Evolution of IT Governance
Risk & Compliance to...

Operations Performance Management

March 2022
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IT/IS Operational

Compliance HIPAA/NAIC-MAR/BC/DR

Governance and Risk Management

OSS


Planting the seed..... Nurturing the partnership.... Expanding our field of operations
The newly created Operations Shared Services function will focus on areas that span all of Operations, including:

**Supplier Management**
Drive consistency in our approach to suppliers and measure, monitor and manage supplier service levels and deliverables to drive stronger accountability.

**Continuous Improvement**
Establish continuous improvement processes across HCSC Operations, ensuring best practices and a common governance structure are in place and successfully measured.

**Operations Performance Management**
Track, measure and report on progress toward operational goals, including policy, audits, compliance, controls, risks and performance indicators.
Build a best-practice approach to track, measure and report on performance with the focus on consistency, accuracy, transparency and continuous improvement which will be the cornerstone in providing insight to business-driven outcomes.
By leveraging industry best practices and tools the below high-level service offerings will be provided to operations in support of risk management.

Key outcomes will include targeted standardization, centralization and automated processes and frameworks.
In 2013, HCSC was subjected to 12 regulatory exams; in 2019 there were 100+ and 2020 exceeded 110+

Given this increase in regulatory exams, in 2018-19 HCSC Senior Leadership established the Enterprise Policy & Procedure Initiative (EPPI)

EPPI and OSS share a common purpose of centralizing, streamlining, and building consistency across HCSC’s P&P management practices, including standardized framework, guidelines and templates

2021 focus: discovery, current state assessment and tool centralization

Review and approve Corporate P&Ps
Ensure Corporate P&Ps meet Standards and Regulations
Assess gaps in Corporate P&Ps
Recommend new and updated Corporate P&Ps to address gaps
Purpose: Policy Oversight – 2\textsuperscript{nd} Line of Defense

- **Standardize**
  - ✓ Templates
  - ✓ Governance

- **Automate**
  - ✓ Approval Workflows

- **Centralize**
  - ✓ Repository

- **1\textsuperscript{st} Line of Defense**
  - Front line
  - Business, Process Owners

- **2\textsuperscript{nd} Line of Defense**
  - Governance Practices
  - Supporting Oversight

- **3\textsuperscript{rd} Line of Defense**
  - Internal and External Audits
  - Customer Inquiries

- **High Level Direction**
  - P&P

- **Controls**
  - Execution Touchpoints

- **Metrics**
  - Measuring Compliance

➢ **Policy**: Declarations, commitments to ourselves and others; where we go for guidance

➢ **Controls**: Defined touchpoints within a process to ensure we are keeping those commitments

➢ **Metrics**: Health checks along the way
Having well-written P&Ps in place, as well as a strong monitoring system to manage compliance with those policies, will help HCSC achieve its purpose and protect our members, customers, employees, and reputation.

Overview

OSS Divisions will align with the Enterprise Policy and Procedure Initiative (EPPI) and establish centralized tooling, standardized framework and participate in the EPPI Committee meetings.

Key Services and Capabilities

Policy Management Framework Adoption Oversight
Liaison between EPP and OSS Divisions, advocating the enterprise framework

Milestones

Q2-Q4 Support OSS Divisions as they participate in EPP scheduled Committee Meetings
Q2 - Document Current State of Policy Framework of OSS Divisions (tools, processes, schedules, participants) and define opportunities for centralization
Q3 – Finalize plan and begin centralization of policies
By leveraging industry best practices and tools the below high-level service offerings will be provided to operations in support of risk management.

Key outcomes will include targeted **standardization**, **centralization** and **automated** processes and frameworks.
How might we improve the Controls Standardization & Centralization Process for the HCSC Operations organization to increase adoption, decrease audit/control findings and remediate potential risks?
Operations Performance Management

Current Challenges and Consequences

**Challenges**

• Multiple internal control repositories
• Manually manage changes via email and attached Excel files
• Inconsistent alignment with Regulatory requirements and contractual obligations
• Inefficient annual control validation process due to inability to identify edits from Control owners

**Consequences**

• No single source of truth
• Inefficiencies in managing control changes due to reliance on emails and attachments
• Lack of visibility into level of compliance with regulations and/or contractual commitments
• Limited ability to make risk-based decisions based on accurate, current information
Target States and Outcomes

Target State

- Centralized system to manage and maintain all internal controls, starting with Customer Service
- Single, trusted source truth
- Communications tracked in central system
- Internal controls have assigned owners who are aware of their responsibilities
- Controls are aligned with regulatory requirements and contractual obligations
- Ease of use annual control validation process

Outcomes

- Increased organizational visibility into controls and alignment with regulatory requirements and contractual obligations
- Improved efficiencies through process automation
- Increased effectiveness of controls through alignment and oversight
Standardization of Controls and Findings

Current State

Future State

- Control Owner
- Process Flow
- Tool Interaction

Internal Audit
Customer Service Audit Liaison
Compliance 360
Medical Management Audit Liaison
Information Technology Audit Services

Internal Audit
Data Analytic Solutions
Customer Service Audit Liaison
Medical Management Audit Liaison
Information Technology Audit Services

Galvanize
Operations Performance Management

Service Offerings

By leveraging industry best practices and tools, the below high-level service offerings will be provided to operations in support of risk management.

Key outcomes will include targeted **standardization, centralization** and **automated** processes and frameworks.

- **Policies and Procedures**
  - Policy Lifecycle Management
  - Policy Facilitation and Coordination
  - Communication and Awareness

- **Controls, Findings & Risks**
  - Audit Governance
  - Findings Remediation
  - Tracking and Reporting

- **Metrics and Indicators**
  - Metrics Governance and Lifecycle
  - Metrics Development
  - Executive Dashboard and Reporting

- **Business Continuity**
  - Business Continuity Governance
  - Business Impact Analysis
  - Business Continuity Planning and Exercises
Process Development Discovery Sessions

**Voice of Stakeholders**

- “Too many performance measures”
- “Some data points are not available”
- “Data gathering process can be more streamlined”
- “Data gathering process can be more automated”
- “Refresh process should involve less manual work”
- “Leverage existing dashboard”
- “Consider resources”
Metrics and Indicators

Develop the framework and operating model for a metrics governance program that will establish the processes and structure for metrics development for HCSC Operations executives.

Overview

Deploy a governance approach for the implementation, communication, tracking and reporting of critical performance metrics to ensure that policies and best practices are followed.

Key Services and Capabilities

Monitor for adherence to the defined processes and standards required to deliver best practice approach to the management of the metric life-cycle from development to retirement.

Milestones

Q2 – Develop metric intake and discovery process using ServiceNow Service Catalog
Q2 – Version 1.0 of Operations Portal using Tableau
Q3 – Complete first draft of Metrics Governance process
Q4 – Complete development of metric management life-cycle.
By leveraging internal team members and external partnerships, OPM is developing a governance program for performance reporting that will provide executive leadership with key performance indicators to drive business outcomes.
# High Level Future State Metrics Governance Process

<table>
<thead>
<tr>
<th>Intake</th>
<th>Discovery</th>
<th>Metrics Development</th>
<th>Dashboard Development</th>
<th>Test and Evaluation</th>
<th>Production Release</th>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INPUT</strong></td>
<td>Request</td>
<td>Request Identified for IT / DAS / CS / HCM / IS Discovery</td>
<td>Approval for Development, Identified Metric and Tier</td>
<td>Approval for Development, Identified Metric for Dashboard Development, Identified Tier and Destination</td>
<td>Visualized Metric</td>
<td>Approval to Release</td>
</tr>
<tr>
<td><strong>OUTPUT</strong></td>
<td>Request Identified for IT / DAS / CS / HCM / IS Discovery</td>
<td>Approval for Development, Identified Tier</td>
<td>Developed Metric, Maturity Roadmap</td>
<td>Visualized Metric</td>
<td>Approval to Release</td>
<td>Published Dashboard</td>
</tr>
<tr>
<td><strong>TECHNOLOGY</strong></td>
<td>AYS – Intake Service Request</td>
<td>E-mail Notification from AYS</td>
<td>TBD</td>
<td>Tableau or PowerBI - Test</td>
<td>Docusign, Tableau or PowerBI - Test</td>
<td>Tableau or PowerBI - Prod</td>
</tr>
</tbody>
</table>
Committee Responsibilities

- **Participation**
  Participate in key initiatives and monthly operations meetings

- **Advisory**
  Act as advisors and key contributors in building out and supporting the performance reporting governance program

- **Accountability**
  Support accountability by adhering to the standards and guidelines established for the management of the reporting life-cycle

- **Transparency**
  Monitoring and oversight of the accuracy and transparency of key divisional performance reporting

- **Responsiveness**
  Availability to support and contribute to related auditing findings and remediation efforts
Working in parallel with the development of a metrics governance program, the OPM team developed an executive portal utilizing existing and newly created metrics. This portal will mature over time as requirements to support Operations are further refined.

In partnership with operations, OPM will step through the process of identifying critical metrics for the development of an executive portal to support business goals and objectives.
Service Offerings

By leveraging industry best practices and tools the below high-level service offerings will be provided to operations in support of risk management.

Key outcomes will include targeted **standardization, centralization** and **automated** processes and frameworks.
Resiliency is our ability to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand reputation.

Crisis Management

Manages team communication and triage of an event at HCSC to reduce the business impact and facilitate appropriate response.

Business Continuity

Facilitates strategic planning and response efforts for critical processes supported by people and facilities during a business disruption.

Disaster Recovery

The process recovering hardware, software and data necessary to resume critical business operations after a natural and or human-induced disaster.

If you fail to plan, you are planning to fail.

- Benjamin Franklin
Annual Engagement Process

Business Resiliency Officers (BROs)

Business Impact Analysis

- People
- States
- Offices
- Data Centers
- Endpoints
- Critical Data

Business Continuity Plans

Business Continuity Exercises

Disaster Recovery Plans

Disaster Recovery Exercises
RSA Archer

RSA Archer provides HCSC with an automated solution to manage business resiliency across the enterprise. This solution allows Information Security to centrally collect, align and manage business requirements and information, assess impacts and build business resiliency plans.

Key Inputs

- Application Portfolio
- Configuration Management
- PeopleSoft HR
- Enterprise Supplier Management
- Oracle Financials Cloud
- Real Estate Portfolio

Key Outputs

- Business Continuity Plans
- Disaster Recovery Plans
- Business Partners
- - BROs
- - BC plan owners
- - TROs
- - DR plan owners
- Major Incident Management
- Crisis Management
- Key Inputs
- Key Outputs
Q & A