

## AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and Vermont Information Technology Leaders, Inc. (hereafter called the "Grantee") that the grant on the subject of establishment and operation of Vermont's Health Information Exchange (HIE), effective July 1, is hereby amended effective December 5, 2012 as follows:

- 1. By deleting on pages 4-9 of 35, Attachment A (Specification of Work to be Performed) in its entirety, and substituting in lieu thereof the following Attachment A:**

### ATTACHMENT A SPECIFICATION OF WORK TO BE PERFORMED

Pursuant to 18 V.S.A. Chapter 219 § 9352, the State is awarding this procurement grant to the Grantee so that they may continue to operate and expand the use of the Vermont Health Information Exchange (VHIE) network.

The State has additional agreements that supplement the scope of work described herein:

- A grant to support the expansion of Electronic Health Record (EHR) and provider readiness for meaningful use incentives as a match to the Grantee's Section 3012 Cooperative Agreement from the Office of the National Coordinator (ONC) to operate the Regional Extension Center for Vermont.
- Contract #17938 to allow standards-based, immunization event transactions to be submitted to the Vermont Immunization Registry (executed between the Department of Health and the Grantee), and
- A contract to be executed between the State and Grantee to provide service center support to the State as it relates to the Vermont Medicaid EHR Incentive Payment Program

### Responsibilities of the Grantee

The Grantee will maintain places of business with sufficient room and electronic capacity so that the Grantee will not need to be located at a State building. The Grantee will not use any state equipment to complete the deliverables noted in this grant. The Grantee will not be assigned a State e-mail account.

The Grantee will manage and operate the VHIE network and will provide interfaces for the flow of health information among Health Care Organizations (HCOs). For purposes of this Agreement, HCOs include but are not limited to the Blueprint Registry, private and commercial labs, hospitals, primary care and specialist practices, and other full spectrum providers. "Interface" shall be defined as the ability to exchange data at the semantic level between and among participants operating on the VHIE network. This includes transfer of demographic and clinical information from hospital and provider practice Electronic Health Record (EHR) systems, transfer of laboratory orders and results, and transfer of diagnostic procedure orders and results. All interfaces must be tested and demonstrated to be fully connected and operational, stable on an ongoing basis, and useable for routine exchange and attested to by the HCO to be considered complete for payment. The interfaces shall contain security features to protect health information. All data that the Grantee collects, stores, or transfers shall comply with applicable HIPAA regulation for security and privacy. The Grantee shall employ a Privacy Officer.

The primary operation of the VHIE network will be through the Grantee's subcontractor Medicity. The Grantee and its subcontractors shall utilize and maintain all hardware and software for the VHIE.

The Grantee shall maintain and will provide the State with their current Security Plan which will include results of the most recent risk assessments. The Grantee will maintain compliance with relevant National Institute of Standards and Technology (NIST) guidelines and other national standards (where applicable).

The Grantee shall maintain documentation including policies and procedures regarding operation of the VHIE, and will provide this documentation to the State at the State's request.

The Grantee shall conduct the business of this agreement, in coordination and collaboration with the State and its other contractors, to work toward the achievement of the following goals that health information is available at the point of care that:

- a. is up to date and accurate
- b. can be shared with patients and providers, as necessary and appropriate
- c. allows for measurement and improvement over time

The Grantee will participate with the State and its contractors and grantees, including but not limited to, Covisint, Bi-State Primary Care Association, and Blueprint for Health community grantees, on a series of end-to-end demonstration projects at practice sites and with other health care providers and organizations. Pursuant to the demonstration projects, the Grantee will implement a plan, as approved by the State at each incremental, iterative step, to expand the VHIE that links EHR adoption, connectivity of EHR's to the VHIE, and expansion of the Blueprint for Health in a coordinated effort. In addition, the Grantee is doing work complementary to the process described above for Federally Qualified Health Centers. Grantee policies and procedures will address how data flows to the VHIE from EHR's and other data sources.

The State, the Grantee, Covisint, and other entities (as necessary) will manage the work of the demonstration projects described in this agreement, participate in working sessions to update project implementation, identify issues requiring collaborative solutions, and continuously update the implementation plan and framework. The Grantee will provide updated versions of Appendix 1 when submitting invoices and as part of the reporting requirements. The Grantee will participate in both scheduled and *ad hoc* meetings, including but not limited to; the HIE-HIT General Stakeholders meetings, the Privacy and Security Work Group convened by the State, the Blueprint Executive Committee and other Blueprint Advisory committees and work groups, and management and implementation teams and work groups established related to the responsibilities of this agreement.

The Grantee will develop new methods and systems for aligning work with the State's objectives, as outlined in this agreement and developed through the demonstration projects, for evaluating and reporting on the Grantee's own performance, for aligning that performance with all State HIT-HIE related grantees and contractors, and for responding to any deficiencies in a timely and visible manner.

The Grantee shall complete all deliverables within the guidelines and standards of the *Vermont Health Information Technology Plan*, as revised October 26, 2010 and as further revised and approved by ONC, the legislative Joint Fiscal Committee, and the Green Mountain Care Board.

The Grantee shall be fully responsible for any work completed by sub-grantees, and all work performed by sub-grantees is subject to all conditions and requirements included in this grant.

The Grantee will accomplish the following deliverables. .

**A. Base activities:**

1. VITL will employ core management, operations staff, and consultant resources sufficient to conduct and manage the core operations of the VHIE, including the development and ongoing operation of a VHIE master person index, a secure data repository, and interfaces connecting health care organizations. VITL will employ project managers who operate the VHIE, manage the master person index, data repository, and implement and support interfaces. In addition, Grantee will support the State in fulfilling its responsibilities to ONC-HIE-PIN-002 (Requirements and Recommendations for the State Health Information Exchange Cooperative Agreement Program) as it relates to Phasing, Sustainability, Evaluation, and Tracking Program Progress.

Total Core Functions: \$2,162,113

2. VHIE Vendor contract expense: The VHIE software is licensed from a HIE vendor (\$508,668). The licensed software includes functionality for a Master Person Index (MPI), a data repository that aggregates data across health care organizations, and the functionality to support interfaces across health care organizations for secure transmission of clinical data. The VHIE hardware is hosted by a HIE vendor (\$247,878):

Total Vendor Contract Expense \$756,546

**Total A: Base Activity: \$2,918,659**

**B. Hospital and Primary Care Connectivity:**

The Grantee will provide project management and conduct certain activities that enable connectivity among hospitals and primary care practices. Based on the needs of a particular hospital or practice site, the activities may include some or all of the following tasks: collect legal agreements; perform assessments; establish connectivity; analyze messages; build the interfaces; conduct end to end testing; assist customers with moving a test interface to production; and monitor performance after going live.

**VHIE Hospital and primary care connectivity:** In addition to the direct VITL staffing costs related to interface development identified in Section A above and consistent with Appendix 2 of this Agreement, VITL will negotiate or otherwise approve fees to be paid to the VHIE vendor and practice EHR vendors upon the implementation of various interfaces as they demonstrate the successful exchange of data.

- Hospital interfaces - up to a total of \$121,000
- Blueprint interfaces: patient demographic and clinical summary –up to a total of \$213,060 to the VHIE vendor and up to a total of \$231,875 for practice EHR vendor expenses
- Results interfaces: laboratory results; radiology/transcribed reports; laboratory/radiology orders – up to a total of \$42,500 to the VHIE vendor and up to a total of \$233,750 for

- practice EHR vendors
- Immunization interfaces – up to a total of \$45,000 for practice EHR vendors

VITL may also offer incentives to practices to increase and or accelerate the successful deployment of interfaces up to a total of \$250,000 in a manner approved in advance by the State.

**Total B: Hospital and Primary Care Connectivity: \$1,137,185**

**C. New activities – Known and specified:**

1. VITL staff will be trained to support the data repository and provider portal. (Proaccess) VITL will manage consent in support of the State policy on consent, providing education about the consent policy to providers and consumers, and train and support providers in querying the data repository in exchange of clinical data (query based exchange). The cost is included in base activities.
2. VITL will contract with a vendor for secure email using NwHIN Direct-compliant technology. The cost includes subscription fees to a 3<sup>rd</sup> party secure messaging vendor, and the cost of hosting the service in house if warranted by a large user volume. - \$34,400
3. Maintaining the VITL Service Center – VITL will employ staff and license software to operate the VITL help desk – \$160,334. . The help desk provides support for customer interface issues, meaningful use issue tracking, patient privacy and security information, and support to the State for the Vermont Medicaid EHR Incentive Payment Program.
4. Medication history – The grantee will provide access to medication history information. This includes the cost of software licenses to access Medicity medication history at all 14 Vermont hospitals, in support of emergency department clinicians providing acute care. A patient’s medication history will be made available through the provider portal that presents a single view to the provider of a patient’s current and historical medications. \$100,000.
5. MPI management – Grantee will maintain and manage the Master Person Index (MPI). This includes the cost of contracted services to conduct assessments of the VHIE MPI patient matching algorithms, develop processes for correcting errors, and conduct regular quality control tests in order to maintain a small percentage of erroneous matched and unmatched patients. \$107,500.
6. Normalized hospital lab data exchange – The grantee will contract to develop LOINC mapping at hospital labs, in support of ONC-HIE-PIN-002. \$80,000.

**Total C: New Activities – Known and Specified: \$482,234**

**D. New Activities – To Be Developed:**

The State has indicated interest in a number of initiatives that will be defined and budgeted as part of the end-to-end and other demonstration projects being developed by the State and the Grantee collaboratively with the Blueprint for Health and other State contractors and grantees. The initiatives include but are not limited to:

- Support of Specialists installing interfaces

- VHIE identity management that integrates with the AHS Enterprise SOA MPI
- Public Health death registry– System planning and software development and services to support persistence of a death indicator across reporting registries.
- Planning for a consumer portal
- Expansion of the VHIE to support radiology imaging (DICOM)
- Full Spectrum Provider (FSP) support – Grantee will provide staffing / support, expansion planning, and interface development, implementation, and testing expenses related to connectivity projects for Home Health Agencies; Designated Agencies (Community Mental Health Centers and Developmental Services Agencies); independent Mental Health, Behavioral Health, and Substance Abuse Counseling providers; and Nursing Home and other Long Term Care providers.

Grantee will undertake a new initiative in this category only upon pre-approval by the State. The maximum dollar amount payable for this section is not intended as any form of a guaranteed amount. The Grantee will be paid for products or services actually performed as specified in this section, and shall not exceed the maximum allowable amount specified in this grant agreement.

**Total D: New Activities – To Be Developed: \$360,000.**

#### **E. Demonstration Projects**

The Grantee will engage with the State, Covisint, clinicians, and others as may be necessary to conduct end-to-end demonstration projects (a.k.a. “sprints”) as detailed below:

The State will seek input from the Grantee concerning the specific number, locations, and kinds of demonstrations, but the ultimate decision-making authority rests with the State.

Selection of each demonstration will be based on site and participant readiness and commitment to be part of a results-oriented, focused, and collaborative effort. Selections will be based on maximizing factors for a successful demonstration. Readiness will be assessed based on input from the site, Grantee, Covisint, Blueprint, and others as appropriate.

Responsibilities will vary with the specific needs of the demonstration, but may include:

- Participating actively in joint planning and implementation team sessions with state, Covisint and Grantee leadership;
  - The President and CEO of the Grantee’s Organization will be a member of the Demonstration Implementation Team of organizational leaders;
- Assisting with the evaluation and modification of templates and workflows to support appropriate data collection;
- Overseeing appropriate configuration and testing of the HIE to transmit data effectively;
- In collaboration with the state and Covisint, plan and deploy identity management capabilities to manage both provider and consumer identity resolution;
- Adapt and adopt modifications to existing scopes of work based on the findings from the end-to-end demonstrations in collaboration with the state.

Services necessary to support demonstration projects beyond those covered in base services, such as for clinical or technical expertise, may be purchased upon approval of the State up to a maximum of \$200,000.

**Total E: Demonstration Projects – To Be Developed: \$200,000**

**Demonstration Performance Targets:**

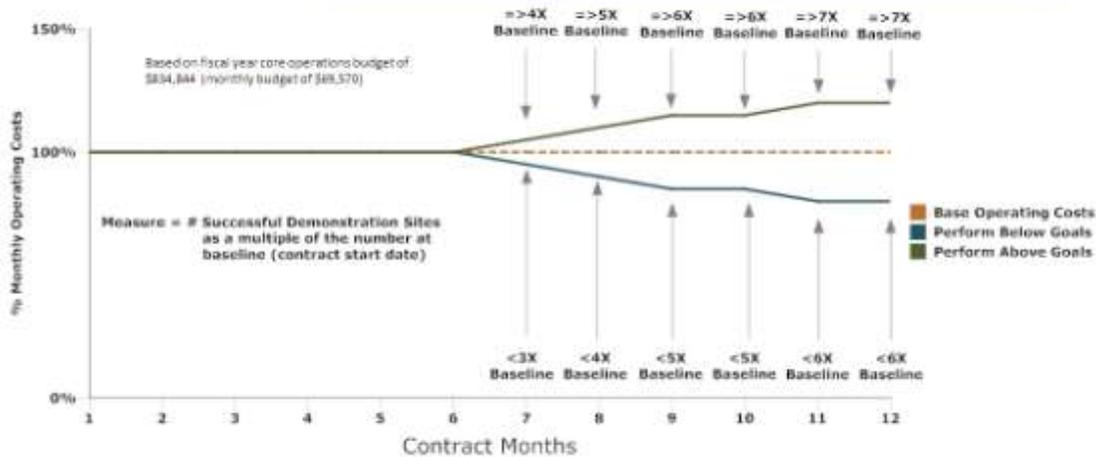
The Grantee will be held to performance measures based on successful end-to-end demonstrations . The measure will allow for both penalties and rewards, based on the number of demonstrations completed by the timeline shown in the diagram below ; the amount of reimbursable operating costs will be either rewarded or penalized. A demonstration may include end-to-end exchange of information from practices for clinical reporting; end-to-end exchange of information from practices to the Immunization Registry or other public health database operated by the Vermont Department of Health (VDH); successful deployment of consent across practices, hospitals, the VHIE, and Covisint; or other demonstration initiatives approved by the State .

The diagram below establishes performance targets for demonstration projects described above. It displays a corresponding number indicating the number of demonstrations associated with three categories: performing above the targets, performing below the targets, and performing at the baseline. The demonstrations will be rewarded or penalized based on 5% increments, which represent the reimbursable amount of the Grantee’s operating costs. The “Grant Months” schedule in the diagram displays the amount of penalty or reward based on the corresponding month. The symbol “<” indicates “less than”, and “=>” indicates “equal to, or more than.” The Grantee shall submit a report of total end to end demonstrations included with each monthly invoice submission after the seven month mark of the Grant agreement.

The measure of success for demonstrations is that accurate and reliable data is available in useful reports or other formats to clinicians or other data users involved in a demonstration. The method to determine success will be an attestation process, developed and approved by the State with input from the Grantee, in which a lead clinician or other data user fills out and signs a simple survey attesting to the accuracy and reliability of information. The State will identify one or more lead clinicians or one or more lead team members for each demonstration who are willing to consistently participate in the demonstration process, assist with problem solving, assist with review of data quality, and who are willing to be responsible for completing the survey on the accuracy and reliability of information.

VITL – Performance Based Payment  
 End to end demonstrations

Max month by month +/- Incentive	5%	10%	15%	15%	20%	20%	Total Maximum
	1,494	2,987	4,481	4,481	5,974	5,974	\$59,391



	1	2	3	4	5	6	7	8	9	10	11	12
Base Operating Costs	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Perform Below Goals	100%	100%	100%	100%	100%	100%	95%	90%	85%	85%	80%	80%
Perform Above Goals	100%	100%	100%	100%	100%	100%	105%	110%	115%	115%	120%	120%

**F. State’s Responsibilities**

The State shall:

1. Provide Grantee with a regularly updated list of Blueprint community project managers and the practices which those project managers and Blueprint leadership have identified as prospective Implementation Practices.
2. As the Accountable Care Partnership Payment Reform pilot develops, provide Grantee with a regularly updated list of those specialty practices or other participating organizations or institutions that will be part of the regional pilots.
3. Facilitate contact between the Grantee and Covisint and collaborative work on revisions to and maintenance of the Covisint data dictionary and related template and interface design issues.
4. Provide Grantee with liaison or facilitator to work with Grantee to assist in the testing and transmission of data between the Implementation Practices and Covisint.
5. Convene routine meetings to review progress and jointly agree to modifications to expected scopes of work.
6. Provide understandable communication materials about health reform initiatives that can be used by implementation staff and project managers to educate providers and align their expectations relative to state programs.
7. Provide timelines and plans for practices including such information as, for example, NCQA scoring dates, interface schedule desires, minimum data sets for transmission to Blueprint, etc.

**G. Reporting Requirements:**

- a. **Annual Reports.** No later than January 15 of each year, the Grantee shall file a report with the Commission on Health care reform; the Secretary of Administration; the Commissioner of

Information and Innovation; the Commissioner of Banking, Insurance, Securities, and Health Care Administration; the Commissioner of the Department of Vermont Health Access; the Secretary of Human Services; the Commissioner of Health; the Commissioner of Mental Health; the Commissioner of Disabilities, Aging, and Independent Living; the Senate Committee on Health and Welfare; and the House Committee on Health Care. The report shall include an assessment of progress in implementing health information technology in Vermont and recommendations for additional funding and legislation required. In addition, the Grantee shall publish minutes of Grantee meetings and any other relevant information on a public website.

- b. Progress Reports and Expenditure Reports.** Grantee shall file expenditure reports with the State on a monthly basis. Grantee shall file progress reports with the State on a quarterly basis. The State reserves the right to request that the Grantee provide
- c. Grantee Operations Metrics Reports.** The Grantee shall submit Quarterly Operations Metrics Reports to document the monthly progress toward the deliverables of this grant and the Grantee's overall progress on HIT expansion. This will follow the format in Appendix 1.

2. By deleting on pages 10-14 of 35, Attachment B (Payment Provisions) and substituting in lieu thereof the following Attachment B:

**ATTACHMENT B**  
**PAYMENT PROVISIONS**

The funds used to support this agreement, in full or in part, are provided through the federal American Recovery & Reinvestment Act (ARRA or the Act); this agreement therefore is subject to payment criteria and specific reporting requirements mandated by the Act. A periodic report, certified by an authorized agent of the Grantee, utilizing the form provided by the State of Vermont and attached hereto, shall be submitted as required. Failure to submit timely, accurate and fully executed reports will result in a mandate to return to the State funds already disbursed under this agreement, or the withholding of current and future payments under this agreement until such time as the reporting irregularities are resolved to the State's satisfaction.

For subrecipients who report awards of federal funds to the State, said subrecipient agrees to include information of ARRA funding separately from other federal awards reported on their Statement of Expenditures of Federal Awards (SEFA).

The parties to this agreement are further bound by the Act that they shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, subrecipient, contractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving the ARRA funds used to support this agreement.

The State shall pay the Grantee for work performed as described in Attachment A in conjunction with the Grantee budget set forth below. The maximum payable amount under this Grant shall not exceed \$5,157,469. The maximum dollar amount payable under this Agreement is not intended as any form of a guaranteed amount. The Grantee will be paid for products and services actually performed as specified in Attachment A, 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 State of Vermont's standard payments terms are Net 30 days from date of invoice.

<b>FY2013 VITL-DVHA Grant Budget</b>		
<b>A. Base Activities</b>		
<b>Core Operations in Support of State HIE Operations:</b>		
Administrative Salaries & Benefits		528,714
Insurance		40,730
Professional & Legal		42,767
Outreach and Education		55,979

	Occupancy/Rent	83,341
	Telecommunications	40,230
	Operational Expense	24,902
	Meetings, Travel, Professional Development	5,448
	Depreciation	16,344
	<b>Direct Project Management Expenses:</b>	
	Direct Salary & Benefits	742,743
	Direct Travel, Meetings	64,058
	Direct Consulting Services	470,800
	Direct IT Expense (equipment, software)	46,056
<b>A.1.</b>	<b>Total Core Functions</b>	<b>\$2,162,113</b>
<b>A.2.</b>	<b>Direct State-wide Medicity Contract Expense:</b>	<b>\$756,546</b>
<b>Total A: Base Activity Expenses:</b>		<b>\$2,918,659</b>
<b>B. Hospital and Primary Care Connectivity</b>		
	<b>Connectivity Expense:</b>	
	Hospital Interface Implementation - Medicity Fees	121,000
	Blueprint Practice Interface Implementation - Medicity Fees	213,060
	Blueprint Practice Interface Implementation - Vendor Fees	231,875
	Lab and Radiology - Medicity	42,500
	Lab and Radiology - Vendor Fees	233,750
	Immunization connectivity	45,000
	Practice Incentives to increase and improve interface deployment	250,000

<b>Total B: Hospital and Primary Care Connectivity:</b>		<b>\$1,137,185</b>
<b>C. New Activities - Known and Specified:</b>		
C.1.	<b>Community Health Record - ProAccess</b>	<b>Included in Base Activities</b>
C.2.	<b>Secure messaging</b>	<b>34,400</b>
	Service Center	
	Salary & Benefits	-
	Software support license	-
C.3.	<b>Service Center</b>	<b>160,334</b>
C.4.	<b>Medication history services to hospitals:</b>	<b>100,000</b>
C.5.	<b>MPI management - hospital and practices duplication assessments</b>	<b>107,500</b>
C.6.	<b>LOINC mapping for Hospital Labs (PIN-002)</b>	<b>80,000</b>
		-
<b>Total C: New Activities - Known and Specified</b>		<b>\$482,234</b>
<b>D. New Activities - In Development:</b>		
	<b>Estimate for Items below:</b>	<b>210,000</b>
	<b>Total Full Continuum Provider Implementation Support:</b>	<b>150,000</b>
<b>Total D: New Activities - In Development</b>		<b>\$360,000</b>
<b>E. Demonstration Projects</b>		
	<b>End-to-End Demonstration Projects:</b>	<b>200,000</b>
<b>Total E: Demonstration Projects</b>		<b>\$200,000</b>
<b>FY2013 HIE Total Expenses:</b>		<b>\$5,098,078</b>
<b>Total Grantee Performance Incentive:</b>		<b>\$59,391</b>
<b>FY2013 State Grant Total:</b>		<b>\$5,157,469</b>

Variances of the subtotal budget items shall not exceed 10% without prior approval from State. Written requests for such approvals must first be submitted by the Grantee prior to the expenditure of funds in excess of the above budgeted line items.

For reimbursement purposes, the Grantee's expenses are divided into Core Operations (A.1 above) and Project Operations (A.2, B, C, D, and E). Grantee will invoice for core operations expenses on a monthly basis. Reimbursement for core operations will include a performance incentive plan described below.

Grantee will invoice for Project Operations on a quarterly basis. The first invoice generated was \$1,053,655 (25% x \$4,214,622) annual project operations in the base grant. This amended grant has project operations expenses of \$2,575,965, of which 25% is \$643,991.

Subsequent quarterly invoices will be generated after periods ending 9-30-2012, 12-31-2012, and 3-31-2013 for actual project operations expenses incurred. The 9-30-2012 quarterly invoice will net the difference in grant terms.

A final expenditure report is due no later than 90 days after the end of the grant, unless an extension is granted by the State of Vermont, and will be reconciled to actual costs incurred for the grant term (07/01/12 – 06/30/13), and will include the impact of the Grantee performance incentive plan. Any overpayment of expenses will be returned to the State no later than October 15, 2013.

#### **Grantee Performance Incentive Plan:**

For the first six months of the grant agreement, the State will reimburse the full amount of the Grantee's Core monthly operating costs (pending approval from the State Health Care Reform director.) At the seven month mark, the performance measures referenced in the Performance-Based Payment diagram will take effect.

The diagram in Section E. of Attachment A displays a corresponding number indicating the number of demonstrations associated with three categories: performing above the goals, performing below the goals, and performing at the baseline. The demonstrations will be rewarded or penalized based on 5% increments, which represent the reimbursable amount of the Grantee's operating costs. The "Contract Months" schedule in the diagram displays the amount of penalty or reward based on the corresponding month. The symbol "<" indicates "less than", and "= >" indicates "equal to, or more than." The Grantee shall submit a report of total end to end demonstrations included with each monthly invoice submission after the seven month mark of the Grant agreement.

For situations in which a penalty may be assessed, such assessment shall not be made to the extent that the failure can be attributed to:

- Unforeseeable catastrophic events experienced at the Grantee's local and corporate facilities,
- Unforeseeable catastrophic events experienced by State which has a material effect on the Grantee, or
- Complying with any directions of the State or its employees regarding changes to Scope of Work.
- Quarterly adjustments resulting from the Demonstration Projects protocol described in Section D of the Statement of Work.

The maximum total incentive reward for the year is capped at \$59,391. Similarly, the maximum total incentive penalty for the year is capped at \$59,391.

Payments to the Grantee under this grant agreement shall not exceed **\$5,157,469**.

Invoices and quarterly expenditure reports shall be signed by an authorized representative of Grantee and submitted to:

Business Office  
Department of Vermont Health Access  
312 Hurricane Lane, Suite 201  
Williston, VT 05498-2087

This amendment consists of 13 pages. Except as modified by this amendment and any previous amendments, all provisions of this grant, (#03410-256-13) dated July 1, 2012 shall remain unchanged and in full force and effect.

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

**GRANTEE**  
**VERMONT INFORMATION TECHNOLOGY LEADERS, INC.**

\_\_\_\_\_  
MARK LARSON, COMMISSIONER                      DATE

\_\_\_\_\_  
JOHN EVANS, CEO                                      DATE