

MEMORANDUM

TO: Martha Giglio Faber, Administrative Services Manager - Agency of Human Services

FROM: F. Jack Wolfe, Contract and Grant Administrator, DVHA 

DATE: May 10, 2012

REGARDING: Request to pursue a sole-source contract with Policy Integrity, LLC
Duration of Contract: 6/1/2012 – 5/30/2013; Contract Amount: \$12,000.

DVHA is requesting permission to enter a sole-source contract agreement with Policy Integrity, LLC for consulting services with Vermont's health care reform initiatives. Steve Kappel has been involved in the development and evaluation of health policy for over 25 years. In 2007, Steve founded Policy Integrity LLC, a consulting firm that specializes in health policy and financing. Prior to Policy Integrity, he was an Associate Fiscal Officer in the Vermont legislature's Joint Fiscal Office. Previously, he has worked for the Vermont Program for Quality in Health Care, the Vermont Department of Banking, Insurance, Securities and Health Care Administration / Health Care Authority, Vermont BlueCross BlueShield, and the Vermont Department of Health.

The selection of Policy Integrity as the vendor for these consultant services was based on Steve Kappel's exclusive experience in this particular field of work. Steve Kappel has a uniquely comprehensive view of Vermont health data, having developed data systems for the Department of Health (hospital discharges), Blue Cross (end-user data warehouse), and the Health Care Authority (Medicare claims). He also has extensive experience working with Medicaid claims and the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES). We are very satisfied with the research and references compiled in selecting Policy Integrity as the vendor.

Because the contractor is providing expert advice which by nature is subjective, establishing performance measures for this agreement was difficult. The contractor's performance is tied to payment in that he must perform a minimum amount of hours monthly and be available for monthly meetings or face a reduction in payment. Payment will be contingent upon a quality review by the Deputy Commissioner of Health reform or his designee at the time of invoicing.

This contract complies with all mandatory provisions of AOA Bulletin 3.5. Funding for this agreement will be covered by Global Commitment to Health appropriations. DVHA looks forward to approval of this agreement.