

**Department of Vermont Health Access**

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*Agency of Human Services***M E M O R A N D U M**

**To:** Neale F. Lunderville, Secretary of Administration  
**From:** Jim Morgan, Blueprint Project Manager  
**Re:** Lake Champlain Capital Management, Contract # 16800; Amendment 1  
Contract Maximum Amount: \$180,540  
Contract Term: March 1, 2010 – December 16, 2011

DVHA is amending contract number 16800 to span one more year for Lake Champlain Capital Management to continue their work in financial modeling and projections for various initiatives in the Blueprint for Health program. During the original contract term the Contractor developed a tracking system to compare actual data with model planned results. Going forward we are asking the contractor to maintain projections and financial modeling related to commercial and public insurance companies return on investment in the Blueprint for Health Program.

Furthermore, as part of this amendment we are effectively combining this contract and its deliverables with those of contract number 14281, and adding an additional \$12,000.00 for those deliverables.

Contract # 14281 entails a "return on investment" style analysis for Blueprint programs during a period when the scope of Blueprint's work was much smaller. Contract # 16800 reflects fiscal analysis and modeling for Blueprint's diversification into other State of Vermont departments. Rather than amend both contracts, it made sense to take some of the "return on investment" deliverables from # 14281 and add them in an amendment to this contract.

This contract was originally placed out to bid in 2008 and followed the standard bidding process. We are seeking an amendment to continue the necessary work needed going forward and feel that rebidding this work at this point would be counter productive and costly as the current contract has met our expectations during the contract period. We do intend to rebid this contract at the close of this amendment if approval is granted. Contractor was selected after a standard BID process of which there were three bids received and reviewed by a team of three. All bids were reviewed with the same review sheet which asked the reviewer to assess: Prior Experience; Firm's Size and Structure; Quality of Personnel; Understanding of Work Required; and, Cost. Lake Champlain Capital Management LLC was rated highest in total points and was seen as having a good historical knowledge of the project. The total amount that Lake Champlain Capital Management's presented in their bid was within the budgeted projection for this contract.

Lake Champlain Capital Management (Greg Peters) is an excellent and valued Blueprint contractor whose services help us with the very important task of evaluating the effectiveness of the Blueprint. He is thorough, concise and timely with his monthly reporting. Although not "on call" for the Blueprint, Greg has been available with little notice to present his financial modeling to the legislature and other Blueprint stakeholders.

Should you have any questions relating to this contract or amendment please feel free to contact me at (802) 879 – 2382. Thank you.

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

REC'D DEC 01 2010

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### AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and **Lake Champlain Capital Management, LLC** (hereafter called the "Contractor") that the contract on the subject of developing and maintaining projections and financial modeling related to: commercial and public insurance companies return on investment in the Blueprint for Health Program; Agency of Human Services Programs as they relate to the Blueprint for Health; and Centers for Medicare Services, effective 3/1/10, is hereby amended effective 12/15/10, as follows:

**By deleting on page 1 of 14, Section 3 (Maximum Amount) and substituting in lieu thereof the following Section 3:**

**3. Maximum Amount.** In consideration of the services to be performed by Contract, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed **\$180,540.00**.

**By deleting on page 1 of 14, Section 4 (Contract Term) and substituting in lieu thereof the following Section 4:**

**4. Contract Term.** The period of the Contractor's performance shall begin on 3/1/10 and end on 12/16/11.

**By deleting on pages 3 – 5, Attachment A Specification of Work to be Performed, and substituting in lieu thereof the following.**

### ATTACHMENT A Specification of Work to be Performed

**A. Develop projections and financial modeling related to Center for Medicare Services (CMS) Demonstration Project:**

The Blueprint has applied for a CMS grant to participate in "Advanced Models of Primary Care Demonstration Projects" focused upon Medicare enrollees as a target population. During the course of the summer of 2010, the Contractor developed a series of models to support the application. The application is currently under review by CMS.

**Deliverables:**

The Contractor will continue to support the CMS application effort during the course of the 2011 contract year. Specifically, that activity will include:

- Participate in conference calls with Blueprint Director and staff with CMS personnel;
- Refine and update existing models, to include the CMS Base Model, the Worksheet Model also provided by CMS and the Blueprint Medicare/Seniors Aging Safely at Home/SASH model with updated data and/or intervention

Blueprint Director in developing a tracking system to compare actual data with model planned results.

**C. Develop financial modeling related to new Blueprint initiatives:**

The methodology employed in the development of the Blueprint model is replicable and applicable to the modeling of other AHS programs and services. The methodology has several common components to include:

- Data collection by category of delivery of program or service;
- Development of a baseline, or benchmark, reflecting existing expenditures by major category of delivery of the program or service;
- Identify program interventions designed to improve quality of delivery and reduce costs;
- Assess likely outcomes from the interventions based upon review of the literature, other pilot program experience;
- Quantify investment in program intervention costs;
- Calculate the savings as the difference between baseline costs and projected costs as a result of program interventions;
- Determine the Return on Investment (ROI) on the program based upon savings as a multiple of investment.

It is anticipated that a number of the Agency of Human Services (AHS) programs may be evaluated in the above manner, yielding a model of projected results that can support future decision-making and better allocation of Agency resources.

During the 2010 contract year, the Contractor along with Blueprint and AHS personnel, initiated application of the above methodology to those programs falling within the overall categories of Family and Child Health and Mental Health. Progress was made in both categories in defining the Baseline data base(s) and meeting with project team(s) to initiate activity related to development of the respective clinical models, anticipated program investments (costs) and resulting intervention assumptions.

**Deliverables:**

The Contractor will continue to facilitate development of the AHS project (Family and Child Health and Mental Health) models in the upcoming contract year. Specifically the activity will include:

- Finalization of Baseline Database definition;
- Loading of respective databases, utilizing VHCURES and other data as it becomes available;
- Work, along with Blueprint Director, AHS personnel and other project team members, to define clinical models, program costs and intervention assumptions that may be applied to each model;
- Draft a base model in support of both Family and Child Health and Mental Health;

with appropriate financial analysis and modeling. The Contractor will work collaboratively with other individuals in this area as needed at the request of the Blueprint Director.

**F. Meet With Blueprint Director and Associate Director:**

Deliverables:

It is anticipated that meetings with the Blueprint Director and Associate Director will take place at least monthly, and more frequently as required, to review the prior month's progress, and to set priorities, work plan and timetables for the next month's activity. Progress reports will be generated as a result of each month's meeting.

**G. Coordinate with BISHCA staff and other sources such as Onpoint Health as required to define, acquire, load and update data into financial models:**

Deliverables:

As models are developed and program interventions are implemented, data will be required to establish both baseline metrics and track results over time. In order to effectively establish those data sources, the Contractor will participate in meetings/discussions with, and/or on behalf of, VDH Blueprint leadership in VCHURES data base and other data collection efforts. The Contractor will be expected to work collaboratively with other individuals in this area as needed at the request of the Blueprint Director.

**H. Participate in meetings/discussion with, and/or on behalf of, VDH Blueprint leadership in evaluation of any and all aspects of Blueprint program evaluation activities:**

Deliverables:

As both the Blueprint and other Agency of Human Services programs that are the focus of the financial modeling effort move forward, the Contractor will participate in meetings along with, or on behalf of, Blueprint leadership on topics that target evaluation and modeling of AHS programs including, but not limited to, children's services and mental health programs.

**Contractor is to use only De-Identified Data**

Contractor will receive data for this modeling project from a variety of sources including: The principle data source produced by BISHCA and Onpoint Health on behalf of BISHCA. Additional data may come directly from DVHA and various AHS departments as their programs are evaluated. In all cases, any data that contractor receives will be de-identified.

**STATE OF VERMONT  
AMENDMENT TO CONTRACT FOR PERSONAL SERVICES  
Lake Champlain Capital Management, LLC**

**Page 7 of 7  
Contract #16800  
Amendment #1**

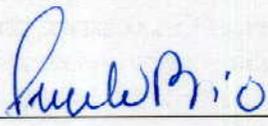
Total amount of the Contract will not exceed \$180,540.00.

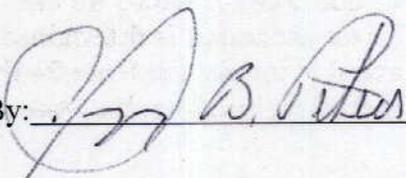
The state reserves the right to withhold part or all of the contract funds if the state does not receive timely documentation of the successful completion of contract deliverables.

This amendment consists of 7 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#16800) dated 3/1/10 shall remain unchanged and in full force and effect.

**STATE OF VERMONT  
Department of Vermont Health Access**

**CONTRACTOR  
Greg Peters  
Lake Champlain Capital Management, LLC  
1018 Cheese Factory Road  
Shelburne, Vermont 05482  
Vendor Number: 274800**

By:   
Susan Besio, Commissioner

By: 

Date: 12/16/10

Date: December 13, 2010