

# Joint Labor-Management Benefits Committee (JLMBC) COMMITTEE REPORT 18-62

Date: December 6, 2018

To: JLMBC

From: Staff

Subject: **Benefits Third-Party Administrator (TPA) Transition Update**

## JLMBC MEMBERS

### Management

**Wendy G. Macy, Chairperson**

Neil Guglielmo

Rich Llewellyn

Tony Royster

Matthew Rudnick

### Employee Organizations

**David Sanders, Vice-Chairperson**

Paul Bechely

Chris Hannan

Steve Koffroth

William Violante

## RECOMMENDATION

That the JLMBC receive and file the LAwell Civilian Benefits Program (LAwell Program) TPA transition update for November 2018.

## DISCUSSION

### **A. Benefits Third-Party Administrator Transition Background**

At its special meeting on January 4, 2018, the JLMBC recommended the selection of Morneau Shepell (Morneau) as the TPA for the City of Los Angeles LAwell Program pursuant to a Request for Proposal (RFP) for benefits TPA services that was released on May 8, 2017. At that meeting, the JLMBC also requested that staff provide regular status updates to the JLMBC on the progress of the transition.

Morneau has identified five stages guiding the implementation plan for successfully completing the transition. A brief description of the tasks involved in each of these phases is provided in **Attachment A**. These stages include:

- Pre-Implementation – Completed
- Discovery – Completed
- Design, Configure, and Build – In Progress
- System and Acceptance Testing – In Progress
- Transition to Ongoing Support – Scheduled 1<sup>st</sup> Quarter 2019 to 2<sup>nd</sup> Quarter 2019

The first two of the five stages, Pre-Implementation and Discovery, entailed holding a series of workshops to identify the full scope of business requirements needed for plan administration. Workshops were also used to identify areas of potential administrative improvements and service enhancements.

## B. TPA Transition – Current Status

Based on an implementation effective date of April 1, 2019, Morneau has developed a detailed implementation plan governing the transition. An updated implementation plan status is attached to this report as **Attachment A**.

Formal discovery workshops have concluded and a requirements workbook has been drafted detailing the business and systems requirements of each benefits administration process. The workbook forms a comprehensive business process document that governs administration of the plan. This workbook is being used to guide the Design, Configure, and Build phase of the project. The status of each chapter in the workbook is as follows:

- Plan Analysis – acceptance testing in progress
- Site Access & Security – build and acceptance testing in progress
- Site Navigation & Content – build and acceptance testing in progress
- Participant Tools – acceptance testing in progress
- Administrator Tools – acceptance testing in progress
- Human Resources Information System – acceptance testing in progress
- Payroll – workbook review and build in progress
- Reporting – build in progress
- Business Processes – acceptance testing in progress
- Billing Processes & Reporting – workbook review and build in progress
- Carrier Premium Payment Processes & Reporting – build complete; acceptance testing pending

### User Acceptance Testing and Demonstrations

Morneau has developed the member use web portal and administrator portal based on plan requirements outlined in the completed workbook chapters. Staff has completed initial acceptance testing of both portals. Acceptance testing of the remaining administrator functions of the Ariel Benefits System will continue through January 2019. The final phase of the acceptance testing for the member use portal will now commence in February, when end users will be engaged for experience testing of the portal prior to the April 1, 2019 live-date. An updated implementation plan is provided in **Attachment A**.

Submitted by: \_\_\_\_\_  
Jenny M. Yau

Approved by: \_\_\_\_\_  
Steven Montagna

# City of Los Angeles Benefits Administration Implementation Status



December, 2018

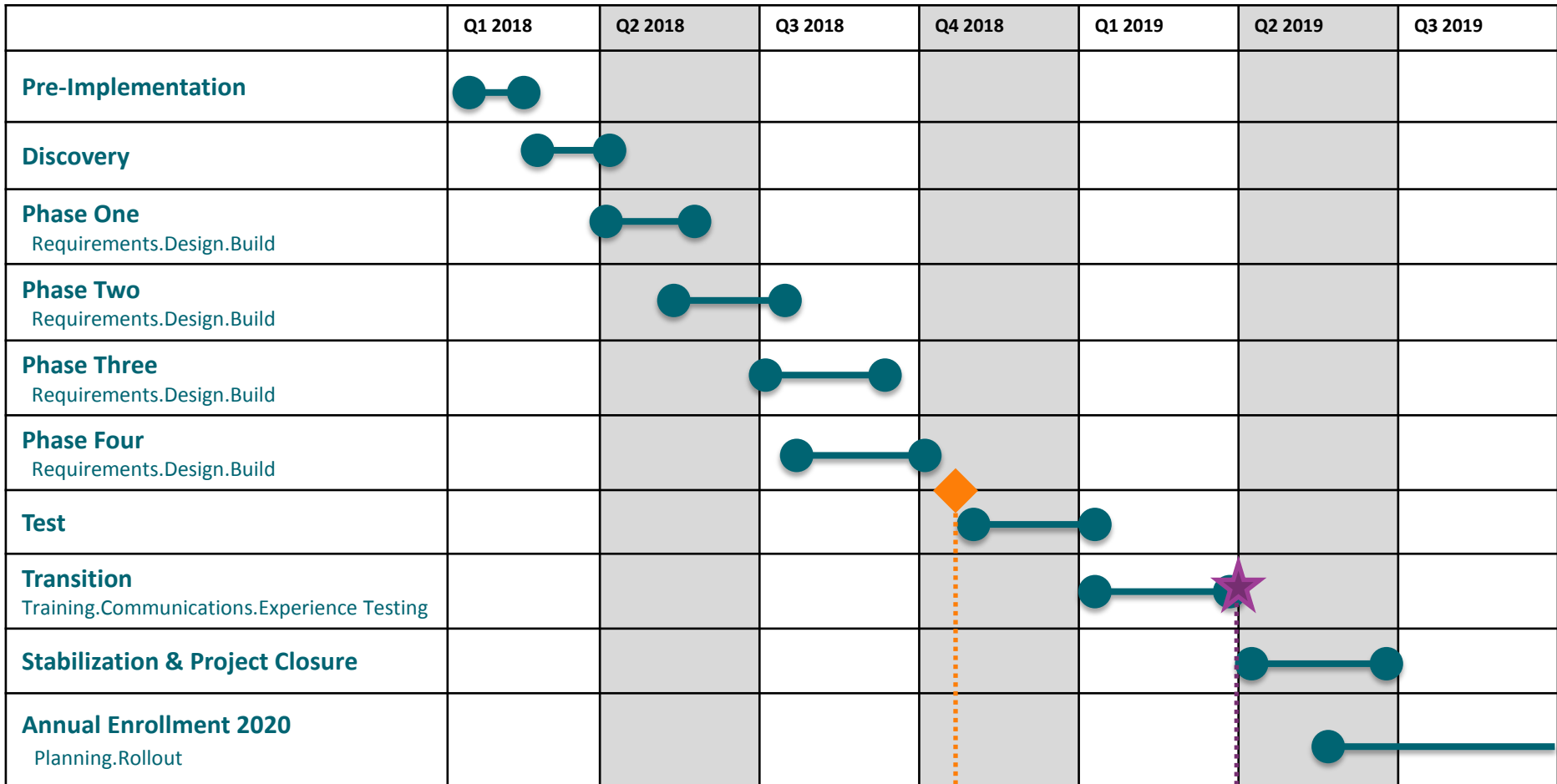


# Implementation Stages



January – February	March - April	April - December	October - January	February - March
<ul style="list-style-type: none"> <li>✓ Identify the Team</li> <li>✓ Establish Project Governance &amp; Cadence</li> <li>✓ Agree on Roles and Responsibilities</li> <li>✓ Discovery meeting preparation</li> <li>✓ Complete Information Request</li> <li>✓ Determine Project Milestones</li> </ul>	<ul style="list-style-type: none"> <li>✓ Team Kick-off</li> <li>✓ User interviews</li> <li>✓ Identify manual processes &amp; current pain points</li> <li>✓ Begin drafting requirements workbooks</li> <li>✓ Establish requirements sign-off procedures</li> <li>✓ Create and secure sign-off on implementation plan</li> <li>✓ Perform gap analysis</li> <li>✓ Submit Data Request</li> <li>✓ Start Contracting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Segment all development in to 4 phases</li> <li>• Complete requirements workbooks and secure sign-off</li> <li>• Finalize Contract</li> <li>• Configure and perform data conversion</li> <li>• Address Gaps</li> <li>• Configure, function test then demonstrate each phase to the City upon completion</li> </ul>	<ul style="list-style-type: none"> <li>• Integration testing</li> <li>• Parallel payroll testing</li> <li>• Acceptance testing</li> <li>• Data conversion sign-off</li> <li>• Create user documentation</li> <li>• Perform user training</li> </ul>	<ul style="list-style-type: none"> <li>• Wrap-up training for all stakeholders</li> <li>• Coordinate experience testing for member portal</li> <li>• Completion of all participant and staff communications</li> <li>• Finalize administration manual/procedures</li> <li>• Finalize call-center training</li> <li>• Incorporate feedback from experience testing</li> <li>• Confirm readiness for all system users, operations staff and call center staff</li> <li>• Finalize procedures and communications on the transition and blackout period for conversion</li> <li>• Confirm production systems readiness</li> </ul>

# Delivery Schedule



2019 Annual Enrollment

Live Date

# Proposed Milestone Dates

Milestone	Project Phase	Target Date	Status
Identify the team, roles and responsibilities	Pre-implementation	2/27/2018	Complete
Complete information Request	Pre-implementation	2/27/2018	Complete
Outline delivery schedule	Pre-implementation	2/27/2018	Complete
User Interviews	Discovery	2/28/2018	Complete
Outline requirements plan and sign-off procedures	Discovery	3/12/2018	Complete
Project Work Plan complete	Discovery	4/17/2018	Complete
Requirements Workshops 1 complete and client sign-off received	Discovery	5/4/2018	Complete
Requirements Workshop 2 complete and client sign-off received	Discovery	5/18/2018	Complete
Requirements Workshop 3 complete and client sign-off received	Discovery	6/7/2018	Complete
Requirements Workshop 4 complete and client sign-off received	Discovery	7/31/2018	In progress
Initial Data from Mercer to Morneau	Design, Configure, & Build	9/7/2018	Complete
Phase 1 Design, Configure and Build Complete (Member Portal)	Design, Configure, & Build	9/12/2018	Complete
Phase 1 Training Complete (Member Portal)	Acceptance Testing	9/18/2018 - 9/21/2018	Complete
Phase 1 Client Sign-off (Member Portal)	Acceptance Testing	10/12/2018	Complete
Begin Testing Interfaces with Carriers	Design, Configure, & Build	12/17/2018	In progress

# Proposed Milestone Dates Continued

Milestone	Project Phase	Target Date	Status
Phase 2 Design, Configure and Build Complete (Administrator Portal, Demographic Interface)	Design, Configure, & Build	10/26/2018	Complete
Phase 2 Training Complete (Administrator Portal, Demographic Interface)	Acceptance Testing	11/01/2018 – 11/02/2018	Complete
Phase 3 Design, Configure and Build Complete (Payroll, Billing, Reporting, Finalize Member Portal)	Design, Configure, & Build	12/5/2018	Complete
Phase 3 Training Complete (Payroll, Billing, Reporting, Finalize Member Portal)	Acceptance Testing	12/11/2018 – 12/13/2018	
Phase 2 & 3 Client Sign-off (Payroll, Billing, Reporting, Finalize Member Portal)	Acceptance Testing	1/14/2019	
Phase 4 Training Complete	Acceptance Testing	1/15/2019 – 1/17/2019	
Phase 4 Client Sign-off	Acceptance Testing	2/1/2019	
Parallel Testing with Payroll	Acceptance Testing	1/21/2019 - 3/18/2019	
Experience Testing for Member Portal	Acceptance Testing	2/11/2019 - 2/22/2019	
Sign-off on Knowledge Base for the Call Center	Transition	2/22/2019	
Call Center Acceptance Testing Complete	Transition	3/21/2019	
Sign-off on Transition Plan Execution	Transition	3/22/2019	
Production Data Conversion Begins	Transition	3/23/2019	
Production Validation	Transition	3/28/2019	
Ariel Benefits System Live Date	Transition	4/1/2019	