

AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and Wakely Consulting Group, Inc., (hereafter called the "Contractor") that the contract on the subject of assisting with the second year of planning, designing, and developing Vermont's Health Benefits Exchange effective February 10, 2012, is hereby amended effective May 8, 2012 as follows:

1. By deleting on page 1 of 36, 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 \$1,906,444.14.

2. By deleting on page 20, Section 4 (Ad Hoc Tasks) and substituting in lieu thereof the following Section 4:

During the course of this contract, the State and Contractor may identify additional tasks needed to be performed. The State is allowing for up to 500 hours in addition to those needed for the tasks described earlier in the statement of work. Upon identifying such a task, the Contractor will submit a written scope of work, including the cost of such work, and a timeline for completion. The State must approve the scope of work before Contractor may proceed with the task. Work under this section may not exceed the dollar amount specified in Attachment B, Payment Provisions. The contract may be amended as needed by written agreement.

Budget: 500 hours at an estimated average hourly rate of \$275 = \$137,500

3. By adding to Attachment A Specification of Work to be Performed, beginning on page 20, the following:

Section 5: Exchange Certification Requirements

The Contractor will develop a tracking template (or crosswalk) document reflecting the Exchange certification requirements as specified in the "Application for Approval of an American Health Benefit Exchange" (Application) against the sources/timing of various state initiatives, including consulting projects, to satisfy the requirements identified.

The Contractor will:

- Review the contents of the Application to identify pertinent exchange certification requirements and any associated interim and final milestones (e.g., mandated completion date, interim progress requirements, etc.) and document the requirements and milestones identified in a tracking template (crosswalk).
- Working with the Exchange Deputy Commissioner, identify select members of the State government and other parties responsible for the requirements identified.

- By interviewing those individuals identified, confirm their responsibilities for meeting the requirements of the Application and documenting information such as completion status, associated milestone dates, and related information.
- Obtain and review supporting documentation to support the population of the tracking template's (crosswalk's) content.
- Summarize highlights of the supporting information gathered to meet the progress milestones in the tracking template crosswalk. The format utilized should be suitable for future use by State personnel to help capture emerging requirements and track the State progress towards meeting the requirements identified.
- Develop a MS PowerPoint presentation using data from the populated crosswalk template that summarizes the information gathered and documented above.

Deliverables:

1. Populated crosswalk template including the relevant federal requirements, associated interim and final milestones, and the individuals/government agencies responsible reflecting the results of the interviews conducted and documents reviewed during the team data-gathering efforts.
2. A draft and final version of a MS PowerPoint extract of the crosswalk template and populated content.

Section 5: Exchange Certification Requirements		
Deliverable	Due Date	Sub-Project Budget Allocation
Crosswalk Matrix Template	5/18/2012	25%
Final Populated Matrix	6/15/2012	75%

Section 6: Procurement Action Comparative Analysis

To help support planning activities of the Vermont Exchange team, the contractor will conduct a comparative analysis of the IT procurement activities of select states (up to four states).

The Contractor will:

- Identify selected states for potential comparison to the State of Vermont. Such states should be contemplating similar HIX IT solutions (e.g., Oracle Suite implementation) as that under consideration by Vermont.
- Working with the state Project Sponsor, select a set of attributes or criteria upon which to base the comparison.
- Obtain and review relevant procurement information issued by the states selected for comparison to address those attributes identified.
- Summarize the approaches used by the comparative states, and advise on strategies for potential consideration by Vermont.

Deliverables:

1. A written summary of the relevant sister state procurement practices related to Oracle, HIX and VIEWS (eligibility and enrollment), including potential procurement options for VT.

Section 6: Procurement Action Comparative Analysis		
Deliverable	Due Date	Sub-Project Budget Allocation
Comparative Analysis Summary Report	6/15/2012	100%

Section 7: IT Gap Analysis

To assess the State current IT assets against the Exchange requirements and their potential for reuse the contractor will conduct an IT Gap Analysis.

The Contractor will:

- Review HIX Logical Component Model Reference Architecture

For the State to gain a meaningful understanding of the types of systems that should be identified for potential reuse in the future, the Contractor will make use of reference Exchange Logical Component Model based on the CMS Exchange Reference Architecture (ERA) and integrated Exchange/Medicaid component model. These logical models are aligned with the ACA and current ERA and Medicaid Information Technology Architecture (MITA) guidance provided by the Centers for Medicare and Medicaid Services (CMS) and Center for Consumer Information and Insurance Oversight (CCIIO).

The Logical Component Model illustrates the logical software components needed to fulfill the requirements for a complete Exchange or an Exchange and integrated eligibility service. Leveraging the Component Model referenced, the Contractor will identify the business and technical components and document them in a worksheet that will be shared with State staff to assist in the identification and assessment of relevant legacy systems and software services that require consideration in a Federal gap assessment.

- Identify Relevant Current IT Assets

Based on the understanding gained from the review of the HIX Logical Component Model, the Contractor will work with the State to identify IT assets that could potentially be leveraged or repurposed to support a State Exchange and HHS eligibility determination needs. Any core systems identified will likely have functionality that addresses (in varying degrees) the requirements of the target Exchange and eligibility determination components. The functional and technical components that each system potentially offers will be identified, highlighted, and provided to the State team for review and validation.

As potential candidates for the future state Exchange and eligibility determination function, the Contractor will assess each identified legacy system for its level of fitness to meet the business and technical functions identified by the CMS ERA and MITA. A key decision point for the State will be determining which systems to include. The Contractor will help the State assess the status of current initiatives to see whether the timing of these initiatives will allow for reuse

of components for the Exchange or eligibility determination. This analysis shall be limited to five core systems.

- Assess Current IT Assets

The Contractor will support State staff to expedite the production of the required gap assessment to support the State’s upcoming Federal gate review. The Contractor will assess systems as to whether or not the systems perform the specific required business or technical functions, and the likelihood of reuse of the software components of each system.

- Conduct Fit-Gap Analysis

Contractor will use a Gap Analysis Tool to score the potential for reuse of the selected IT systems. The Contractor will score the assessment data generated earlier to rate each system’s ability to perform the functions and to assess if the system should be reused, augmented for reuse, or not reused.

The Gap Analysis Tool will provide three outputs to summarize the analysis.

1. A matrix of system ratings against individual business or technical components and CMS technical standards,
2. A rating of each system against overall functional or technical requirements and standards, and
3. A consolidated scoring of all systems within a two by two matrix showing the degree of business and technical reuse achievable for each system.

Deliverables:

1. A written report summarizing the gap between the State’s existing capabilities to determine eligibility screening and meet the automation requirements of a State Exchange. The contractor will first issue a narrative summary of the report to the State to support its Level II grant application submission. The State will have the opportunity to review the narrative and then based on the State’s written feedback, the Contractor will make appropriate updates and issue a final version for state use as part of a potential gate review.

Section 7: IT Gap Analysis		
Deliverable	Due Date	Sub-Project Budget Allocation
Summary IT Gap Analysis Narrative	6/15/2012	50%
Final IT Gap Analysis Report	8/1/2012	50%

Section 8: Subject Matter Expertise

The Contractor shall provide a sub-contractor with subject matter expertise on exchange business requirements for Section 5, Section 6, and Section 7.

Deliverables:

1. The Contractor will provide subject matter expertise (SME) to sub-contractor on Section 5, Section 6 and Section 7 as needed. SME assistance is expected to average 10 hrs per week but will not exceed 90 hours during expected two month duration of work related to Sections 5-7.

Section 9: Large Group & Association Migration

The Contractor will analyze the number of large group and association employees and their dependents that may migrate to the Exchange. Employees are eligible for exchange subsidies if their premiums cost 9.5% or more of their income or the employer sponsored benefit plan does not cover 60% of health care costs (i.e. less than Bronze level coverage). This analysis will encompass full/part time employees and fully/self-insured groups. The analysis will address the current market and what portion of employees would currently qualify for the Exchange under either eligibility rule. In a written report, the Contractor will outline the estimated number of current employees and dependents who are likely to enter the exchange due to either eligibility option. Information on income level and current employer benefits (if any) will be included in the report.

The analysis will estimate the actions of employers based upon the cost impact of the various options.

Data and Assumptions:

The Contractor will rely on the following 4 data and information sources:

1. The Vermont Department of Labor (DOL) will provide a distribution of employees by income bracket. The Contractor will apply this data to the following categories:
 - a. Large Group, Large Groups in Associations, and Small Groups in Associations
 - b. Self-insured and fully insured (if available)
 - c. Part time and full time employees (if available)
 - d. By Federal Poverty Level (FPL)
 - i. <133%
 - ii. 133-150%
 - iii. 151-200%
 - iv. 201-250%
 - v. 251-300%
 - vi. 301-350%
 - vii. 351-399%
 - viii. 400%+
2. The Current Population Survey (CPS) data that includes income levels by household by type of insurance coverage (e.g. individual, group);
3. The Vermont Household Survey data;
4. The Contractor will send a data request to the major health insurers (i.e. BCBSVT, MVP and Cigna). Prior to sending to the insurers, the Contractor will get approval of the data request from the State. The data request will include but not be limited to the following information:
 - a. Group, Contracts, Members, Premium and Claim information
 - b. Data for large group, large group in associations and small groups in associations
 - c. Contribution levels by group (if available)
 - d. Actuarial value information
 - e. Part/full time employee information (if available)

f. Fully/self-insured information (if available)

Deliverables:

1. Data Request – The Contractor will send the data request (item 4 above) to the health plans two weeks after the execution of this amendment. The health plans will have three weeks to respond to the data request. (Target delivery of data request on May 18; target receipt of data on June 8)
2. Verbal Discussion of Initial Findings – Five weeks after Wakely receives all of the health plan data and DOL information the Contractor will meet with the State to discuss preliminary findings. (Target due date of July 13)
3. Report – Six weeks after receipt of the stated information and two weeks after verbal discussion, the Contractor will provide a report that summarizes the analysis and findings. This report will be due no later than July 27, 2012. The contractor shall not be penalized for delays that are beyond its control such as failure of the DOL to provide data in a timely manner.

Section 9: Large Group and Association Migration		
Deliverable	Due Date	Sub-Project Budget Allocation
Data Request	5/18/2012	10%
Initial Findings	7/18/2012	30%
Large Group and Association Analysis Report	7/27/2012	60%

Section 5-9: Project Requirements

- The State will provide documents to the contractor within one business day of the contractor’s request.
- Contractor requests for in-person or telephone interviews of state personnel will take place within 24 hours of request
- The State’s technical and functional lead staff will participate in up to 5 IT Gap Analysis workshops facilitated by the Contactor in support of the IT Gap analysis task.
- The State will identify at least 3 comparable states as well as specify component attributes desired for the procurement comparison task.
- The State will provide an initial list of potential interviewees to support the certification requirement crosswalk task.
- The State will provide a dedicated workspace for 3 contractor team members for the duration of this period of assistance. The Contractor will provide equipment and supplies including but not limited to, computers and computer accessories, and telecommunications devices for the team members.
- The State will provide comments and/or questions on the Contractor’s work products within 48 hours after submission to the State project sponsor .
- The Contractor’s work products under this Agreement are intended solely for use by the State. The Contractor does not provide any assurance that the work products are fit for any use by third parties.

4. By deleting, starting on page 21 of 36, Attachment B Payment Provisions and substituting in lieu thereof the following Attachment B Payment Provisions:

The maximum dollar amount payable under this agreement is not intended as any form of a guaranteed amount. The Contractor will be paid for services specified in Attachment A, for services actually performed, up to the maximum allowable amount specified in this agreement. State of Vermont payment terms are Net 30 days from date of invoice, payments against this contract will comply with the State's payment terms. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are included in this attachment. The following provisions specifying payments are:

1. Payment Schedule: Sections 1, 2, 3, 5, 6, 7 and 9.

Payment shall be issued to the Contractor on a fixed fee basis based on the submission and acceptance of each deliverable. Reasonable expenses for State approved travel will be reimbursed on an as-incurred basis at the state required per diems and limits as outlined in Bulletin 3.4. The Contractor will not be reimbursed for other expenses, including supplies, benefits or insurance. The Contractor shall invoice the State upon submission of each final deliverable listed within the Deliverable Fee Schedule contained in this attachment.

2. Payment Schedule: Section IV - Ad Hoc Tasks

Upon the State's request the Contractor shall perform additional tasks in accordance with the scope of work as found necessary in achievement of the goals set out under the Level 1 Exchange Establishment Grant. Each additional task will be reduced to writing contained in a scope of work and submitted to the State for approval prior to commencement of any additional tasks. The approved scope of work must include a total cost not to be exceeded for each approved task area. The Contractor shall submit monthly invoices that include the number of hours worked by staff, as well as a description of the work performed.

The Contractor shall be reimbursed a single, blended rate of \$275 per hour, inclusive of all travel and other expenses. The Contractor will not be reimbursed for other expenses, including travel, supplies, benefits or insurance. A total of 500 hours are authorized for performance of additional work, subject to approved scopes of work.

3. Payment Schedule Section 8 – Subject Matter Expertise

As needed, the Contractor shall provide a sub-contractor with subject matter expertise on exchange business requirements for Section 5, Section 6, and Section 7.

The Contractor shall be reimbursed at hourly rates of \$361/Managing Director; \$232/Sr Consultant and \$155/Analyst based on work performed by level of expertise. The budget is based on a blended rate of \$300 per hour, for subject matter expertise, not to exceed a total of 90 hours.

4. Failure to meet a performance measure/deliverable date due to fault by the Contractor, in sub-sections where specific deliverables and dates are defined and where the work is not on-going or "ad hoc", the deliverable payment shall result in a 10% deduction from the amount allowed for that specific performance measure/deliverable. Should the Contractor and the State prior to the date of delivery agree that such delay was the result of circumstances beyond the control of the Contractor this provision will be waived and reduced to writing for inclusion in the contract file.

5. Invoices shall be submitted on the Contractor's official letterhead, signed by an authorized

representative of the Contractors organization, reference this contract's number and be submitted to:

Business Office, Contracting Unit
 Department of Vermont Health Access
 312 Hurricane Lane
 Williston, VT 054953

6. Total maximum payable under this contract shall not exceed \$1,906,444.14

Fee Schedule	
Deliverable	Amount
Section 1: Exchange Operations/Business Functions	
Call Center	\$82,578.50
Financial Management	\$56,720.00
Program Integrity	\$61,206.00
Exchange Staffing	\$14,695.00
Exchange Evaluation	\$43,855.00
Level 2 Establishment Grant Application	\$279,511.00
	\$538,565.50
Section 2: SHOP/Individual & Employee Responsibility/Enrollment	
SHOP Exchange	\$128,670.00
Individual and Employer Responsibility Determinations	\$41,780.00
Enrollment in Qualified Health Plans	\$24,907.14
	\$195,357.14
Section 3: Health Insurance Market Reform	
Analysis of the Impact of the Exchange on the Commercial Insurance Market Outside the Exchange	\$60,500.00
Risk-Leveling Programs	\$57,143.00
Certification of Qualified Health Plans (QHPs)	\$46,060.00
Consumer Satisfaction Surveys	\$22,655.00
	\$186,358.00
QHP Plan Design	
Phase 2	\$63,368.00
Phase 3	\$147,859.00
Project Management	\$148,480.00
Assistance to GMMB Inc. on design of navigator program	\$75,000.00
	\$434,707.00
Section 4: Ad Hoc Tasks	
Up to 500 hours at a blended rate of \$275 per hour	\$137,500.00
Section 5: Exchange Certification Requirements	
Crosswalk Matrix Template	\$13,014.75
Final Populated Matrix	\$39,044.24
	\$52,059.00
Section 6: Procurement Action Comparative Analysis	
Comparative Analysis Summary Report	\$20,790.00
Section 7: IT Gap Analysis	
Summary IT Gap Analysis Narrative	\$104,553.75
Final IT Gap Analysis Narrative	\$104,553.75

**STATE OF VERMONT
 AMENDMENT TO PERSONAL SERVICES CONTRACT
 WAKELY CONSULTING GROUP**

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 CONTRACT # 21410
 AMENDMENT #1**

	\$209,107.50
Section 8: Subject Matter Expertise	
\$300 per hour blended rate, not to exceed 90 hours	\$27,000
Section 9: Large Group & Association Migration	
Data request, \$300 per hour blended rate	\$4,000.00
Initial Findings, \$300 per hour blended rate	\$12,000.00
Large Group and Association Analysis Report, \$300 per hour blended rate	\$24,000.00
	\$40,000.00
Travel Allowance	
	\$65,000.00
Total	\$1,906,444.14

This amendment consists of 9 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, #21410 dated February 10, 2012 shall remain unchanged and in full force and effect.

**STATE OF VERMONT
 DEPARTMENT OF VERMONT HEALTH ACCESS**

**CONTRACTOR
 WAKELY CONSULTING GROUP**

 MARK LARSON, COMMISSIONER DATE

 PATRICK HOLLAND, MANAGING DIRECTOR DATE