

**Department of Vermont Health Access
Check List for Contracts**

Name of Contract:	<u>Lake Champlain Capital Management, LLC</u>	New Contract:	<u>N/A</u>
Contract Number:	<u>16800</u>	or Contract Amendment:	<u>X</u>
Amendment Writer:	<u>Jim Morgan</u>	Amendment Number:	<u>1</u>
Vendor:	<u>274800</u>		

	Print Name	Initial -When Task Completed	Date In	Date Out
Business Office for Request for Vendor Number	<u>Justin Gingras</u>	<u>N/A</u>		
Business Office for Assignment of Contract Number	<u>Justin Gingras</u>	<u>N/A</u>		
Financial Codes	<u>Sawyer Joecks</u>	<u>S.J.</u>	<u>11/16/10</u>	<u>11/16/10</u>
AA - 14	<u>Sawyer Joecks</u>	<u>S.J.</u>	<u>11/16/10</u>	<u>11/16/10</u>
Business Manager Review - Initial AA - 14	<u>Carrie Hathaway/Jill Gould</u>	<u>[Signature]</u>	<u>11/17/10</u>	<u>11/17/10</u>
Director's Office Signature on AA - 14 Only	<u>Susan Besio</u>	<u>SWB</u>	<u>11/18/10</u>	<u>11/18/10</u>
Attorney General AA - 14	<u>Seth Steinzor</u>	<u>SI</u>		<u>11/23/10</u>
Agency of Human Services - AA - 14	<u>Charly Dickerson</u>	<u>OK-SJ.</u>	<u>12/9/10</u>	<u>"</u>
Agency of Administration	<u>Tom Pelham</u>	<u>OK-SJ.</u>	<u>"</u>	<u>"</u>
Department of Information & Innovation		<u>N/A</u>		
Contractor Signature on Original Contract	<u>Lake Champlain</u>	<u>S.J.</u>	<u>12/14/10</u>	<u>12/14/10</u>
Director Signature on Original Contract	<u>Susan Besio</u>	<u>SWB</u>	<u>12/16/10</u>	<u>12/16/10</u>

Business Office -

1. New Contract- Copy of AA14 forwarded to AHS for approval in Vision System, and AA14 & Contract passed onto Accountant so payments can be processed.

<u>Justin Gingras</u>	<u>N/A</u>		
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OR

2. Contract Amendment - Copy of AA-14 forwarded to AHS for approval in Vision System, and AA14 & Contract Amendment passed onto Accountant so payments can be processed.

<u>Justin Gingras</u>	<u>JRG</u>	<u>12/17/10</u>	<u>12/17/10</u>
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Purpose and Benefit to OVHA for Susan: One year extension to current contract for financial modeling and projections for Blueprint initiatives. Amendment has added deliverables.

STATE OF VERMONT CONTRACT SUMMARY AND CERTIFICATION ----- Form AA-14 (10/18/2010)

Note: All sections are required. Incomplete forms will be returned to department.

CHECK ONLY ONE BOX IF APPLICABLE:

I. CONTRACT INFORMATION:

ARRA Contract

ACA Contract

Agency/Department: AHS/ DVHA Contract #: 16800 Amendment #: 1
 Vendor Name: Lake Champlain Capital Management, LLC VISION Vendor No: 274800
 Vendor Address: 1018 Cheese Factory Road, Shelburne, Vermont 05482
 Starting Date: 3/1/2010 Ending Date: 12/16/2011 Amendment Date: 12/15/2010
 Summary of agreement or amendment: One year extension to current contract for financial modeling and projections for Blueprint initiatives. Amendment has added deliverables.

II. FINANCIAL INFORMATION

Maximum Payable: \$180,540 Prior Maximum: \$ 75,000 Prior Contract # (If Renewal):
 Current Amendment: \$105,540 Cumulative amendments: \$ 105,540 % Cumulative Change: 140.72 %
 Business Unit(s): 03410 VISION Account: 507600

III. PERFORMANCE INFORMATION

Does this Agreement include Performance Measures tied to Outcomes and/or financial reward/penalties? Yes No

Estimated Funding Split: G-Fund % S-Fund % F-Fund % GC-Fund 100.00 % Other %

III. PUBLIC COMPETITION

The agency has taken reasonable steps to control the price of the contract or procurement grant and to allow qualified organizations to compete for the work authorized by this contract. The agency has done this through:

Standard bid or RFP Simplified Bid Sole Sourced Qualification Based Selection Statutory

IV. TYPE OF AGREEMENT & PERFORMANCE INFORMATION

Check all that apply: Service Personal Service Architect/Engineer Construction Marketing
 Information Technology Other, describe:

V. SUITABILITY FOR CONTRACT FOR SERVICE

Yes No n/a If this is a Personal Service contract, does this agreement meet all 3 parts of the "ABC" definition of independent contractor? (See Bulletin 3.5) If NO, then contractor must be paid through Payroll

VI. CONFLICT OF INTEREST

By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.

Yes No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this party was selected for improper reasons: (If yes, explain)

VII. PRIOR APPROVALS REQUIRED OR REQUESTED

Yes No Agreement must be approved by the Attorney General under 3 VSA §311(a)(10) (personal service)
 Yes No I request the Attorney General review this agreement as to form
 No, already performed by in-house AAG or counsel: _____ (initial)
 Yes No Agreement must be approved by the Comm. of DII; for IT hardware, software or services and Telecommunications over \$100,000
 Yes No Agreement must be approved by the CMO; for Marketing services over \$15,000
 Yes No Agreement must be approved by Comm. Human Resources (privatization and retiree contracts)
 Yes No Agreement must be approved by the Secretary of Administration

VIII. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL

I have made reasonable inquiry as to the accuracy of the above information:

11/18/10 _____ Date Agency / Department Head
 11/23/10 _____ Date Approval by Attorney General
 _____ Date CIO (initial)
 12/1/10 _____ Date CMO (initial)
 _____ Date Agency Secretary or Other Department Head (if required)
 _____ Date Approved by Commissioner of Human Resources
 _____ Date Secretary of Administration

REC'D DEC 02 2010

CHK

MEMORANDUM

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

CHK

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

- assumptions as they become available;
- Assuming success of the application and in conjunction with CMS and Blueprint personnel, develop system for tracking performance over the 3-year Demonstration period; and
- Perform other modeling support of the CMS application and subsequent Demonstration Project as required.

B. Maintain financial models initially developed under Contract #14281:

The Contractor has developed a series of models in support of the roll out of the Blueprint program to include a base model (General Population- All Ages), and breakdown by each major category of payer (Medicare, Medicaid, and Commercial). The initial models were based upon the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) generated 2007 Health Care Expenditure Analysis & Three-Year Forecast. The initial models require periodic updating (at least annually) as new baseline data is generated by BISHCA in each calendar year and as new information is gathered through rollout of the Blueprint as it may impact the intervention assumptions underlying the respective models.

Methodology:

The Contractor will employ the following methodology during the course of model maintenance:

- Continuously monitor BISHCA and other (Vermont Department of Health/VDH, Department of Vermont Health Access/DVHA and Vermont Health Care Claims Uniform Reporting and Evaluation System/VCHURES) data bases for updates that may be applicable to the base models outlined above;
- Populate, modify, update and proof each model as changes are made;
- Update the accompanying "Summary of Key Assumptions" as changes are made.
- Coordinate with the Blueprint Director as clinical experience during the Blueprint rollout may impact intervention assumptions underlying each model;
- Develop a tracking system to provide feedback loop and comparison of base models with actual experience as data is collected during the rollout of the Blueprint program.

Deliverables:

The Contractor will update each of the base models, to include the General Population, Medicare, Medicaid and Commercial payer models as new baseline data is generated each year that the contract is in effect. The update would include revision of the underlying assumptions behind each model ("Summary of Key Assumptions/Sources to Data"). The Contractor will also update each model based upon changes in intervention assumptions that may result from experience gained during the course of the rollout of the Blueprint program at any point during the contract year. As actual data is collected during the accelerated rollout of the Blueprint program, the Contractor will assist the

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;

- Vet and refine the draft models with respective project teams and stakeholders;
- Document each model, along with Summary of Key Assumptions;
- Support application of Blueprint model architecture to other AHS programs as identified and agreed upon by Blueprint and AHS project management.

D. Provide responses to Legislative information inquiries:

In order to make quality decisions on allocation of available resources, program evaluation and modeling may be required during the contract year. Potential duplication of effort, or lack of coordination of services, will be scrutinized, looking to capture savings through offsets. Modeling of AHS programs will attempt to project the cross-fertilization of impact between programs. For example, increased efficiencies/effectiveness in Mental Health programs may have a beneficial impact, and produce savings in the area of Corrections and the State Hospital budget. The Blueprint primary care initiatives may in turn positively impact mental health outcomes through earlier detection, thereby impacting Medicaid mental health budgets, or end-of-life choices impacting nursing home usage and readmission rates.

Deliverables:

The Contractor will continue to participate in providing data analysis and modeling support to Blueprint (and AHS) staff in response to legislative inquiries in the above and potentially other healthcare and AHS program areas during the legislative session. It is anticipated that support may also be required at other times during the contract period in response to legislative studies ordered by the legislature or legislative committees when the legislature is not in session.

E. Use financial modeling to determine costs and potential savings associated with the statewide expansion of the Blueprint for Health:

Based upon the positive early results of the Blueprint program, the legislature authorized during the 2010 legislative session rollout of the program statewide in an effort to “bend the cost curve” and bring escalating healthcare costs under control with better quality outcomes as soon as possible. During the course of the 2010 contract year, the Contractor developed a series of models that reflected the accelerated rollout of the Blueprint, to include associated costs, savings and return on investment.

Deliverables:

As a next stage of evaluation, it is likely that assessment, to include modeling, of the impact of distribution of the savings between insurers, providers, state, federal and other stakeholders will be required. For example, the Blueprint, if successful, is expected to have an impact upon inpatient utilization and therefore upon hospital staffing, and fixed and variable cost structures. Similarly the success of the Blueprint may have an impact upon the practices of certain physician specialty groups. Issues such as; how do providers participate in the “savings” that the Blueprint generates such that the end result is a win-win outcome. The Contractor will be expected to augment the decision-support process in these areas

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.

By deleting on pages 6, 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 products or services specified in Attachment A, and services actually performed, up to the maximum allowable amount specified in this agreement. 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:

Contractor will invoice monthly, for services performed in this contract. The contract maximum is \$165,240.00. Monthly program reports will outline progress toward completing deliverables as noted in Attachment A, as well as the work planned for the next month. Invoices will not be paid until the monthly program report is received. The monthly program report will be in sufficient detail as to document progress toward and/or achievement of deliverables described in Attachment A. Contractor will be paid an hourly rate of \$188.00.

During the twelve months of the contract, the contractor's invoices may not exceed \$177,000.00. The State will withhold a bonus of \$3,540.00 for this contract until the State has received all reports associated with this contract. If the contractor is determined to have met all deliverables of this contract, the contractor will be asked to invoice the State for the final \$3,540.00. If the State does not determine that the contractor has met all deliverables, the State may determine to withhold the final \$3,540.00.

All reports related to this contract should be submitted in electronic format. **Invoices should be submitted both electronically and in hard copy with original signature.** Reports and invoices should reference this contract number.

An electronic copy of the Monthly Progress Report should be sent to:

Lisa Dulsky Watkins, MD
Blueprint for Health – Associate Director
Department of Vermont Health Access
312 Hurricane Lane
Williston, Vermont 05495-2806

Lisa.Watkins@ahs.state.vt.us

An electronic copy of all reports; and, an **original signed hard copy of invoices** should be sent to:

James R. Morgan MSW
Blueprint for Health - Project Manager
Department of Vermont Health Access
312 Hurricane Lane - Suite 102
Williston, Vermont 05495-2806
Jim.Morgan@ahs.state.vt.us

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

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

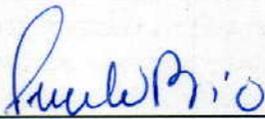
Total amount of the Contract will not exceed \$180,540.00.

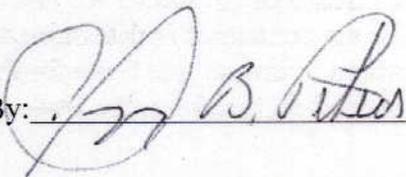
The state reserves the right to withhold part or all of the contract funds if the state does not receive timely documentation of the successful completion of contract deliverables.

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