

AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and The Action Mill, LLC (hereafter called the "Contractor") that the contract on the subject of consulting services for IT systems and business processes for State health care reform initiatives, effective September 12, 2011, is hereby amended effective April 23, 2012, as follows:

By deleting on page 1 of 20, Section 1 (Parties) and substituting in lieu thereof the following Section 1:

1. Parties. This is a contract for personal services between the State of Vermont, Department of Vermont Health Access (hereafter called "State"), and Action Mill LLC, with a principal place of business in 1219 Vine Street, 2nd Floor, Suite A, Philadelphia, PA 19107 (hereafter called "Contractor"). The Contractor's form of business organization is a Limited Liability Corporation. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.

By deleting on page 1 of 20, 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 Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$3,920,000.

By deleting on page 1 of 20, Section 4 (Contract Term) and substituting in lieu thereof the following Section 4:

4. Contract Term. The period of Contractor's performance shall begin on September 12, 2011 and end on August 30, 2013. By mutual agreement, this contract may be extended for one additional one (1) year period from date of contract expiration.

By deleting on pages 3 of 20, Attachment A Specification of Work to be Performed in its entirety and substituting in lieu thereof, Attachment A, which is included as part of this amendment on page 2.

By deleting on pages 10 of 20, Attachment B Payment Provisions in its entirety and substituting in lieu thereof, Attachment B, which is included as part of this amendment on page 7.

This amendment consists of 8 pages. Except as modified by this amendment and any previous amendments, all provisions of this contract, (#20436) dated September 15, 2011 shall remain unchanged and in full force and effect.

STATE OF VERMONT
DEPARTMENT OF VERMONT HEALTH ACCESS

CONTRACTOR
THE ACTION MILL, LLC

**ATTACHMENT A
SPECIFICATION OF WORK TO BE PERFORMED**

General Conditions

- Hunt Blair of the Department of Health Access shall serve as the State's primary contact for this contract. Jethro Heiko shall serve as the Contractor's primary contact for this contract. Such contacts may be changed by written notice to the other party.
- The State and the Contractor shall meet weekly, in person or by conference call, to review progress on contract work.
- The Contractor and the State acknowledge that much of the work performed under this contract is interrelated with other Health Care Reform initiatives occurring simultaneously. As such, the Contractor and its subcontractors will coordinate with other State contractors and Stakeholders as needed.
- For all deliverables, unless otherwise agreed upon in advance by the State and the Contractor, Contractor will submit a draft deliverable four business days prior to the final deliverable due date. The State will have two business days to provide feedback to the Contractor, after which the Contractor will have two business days to submit the final deliverable to the State.

Pursuant to 18 V.S.A. Chapter 219 § 9351 and Section 10 of Act 48 of 2011, the Contractor will assist the State to support the design and implementation of comprehensively integrated coverage reforms, delivery system and process reforms, administrative simplification, and financing and payment reforms that, in combination, are intended to lead the State to a single system of care and eventually to a universal health care system. Such transformational change requires a sustained and deliberate process for change management and communication.

To accomplish this work, the Contractor will facilitate an organizational change management process to create the systems, work flow, business, communications and decision making processes, and organizational culture required to enable participation in transformative health reform, both across State government and with external stakeholders. The Contractor shall work with the State to understand and make explicit its goals, benchmarks, and steps to create the new system processes and business processes necessary to implement the digital infrastructure for a learning health system in Vermont required to meet the goals of Act 48. To achieve this goal, the Contractor will work with key State staff, associated agencies and organizations utilizing the Action Mill's Observe, Orient, Design, Act (OODA) Loop framework. This is an iterative approach that starts with an initial limited scope of participants and expands through iterations to include multiple layers of, and relationships between, multiple individuals inside and outside of State government. Working within this framework, the State and the Contractor shall organize all OODA Loop activities under three over-arching domains: Strategic Action, Collaboration, and Learning. The general types of activities to be grouped under those domains include:

- Strategic Action – management of the interaction of health reform activities across DVHA Divisions, AHS Departments, and State Agencies; leadership support and capacity development (change and communications strategy development, professional coaching); design and production of tools (e.g. the program management matrix and related processes) to support State health reform activities.

- Collaboration – support for effective and cross-silo collaborative work including online collaborative environments, launching and maintaining teams and networks, implementation of change management processes to support health reform activities.
- Learning – documentation and metrics to quantify and evaluate return on investment in change processes, documentation and communication of cultural change, construction of knowledge management infrastructure, on-going sense making activities to support, validate, and document structural change in State processes to support health reform implementation.

The Contractor will, at the direction of State staff, in coordination with the Agency Secretary and the Director of Health Care Reform of the Agency of Administration, work with leadership, management, supervisory and general staff of the Agency of Human Services and its six Departments and their Divisions to address cross-cutting issues related to health reform systems change. The Contractor will also work as directed with other State Agencies and Departments for that same purpose, as well as with other State contractors, grantees, beneficiaries, partners, and stakeholders.

The Contractor will complete multiple iterations of these activities which will themselves be designed and refined on an iterative basis. The Contractor and the State will continue to develop, manage, and update every two weeks, a program management matrix of active projects and tasks.

The objective of these activities and workshops is to create alignment among and between State staff and external stakeholders and clarity of a shared vision for transformation of State and health care system processes that will support the planning of new ways of doing business, associated systems and processes, and the hiring of vendors for assisting in creating and implementing those systems and processes.

The Contractor will also assist in identifying and supporting the networks of people who are necessary to ensure unity of purpose for this work. The Contractor will propose, and with the State will establish, benchmarks and measure progress toward these goals through the program management matrix. The Contractor will act as a consultant to the State to assist the State to achieve the following goals, including assisting the State in development of metrics to objectively measure its achievements:

- Improve decision-making and governance processes
- Improve internal communication and alignment
- Improve external communication
- Identify established social networks within the State and between the State and external contractors, grantees, beneficiaries, partners, and stakeholders
- Identify potential social networks within the State and between the State and external contractors, grantees, beneficiaries, partners, and stakeholders
- Increase innovative and effective use of information, systems, and data for knowledge management and collaboration
- Help diffuse a culture of knowledge management and collaboration into the core and extended organization.
- Design processes for ongoing learning and adaptation to support the implementation of health reform in its many dimensions.

Each party's requests to schedule meetings, requests for existing information in the form of documents or other formats will be responded to within 3 business days. A lack of responsiveness on the part of either party will impact the ability of the parties to meet the objectives of this contract.

Performance Measure

The Contractor and the State shall meet every two weeks or more often to discuss the needs of the State and key achievements for the course of the subsequent two week period. The parties will identify deliverables that align with the needs of the State and will reflect the Contractor's plan to accomplish those deliverables in the program management matrix. The Contractor shall maintain a rolling, continuously updated project plan with significant mile stones (site visits, other activities) projected for upcoming periods work as part of the program management matrix. Progress on activities in process will be reviewed no less frequently than every two weeks.

Deliverables

The Contractor will provide the State with comprehensive support for global project management of the Health Services Enterprise portfolio. This includes the build out and maintenance of the Queue and Action Matrix project management and prioritization tools, overall "management dashboard" tools for monitoring portfolio implementation progress and milestones, as well as assisting the State in populating and creating a structure for maintaining dynamic project time lines (using Gantt charts or other visualization and tracking tools) for each of the major project areas listed below, as well as others to be added through the course of the contract period as jointly agreed to by the State and the Contractor.

- Health Services Enterprise Procurement and Projects Lifecycle
 - RFP Management & Project Requirements
 - Fiscal Planning & Management
 - Contracting, Contracts, and Contractor Management
 - CMS (APD, CCIIO grant, etc.) Application & Reporting Cycles
 - Strategic collaboration among partners, vendors, and other stakeholders
 - Leadership support
 - Program Operations, Program Integration, and Management Support
- Vermont Blueprint for Health and Vermont HIT-HIE Organizational Structure Projects to Support Meaningful Use
 - Clinical HIT Practices to support alignment with Meaningful Use
 - Strategic collaboration among partners, vendors, and other stakeholders
 - Contracting, Contracts, and Contractor Management
 - Leadership support
 - Program Operations and Management Improvement
- Vermont HIT – HIE Planning & Program Integration
 - Vermont HIT Plan 5.0
 - Stakeholder engagement and public outreach
 - Web tools, publishing, group engagement methodologies
 - Public Health IT
 - Cross-agency, cross-departmental HIT – HIE
 - Hub & Spoke (Substance Abuse Services)
 - Long Term Care & HIT
 - Mental Health & HIT

The Contractor will facilitate and co-design with the State a series of activities, sub-projects, work areas and work clusters that, taken together, form a robust array of Leadership Support, Strategic Collaboration, and Program and Operational Management Deliverables, including such activities as:

- Conduct process and knowledge mapping
- Organize knowledge content management system to capture and disseminate valuable documents
- Create organizational structures to support development and implementation of Health Reform initiatives
- Support inter-agency and inter-departmental processes to ensure that cross-boundary collaboration is reinforced
- Create management guidelines for contract development and support contracting processes to ensure that cross-boundary collaboration is reinforced with vendors, grantees, and other external partners
- Integrate communications into continuous improvement cycles
- Create and support use of Collaboration Toolkit. (Enabling people to collaborate across organizational boundaries and across contracts using toolkit)
- Create a dynamic implementation playbook
- Create repository of visual and audio experience-based stories for multiple uses
- Facilitate conflict resolution and mediation
- Create face to face and virtual workshop recruitment and retention processes to align with specific State objectives 2012-14
- Scope and develop shared leadership models and capabilities
- Review existing information sharing metrics and recommend new metrics
- Implement Surveys (Value Network Analysis/VNA, Org Net Analysis/ONA, Pulse Surveys)
- Align measurement criteria to assess common goals and improvements
- Assessment and improvement of clinicians to input and receive data (learning module and pulse surveys for assessment and measurement)
- Create language and context for understanding and aligning cross-boundary collaboration
- Create forums for shared solutions for reliable data and reporting of shared best practices, outcomes and financially-related results
- Reorganize health reform implementation plans into a working playbook
- Identify existing and new measurements to determine value of improved info flow and its relationship to outcomes
- Create management Dashboards for quick views of important measures

The specific activities to be undertaken during a mutually agreed upon amount of time, will be reviewed and approved by the State in advance of undertaking the activities, and the sum of the

approved work will constitute the body of specific deliverables (“projects in the Action Matrix”) against which performance will be measured.

The Contractor will provide the State with a monthly progress report by the last business day of the month. This progress report will detail the monthly activities of the management matrix as follows:

1. Historical activities report included in the program management matrix over the course of the month, detailing progress, completion and outcomes.
2. Prospective activities report included in the program management matrix describing the Contractor’s anticipated work activities, subject to State review and approval.
3. Recommendations for additions to the program management matrix describing the Contractor’s anticipated work activities, subject to State review and approval.

Use of Subcontractors:

The Contractor may, under its discretion, engage in assistance in carrying out tasks and duties relating to the scope of this contract. Solely for the purpose of this contract the following list of subcontractor may be engages at no further cost to the State:

- Barbara Kivowitz,
- Salvatore Rasa,
- Patti Anklam,
- Jessica Oski,
- Eileen Elliott,
- Richard Weissberg,
- Ken Citarella,
- Michael Krigsman,
- Cognitive Edge, Pte, Ltd,
- Siegel + Gale

The Contractor agrees to notify the State in writing five business days prior to engagement of any given subcontractor not listed above. The State withholds the right to deny a subcontractor request with just cause within three business days of receipt of notice.

**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. The maximum amount payable under this contract for service and expenses shall not exceed \$3,920,000.00
2. The Contractor shall invoice the State monthly based on hours expended per deliverable up to the section’s maximum hourly allotment as specified in the Fee Schedule below. The Contractor shall bill the State at the blended rate of \$200/hr regardless the Contractor’s team member assigned to the billable deliverables. The State must notify the Contractor within 10 business days from receipt of invoices if either (i) the deliverables agreed upon in the parties regularly scheduled meetings have not in fact been delivered by Contractor or (ii) such deliverables are not found satisfactory by the State.

Fee Schedule		
Deliverable	Max Hours	Maximum Amount / Deliverable
Procurement and Projects Lifecycle	9,250	1,850,000
VT Blueprint for Health & VT HIT-HIE Organizational Structure Projects	6,550	1,310,000
VT HIT – HIE Planning & Program Integration	3,800	760,000
Contract Total		3,920,000

Five percent (5%) retainage shall be deducted from each invoiced deliverable. Accumulated retainage may be released at the end of each contract year with the approval of the Contract Administrator based on satisfactory completion of all deliverables. Payment of the retainage will be issued upon receipt of a retainage statement from the Contractor itemizing amount withheld per section. Should the contract be terminated for any reason related to the Contractor’s failure to perform duties to the satisfaction of the State, the withheld retainage shall revert to the State as liquidated damages.

3. Variance of the budget line items shall not exceed 10% without prior approval from State. Written requests for such approvals must first be submitted by the Contractor prior to the expenditure of funds in excess of the above budgeted line items.
4. All identified fees included in this Contract and subsequent Statements of Work are all inclusive, no benefits or insurance or other expenses will be reimbursed by the State. The set rates also include any indirect rate that covers the administrative expenses, occupancy fees, utilities, repair and maintenance of equipment, office maintenance, audit and legal fees, insurance, travel, telephone, postage, supplies, etc. The State does not guarantee the assignment of any minimum number of hours or other work under this contract.

5. Payments for subcontractors are the responsibility of the Contractor and will be made upon approval (See Attachment C, #15) as per the deliverables schedule above. The State shall not be responsible for separate expenses of the Contractor.
6. The Contractor will submit an invoice on a monthly basis to the State for services provided under this contract during the previous month. Each invoice must include a unique invoice number, contract number, dates of service, and itemized billing must be documented to reflect linkage with the associated Deliverables. Invoice amounts for deliverables must be pre-approved by the State prior to submission. 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. All invoices must be preapproved by, and submitted to:

Hunt Blair, Deputy Commissioner
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 054953

State will remit all paper payments to:
Action Mill, LLC
1219 Vine Street, 2nd Floor, Suite A
Philadelphia, PA 19107