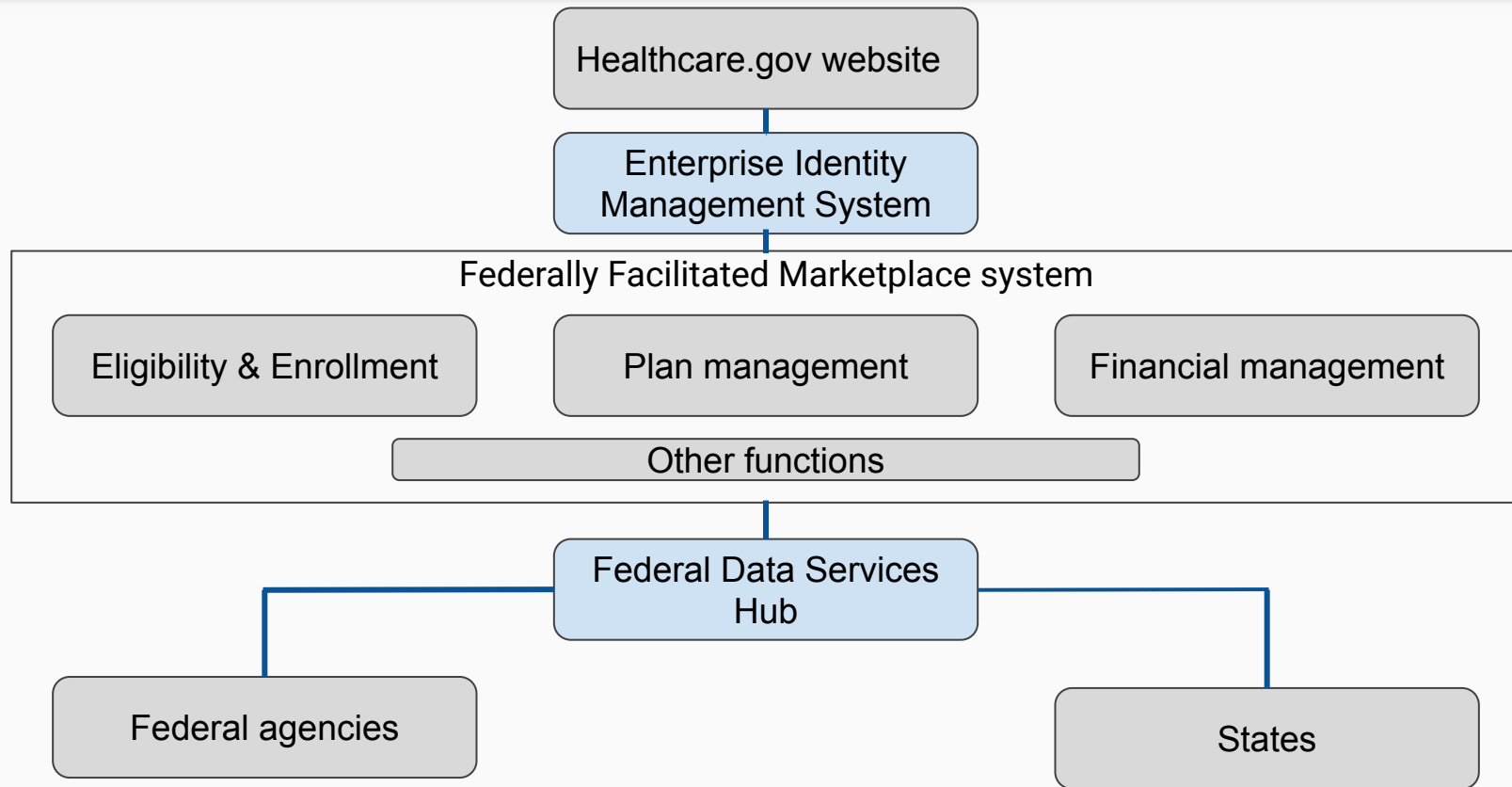
# Project Purpose

[Healthcare.gov](#) is a **health insurance exchange website**.

It allows Americans that need a health insurance plan

- To [compare](#) on prices of plans in their states.
- To [enroll](#) in a plan.
- To [find out](#) if they qualify for government healthcare subsidies.

# Overview of Healthcare.gov and Selected Supporting Systems



# Project Context

Knowledge Area	Findings
Integration management	Project Organization was complex.
Scope management	Complex architecture design with evolving requirements.
Time management	Timeframe: March 2010 - December 2013. The design, build and test phases were not sequential.
Cost management	No particular budget and cost planning control for the \$630 million spending.
Quality management	Unrealistic requirements engineering was performed.
Risk management	Not designed to handle the massive number of individual users. Plenty of missed opportunities to fix the website before its launch.
Procurement management	Primary contractor: CGI; 16 official subcontractors; a total of more than 55 different subcontractors.
Stakeholders management	Client: HHS; Others: CMS, HHS, 36 States, 300 private insurers, U.S. Chief Technology Office, GAO, Media, Citizens, SSA, IRS, VA, OPM, Peace Corps, etc.

# Timeline for Key Events



# Project Expectations and Outcomes

## **The promised:**

- To serve residents of 36 states.
- Three main functions:
  - Eligibility and enrollment
  - Plan management
  - Financial management
- End-to-end testing in July 2013.
- Launch on Oct 1, 2013.

## **The delivered:**

- End-to-end testing in Sep 2013.
- Crashed on Oct 1, 2013.
- Remained inactive for 4 weeks after launch.
- Failed to meet initial deliverable requirements for providing its services.
- Various glitches.



## This project is a failure

- 9.47 million users that attempted to register during the first week of the launch, but only 271,000 succeeded.
- Only 26,794 people had been able to enroll over the entire first month, 90% fewer than the Obama administration had planned.
- By Nov 2013, only around 137,000 people had signed up for plans using the site compared to the 227,000 that had enrolled through the 14 state run exchanges.
- The initial website development cost was expected to be \$292 million and reportedly surged to \$2.1 billion.

# Project Analysis

# Project Challenges

- Project Complexity.
- Uncertainty.
- Compressed Time Frame.
- High-risk contracts.
- Lack of senior leadership.

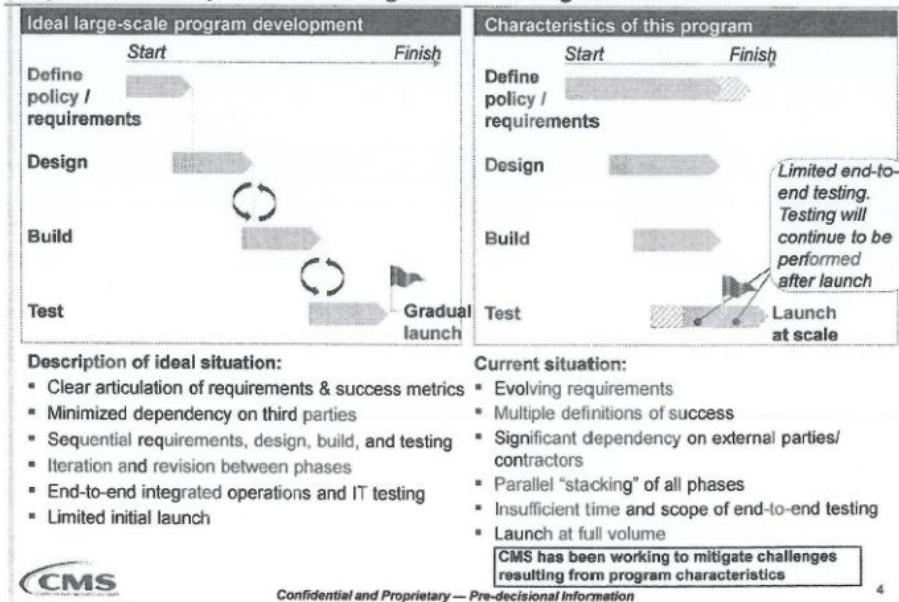
# Key Failures of the Website Launch

- Poor project scoping and system requirements analysis.
- Inadequate risk management.
- Time mismanagement.
- Go/no-go decision.
- Rigid organizational culture.
- Project management fundamentals.

# How to fix

- **Articulate** the needs clearly.
- **Define** success clearly.
- **Rely less on** contractors and other outside parties.
- **Sequentialize** the design, build and test phases, not stack on top of each other.
- **Allocate enough time** for end-to-end testing of the system.
- **Launch in phases** rather than at once.

Programs of this type ideally have a sequential planning, design, and implementation process with significant testing and revision



Confidential and Proprietary — Pre-decisional Information

# Summary

# Summary

- Healthcare.gov was a complex project with a high chance of failure.
- Five main factors lead to the failure:
  - Project complexity
  - Uncertainty
  - Compressed time frame
  - High-risk contracts
  - Lack of senior leadership
- Effective project management would have prevented the failure.
- Obama did apologize!

## Lessons learned

- **Define** leadership roles clearly.
- **Align** policy and technical solution.
- **Manage** changes with discipline.
- **Never** take a shortcut in software testing.
- **Manage** service providers effectively.



# References

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