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Agency of Human Services  
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## MEMORANDUM

**To:** Jeb Spaulding, Secretary of Administration  
**Through:** Doug Racine, Secretary of Agency of Human Services C.O.  
**From:** Lindsey Tucker, Deputy Commissioner  
**DATE:** JUNE 12, 2012 L.T.  
**RE:** HES Contract #22352, Request for new Sole Source Contract  
**CONTRACT TERM:** July 1, 2012 – December 31, 2012  
**MAXIMUM AMOUNT:** \$605,000

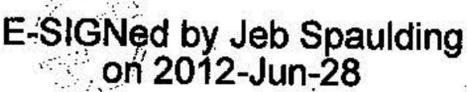
The Department of Vermont Health Access (DVHA) seeks to engage HES Advisors, Inc. (HES) to assist with current Exchange implementation strategy, planning, and definition activities. Work through this contract will help ensure the Vermont Exchange adequately designs, structures and plans the project activities needed to meet the federally defined Exchange establishment guidelines, including our gate reviews and blueprint application. In addition to project planning, HES will expedite Exchange operations design and business requirements activities by leveraging the operational expertise and large-scale project implementation experience of HES specialists.

DVHA is currently pursuing Level 2 Federal funding to further its Exchange planning and implementation efforts into 2015. The grant application process combined with the effort to define the operational and technical capabilities necessary to meet the expectations of the CCIO Exchange Declaration letter due in October of this year has aggravated a resource gap. The DVHA Exchange team has a number of open positions which are in varying stages of recruitment, hiring and on-boarding. During this staffing phase, it is critical that the current team be supplemented with subject matter experts who offer the necessary implementation planning, strategy and definition skills to continue to make progress against our tight timelines and deliverable milestones.

HES is a well-respected strategic advisory firm known for the services it provides within the health care, health information technology space. Specifically, HES has a proven track record as evidenced by the planning and project delivery support provided to other states currently delivering against a similar set of Exchange implementation and planning activities. HES has partnered with a number of member-states within the New England States Collaborative for Insurance Exchange Systems (NESCIES), of which Vermont is a participant. The learning and experience that HES has gained from these NESCIES engagements will serve to fast-track the activities the Vermont is currently seeking to accomplish and fulfills the NESCIES goals of sharing and reusing knowledge capital in pursuit of establishing the Vermont Health Benefit Exchange.

DVHA needs to leverage this previous experience to maximize our progress. HES experts will come to Vermont directly from other NESCIES states, bringing a keen and intimate knowledge of the content, process, and relationships. Their addition to the broad Exchange team will catapult forward the work as well as train staff in the process.

The funding for this contract will be covered by the Global Commitment to Health Appropriations and complies with all mandatory provisions of AOA Bulletin 3.5. DVHA looks forward to approval of this contract.

APPROVAL: 

JEB SPAULDING, SECRETARY OF ADMINISTRATION

Jun 28, 2012

DATE