NTT DaTa

Organizational Change Management (OCM) Plan

Arkansas Medicaid Enterprise – Business Operations Support

Prepared for:

Arkansas Department of Human Services

Version 1.2

July 29, 2022

REVISION HISTORY

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1 Introduction

The Arkansas Medicaid Enterprise (AME) Medicaid Management Information System (MMIS) Replacement Program, chartered by the Division of Medical Services (DMS), implemented a new CORE MMIS, Pharmacy Point of Sale (POS) and Data Warehouse/Decision Support System (DW/DSS). These systems modernize previous system functions and significantly enhance the goals of DMS, ensuring that eligible individuals receive the health care benefits that are medically necessary and that providers are reimbursed promptly and efficiently. The systems are now in an operational status.

DMS contracted with NTT DATA State Health Consulting, LLC (NTT DATA) to serve in a Business Operations Support (BOS) capacity for the AME. An Organizational Change Management (OCM) effort is integrated with project management activities to help DMS understand and manage change through the operations, maintenance and enhancement phases of the project.

OCM enables organizations to effectively transition from a current state to a desired future state, acknowledging that human resistance to change is natural and normal and is generally proportionate to the size and duration of the change project. Resistance can hinder project progress and, if severe, can be detrimental to project success. The goals of the AME OCM effort are twofold:

- Gain insight into how the system is adding value by reinforcing change and fostering a positive change environment

- Prevent and/or minimize change resistance so that any additional projects and enhancements will be successful.

The OCM Plan provides the context, along with strategies and tools that are used to assist those impacted by the project, to understand the changes and move toward acceptance of the changes.

The OCM Plan defines the iterative methodology that will be used and considers stakeholders, both internal and external to the DMS. The OCM strategies and activities that are used include sponsor development, communications, learning, reinforcements and recognitions. This plan also identifies and describes the OCM tools that are employed and provides sample versions of the tools.

The objectives of the OCM effort include:

- Align executive leadership and build commitment

- Manage the changes

- Enable the organizational transformation to support maintenance and operations of the AME MMIS, as well as any additional implementations or enhancements

Achieving the change management objectives helps the State more effectively implement the changes necessary to realize the vision for the transformation, achieve the desired results and realize the long-term benefits of the program.

Business Transition activities, also called Change Management activities, enable leadership to gauge the acceptance, understanding and ability of the organization and its employees impacted by the AME to function in a new environment. Sample questions that will develop insight include: How are employees engaging with the AME? When releases come out, how are they being communicated? What metrics were gathered prior to go-live and how are those being assessed? What is the new system doing for the State; are they getting the hoped-for efficiencies?

1.1 Approach

Organizing a holistic business transition effort is a process that involves analyzing stakeholders, sponsors and the organization involved in a change effort. Change readiness assessments, sponsor assessments and stakeholder analysis provide the information and insight needed to craft specific resistance management strategies that are tailored for the conditions surrounding the current state of the AME.

OCM can be most effective when included from the beginning stages of a project or system enhancement. Identifying a dedicated OCM and/or communication lead at the outset means that communication and OCM activities can take on a comprehensive approach—for example, integrating with the project management plans to ensure that stakeholders are reached, and resistance activities are considered. Organizational change can have a significant impact on various stakeholder groups. Project management activities alone often do not address more nuanced aspects, and OCM involvement from early stages can complement project management in meaningful ways.

1.2 Methodology

The business transition effort encompasses the transition of individuals from their current state to the desired future state and the transition of the organization from its current state to the desired future state. Individual change is managed using the Prosci ADKAR change methodology. Organizational change is managed using the Prosci 3-Phase Change Management process.

The Prosci ADKAR change methodology can be tailored to specific projects, system enhancements, and maintenance and operations. Components of the methodology can be pulled out and used depending on needs, and flexibility exists to add the most value to the project or initiative at hand. For example, OCM activities and the Prosci ADKAR change methodology were important components of the MMIS design, development and implementation (DDI) phase. Leaders were able to assess change resistance, plan for resistance management, and support the "people" side of the change as the organization experienced transition. In the maintenance and operations phase, the Prosci ADKAR change methodology can be applied to understand success of the transition, if the vision was achieved, and if resistance or gaps in acceptance remain a factor.

For new projects and system enhancements, including OCM at the beginning of the project adds significant value in that it identifies areas of acceptance and resistance and can provide a barometer of stakeholder understanding. These are important areas to understand at project outset and can help inform communication activities for the duration of the project. For instance, stronger resistance could indicate that more frequent communication with feedback is needed. From an operations perspective, engaging in regular OCM activities ensures that stakeholders are engaged and informed.

1.2.1 Individual Change Model

Prosci is a known leader in change management solutions and offers certification, training, tools and resources to guide practitioners through change management activities. The Prosci ADKAR change methodology is a proven change process that provides a framework for understanding how individuals change. In some cases, individuals within DMS must do their jobs differently to achieve the AME's vision. DMS leadership and the project team will use ADKAR to:

- Guide organizational change management plans

- Diagnose gaps and root causes of resistance

- Develop corrective action plans

ADKAR describes the five key building blocks shown in Figure 1 for successful change. All elements of the ADKAR model must be present for successful change. An individual cannot move forward in the model until the previous element has been satisfied. For example, someone who does not have sufficient awareness or understanding of the need for change will not have the desire to participate in and support the change.
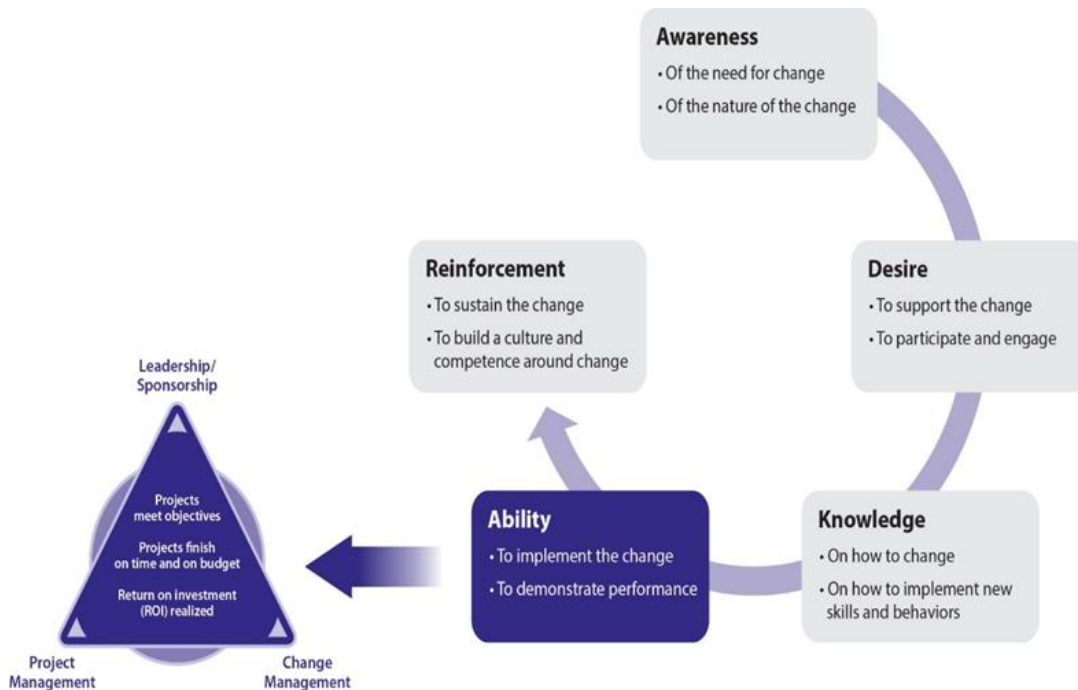
Figure 1: ADKAR Individual Change Model

1.2.2 Organizational Change Model

The Prosci 3-Phase Change Management Model provides a structured process for managing the "people-side" of change on the AME. The OCM team manages organizational change using a blended approach applying the Prosci 3-Phase Change Management process and NTT DATA Business Transition methodology and workflow. The 3-Phase Change Management Model is holistic and scalable. All three phases will occur for each of the system implementations that make up the AME. Figure 2 depicts the change management model that incorporates the following phases:

- Phase 1 – Preparing for change

- Phase 2 – Managing change

- Phase 3 – Reinforcing change
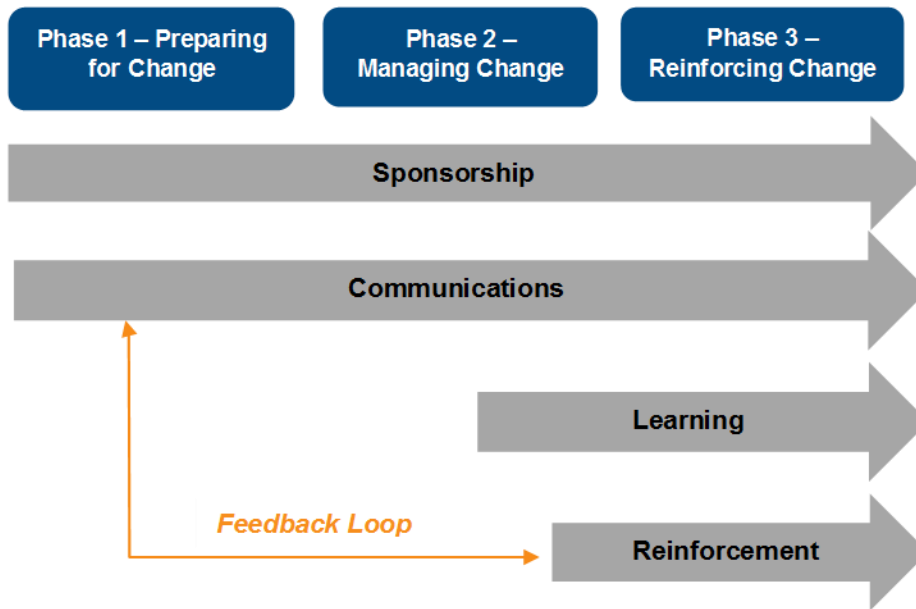
Figure 2: Organizational Change Model

1.2.2.1 Phase 1: Preparing for Change

As shown in Figure 3, Phase 1 of organizational change focuses on understanding the nature of the change and the groups within the organization that are being changed. Once the change is understood, the change management team can be developed for each implementation. Finally, the right sponsorship model is developed, and risks are identified and addressed with special tactics.
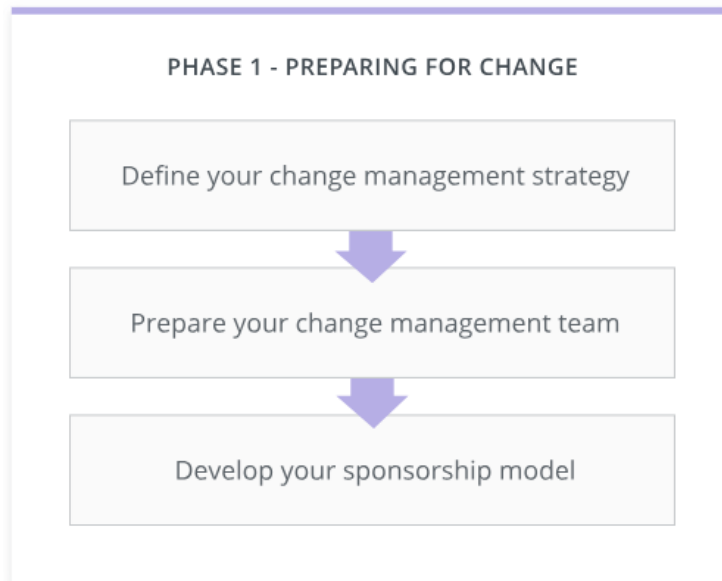
Figure 3: Phase One – Preparing for Change

1.2.2.2 Phase 2: Managing Change

As shown in Figure 4, Phase 2 focuses on the creation and execution of the Change Management Plan and the special tactics that were developed in Phase 1. The communication, learning and reinforcement activities are finalized and executed. This is the longest phase and stretches throughout most of the project lifecycle.
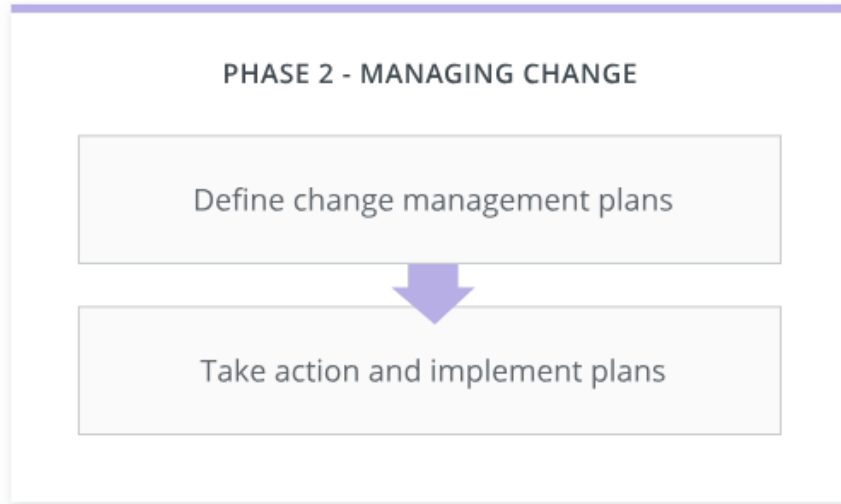
Figure 4: Phase Two – Managing the Change

1.2.2.3 Phase 2: Managing Change

As shown in Figure 5, Phase 3 focuses on collecting feedback to determine if the steps implemented in Phase 2 are effective in fostering change and mitigating resistance. Feedback also helps determine and diagnose gaps. If necessary, corrective action is taken, and the OCM plan is modified accordingly. The OCM team and sponsors look for ways to celebrate early success and watch for the achievement of major milestones to recognize individuals and groups for their efforts, even if small. It is important to celebrate success early in the project and continue to document and share success throughout.
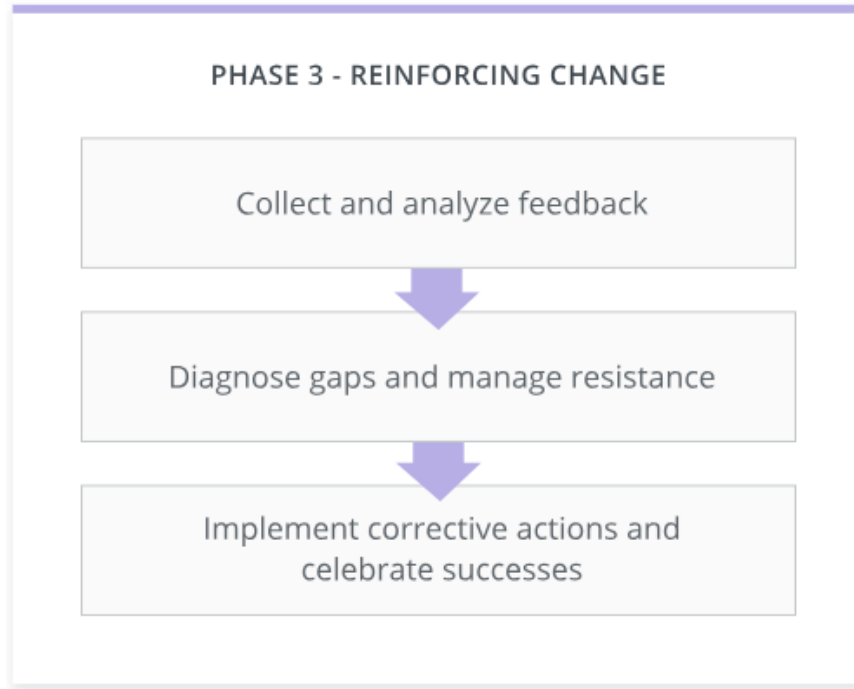
Figure 5: Reinforcing Change

1.3 Key Principles

The OCM approaches and methodology outlined in this plan are based on the four key principles described in Table 1.

Table 1: OCM Key Principles

Principle	Description
Sponsorship – Develop effective and aligned change sponsorship across the organization	Strong change sponsorship is critical to the success of any change project. Change sponsorship should be built from the executive sponsor to front-line supervisors or team leaders. Change messaging throughout the sponsor cascade (all levels of supervisors and managers) should be aligned and ongoing to build and sustain momentum and support for the change project. Change sponsors must be able to articulate a compelling vision, benefits and clear objectives for the change.
Communications – Provide ongoing, targeted, and timely stakeholder communications	Those impacted by change need to know what the change includes, why it is needed, and how it will be implemented. At each step in the change process. communications should be delivered that share the right messages at the right time. Open and timely communication serves to prevent or minimize change resistance that could slow or hamper the project.
Learning – Provide ongoing, targeted, and timely OCM learning activities and events	Learning activities and events provide those leading change and those directly impacted by change with the knowledge needed to function effectively through the change and after the change.

Principle	Description
Reinforcement – Provide ongoing, targeted, and timely reinforcement	Recognizing milestones achieved and efforts made toward the change builds acceptance and promotes ownership of the change.

1.4 OCM Objectives

With the preceding key principles serving as a foundation for success, the OCM team will seek to accomplish the objectives listed in Table 2 for each of the implementations with the OCM plan:

Table 2: OCM Objectives

	OCM Objectives
1	Mitigate and manage resistance to change
2	Avoid overload in executing change activities
3	Describe the methodology used to measure stakeholder awareness and engagement
4	Explain the OCM strategies that will be used to inform and engage stakeholders
5	Provide the framework, strategies and tools used to educate and prepare DMS sponsors for carrying out their roles in the change process
6	Document the governance structure for the OCM program
7	Ensure effective leadership and build ownership
8	Foster effective communications

1.5 Governance

Organizational Change Management activities are carried out by the OCM Lead, with support and assistance from change sponsors within both DMS and the BOS teams, as well as other NTT DATA State Health Consulting resources familiar with both the State and change management principles. Additional guidance will come from the BOS and DMS business leaders. The governance structure is defined as follows.

OCM Team: An experienced OCM practitioner leads the OCM effort. In addition, change agents help facilitate change in the various organizational units and locations across DMS. The most successful change agents are generally those staff who are viewed as competent, influential and empathetic and have a clear understanding of the business and its future direction. These individuals are the local and visible supporters of the AME, providing ongoing information about the project and working in tandem with the OCM Lead to educate and engage stakeholders.

Table 3 describes the roles and associated responsibilities for the OCM team.

Table 3: OCM Team Roles & Responsibilities

Role	OCM Responsibility

OCM Lead	Works with the organization to develop and carry out the OCM approach. Responsible for:
	• Developing the iterative OCM Plan and supporting artifacts
	• Presenting updates on OCM activities
	• Interacting with the Project Management Office, project governing bodies, sponsors and stakeholder groups
	• Coaching and assisting appointed OCM team members
	• Coaching and assisting change sponsors
	• Identifying resistance from impacted stakeholder populations
	• Working with the change team to design and implement comprehensive change management strategies to minimize resistance and accelerate acceptance, drawing from the change systems of:
	  ▪ Communications
	  ▪ Learning
	  ▪ Recognitions/Rewards

Change Agents	Work with the OCM Lead to provide localized OCM support and assistance to sponsors and impacted stakeholders. Responsible for:
	• Assisting the OCM Lead with implementing OCM strategies to minimize resistance and accelerate acceptance, drawing from the change systems of:
	  ▪ Communications
	  ▪ Learning
	  ▪ Reinforcements and Recognitions
	• Providing ongoing feedback to the OCM Lead regarding sponsor and impacted stakeholder's OCM needs

Change Sponsors: OCM research shows that change sponsorship, the leadership of the change within the business units, is critical to the success of the change initiative. The OCM effort for the AME therefore focuses on change sponsors and preparing them to assist their staff through the changes associated with the project. Providing knowledge and support for change sponsors is an important component of OCM activities.

In OCM, sponsors are defined as those within the organization who have the authority, resources and accountability to call for and support change. The DMS Director serves in the capacity of Executive Change Sponsor for the AME. Managers, supervisors and team leaders across the DMS organization will act as Reinforcing Sponsors, supporting Executive Sponsor and BOS decisions and direction set for the AME.

Change sponsor responsibilities are shown in Table 4.

Table 4: Change Sponsor Roles & Responsibilities

Role	OCM Responsibility
Executive Change Sponsor	Provide leadership support of change activities throughout the life of the program. The Executive sponsor should: • Demonstrate an understanding of the personal and organizational impact of the change and its effect on the organization • Understand how the many different change efforts in the organization affect one another and the overall mission • Recognize and commit to changing personal perspectives to support the change • Clearly articulate over and over why the change is needed and how it will be implemented, taking the message down to the level of the impacted stakeholder audience • Keep the organization focused on the change • Predetermine how much disruption the organization can handle in the Transition/Delta state • Provide OCM resources for the change • Hold supervisors and managers accountable for implementing the change • Provide appropriate reinforcements and recognitions for milestones achieved and efforts made toward making the change
Reinforcing Change Sponsors – Managers, Supervisors, and Team Leaders across DMS	Provide leadership support of change activities throughout the life of the program. Reinforcing sponsors should: • Demonstrate an understanding of the personal and organizational impact of the change • Recognize and commit to changing themselves to support the change • Clearly articulate over and over why the change is needed and how it will be implemented • Support recognitions and rewards for milestones achieved and efforts made toward making the change

Project Team: The Project Director and Project Managers play an important role in business transition. They provide the OCM Team with important project information that is helpful to determining OCM strategies. The Project Team should work closely with the OCM Team, communicating new or changed business decisions, especially where communications, learning and organizational alignment will be affected.

Table 5 describes the OCM responsibilities of the Project Team.

Table 5: Project Team Roles & Responsibilities

Role	OCM Responsibility
Project Director Project Managers	Provide leadership support of change activities throughout the life of the project. OCM responsibilities include: • Demonstrate an understanding of the personal and organizational impact of the change and its effect on the project team and

Role	OCM Responsibility
	organization • Understand how the many different change efforts in the organization affect one another and impact the project • Provide the OCM Team with timely, ongoing information about the project, its status, milestones and challenges • Provide the OCM Team with the project calendar, stakeholder lists and access to appropriate project team meetings and learning events

2 Strategic Systems

The business transition approach for the project is built around understanding impacted stakeholders' needs and concerns about the change. The OCM program focuses on assisting change sponsors with meeting impacted stakeholders' needs and addressing their concerns in a timely manner, preventing or minimizing possible change resistance. OCM strategies are drawn from the three change systems of communication, learning and reinforcement.

2.1 Communication Systems

Providing the right communications at the right time is an ongoing effort of the OCM program. The Operations Communications Plan includes an inventory of communication channels and media, along with a communication schedule. The Communications Plan is updated periodically to include communication events that are directly tied to stakeholder concerns and support OCM activities. Communications content and timing is adjusted as needed throughout the project.

2.2 Learning Systems

Learning is another strategic system that is used to help sponsors and stakeholders understand the change and reach acceptance of the change. The Sponsor Assessment and subsequent Sponsor Development Plan documents the sponsor OCM learning program.

The sponsor development plan includes a structured OCM workshop, along with participant guides, that is provided to all sponsors across DMS. The workshop provides change sponsors with information and tools to help them carry out their OCM responsibilities. Change sponsor coaching is provided to some sponsors, on an as-needed, case-by-case basis.

Other internal stakeholders impacted by the AME will continue to receive learning through the various communications about the project and through end-user training provided by the system vendors.

2.3 Reinforcement Systems

It is often a natural tendency to revert to a previous way of doing things. This contributes to why sustaining a change can often be more difficult than making the change in the first place. Reinforcement is a critical component of successful change, and reinforcement systems ensure that the change is fully realized and stays in place. The third change system, reinforcement, is used to help change sponsors and impacted stakeholders through the change. The change team works with change sponsors to plan and implement reinforcing activities and events to acknowledge group and individual efforts made to assist with the project and adapt to the changes. Reinforcements may include:

- Celebrations
- Rewards and recognition
- Feedback
- Corrective actions
- Visible performance measurement
- Accountability mechanisms
- Documenting and sharing success

3   OCM Process

OCM is not an event, but rather an iterative process with tasks and activities generally occurring across the three phases outlined in the change model in Section 1.2.2. A variety of tools are used in each of these phases to help impacted stakeholders understand and become committed to the AME. The processes are repeated with each implementation or enhancement the State undergoes, but communications, learning and reinforcements are tailored to each implementation. Activities will likely overlap with different stakeholders depending on the stage of the three system implementations. Table 6 shows the phases of change and the tasks that will be completed in each phase of each system implementation.

Table 6: OCM Process and Timeline

Phase	Tasks
Prepare for Change	**Occurs during Project Planning and initial activities**
Assess Organizational Change Readiness	- Prepare for and conduct sponsor interviews - Prepare and administer baseline survey - Compile and analyze survey data - Review organizational change history - Review organizational culture - Prepare change risk and readiness assessment
Prepare OCM Resources	- Identify OCM Team resources - Train OCM Team - Conduct OCM Team meetings
Prepare Change Sponsors	- Identify and map change sponsors - Assess sponsor change support needs - Develop Change Sponsor Assistance Plan - Develop, schedule and deliver change sponsor group learning events - Provide one-to-one change sponsor coaching and assistance
Manage Change	**Occurs through Implementation and until desired future state is achieved**
Develop Resistance Management Plan	- Identify impacted stakeholder populations - Analyze change impact and change assistance needs by population - Develop/update resistance prevention/mitigation strategies using the change systems of: - Communications - Learning - Reinforcements/Recognitions
Implement OCM Strategies	Assist sponsors to implement resistance prevention/mitigation strategies (communications, learning, reinforcements/recognitions)
Reinforce Change	**Occurs throughout project lifecycle and into future state**
Collect and Analyze Feedback	- Conduct internal stakeholder surveys - Conduct internal stakeholder focus groups, as needed

Phase	Tasks
	• Conduct stakeholder interviews, as needed • Analyze stakeholder feedback and determine resistance mitigation strategies • Update Resistance Management Plan
Manage Resistance	• Implement resistance mitigation strategies defined in the Resistance Management Plan

3.1 Prepare for Change

In the first phase of OCM work, Prepare for Change, DMS change history, organizational culture, change sponsor capabilities and change resources are reviewed and assessed. A Change Readiness Assessment is completed based on the data collected from this review.

3.1.1 Change Readiness Assessment

The Change Readiness Assessment Report is a narrative report about the organization's overall change readiness. Using the impact assessment depicted in Figure 6, a numerical value is associated with each group impacted and results shown in an overall impact score.
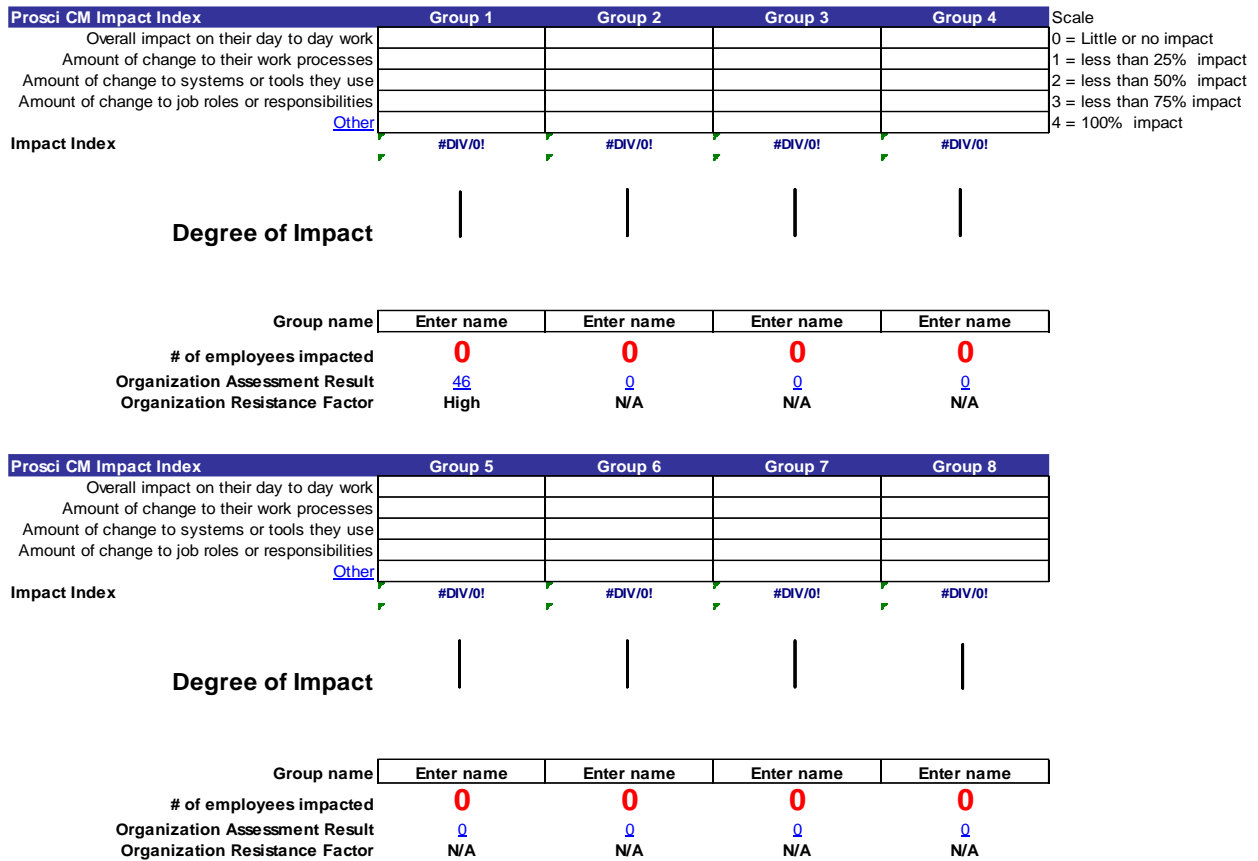
Prosci CM Impact Index	Group 1	Group 2	Group 3	Group 4	Scale
Overall impact on their day to day work					0 = Little or no impact
Amount of change to their work processes					1 = less than 25% impact
Amount of change to systems or tools they use					2 = less than 50% impact
Amount of change to job roles or responsibilities					3 = less than 75% impact
Other					4 = 100% impact
Impact Index	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

Degree of Impact

Group name	Enter name	Enter name	Enter name	Enter name
# of employees impacted	**0**	**0**	**0**	**0**
Organization Assessment Result	46	0	0	0
Organization Resistance Factor	High	N/A	N/A	N/A

Prosci CM Impact Index	Group 5	Group 6	Group 7	Group 8
Overall impact on their day to day work				
Amount of change to their work processes				
Amount of change to systems or tools they use				
Amount of change to job roles or responsibilities				
Other				
Impact Index	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Degree of Impact

Group name	Enter name	Enter name	Enter name	Enter name
# of employees impacted	**0**	**0**	**0**	**0**
Organization Assessment Result	0	0	0	0
Organization Resistance Factor	N/A	N/A	N/A	N/A

Figure 6: Prosci Change Impact Index

3.1.2 Sponsor Assessment

To assess and plan for needed sponsor assistance, sponsors are interviewed and/or surveyed and mapped according to their needs. A Sponsor Development Plan documents the recommended path for increasing sponsorship skills. The Change Lead provides needed OCM sponsor training and coaching and guides a group of change agents to assist DMS sponsors in carrying out the OCM activities that are part of business transition.

The Sponsor Assessment is a narrative report that derives its information from an assessment tool that is populated with data taken from individual interviews.

Sponsor Development Plan

The Sponsor Development Plan is a narrative plan with detailed information, by person and/or group, for increasing the sponsorship skills of each sponsor. A sample plan is shown in Figure 7.

OCM Strategies	Action (Items the sponsor should take action upon)	Delivery Mechanism	Tools	Date	Comments (Notes)
Communication					
Learning					
Recognition					

Figure 7: Sponsor Development Plan

3.2 Manage Change

The second phase of OCM work, Manage Change, documents impacted stakeholder concerns or resistance issues. Strategies are developed to address each issue using the three OCM strategic systems. The process followed for this phase of OCM work is depicted in Figure 8.
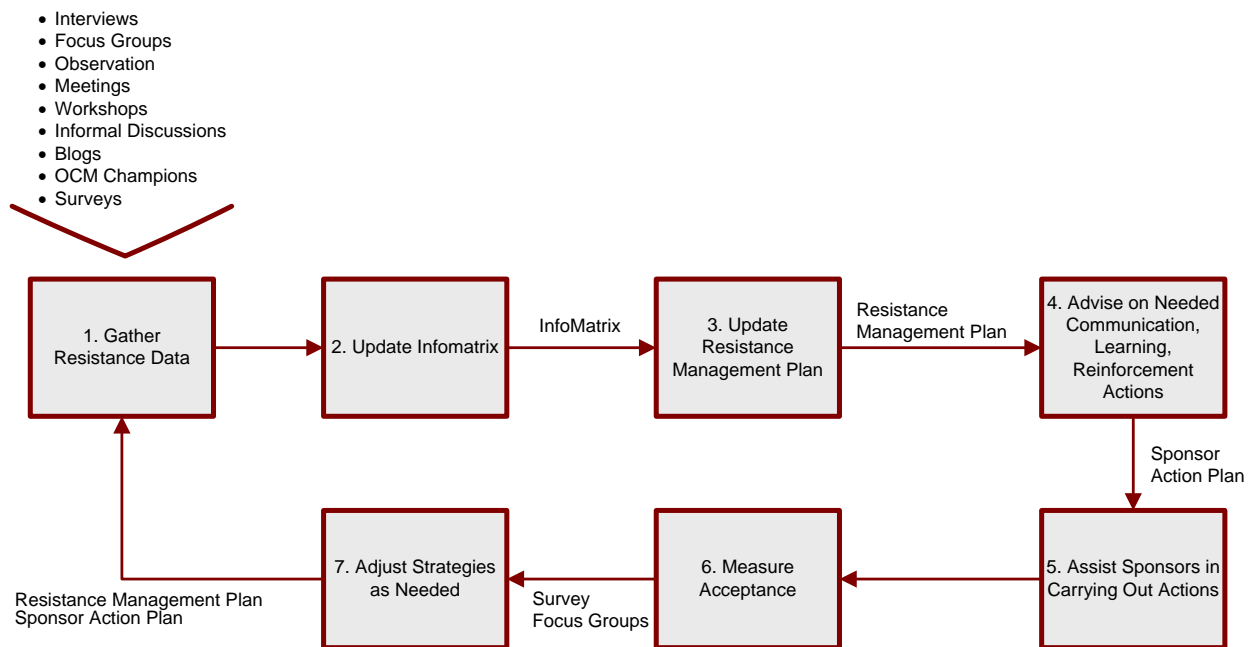
Resistance Management Work Flow

- Interviews
- Focus Groups
- Observation
- Meetings
- Workshops
- Informal Discussions
- Blogs
- OCM Champions
- Surveys

1. Gather Resistance Data → 2. Update Infomatrix —InfoMatrix→ 3. Update Resistance Management Plan —Resistance Management Plan→ 4. Advise on Needed Communication, Learning, Reinforcement Actions

4 —Sponsor Action Plan→ 5. Assist Sponsors in Carrying Out Actions ← 6. Measure Acceptance ←Survey Focus Groups— 7. Adjust Strategies as Needed

Resistance Management Plan Sponsor Action Plan → 1. Gather Resistance Data

Figure 8: Prosci Resistance Management Workflow

3.2.1 Stakeholder Analysis

A Stakeholder Analysis Document is also developed to show a detailed list of stakeholder groups impacted by the project and anticipated impacts by group. The analysis provides important insight into

anticipated resistance issues. The stakeholder analysis also provides important information about the level of change impact, which feeds into the Operations Communications Plan.

3.2.2 Resistance Management Plan

Stakeholder concerns are broadly categorized as resistance issues. The resistance issues are updated in the Resistance Management Plan, by stakeholder group, as they are learned.

All resistance issues are aggregated on an ongoing basis, and the strategies and actions for addressing each issue (communication, learning, reinforcements) are documented. A sample Resistance Management Plan is shown in Figure 9.

Resistance Management Plan

	Resistance Issue	CLR Action Recommended	Action Sponsor/Owner	CLR Action Medium of Delivery	CLR Action Timing	Change Team Member Assigned
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						

Figure 9: Resistance Management Plan

3.3 Reinforce Change

In the third phase of change, Reinforce Change, the OCM effort monitors stakeholder issues and concerns. Concerns are documented and strategies developed to preempt issues and address stakeholder concerns before they become bigger resistance issues.

OCM outcomes are not as easily measurable as other technical project tasks—for example, Requirements Management. Many cultural variables are involved, all of which are related to human feelings and actions related to those feelings. Furthermore, OCM teams are facilitators of change, not implementers of change; therefore, OCM programs can never definitively validate that without the OCM strategies the project would have failed. Instead, the truest measure of a highly performing OCM program is stakeholder acceptance of the change and the approach used to gain acceptance of the change. To overcome this measurement difficulty and provide meaningful ongoing feedback, OCM metrics are generally based on stakeholder feedback and gathered through brief and frequent stakeholder surveys.

In addition to quarterly surveys, focus groups and personal interviews are used on an ad-hoc basis to gather additional input from stakeholders.

Table 7 shows the criteria used to analyze the quarterly survey results.

Table 7: Plan Metrics

Description of Criteria	Measurement
Stakeholder Survey: percentage of satisfied and very satisfied, in each strategy grouping (sponsorship, communications, learning, reinforcements)	66% or higher

Appendix A.   Acronyms

Acronym	Description
AME	Arkansas Medicaid Enterprise
BOS	Business Operations Support
DHS	Department of Human Services
DMS	Division of Medical Services
DSS	Decision Support Services
MMIS	Medicaid Management Information System
OCM	Organizational Change Management
QA	Quality Assurance