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July 2, 2014

Ms. Kate Jones
Procurement Director
Department of Vermont Health Access (DVHA)
312 Hurricane Lane
Williston, VT 05495-2087

Re: **Objection to Disclosure/Request for Confidential Treatment of Deloitte Consulting's Proposal**

Dear Ms. Jones,

Deloitte Consulting LLP ("Deloitte Consulting") submits this letter in response to your email dated June 30, 2014, wherein you advised Deloitte Consulting that the Department of Vermont Health Access (the "Department") received a request pursuant to Vermont's Freedom of Information Act for the proposal we submitted under the Vermont IT Evaluation and Remediation & Operations Support RFP (the "Proposal"), and requested that Deloitte Consulting return a redacted version of the Proposal, accompanied by legal rationale that ties to the exceptions in 1 VSA 317(c).

Deloitte Consulting requests the Department maintain the confidentiality of certain information that we redacted from our Proposal (collectively, the "Protected Information"), as permitted under 1 VSA 317(c)(9) and (15). The Protected Information contains:

1. Technical information and/or technical designs, processes, procedures or methodologies that have not been disclosed outside of Deloitte Consulting except on a limited basis and only for the limited purpose of furthering the development of the underlying solution;

2. Pricing and commercial risk terms, the disclosure of which would substantially harm Deloitte Consulting's competitive position, both with respect to the current and future procurements; and

3. The identity of Deloitte Consulting personnel and proposed subcontractors.

Among other things, Vermont's Freedom of Information Act exempts from public inspection and copying trade secrets (*See 1 VSA 317(c)(9)*) and records relating specifically to negotiation of contracts (*See 1 VSA 317(c)(15)*). Vermont's Freedom of Information Act defines "trade secrets" as "information which is not patented, which is known only to certain individuals within a commercial concern, and which gives its user or owner an opportunity to obtain business advantage over competitors who do not know it or use it".

The Protected Information is information that Deloitte Consulting does not customarily make available to third parties and generally are key differentiating factors during contract negotiations. Disclosure of this Protected Information would cause substantial harm to Deloitte Consulting's competitive position by:

(a) permitting competitors to leverage Deloitte Consulting's proprietary methodologies, which have significant commercial value and represent the investment of substantial time, effort and money. Disclosure of the Protected Information would provide our competitors and the public access to information that they otherwise would not have had or would have had to spend considerable funds to develop on their own;

(b) permitting competitors to use their knowledge of Deloitte Consulting's pricing to match or undercut Deloitte Consulting's pricing on this procurement as well as other public sector and commercial opportunities; and

(c) providing competitors with insight into the manner in which Deloitte Consulting assembles individuals with particular types of education, experience and talents into project teams. This would place Deloitte Consulting in a less competitive position with respect to the current and future contract negotiations by allowing competitors to free ride on Deloitte Consulting's years of experience by assembling project teams virtually identical to those of Deloitte Consulting in terms of composition and qualifications. Making this information available to our competitors could also compromise our ability to perform under any resulting contract, should those resources be pirated by competitors.

Deloitte Consulting has taken measures to guard the secrecy of the Protected Information. For example, Deloitte Consulting routinely requires its personnel, teaming partners and subcontractors to: (i) sign non-disclosure agreements; (ii) implement reasonable security measures to protect information at their offices and in their computer systems; and (iii) limit disclosure of sensitive marketing and proposal materials to a select group of individuals on a need-to-know basis.

For these reasons, the Protected Information is exempt from disclosure under Vermont's Freedom of Information Act and Deloitte Consulting respectfully requests that the Department refrain from disclosing the Protected Information. As requested in the Department's June 30, 2014 email, we are also including a redacted version of the Proposal.

Thank you for the opportunity to work with your office to develop the appropriate documentation for release under the requests. In the event that the Department disagrees with Deloitte Consulting's redactions, please contact me in advance of the release of any Deloitte Consulting-related information discussed herein so that we can discuss the matter. Should you have any questions, please contact me at (724) 991-3247.

Thank you for your consideration.

Sincerely,

Deloitte Consulting LLP

By: _____
Angel L. Quinones Cardona
Project Principal, Deloitte Consulting LLP

Deloitte.

Quality. Experience. Fast-Forward Thinking.

Response to Vermont Health Insurance Exchange (HIX)

IT Evaluation and Remediation & Operations Support

May 19, 2014

Deloitte.

May 19, 2014

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Ms. Jill Finnerty
HES Advisors

Email: jfinnerty@hesadvisors.com
Phone: 617-970-3329

RE: In Response to Vermont Health Insurance Exchange (HIX) RFP, IT Evaluation and Remediation & Operations Support

Dear Ms. Finnerty:

Deloitte Consulting LLP (Deloitte*) has reviewed the Vermont Health Insurance Exchange Statement of Work (SOW), and we are pleased to submit the enclosed proposal for the HIX IT Evaluation and Remediation & Operations Support scope of services.

Deloitte appreciates and supports the State's approach to assessing the IT solution, HIX operations, and project management protocol to identify ways to improve the HIX experience for its users. We understand the impact that these activities and their outcomes may have on Vermont and its constituents to shape the outcomes of open enrollment in 2015 and beyond and we can confirm that based on the scope of work, assumptions and responsibilities outlined in our proposal, we are highly confident we can meet the requirements specified for performing the work requested.

We look forward to working with you on this important endeavor. Should you have any questions, please feel free to contact [redacted].

Sincerely,

[redacted]

* As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

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Our Value to Vermont

For the thirteen States that pursued the creation of a State-Based Exchange as part of the Affordable Care Act implementation in 2013, the past few years represent a Herculean effort to make affordable health coverage accessible to the masses. Staring down challenging deadlines, both States and their vendor teams have worked tirelessly to create a user-friendly, CMS-compliant application, facing numerous challenges unique to health reform along the way. The effort that has gone into creating the State-Based Exchanges cannot be understated; at this time, refining the tools that have been made available to the public and incorporating lessons learned during Year One to support a successful Open Enrollment in 2015 is a top priority that will require many of the Exchanges to "double down" on the significant investment of time, labor, and sweat equity that has already been made.

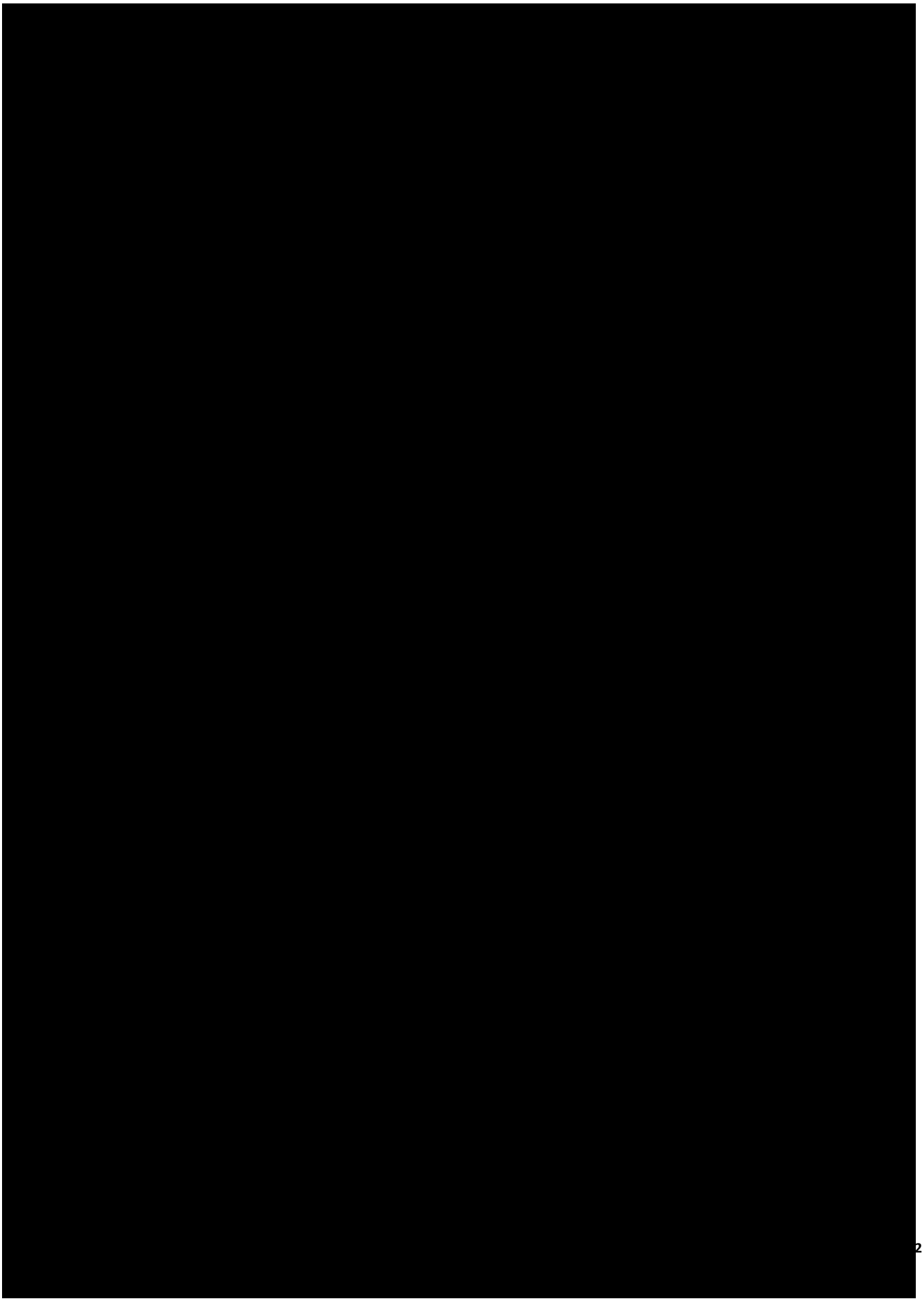
With Deloitte, the State of Vermont gets a known entity that is well-qualified to deliver the services and activities required for success. We are the only vendor that successfully implemented four State-Based Exchanges for the October 1, 2013 implementation date. This experience provides Vermont confidence that Deloitte can both lead and deliver the activities and services defined in your Request for Proposals, as well as provide the subject matter expertise and implementation-tested practices Vermont needs to attain its goals as an organization. Our firm brings relevant, recent HIX experience to Vermont and provides tools and a production-proven transfer solution from which we leverage ACA and Exchange experience, benefiting Vermont with capabilities that have been proven in the marketplace.

"Four of the states with their own exchanges – Connecticut, Kentucky, Rhode Island and Washington – have sites that have run especially smoothly, becoming models for states…"

Stateline, December 10, 2013
Why Some State-Run Health Exchanges Worked

Vermont has made great strides in enabling Vermonters to successfully enroll in the Individual, Small Group and Expanded Medicaid markets at Vermont Health Connect (VHC). We understand that Vermont seeks a collaborative partner to reuse what works well and identify and remediate what does not, with the collective goal of improving VHC's ability to serve Vermonters through life events and upcoming enrollment seasons. Deloitte is uniquely qualified to collaborate with Vermont given the breadth and depth of experiences that we bring with us. Examples of our healthcare work implementing complex public and private sector systems of care include:

- Deloitte successfully implemented four (4) State-Based Exchanges on October 1, 2013 for Connecticut, Kentucky, Rhode Island, and Washington, where we continue to provide maintenance as well as enhancement services
- [redacted]
- Deloitte provided required technology enhancements for fourteen (14) states integrating with the FFM
- Deloitte has provided Integrated Eligibility system services to thirty (30) states
- Deloitte has engagements at thirteen (13) commercial health plans covering forty-two (42) state markets
- Deloitte provides services to the US ten (10) largest healthcare systems and twenty-one (21) of the twenty-five (25) largest health plans.



Our Capabilities to Deliver

Deloitte brings multidisciplinary capabilities to Vermont with depth and breadth beyond product configuration and implementation. With these capabilities and our proven track-record in the HIX space, we bring leading ideas and points-of-view to our health plan, provider, and public sector clients. We have actively assisted our clients over the years to address a variety of new and evolving mandates, including business needs, a changing regulatory environment, and national quality standards. Our experienced staff has broad reach across the practice and is skilled in leveraging our strategic alliances with leading software and solution providers to deliver successful implementation outcomes.

HOLISTIC SERVICE OFFERINGS

Our practitioners come from diverse backgrounds and are aligned to a set of service offerings that Deloitte uses to assemble the right fit for Vermont. Our practices focus on developing exceptional client service professionals who are both strong generalists as well as possess unique skill sets in Technology, Strategy & Operations, Human Capital, or Enterprise Risk Services. The investment made in developing these capabilities as service offerings yields a bench of professionals that can be deployed to address everything from strategy to execution, simultaneously addressing the people, process, and technology angles of a problem, while maintaining robust attention to compliance, security, and industry-leading methodologies.

Deloitte Service Areas	Description
Technology Business Led-technology-enabled	Our global network of more than 26,000 professionals has deep expertise in 17 industry segments. A broad geographic footprint in over 100 countries balances global reach with local presence and experience to serve global clients seamlessly. Forrester has ranked Deloitte as the leader in their Business Technology Transformation Wave and "the gold standard for redesigning IT organizations;" Gartner has named Deloitte the leader in global Oracle Applications Implementation and CRM services worldwide; while Kennedy named Deloitte a global analytics leader, a leader in IT Strategy Consulting, and a Vanguard consulting provider in IT Consulting.
Strategy & Operations Linking strategy with execution to achieve enduring value	Our network of more than 15,000 professionals has experience in 17 industry segments. Deloitte S&O is the #1 Strategy organization globally in terms of breadth of capabilities and global aggregate revenue and a leader in Business Operations Consulting globally in the "ability to execute" axis.
Human Capital Business Led, People Driven	Deloitte is the #1 ranked Human Capital firm in the world. Our network of approximately 6,000 Human Capital professionals brings a broad set of specialist skill areas including: HR strategy, process, technology, talent, leadership, learning, change, organization, rewards, actuarial, and analytics. In addition, we can draw upon our colleagues who are experts in employment risk, tax, and law.
Enterprise Risk Services Cyber Risk Solutions	In Q1 of 2013, Forrester recognized Deloitte & Touche LLP as a leader in the Security and Risk Consulting Services. We have over 2,000 Certified Information Systems Auditor (CISA), 1,100 Certified Information Systems Security Professional (CISSP) and 150 Certified Information Security Manager (CISM) professionals globally. Our Cyber Risk capabilities include, but are not limited to: security strategy, security compliance, identity and access management, secure code review, vulnerability testing, cyber threat intelligence, security information and event management, business continuity and disaster recover planning, incident response and breach management. Our State Sector practice includes over 150 security and privacy professionals that bring practical knowledge and experience of securing Health Insurance Exchanges and integration with FFM with over 14 States. Our experience beyond Health Insurance Exchanges includes providing security and privacy services for public sector clients for more than 12 years.

Table 1. Description of Deloitte Service Areas.

STRONG VENDOR RELATIONSHIPS

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Manufacturing and Distribution Solution, Oracle Red Stack Solution, Cloud Computing, Communications, Consumer and Retail Industry, Financial/Enterprise Performance Management, Oracle Web Center, and the Media and Entertainment Industry

[redacted]

[redacted]

[redacted]

[redacted]

"Somebody asked me, what have you learned from this experience and I've learned we should have hired Deloitte instead of IBM…"

Maryland Governor Martin O'Malley
Quoted in the Washington Post, May 1, 2014

[redacted]

[redacted]

[redacted]

are fortunate to participate in CT, KY, RI, WA, MN, MD, OR, and NV's delivery success and we will bring our learning from this experience to Vermont and collaborate with VHC to fortify your Exchange foundation.

Deloitte Differentiators	Benefits to Vermont
Deloitte successfully implemented four SBMs on October 1, 2013, more than any other vendor in the marketplace	Vermont receives the benefits of lessons learned from a vendor that understands the technical complexities of successfully implementing an SBM. These lessons learned are brought to Vermont from the project start to make an immediate impact on remediating Vermont's project management needs and constituent application.
Deep HHS and Integrated Eligibility Experience, serving 42 state HHS agencies	Deep program knowledge providing Vermont with a partner that understands the complexities of real-time eligibility for Medicaid and can apply this program knowledge in developing the right path forward for its technology investments that will meet Vermont' s needs as well as the needs of its key stakeholders including county workers.
Deloitte's Enterprise Value Delivery (EVD) project methodology has been utilized on all of our SBM implementations	Vermont receives the benefit of a consistent methodology from requirements through maintenance that is tried and tested to, provide Vermont the framework to execute its day to day responsibilities with the confidence that project status and activities are being tracked and reported in a metric driven transparent manner for stakeholder groups.
Recognized project management capabilities including Level 3 Capability Maturity Model Integration (CMMI) rating	Vermont receives the benefit of project management processes and tools that are aligned with the Project Management Institute's (PMI) Project Management Book of Knowledge (PMBOK) and the Software Engineering Institute's Level 3 Capability Maturity Model Integration (CMMI). Because there are processes and tools in place today, it is important to select a vendor that can quickly integrate with existing tools or remediate and bring in new processes and tools
Experienced SBM professionals with the right blend of technology and business understanding	Vermont receives the benefit of proposed staff with SBM implementation project experience, many of whom have worked together so that we can hit the ground running to help Vermont immediately tackle the activities for the Lead Vendor.
18,000 consulting staff across HHS, Integrated Eligibility, Project Management, Strategy/ Operations, Security /Privacy, and Human Capital	Vermont benefits because no matter what changing needs Vermont has, whether its new development, data conversion, security threats, training needs, and more, Deloitte brings the breadth of experience needed across these areas and can readily pull from within our practices to provide Vermont the resources it needs when you need it.
Oracle has designated Deloitte as a Diamond Partner	Deloitte has been selected as a Diamond Partner with Oracle given our mature and client-validated capabilities. We satisfy a rigorous set of specialization, quality, revenue, and go-to-market criteria and are well-versed in over 30 specializations and maintain over 15 product solution sets.
Cyber Risk Services	Vermont benefits from the extensive experience of our cyber risk practitioners that have supported security architecture, design, implementation, testing and CMS and IRS compliance activities for the 4 state-based exchanges and 14 state integrations with FFM.

Table 2. Differentiators of Benefit to Vermont.

We have actively assisted our Public Sector clients over the years to address a variety of new and evolving mandates, including business needs, a changing regulatory environment, and national quality standards. At Vermont, we will bring the depth and breadth of services and experienced staff in the HIX and Integrated Eligibility market as we work together to craft the path forward.

Our Proposed Approach

To complete the assessment to remediate the Vermont solution by the onset of 2015 Open Enrollment in November, the approach to project execution must be thoughtful, methodical, effective and delivered by a team that has proven SBM delivery capabilities. Our team analyzed RFP requirements and timeline, as well as the BerryDunn Lessons Learned report, and we believe that we understand Vermont's goals for optimizing their SBM and can draw upon our experiences in other States to Vermont's benefit.

leaders who are not only experienced with implementing other State-Based Exchanges, but have proven adept in keeping the Exchanges issue-free day after day, month after month following Open Enrollment 2013. You will have access to this team on a daily basis and they will work hand-in-hand alongside your team, staff and vendors to complete the assessment and plan implementation for the remediation steps that we devise together.

We understand that a successful implementation goes beyond a Web portal for citizens. The Exchange must also effectively integrate Vermont insurance carriers, brokers/agents and community partners in a way that supports long-term sustainability and integration of business processes, stakeholders and technology, and do so with strict attention paid to operational readiness deadlines and Federal mandates.

In this section we are pleased to present Deloitte's CMMI-enabled Enterprise Value Delivery methods and tools, and the approach and timeline that we propose for Vermont's IT Evaluation and Remediation effort.

LEADING METHODS AND TOOLS

Figure 3. Enterprise Value Delivery for System Integration.

Our Project Management approach will give Vermont the ability to rapidly enhance areas needing augmentation to oversee the SDLC, managing scope, issues, risk and deliverables. Potential areas for consideration include:

- Addressing existing gaps in Project Management Office (PMO) processes
- Implementing improvements to Project Governance
- Tailoring project reporting requirements and project dashboard(s)

- Enhancing application development project plan, including: detailed tasks, work breakdown structures, milestones and deliverables
- Implementing improvements to the cadence of meetings, reviews and communication plans
- Establishing a process for and facilitating Gate Reviews with the CMS

We recognize that the vendors and the overall project most likely already have an IT development methodology in place and changing that methodology may not be the most effective course of action, given existing project norms, diverse stakeholders, and the need to demonstrate results quickly. As part of our approach, we will evaluate the processes currently in place and suggest improvement areas for your consideration based on our EVD methodology.

Deloitte uses an integrated suite of tools to execute the project management and SDLC methodologies we have referenced. The diagram below provides an overview of how these tools work in tandem to address project management needs common to large technology integration projects.

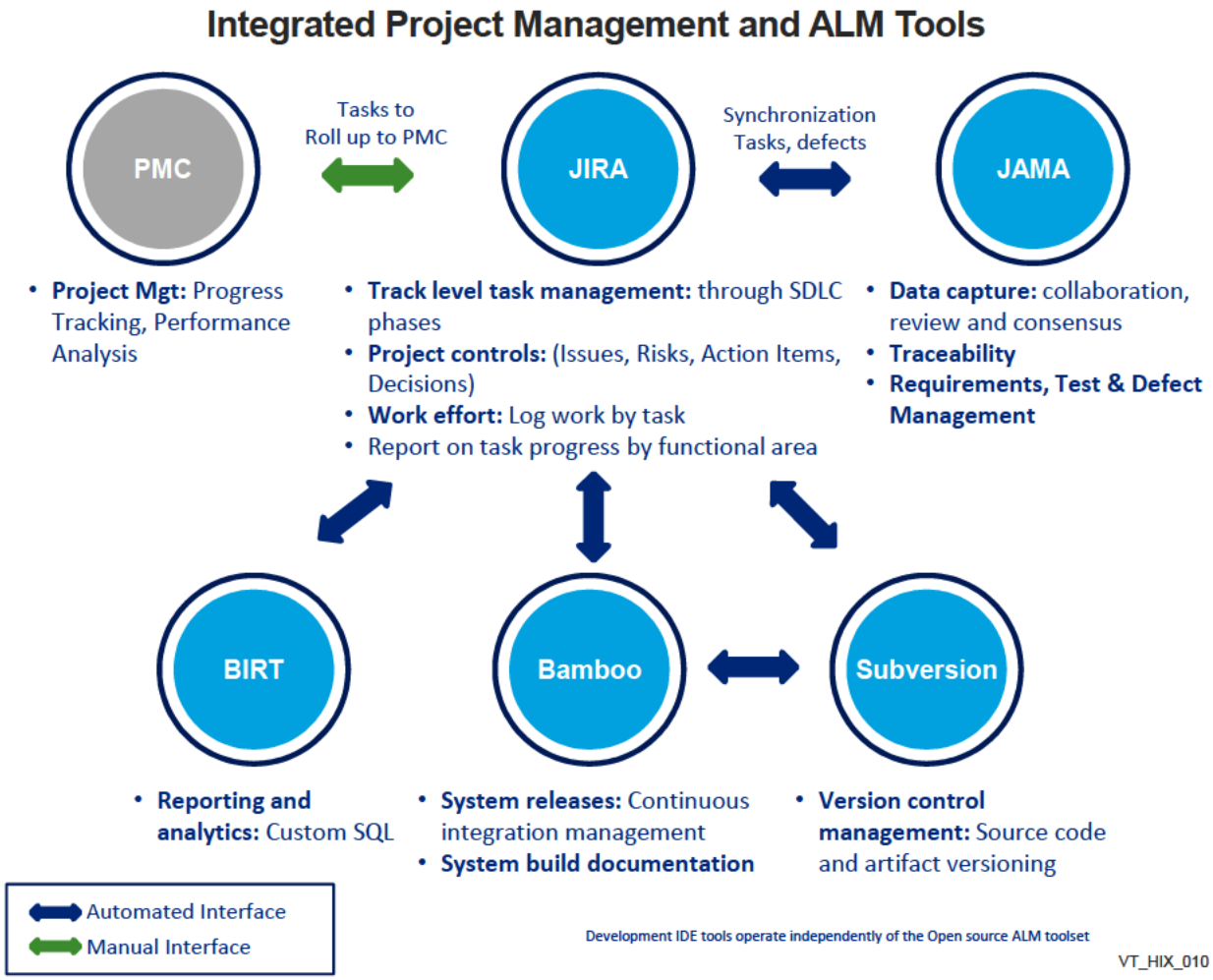


Figure 1. Integrated Project Management and ALM Tools.

If desired by the State, Deloitte will also make available our robust web-based project management tool, Project Management Center (PMC), which enables a transparent and metrics-driven approach to the presentation of current project status. Our EVD method is supported by powerful tools and accelerators called Deloitte's Application Lifecycle

Management Integrated Tool Suite (ALM). ALM is web-based and metrics driven for a transparent delivery approach, giving Vermont a detailed view into the progress of the project along the Software Delivery Life Cycle (SDLC).

ALM and project management tools are integrated and provide traceability from the requirements to the product being delivered, ensuring project accountability throughout the entire SDLC. These tools are also available, should Vermont desire to incorporate or leverage or incorporate them to enhance the existing PMO protocol.

COMMITMENT TO REUSE AND COOPERATION

RFP Reference
Describe how, in the spirit of reuse and cooperation, you will leverage the products of similar work done in other states, by you or by other vendors.

In reviewing the BerryDunn Release 1 Lessons Learned Report, we have gained deep appreciation for VHC's journey, the challenges conquered and the road ahead. We recognize that the timeline for Vermont to invest in and implement change is tight, and that the organization has a guiding principle to leverage both the successful work performed to date, along with what has worked elsewhere throughout the State-Based Marketplaces in order to expedite the time to results.

Deloitte's thriving HIX Community of Practice operates with active participation from our clients and helps shape our client's HIX implementation journeys. We believe that part of the success we have experienced in the implementation of State-Based Exchanges derives from gathering our practitioners and our clients together to exchange information and talk through their questions and concerns in a collaborative forum. We facilitate regular conference calls where lessons learned are shared and points of view from our HIX practitioners are discussed. Examples of recent points of view shaped by our community include a Process Guide for redetermination of eligibility and renewal of enrollment for 2015, Lessons Learned from 2014 Open Enrollment and Potential Enhancements for the 2015 Open Enrollment period, among others. This leading-edge thinking benefits our clients as our teams assist in identifying remedial or improvement-oriented courses of action.

In addition to sharing the lessons learned from our projects, we recognize there are best practices to be gleaned from throughout the country. Deloitte has a dedicated Health Reform Central team that continues to actively analyze CMS provisions and guidelines as they are released to keep our delivery teams up to speed. In addition, Deloitte facilitates regular meetings for our internal HIX community, which is comprised of practitioners across all of our HIX projects to reinforce their ability to learn from the experiences of their colleagues across other HIX projects and knowledge share. Deloitte also facilitates regular webinars for our State HIX clients to collaborate and share lessons learned in an open forum. As part of the IT Evaluation and Remediation & Operations Support, Vermont may both participate in and benefit from this institutionalized knowledge-sharing.

We work in cooperation with all vendors and will work collectively to derive the path forward for Vermont.

TIMELINE

RFP Reference

For each work stream, describe your proposed approach, timeline (assume a June 2 project start), key specific staff (including bios or resumes), volume of personnel resources, a rate card that is applicable to that workstream, and a budget approach for the SOW described above.

Describe where workstreams and other activities may proceed in parallel to shorten the overall project timeline and to maximize impact of the engagement.

Deloitte Project Timelines for Vermont HIX Project

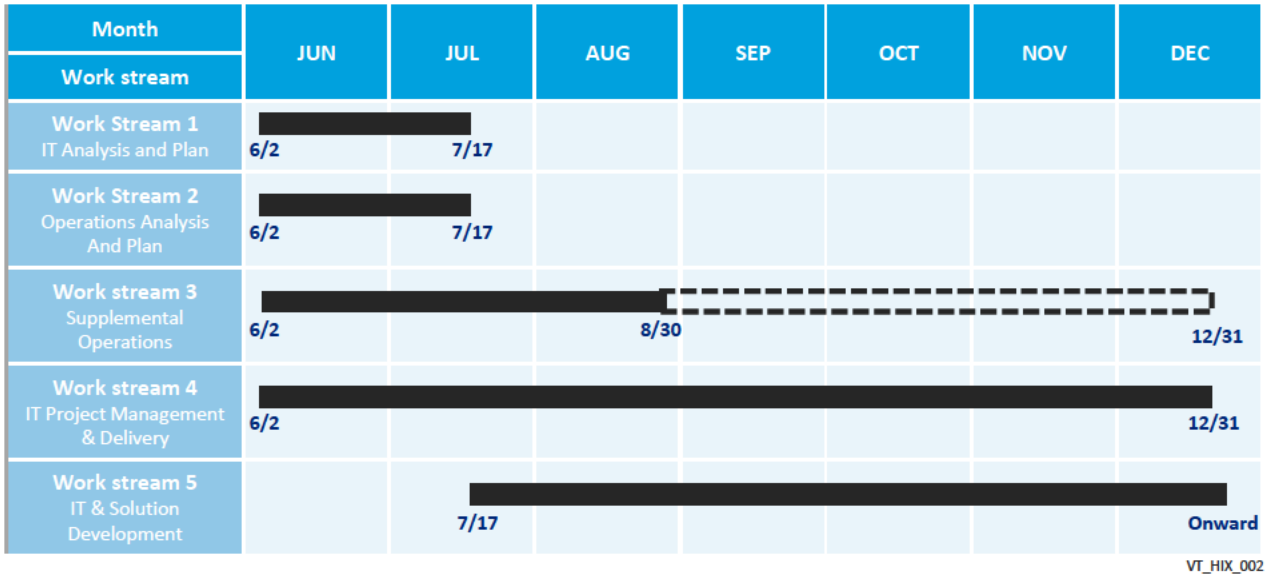


Figure 5. Deloitte Project Timelines for Vermont HIX Project.

APPROACH TO WORKSTREAMS

RFP Reference

For each work stream, describe your proposed approach, timeline (assume a June 2 project start), key specific staff (including bios or resumes), volume of personnel resources, a rate card that is applicable to that workstream, and a budget approach for the SOW described above.

Workstream 1: IT Analysis and Revised Plan

RFP Reference

Conduct a risk assessment & gap analysis of existing IT solution, with an emphasis on the HIX application(s), including production code as well as code currently under development (including but not limited to COC, renewals and small business).

- Leverage work previously done by the HIX and in other states to expedite the evaluation process and minimize the cost of the project.
- Analysis will include:
  - Code review
  - Transaction monitoring of production code, particularly related to premium payments
  - Review of system architecture, with a focus on the HIX application's adherence to the state's service oriented architecture (SOA) guidelines.
  - Review of Enterprise Architecture reports and assessments conducted on individual solution components and implementation statuses. (SOA, IAM, VERMONTM, Siebel, OPA, Webcenter Content/Capture, OneGate, etc.)
  - Review of testing methodologies used by the current vendor(s) of the HIX application, and test results, including but not limited to unit testing, functional testing, regression testing and user acceptance testing (UAT)

RFP Reference

- Other activities, as suggested by the vendor and agreed to by the HIX.
- Concrete, actionable recommendations for improvements, including prioritization suggestions and FTE and LOE estimates for remediation.

- Conduct an IT Maintenance and Operations Assessment
  - Review of current vendor's M&O Plan and capabilities with respect to supporting the current HIX deployment as well as future use of the platform by additional healthcare programs (IE, MMIS, etc.)
    - Evaluate capability to support additional development streams by other System Integration vendors without impacting the current HIX.
    - Evaluate current vendor implementation of ITIL-based operational processes including but not limited to change, release, configuration, incident, and escalation management.
    - Evaluate current vendor staffing levels / expertise and develop steady state M&O activities, roles, and responsibilities to ensure smooth operation of the HIX.

Our Understanding

Our approach to Workstream 1 – IT Analysis and Revised Plan includes a comprehensive technical assessment on the production HIX solution and components currently under development. The analysis will focus on HIX-related application stack with specific focus on the following areas:

- Production code review
- In-flight enhancement code review
- Health check of the environment
- Production code migration process and procedure
- Code regression testing and QA procedure
- Maintenance & Operation procedure
  - Defect fix
  - Environment monitoring

[redacted]

IT Analysis and Revised Plan Approach

Deloitte will leverage the assessment framework and methods used to [redacted]. We will work collaboratively with VHC and its vendors to leverage existing documentation and standard operating procedures as our starting point for the analysis.

Our approach centers on the following four (4) Technology subject matter domains for the analysis:

1. **Architecture.** Focuses on analyzing how each solution component fits into and complements the technology stack, based on its usage against its capability.
2. **Application Pillars.** Focuses on the analysis for each application component against the core capabilities of the native software and intended functionality. Leveraging our project accelerators, a full review of the code is performed to understand the level of customization vs. configuration of the existing software.
3. **Testing.** Focuses on the full deployment procedure. Start from the test plan and testing protocol, to system integration testing to regressions and QA testing evaluating processes, test case concentration, scheduling and outcomes (defect distribution, exit criteria, etc.)
4. **Maintenance and Operations (M&O).** Focuses on existing process and procedures in place to perform maintenance activities such as defect fixes, refresh, downtime, etc.

Technology Domain	Specific Focus Area(s)
Architecture	• Solution Environment • Data • Security
Application Pillars	Design and Code Reviews: • Siebel • SOA • IAM • OPA • MDM • Security • One Gate • WebCenter
Testing	• Integration Testing • Regression Testing • User Acceptance Testing • Performance Testing • Existing Defects
Maintenance and Operations (M&O)	• Release Plan for Defect Fixes and Enhancements • Daily Operations (governance, process, technology and organization to support current and future operations.)

Table 3. IT Analysis and Revised Plan Approach

Timeline and Activities

Each Technology domain is analyzed according to three sequential phases of activity: Discovery, Analysis and Definition.

- **Discovery Phase.** In this phase, the Deloitte team will gather existing design documentation and begin to identify key VHC or Vendor resources for detail deep dive meetings to access process, environments, data and code.
- **Analysis Phase.** In this phase the Deloitte team will review the documentations, application pillar code, standards, output from Siebelizer review (Siebleizer is a tool developed by Deloitte to scan the Siebel repository to identify object usage) and meetings conducted during Discovery phase.
- **Definition Phase.** In this phase, the Deloitte team will document our finding and recommendation for the path forward.

Our intention is to leverage existing analysis and reports from Vermont's prior work, supplemented by materials and findings from prior HIX technical assessments involving Oracle product stack to progress rapidly from Discovery into the Analysis phase of activity. Through a combination of product deep dive and cross-product knowledge sharing amongst the team, the Analysis phase will attempt to understand the rationale behind various design, configuration, and customization decisions made by the developers and to articulate potential areas for improvement. The diagram below outlines the timing for delivery, as well as the tactical activities for each phase of activity, broken out by technology subject matter domain.

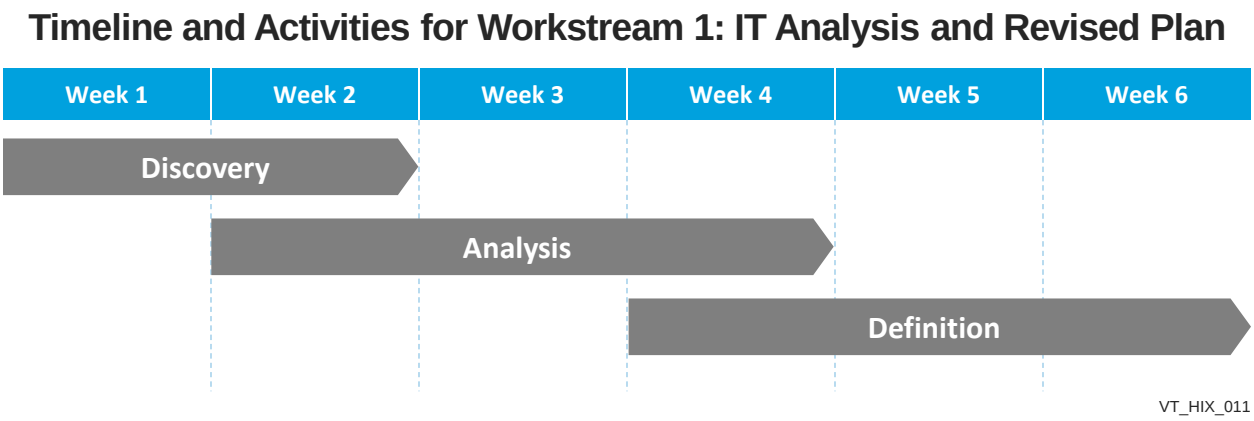


Figure 6. Timeline of Workstream 1 activities.

Activities	Discovery	Analysis	Definition
Architecture	• Obtain Documentation of requirements and how architecture/ functionality is supported through existing architecture • Understand standards, reviews, and assessment of architecture completed to date • Review Enterprise Architecture report and assessment already conducted	• Review documentation of requirements and how architecture / functionality is supported through existing architecture • Review standards, reviews, and assessments of architecture completed to date	• Produce findings document – defines the current state of the solution, application of lessons learned (if applicable) and recommendations for future releases – Architecture/Environments – Solution – Testing – Maintenance and Operations – Code review results from work stream 1 (Microsoft Excel) – Recommendations on security architecture and infrastructure changes required to support parallel work streams – Recommendations on identity and access management architecture required to support the upcoming enrolment requirements and the level of effort – Full time equivalent (FTE) and level of effort (LOE) estimates for security gaps that are identified in work stream 1 – A resource model with roles and responsibilities required to support the operation of the HIX.

Activities	Discovery	Analysis	Definition
Application Pillar	• Perform Siebelizer to review code • Obtain documentation of requirements, design, testing artifacts for components under development • Understand standards, reviews, and assessment of solution completed to date • Understand SDLC process followed for production solution	• Review Siebelizer to review code • Review documentation of requirements, design, testing artifacts for components under development • Review standards, reviews, and assessments of solution completed to date • Identify initial recommendations • Utilizing a security static code review tool, perform a security code review on the single HIX application (OneGate portal) custom source code solution for up to 100,000 lines of code. Perform manual verification on up to 15 vulnerabilities (up to four instances per vulnerability assimilated) and provide the specific vulnerability and criticality risk ratings of the vulnerability. Secure code review will not be performed on commercial off the shelf (COTS) product code or any customized versions of the same. Source code will be available within first week of this work stream. • Review external or internal Enterprise Security Architecture and Oracle Identity and Access Management application security architecture assessment reports. • Provide full time equivalent (FTE) and level of effort (LOE) estimates for security gaps that are identified. • Review the security architecture setup for identity and access management components to determine the feasibility of supporting parallel work streams using the architecture and underlying infrastructure. Provide recommendations on security architecture and infrastructure changes required to support parallel work streams. • Review the staffing levels/expertise of security professionals and recommend a resource model with roles and responsibilities required to support the operation of the HIX.	
Testing	• Obtain documentation of requirements, test cases, testing structure including teams • Understand Approach to testing (integration, UAT, performance, regression)	• Review documentation of requirements, test cases, testing structure including teams • Review Approach to testing (integration, UAT, performance, regression) • Identify initial recommendations	
M&O	• Prepare and send surveys to key individuals to gather information on current M&O activities • Overall timeline and approach – understand release plan and scope • Obtain documentation of staffing plan and capacity	• Review survey responses and follow-up on survey responses in individual or group settings • Review current M&O plan and capabilities with respect to supporting the current HIX deployment and for future use of the platform by additional healthcare programs (IE, MMIS, etc.) • Review documentation of staffing plan and capacity • Analyze current and past incidents to determine resolution rates and capacity • Identify initial recommendations	

Table 4. Workstream 1 Detailed Activities Table.

Deloitte Consulting will work closely with VHC and vendor team to support organization and alignment. As part of this analysis, there will be a lot of moving part. It will be important to work together as one team to ensure that some of common mistakes are avoided in a program of this size such as communication breakdown and repeat work. Throughout the engagement, Deloitte leadership and VHC will regularly review the activities and progress and adjust as appropriate.

Workstream 2: Operations Analysis and Revised Plan

RFP Reference
Conduct a risk assessment of current HIX operations. • Leverage existing analysis conducted by the HIX • Confirm size, scope and prioritization of service request backlog, enrollment transactions with Carriers and the resulting processing activities within Siebel (the membership system of record) • Recommend new processes or process improvements to address operational risks. • Assess current state of the OneGate portal and Siebel user interface functionality, efficiency, and ease of use to support ongoing operation (including upcoming open enrolment) and provide a remediation plan and LOE required to remediate identified gaps.

Our Understanding

In addition to analyzing the technology design, infrastructure, and SDLC documentation for the Exchange as described in Workstream 1, a necessary input to optimizing the Vermont HIX solution includes an examination of the customer user experience and the back office operations employed to support customers. Our understanding of Workstream 2-Operations Analysis and Revised Plan is that the focus of this analysis is on business processes that impact Vermont HIX customers and business processes that utilize HIX system outputs created by customers using the Exchange.

In this workthread, the word "customer" could include one or more of the following:

- An Individual logging on to the self-service portal;
- A Broker or Navigator working with a member of the community;
- A Carrier seeking to close the loop on a citizen's EDI enrollment in a plan via effectuation of payment; or
- An Exchange Call Center Worker using the Seibel portal to respond to customer inquiries and perform administrative tasks.

Seeing the application through the users' eyes, and understanding how the design of the portal(s) and the back office procedures currently in place to serve the customer impact their ability to effectively utilize and derive value from the Exchange application will be central to achieving an outcome where the Exchange performs not only in an optimal manner from an operational perspective, but one that is also perceived publicly to provide good customer service and be easily accessible to those for which it was designed.

Operations Analysis and Planning Approach

Deloitte's analysis will focus on several operational subject matter domains that impact VHC customers:

1. **Customer Portal / User Interface**. Examination of the usability and functionality of the Front End system for users, including the OneGate portal and Seibel user interface. Key questions for analysis within this domain focus on the following:
    a. How usable is the application from a customer perspective?
    b. Is the functionality holistically present for customers to self-serve and is it working for end users?
    c. What obstacles or challenges exist to customers using the portal to conduct 2015 Open Enrollment?
    d. What is the inherent level of risk associated with gaps identified?

2. **Enrollment Transactions**. Enrollment Transactions analysis begins at the point in the HIX process lifecycle where the applicant has selected a plan to enroll, produced required information to complete enrollment, and has submitted their plan selection. Analysis is focused on the HIX business process from enrollment data submission through payment effectuation. Key questions for analysis within this operational domain focus on the following:
    a. What are the functionality limitations in Siebel that prevent enrollment changes?
    b. Once an Individual has completed Enrollment, how effectively does the HIX software transmit information to Carriers in order to maintain integrity of HIX and Carrier data and facilitate "closing the loop" on the health insurance process via effectuation of payments?

3. **Operations / Service Request Backlog.** Not only do service requests indicate information about the usability of the HIX system in Vermont, the existence of over 43,000 unresolved service requests (per the SOW) presents an opportunity for deeper examination into possible root causes, upstream opportunities for optimization, and business process improvements. Key questions for analysis within this operational domain focus on the following:
    a. How effective how effective is the Customer Service function at resolving issues escalated to them by customers?
    b. What is the magnitude of the backlog and how can the items within it be triaged and categorized to support timely resolution? What is an acceptable level of operational backlog, now and in the future (with the introduction of additional system functionality or enhancements)?
    c. Where a backlog exists, what is that backlog composed of and are there approaches that could be employed to resolve the outstanding backlog more efficiently and prevent its return?

The specific focus areas of analysis for each of the aforementioned operational domains are summarized below:

Operational Domain	Specific Focus Area(s)
Customer Portal and User Interface	• User Interface – Cross-function presentation of on-screen information, User Support functionality, ADA Compliance • Account Management – Account Creation and Access, Account Management, My Account functionality • Streamlined Application – Identity Proofing, Eligibility Questionnaire • Eligibility Determination – Accurate Presentation of Eligibility Determination and Subsidy (if applicable), COC Functionality • Enrollment – Presentation of Accessible Plans, Display of Premiums, Plan Selection and Submission of Enrollment

Operational Domain	Specific Focus Area(s)
Enrollment Transactions	• Outgoing Transactions from Exchange to Carriers (834 and 820 Transactions) • Incoming Transactions from Carriers to Exchange (TA1, 999, 864 Transactions) • Payment / Effectuation via the Exchange (834 and 820 Transactions)
Operations / Service Request Backlog	• Current outstanding service requests (volume, classification of issues, aging, throughput) • Existing process for triaging and resolving incoming service requests, including any workarounds developed during or after roll-out • Tools for documenting and managing service request workflow • Tracking and escalation procedures for service request documentation and resolution • Possible upstream factors influencing service request volume • Resource requirements to mitigate backlog and prevent its return • Process improvements to prevent future backlog resurgence

Table 5. Areas of Analysis

Timeline and Activities

Each Operational domain will be assessed and analyzed according to the three phases of activity described in Workstream 1 (Discovery, Analysis and Definition). The Operations Analysis and Planning Team is led by Nathan Patton, a Manager in the Strategy & Operations practice. The diagram below outlines the timing for delivery, as well as the tactical activities for each phase of activity to support the analysis, broken out by operational domain.

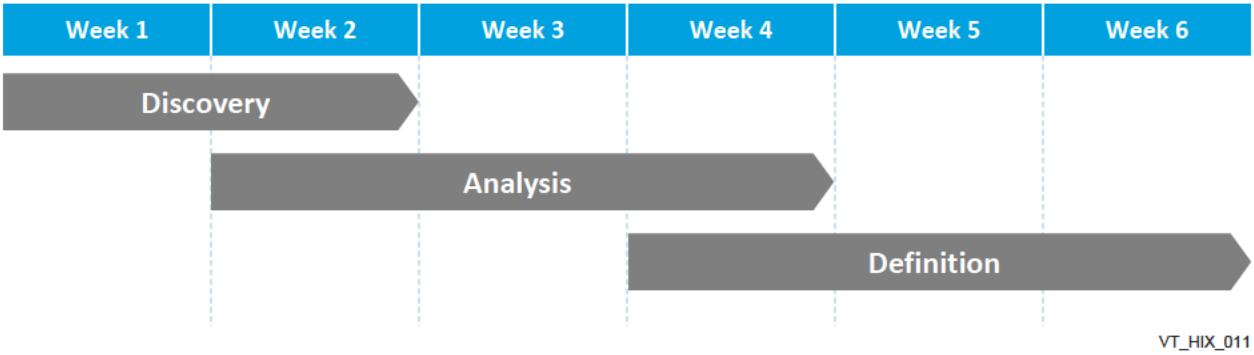


Figure 7. Operations assessment and analysis timeline

	Discovery (Week 1-2)	Analysis (Weeks 3-5)	Definition (Week 6)
Customer Portal/User Interface	• Review functional system design documentation; • Request report of defects reported impacting usability and any change requests currently under consideration • Observe demonstration of portal aligned to the HIX user experience and HIX process model; document observations and gaps; • Identify and interview key staff regarding user experience; review any customer feedback documentation • Conduct focus group conversations with Worker and Broker/Navigator user representatives	• Run typical end-to-end flows to observe application behavior, with a focus on Enrollment processes; • Conduct ad-hoc evaluation of randomly selected screens using disability compliance criterion • Compile observations from discovery and analysis into a unified document; • Develop a prioritized list of gaps and assess the risk and impact to Open Enrollment 2015; • Develop recommendations for improvement to the Portal / User Interface as applicable, noting complexity, cost, timing and risk to 2015 Open Enrollment	• Produce findings document – which includes: – Current state definition of operations assessed – Identified gaps and impact to Open Enrollment 2015 / HIX operations due to non-remediation – Recommended process improvements, noting complexity, cost, timing and risk in qualitative terms – Plan for implementation of prioritized process improvements for 2015 Open Enrollment
Enrollment Transactions	• Request reporting data on volume of enrollment transactions to date since go-live; • Request reporting data on enrollments versus effectuations in Enrollment 2014; • Identify and interview key staff to understand existing challenges or gaps with respect to Enrollment transactions and actions taken to date to address them; • If permissible, identify and interview Carrier representatives to understand Carrier-side challenges with respect to Enrollment transactions.	• Develop list of metrics to perform to assess the efficiency of transactions; • Run analytics on Enrollment Transactions to detect and assess gaps in transmittal; • Compare transaction analysis result to benchmarks from other State-Based Exchanges (if available) • Develop list of observations regarding gaps impacting Enrollment transactions and assess impacts of non-remediation; • Develop recommendations for improvement to Enrollment processes, including complexity, cost, timing and risk to 2015 Open Enrollment	
Operations / Service Backlog	• Request reports on service requests since go-live; • Obtain access to service request reports; (or an electronic file containing service requests data from which to conduct analysis); • Request and review any existing documentation on the size, content, aging, and prioritization of the service requests backlog; • Request existing protocol or administrative manuals outlining the service request handling and escalation processes (including operational workarounds developed after roll-out); • Identify and interview back office staff regarding current state service request handling, resolution and escalation protocols and any challenges or gaps experienced with the business process for handling service requests or the process to address the current backlog.	• Analyze the composition of service request backlog and categorize according to subject matter; • Identify size and complexity of request items clean-up in order to analyze or process (as appropriate); • Estimate current volume of service request throughput versus entering the backlog and project future Call Center volumes and staff needs; • Collaborate with VT-HIX leadership to identify the "normalized" level of throughput and backlog that would be acceptable by the August 20 deadline specified in the RFP • Develop an estimate of time and level of effort / resources to reduce the backlog per the specified timetable to the acceptable level defined by the business.	

Table 6. Workstream 2 Timelines and Activities

Often issues that give rise to operational backlogs and constraints originate upstream: users that can't navigate a portal effectively call the call center with larger than anticipated volumes of service requests, which overwhelms the resources used to staff the call center, who may have trouble navigating their own user interface while under pressure with the customer, and so on and so forth. The cascading effect of small issues can snowball rapidly into an overwhelming operations headache; luckily, so too can positive interventions create a multiplier for productivity. By identifying and creating a plan to address usability and business process issues that may hinder VHC's customers from effectively using the system as intended, VHC can accelerate optimization of their operations and increase the esteem that users have for their tools and the technology that enables them.

Workstream 3: Supplemental Operations Support

RFP Reference
Provide operational support to facilitate backlog reduction to normalized levels by August 30, 2014.
• Provide resources and management oversight to execute process improvements and address operational risks.

Our Understanding

Numerous states have experienced operational issues pertaining to HIX system limitations, necessitating manual work-around processes and other improvisational remedies. Among the most difficult are requests to modify enrollment data due to changing member circumstances such as family composition, location and errors in initial application data entry. Requests range in complexity from relatively simple edits to correct a misspelled name to complex geographic and family composition changes that impact eligibility and require additional noticing and premium billing cycles, along with potentially increased customer service involvement. Additionally, certain changes need to be traced through to ensure adjustments to the monthly Exchange Periodic Data (EPD) report to the IRS.

Deloitte Consulting has considerable experience working with state exchange clients to identify and address operational issues relating to challenges with HIX deployments. Our professionals have developed countless manual workarounds, contingency plans, and training to support exchange operations. Workarounds and other general operations support areas include:

- Account changes
- Application processing
- Plan selection and payment processing
- Discrepancy reporting
- Population-specific enrollment and terminations
- Enrollment dashboard reporting
- Member outreach and call campaigns
- Closed enrollment processing
- IRS reporting (Exchange Periodic Data and 1095A
- Grants management and federal compliance

We understand state exchange operations and work with our clients to develop and deploy solutions with minimal disruption to ongoing operations and which deliver tangible results. We invite further discussion regarding VT-HIX but per the RFP Reference above are focusing only on backlog reduction (including change of circumstance requests).

Supplemental Operations Support Approach

The State has identified a service request backlog of more than 43,000 service requests of which 8,500 are related to changes in member circumstances. The operations analysis and revised plan developed in Workstream 2 will detail the priorities, improved processes and enabling technology available to process the backlog. In Workstream 3, the Deloitte Team will manage execution, identifying the team (size, skills needed, tools), providing training and managing to performance goals to meet normalized level of requests by August 2014. The Workstream 3 effort is broken down into five preparatory and oversight activities as shown in the figure below. Because of the substantial (and growing) backlog and level of effort involved to identify, onboard and deploy operations support staff, an aggressive timeline for execution will be paramount.

distinguishing factors

In 2014, Deloitte Consulting performed a Back Office Assessment for a State-Based Exchange whose Call Center was overwhelmed by volume of calls, longer than acceptable wait times, and a growing backlog of service requests. Deloitte triaged the backlog, forecasted future call volume to support staffing appropriate human resources, and developed streamlined processes for ticket handling and escalation to get the backlog back under control and prevent it from growing again in the future.

Timeline and Activities

[redacted].

Our approach acknowledges that additional contract labor may be procured at the State's request to provide additional human resources to perform backlog reduction tasks and achieve the August 30, 2014 deadline for backlog remediation. Timing of the activities for the Supplemental Operations Support workstream is provided in the chart below:

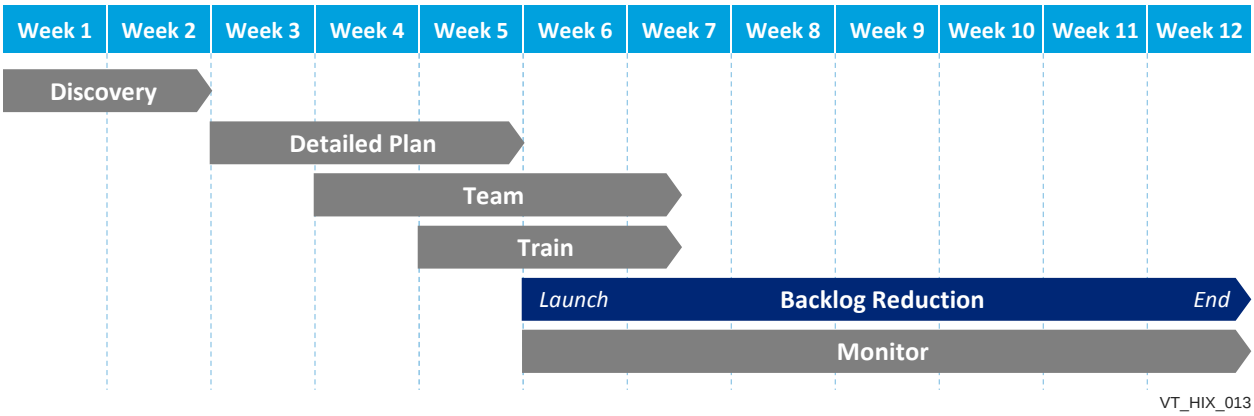


Figure 8. Workstream 3 timeline and activities

Each activity is described in detail below with a brief description followed by specific tasks and outputs. Assumptions are noted in the preliminary descriptions.

Activity 1: Ramp up (Week 1-2)

In this initial phase of work, the Deloitte Team will gather information about ongoing service request processes and personnel and to identify local staffing resource options and prospective work locations. This work will complement Workstream 2 efforts by accessing operational details specific to service requests that will likely inform their operations analysis efforts while preparing the backlog resolution team for the scope of work to be performed.

In addition, Deloitte will work with project leadership to identify staffing opportunities. Deloitte Consulting assumes VT-HIX leadership will properly equip (including Internet, phone, computer equipment, software licenses and

furniture) and cover other related costs specific to any required office space for a local workforce. Work site determination and space preparation can be time consuming; Deloitte recommends beginning this effort as soon as possible.

Specific Tasks	Outputs
• Examine VT-HIX operating model and service request operations; identify staff and key processes • Review existing practices, performance metrics, trainings and other supports (e.g., policy guidance, staff manuals) • Confirm definition of "normalized" backlog level • Develop and review Backlog Reduction team options; facilitate decision on staff to execute • Identify local resources and organizations for staffing Backlog Reduction Team (if needed) • Research and identify possible locations/space for temporary staff work and training • Engage Workstream 2 Team to share information and inform Workstream 3 work (e.g., impact of assessment results on backlog reduction planning)	• Defined Backlog Reduction Team approach • Preliminary work space options list

Table 7. Specific Tasks and Outputs for Activity 1.

Activity 2: Detailed Plan for Backlog Reduction (Week 3-5)

As noted above, the Workstream 2 Team will estimate time, level, of effort, and number of resources required to reduce the service request backlog. In Workstream 3, the Deloitte Team will create a detailed backlog reduction plan to structure the processing work, based in part upon any new processes or interface functionality available as part of Workstream 2 efforts. The plan itself will include Interim performance milestones and contingency plans and corresponding staffing scenarios to meet or exceed the backlog goal. Deloitte and VT-HIX leadership will regularly review the backlog reduction plan and adjust it as appropriate.

Specific Tasks	Outputs
• Develop plan and resource schedule • Identify contingencies and risks • Confirm resource count and level of effort • Develop and deliver project management tools (including risk assessment and remediation templates) • Validate plan with State project leaders • Provide timely updates, including activation of a contingency plan if necessary during the project	• Detailed backlog reduction plan • Backlog reduction management tools

Table 8. Specific Tasks and Outputs for Activity 2.

Activity 3: Backlog Reduction Team (Week 4-7)

Once the reduction plan is approved, the next activity will be to identify the Backlog Reduction Team structure and members. This will be informed by several factors such as input from Workstream 2 regarding composition of the backlog, technology capabilities at hand, availability of staff to perform backlog reduction work. Because the nature of the backlog is temporary, the State may have several options to consider including whether to create temporary state positions, hire contractors and whether to look locally or have a remote temporary workforce to process the service request backlog. Each has certain benefits and risks to be considered. Regardless of approach, the Deloitte Team will oversee this work effort and offer first level support of escalated cases

Specific Tasks	Outputs
• Develop specific staffing models for consideration by VT-HIX leadership; facilitate decision-making • Locate and finalize needed space (if needed) • Review resumes and conduct interviews with qualified candidates • Develop and deliver Team onboarding materials	• Staffing model • Worker space plan • Onboarding materials

Table 9. Specific Tasks and Outputs for Activity 3.

Activity 4: Training (Week 5-7)

Members of the Backlog Reduction Team will receive specific training pertaining to processing the service request backlog. This will provide both required learning to fully understand VT-HIX operations (derived in part from information gathered in Activity 1 above) and other requisite information and specific detail regarding processing backlogged service requests. Deloitte will work collaboratively with our VT-HIX partners to create and deliver training to the Backlog Reduction Team. Topics include:

- Overview of the Affordable Care Act
- Service request item processing (including new and improved processes, system use and manual workarounds)
- Escalation protocols
- Pertinent policies and procedures
- Performance expectations

Specific Tasks	Outputs
• Create required training materials in PowerPoint; incorporate new processing rules and system functionality • Facilitate VT-HIX leadership review and approval	• Training materials •

Table 10. Specific Tasks and Outputs for Activity 4.

Activity 5: Monitor and Manage Progress (Week 6-12)

The Deloitte Team will provide oversight and management of the backlog reduction effort. In addition to daily progress reviews of reducing the backlog and assessing reduction performance against plan, the Deloitte Team will examine opportunities to expedite and improve processing and deploy enhancements. The Deloitte Team will also provide regular progress reports to VT-HIX leadership along with risks, issues and proposed solutions to consider.

Specific Tasks	Outputs
• Identify risks and issues to planned backlog reduction schedule • Isolate process and performance issues and develop resolution plans • Update RAID tracker (Risks, Action Items, Issues and Decisions) and report out updates to VT-HIX leadership • Monitor staff performance and work quality, including accuracy of data entered • Develop and deliver timely status reporting to project stakeholders, including a status dashboard report • Hold weekly status meetings	• Status dashboard report • RAID Tracker (updated) • Risk / Issue remediation plans

Table 11. Specific Tasks and Outputs for Activity 5.

We anticipate the VT-HIX team has processes, job descriptions, guidance, reporting and other items noted in the above activities. This will help jump-start our work together by creating a starting point for planning and execution of the backlog reduction activities. Once the project commences, the Deloitte Team will seek to engage members of the VT-HIX and review these materials, rapidly increase our understanding the operating environment and begin a collaborative relationship with the VT-HIX.

Workstream 4: IT Project Management and Delivery

RFP Reference
For Stream 4, describe your oversight approach to maximize results and production of the existing vendor, as well as the approach to initiating new development either in parallel or in place of the existing vendor.

Provide enhanced project management oversight of existing IT vendors to maximize performance.

- Multi-person project management team to provide oversight and support on:
  - IT development
  - Testing
  - Release management (process of code promotion to live environment, defect management)
  - Training and documentation
  - Overall contract compliance, invoice approval, etc.
  - SLA monitoring metrics

- Provide immediate, hands-on assessment of current state of all deliverables underway.
  - Project management vendor co-locates and works elbow-to-elbow with existing vendor teams.
  - Identify current risk hot spots/priorities (red, yellow, green).
  - Evaluate the capabilities of current staff and recommend areas where the complexity of VHC operations requires the addition of personnel with advanced skill sets.

- Assist SOV in proactively managing vendor to deliver according to planned timeframes; facilitate work sessions as necessary to mitigate delays.
  - Ensure 100% transparency of project information management. Collect, analyze and communicate status, risks and issues and proposed resolution to HIX leadership.
  - Perform daily stand-up morning assignments and evening checkouts – identify risks + remediate daily.
  - Provide technical expertise to evaluate quality through informal software demonstrations, document existing architecture, and identify gaps and risks
  - Provide testing expertise to develop test scenarios (unit tests, feature tests, regression tests, and/or end-to-end tests) as necessary to ensure adequate test coverage and verify results

- Ensure that documentation is up-to-date and comprehensive and that end user training is conducted in a timeframe that facilitates successful go-live for remaining code drops

Deloitte has successfully refined its project management approach over the past 40 years through the execution of hundreds of engagements, many similar to the size, scope and complexity to Vermont HIX. Our project management method, approach and tools are time tested and have delivered repeatable successes in public and private sector engagements alike. Deloitte practitioners take pride in our ability to roll up our sleeves and work side-by-side with you and your vendors, not only helping establish the vision but also realize it. The features and benefits of the Deloitte Team's Program Management methodology are listed in the following table.

Features	Benefits
Ready to use Program Management Methodology	• Fully aligned with CMS Exchange Life cycle • Integrated into Deloitte Team's core methods as the Project Management (PM) and Quality Management (QM) disciplines • Tightly aligned with PMI's PMBOK and industry-recognized CMMI leading practices • Allows for project schedule changes to be easily incorporated and distributed • Methodology supports all phases of the life cycle with tools, templates and accelerators. Helps in reducing delivery time and project risks
Proven Change Management Process	• Allows traceability in the change control process that will help in the review, selection, and delivery of change requests • Tightly controls scope to confirm on-time project delivery
Program Management Experience	• Allows for the integration of leading practices and lessons learned from a large variety of software development projects, including other SBE projects • Allows incorporation of experience gained from working within other HHS projects to enable faster delivery with less risk
Incorporates Lessons Learned	• The Deloitte Team has worked on 4 successful State Based Exchanges and is currently assisting 4 other states with system remediation • Our collaborative approach and experience are reflective in the successful rollout of over 50 statewide Eligibility and Self Service Portal implementations, many of which we have delivered simultaneously • Allows The Deloitte Team to discuss prior lessons learned and not only incorporate them into our project management methodology, but actually base our actions and activities on them and avoid mistakes

Table 12. Program Management Features and Benefits.

Our Project Management approach will give VHC immediate "hands-on" remediation support as you complete the application (e.g., reconciliation of current vendor contracts and deliverables) and understanding of current processes (e.g., change control) to quickly identify the process that will be used to manage the current activity; while in parallel developing achievable mid and long term roadmaps for VHC to help achieve its goals.

During the first 6 weeks, Deloitte will:

- Assess current Project management tools, processes and procedures to see what exists and what needs to be created. We understand that VHC may have many processes in place or in development. We will reuse those processes and identify areas where the process exists but might need to be followed more closely
- Stand up / Augment the Project Management Office (PMO) and execute the processes identified
- Refine Project Governance: We understand project governance likely exists to a large extent on the project. We will evaluate the existing project governance and identify areas for improvement. Subsequent to this process Deloitte will help to execute the project governance
- Conduct Testing Process and Tools Assessment
- Review of existing release and defect management plans and the establishment of Release and Defect Management processes
- Establish guidelines for major, minor and emergency releases and logical grouping of releases
- Review, evaluate and recommend opportunities to enhance the current training and communications processes
- Assess existing SLA and KPI used to measure and track project status
- Work with VHC staff to establish missing project indicators

<Kentucky> "State officials and outside experts attribute the smoother rollout to a variety of factors, including **intensive testing** of the system, a **less-flashy but more-efficient website** and **strong coordination** among state agencies involved in the effort."

The Wall Street Journal

Should the state choose, Deloitte can provide robust a web-based project management tool, the Project Management Center (PMC), which enables a transparent and metrics driven approach of the current project status. The proposed Method, Tool, and PMO processes outlined in this workstream, will enable the oversight needed to maximize the project results. These Methods and Tools will provide VHC the ability to proactively manage, prioritize and remediate project/vendor risk and issues. While the PMO processes will help standardize project management policies, processes and methods.

Throughout the project, Deloitte will manage and monitor the following activities:

- Provide status updates for VHC, State and federal stakeholders
- Work alongside the VHC team and its vendors to mitigate delays by proactively identifying and managing vendor deliverables against planned timeframes.
- Co-locate and work collaboratively with vendors and VHC to develop realistic level of effort estimations, vendors to validate application functionality and performance management criteria
- Identify, track and/or monitor status, risk and issues and work with VHC and other vendors to create and validate mitigation plans
- Provide transparency through information collection, evaluation and dissemination
- Perform Daily Stand Up Meetings
- Support quality through supplemental technical and functional experience
- Review and evaluate test scenarios as needed for adequate test coverage.
- Oversee the UAT process, including conducting UAT triage calls with all responsible parties through management and oversight of the UAT process
- Work collaboratively with vendors to validate application functionality and performance management criteria
- Facilitate the release management process
- Review change requests for completeness to allow for decision making
- Review, evaluate and produce release management reports
- Support training and communications based on further scope conversations with the state
- Oversee SLA reports and work with VHC leadership to identify project improvement opportunities
- Tailor the ongoing SLA report based on lessons learned from this and other ongoing projects.

The remainder of this section provides further insight into the processes and tools we may use to support the project management activities identified above.

[redacted]

[redacted]).

We recognize that the vendors and the overall project most likely already have an IT development methodology in place and changing that methodology may not be the most effective approach. We will evaluate the processes currently in place and suggest areas to augment them based on our robust EVD methodology.

Testing

We believe an issue manifesting at UAT is an issue found too late and that proper root cause resolution may go as far back as Unit Testing. Testing is an integral part of the Systems Development Life Cycle (SDLC) because it validates the ability of components and systems to meet expectations. VHC can benefit from the standard testing methods Deloitte has developed currently being utilized by the current SBEs we work on. Our methodology provides an industry-leading testing approach that integrates our testing processes, methods, and tools with the testing artifacts produced during the solution development. We understand that the vendors and the overall project most likely already has a testing methodology in place and changing that methodology may not be the most effective approach. We will evaluate the processes currently in place and suggest areas to augment them based on our experience at other SBE and where needed provide testing support to fill the functional and technical gaps.

Deloitte brings significant "hands-on" testing experience that VHC can benefit from through our work with the other State Based Exchanges (SBE). The Deloitte team will leverage our extensive library of over 3000 Test Scenarios that span across unit tests, feature tests, regression tests, and end-to-end tests. For example, one of the key pain points for VHC has been the "Report a change" system functionality. Deloitte's comprehensive testing suite contains numerous scenarios related to this including: Change in Age, Income, Address, Tax Filing Groups, Household Relationships, Newborn and Death. The test scenarios in this library cover all modules of a HIX system, Citizen Portal, Worker Portal, FDHS Interfaces, Correspondence, SHOP, Shopping, etc. Once we complete our initial assessment the Deloitte team will help review and fill in testing gaps as needed. This will include identification and development of missing test scenarios and validation of test results to support adequate test coverage.

Release Management

VHC will benefit from our production-proven approach to release management that reduces operational risk and improves the attainment of release dates. Our approach to release plan delivers detailed actions to successfully deploy releases to each of your environments.

At the root, release management involves the following components:

Activities		Key Considerations
Planning the release	• Prioritizing the components that go into the release (these may be defects or enhancements) • Determining Level of Effort • Finalizing release components • Determining Release Date	Frequency of releases is very important. While there are times when emergency releases are called for, they should be as infrequent as possible to support a more informed release management process.
Developing the release	• Developing software components • Testing • Preparing and delivering training and communication	Current IT vendors play a primary role in developing the release
Overseeing the release	• Regular monitoring of release components against the work plan	Regular reporting from system development vendors is essential. Most releases will require multiple vendors to come together on a single date. Any slippage must be tracked and mitigated quickly

Activities		Key Considerations
Implementing the release	• Executing the move of the software to production • Informing users of the components of the release	Collaboration among all vendors and VHC is critical to supporting on time releases
Monitoring the release	• Monitoring system performance post implementation • Monitoring post implementation user issues through help desk, call center, etc.	Lessons learned from each release should be incorporated into subsequent releases

Table 13. Release Management tasks

In our role as project management support, Deloitte can play a variety of roles in release management; we look forward to working with the state to understand which aspects of the release management process would be the most beneficial.

Training

Effective training and communication is critical to the success of any system implementation. But even more important is the strategy to rollout this material in a timely manner to the impacted end users. Our experience allows us to promptly evaluate an efficient training program tailored for HIX system users at all levels including individuals, employees, employers, exchange staff and contractors. We have trained thousands of HIX users, consumers, commercial healthcare employees and community partners. Through our hand-on experience with other SBEs, we gained deep knowledge of the day-to-day business needs and challenges you are likely facing.

Deloitte's Organizational Change Management and Training approach is embedded into our EVD methodology and goes across all phases of the SDLC. By involving stakeholders early and often throughout the lifecycle, they are better equipped to accept and adopt the changes. The process is shown below.

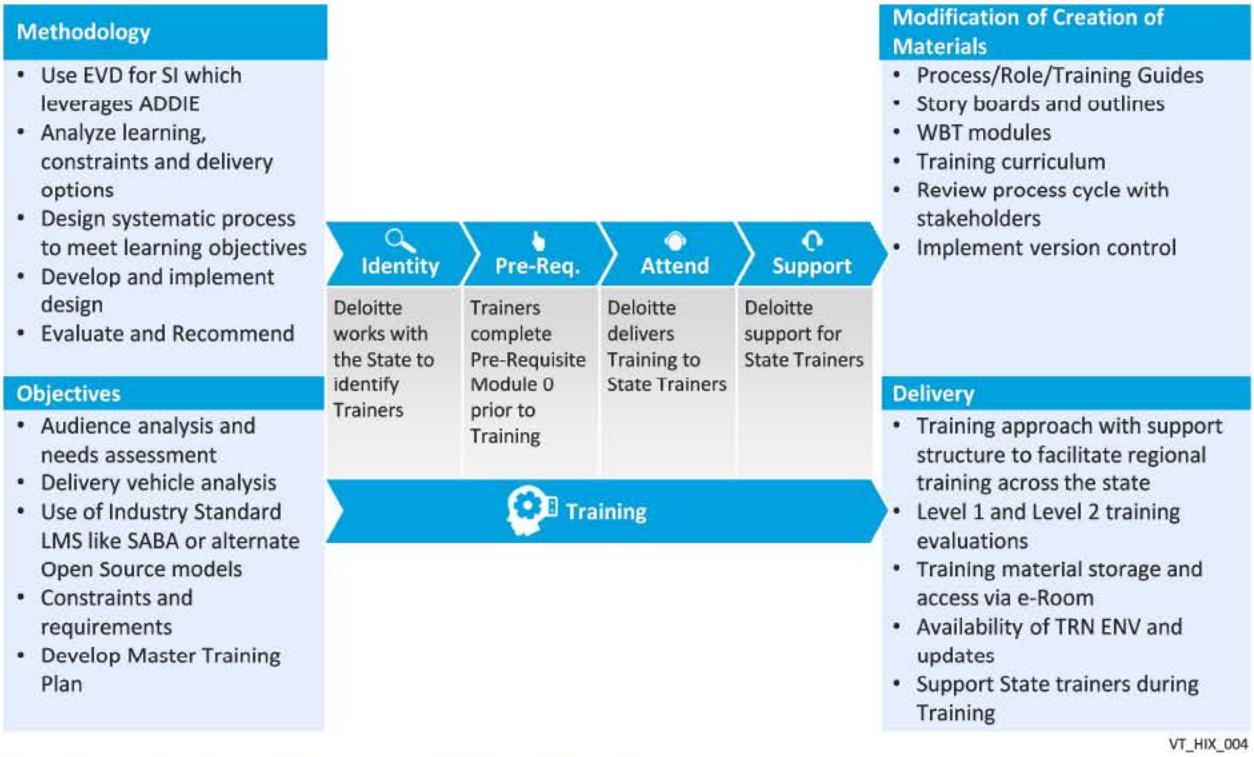


Figure 9. Organizational Change Management and Enterprise Value Delivery

In addition, Implementation planning activities include Environment Readiness, Security & Compliance and Maintenance & Operations readiness that are planned and executed for each release. Four techniques used at our SBM projects, are: Cutover planning, Implementation planning, Operations readiness planning and Command Center readiness to support Go-Live activities.

We understand that the state already has training processes in place, and as such would look to work with the state to better understand which of the activities noted above would part of the scope of this engagement.

SLA Compliance

One of the reasons why Deloitte projects are successful is because of our adherence to metrics based project management. Tracking the project success will be done by using a project status dashboard for use at weekly status

Figure 10. SLA Reporting

Assessment and Collaboration

Our Project Management approach will give VHC immediate "hands-on" remediation action (e.g., reconciliation of current vendor contracts and deliverables) and understanding of current processes (e.g., change control) to quickly identify the process that will be used to manage the current activity; while in parallel developing achievable mid and long term roadmaps for VHC to help achieve its goals.

We will bring a comprehensive and structured approach to assess the current state of VHC's deliverables currently underway. Our analysis will include

- A Reconciliation matrix cross walk that will determine the status of contractual deliverables due to the State from your Vendors
- Summary findings, observations, risks and next steps

We agree that the best way to accomplish this and the other objectives of the IT project management and delivery thread is by co-location as it encourages real time collaboration. We will seek to build a culture of "one team" across all vendors and the state.

Risk Management

Deloitte will use our risk management approach to help to consolidate the existing project risks as well as to identify new risks throughout the project. Our approach aligns with the Project Management Institute's (PMI's) risk management methodology as illustrated below.

Figure 11. Our Risk Management Task Aligns with PMBOK®.
Our methodology incorporates PMI principles and proven project management experience.

We consistently monitor risk evolution throughout the life of the project. As risk realization becomes more probable, the project revisits the assumptions and response strategy for the risk, making adjustments where necessary. Project risks that potentially can affect the delivery or cost of the project will be escalated to the project management team. Risks will be reviewed during the weekly team meetings and during monthly steering team meetings as part of the project's overall status update. We have outlined the risk management process flow below, along with a more detailed description of the process.

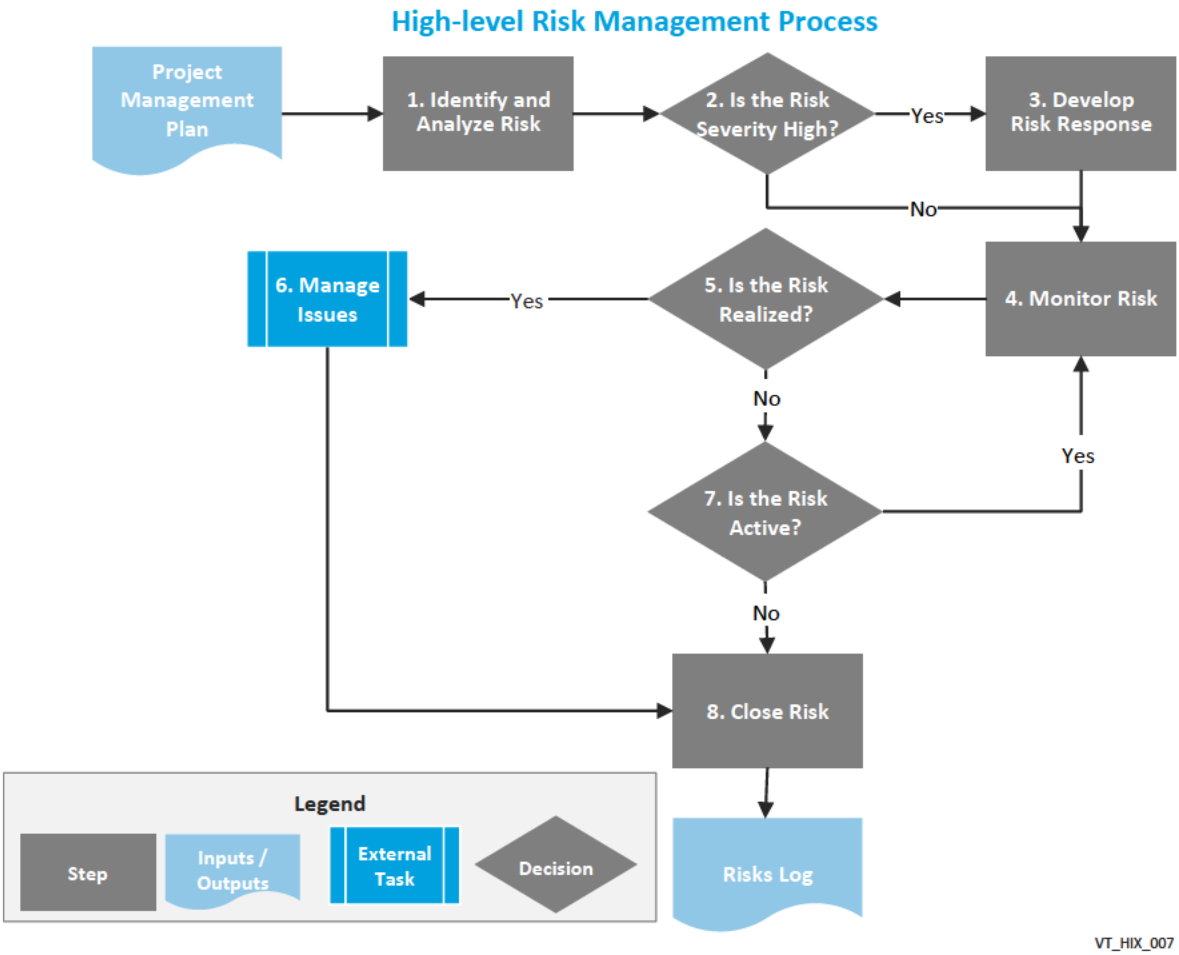


Figure 12. Our Iterative Risk Management Process Supports Risk Evolution.
Our methodology monitors and addresses changing risks as they evolve throughout the project life cycle.

Risk Assessment and Analysis

The purpose of analyzing risks in detail is to determine risk probability and impact. It also allows us to assign risks a severity, assess risk impact, and rank them in order of priority. During the first 6 weeks of the project and then bi-weekly (or monthly) during the risk review meeting project leadership will identify risks that can negatively impact project outcomes. The Risks Log for the Project will be maintained in PMC or similar tool.

Risk Severity Scoring

When risks are analyzed, they will be qualitatively analyzed in terms of impact and probability. Impact and probability will both be assessed, and the two values will then be multiplied to compute an overall risk severity. The determination of severity will be done collaboratively during the risk review meetings.

Risk Response Planning

Risk response planning is the process for proactively developing alleviation options and determining action plans in the event that a risk becomes an issue. Risks with high probability, high impact, and low level of control are those risks that indicate a high level of exposure. Similarly, those risks with low probability, low impact, and high level of control offer the lowest levels of exposure.

For each "high" severity risk, the assigned team member(s)/risk owner(s) will analyze the risk in more detail, determine the appropriate risk response strategy, and develop the risk response plan. The following risk response strategies and steps are followed in developing the risk response plan.

Steps in Risk Response Plan Development

Response Planning Steps	Row descriptor
Select risk response strategy from 4 defined strategy options	**Strategy 1 – Avoid.** Risk avoidance involves changing the Project Management Plan to eliminate the threat entirely. The QA Managers may also isolate the project objectives from the risk's impact or change the objective that is in jeopardy. Examples include extending the schedule, changing the strategy, or reducing scope. The most radical avoidance strategy is to shut down the project entirely. Some risks that arise early in the project can be avoided by clarifying requirements, obtaining information, improving communication, or acquiring expertise.
	Strategy 2 – Mitigate. Risk mitigation implies a reduction in the probability and/or impact of an adverse risk event to be within acceptable threshold limits. Taking early action to reduce the probability and/or impact of a risk occurring on the project is often more effective than trying to repair the damage after the risk occurred. Adopting less complex processes, conducting more tests, or choosing a more stable subcontractor are examples of mitigation actions. Mitigation may require prototype development to reduce the risk of scaling up from a bench-scale model of a process or system. Where it is not possible to reduce probability, a mitigation response might address the risk impact by targeting linkages that determine the severity. For example, designing redundancy into a system may reduce the impact from a failure of the original component.
	Strategy 3 – Accept. This strategy is adopted because it is seldom possible to eliminate all threats from a project. This strategy indicates that the project team has decided not to change the Project Management Plan to deal with a risk, or is unable to identify any other suitable response strategy. This strategy can be either passive or active. Passive acceptance requires no action except to document the strategy, leaving the project team to deal with the risks as they occur. The most common active acceptance strategy is to establish a contingency reserve, including amounts of time, money, or resources to handle the risks.
	Strategy 4 – Transfer. Risk transfer requires shifting some or all of the negative impact of a thread, along with ownership of the response, to a third party. Transferring the risk simply gives another party responsibility for its management – it does not eliminate it. Transferring liability for risk is most effective in dealing with financial risk exposure. Risk transference nearly always involves payment of a risk premium to the party taking on the risk.
Create Risk Response Plan	This plan includes the details for the risk response strategy selected.
Develop a Contingency Plan	This plan identifies actions to take as a back-up plan if the initial risk response plan does not work; normally a key activity of the risk response plan is to develop a contingency plan.
Approve the Risk Response Plan	Once the Risk Owner completes his/her risk assessment and proposed risk response strategy and response plan, the risk meeting team reviews, discusses, and ultimately approves the plan, which may not occur until the next risk review meeting, unless the risk's priority is "Critical" or "High," in which case a special risk meeting may be organized to review and finalize the risk strategy, response plan, and contingency (i.e., "back-up") plan for the risk.
Finalize and Mange the Risk Response Plan	The Risk Owner and the QA Managers will work together to develop the appropriate risk response strategy for the identified risk. It is important to balance the severity of the risk with the level of effort for the risk response. It will be a drain on resources to create a risk response that is too comprehensive for a risk with a "Low" severity. On the other hand, "High" severity risks must be managed closely, and it is important to dedicate resources to plan for these types of risks. The Deloitte Team participates in review of the response strategy once the risk is identified.

Table 14. Key activities for Risk Management

Risks with "High" severity and a "High"/"Critical" priority will be discussed on a regular basis during the project status meeting.

Capabilities Assessment

Deloitte will focus on identifying technical and functional gaps areas that will require support as VHC continues to progress the exchange. We will work with VHC to identify the areas we should explore. These are some of the capabilities we may evaluate:

- Technical Capabilities
  - Siebel
  - Policy Automation (OPA)
  - WebCenter
  - OneGate
  - Enterprise Search
  - Universal Content Manager (UCM)
  - Master Data Management (MDM)
  - Business Intelligence Enterprise Edition (OBIEE)
  - Business Intelligence Publisher (BIP)
  - Enterprise Manager
  - Identity and Access Management (IAM)
  - Solution Architecture, including Technical Architecture and Integration Architecture
  - Functional and Performance Testing
  - Application Management and Operations

- Functional Capabilities
  - Health Insurance Exchange Business Knowledge
  - Enrollment
  - Eligibility
  - Carrier Outreach
  - Training
  - Communications
  - Program Management

Transparency of Project Information

Deloitte will continue to implement the policies noted above in the sections related to risk management, SLAs and project management.

Daily Stand-Up Morning Assignments and Evening Checkouts

Deloitte will facilitate the stand-up morning meetings and evening checkouts. We are strong believers in the "on the spot" accountability that such meetings provide. We will work with the state to structure the meetings, but believe the following are best practices that should be considered for such a structure to be efficient:

- **Time limited.** Meetings are limited to 15 – 30 minutes.
- **Issue Focused.** Meetings are focused on identifying issues that affect timeline, scope, etc. If things are on track, no need for an extensive report out.
- **Mandatory attendance.** Meetings are mandatory for key participants – delegation upon delegation will reduce the effectiveness of these meetings.
- **Quick decisions.** while getting to an answer is important, if a subset of the participants need to meet and decide, do that outside the meeting – respect the group's time.

Technical Support and Quality Assessment

Deloitte will work with the state to create quality management procedures relative to system quality and identify areas that require remediation. Some of the techniques that we may use include:

Areas	Criteria
System Demonstrations	System demonstrates the required functionality relative to the release requirements
Documentation Evaluation	Review System documentation for completeness
Documentation Evaluation	Conduct independent user acceptance testing to verify results against expected results

Table 15. Remediation identification techniques

Testing Support

As indicated above, Deloitte can organize and run the User Acceptance Testing portion of the project. In addition, we have a deep knowledge of the business of health insurance exchange and can help the state review and or create scenarios related to unit testing, feature testing, regression testing, end to end testing, and performance testing as required.

Documentation Evaluation and End User Training

Deloitte recognizes that the VHC system will exist for a long time into the future. As such, it is important not only that the system function, but that it can be maintained and supported into the future. As part of our release management processes Deloitte can verify that the information provided as part of the release is sufficient. Deloitte is familiar with the CMS standards having gone through the gate reviews on all of our SBM projects. We will use this knowledge as we help to evaluate the deliverables.

Perhaps, more importantly, one of the most critical tools in assuring documentation completeness is the Deliverable Expectation Document. This document outlines what documentation is acceptable to consider the release accepted. If VHC currently has such agreements with the vendor Deloitte can use our technical and functional team members to help verify completeness. If a set of deliverable expectations has not been created we can work with the state and the vendors to create such documentation and then evaluate against it.

We have provided insight into our comprehensive training approach in the section labeled training above. We will work with the training team to determine if any additional processes need to be implemented to assure training material completeness and to monitor the results of ongoing training. In addition, as mentioned above, we believe that a single comprehensive workplan that includes all vendors and related activities (such as training) is essential to allowing the project overall to facilitate not just a timely implementation but a coordinated one.

Workstream 5: IT & Solution Development

RFP Reference
Scope may evolve to include system development activities. • Provide information regarding relevant system development capabilities, including architectural, development, quality assurance, release management, M&O activities and documentation. – Describe your experience, skills and available resources related to SOA development utilizing Oracle products (SOA Suite/OSB) and Siebel configuration. – Describe HIX-relevant QA experience

Our Oracle Practice

Deloitte has been recognized as a top Oracle implementer. Gartner, an independent research organization, named Deloitte Magic Quadrant Leader for CRM service provider in both North America and Europe. Over the last six years, we have earned more Oracle Titan awards than any other system integrator. With over 13,000 practitioners and over 1,500 Oracle implementations Deloitte is consistently recognized as leading Oracle implementation practice.

Deloitte's close relationship with Oracle results in:

- Siebel's first Global Strategic Alliance Partner (established 1998)
- Deloitte Consulting typically works with Siebel product releases since pre-beta versions, and has helped to design functionality in the latest releases
- Collaboration around innovative product development
- Leader in the financial services solution
- Strong relationship with product marketing & engineering (product design, fixes, upgrade direction, etc.)

Key Awards

2012

- Global Applications Partner of the Year
- Oracle Excellence Awards for:
  - Global Systems Integrator (SI) Application Momentum
  - Cloud Computing
  - Consumer & Retail Industry
  - Manufacturing & Distribution
  - Oil & Gas Industry
  - Supply Chain Management

2013

- Global Industry Partner of the Year
- Oracle Excellence Awards for:
  - Manufacturing & Distribution
  - Security & Identity

Our awards and recognition demonstrates the world-class service clients can expect from Deloitte

VT_HIX_018

Figure 13. Deloitte Key Awards.

Our Capabilities

Deloitte Consulting has a leading Oracle- Siebel practice with a track record proven by customer satisfaction scores.

Oracle – Siebel Capabilities	Oracle – Siebel Results
• Over 1,500 projects delivered to date by 1,300+ Siebel trained practitioners globally • Four offshore Deloitte own facilities in India with over 5,000 individuals across the Deloitte functions • Siebel integrated Tools and Methodologies including – Value Map for Siebel – Capability /Print Mapped to Siebel – Process, Requirements Fit/Gap & LOE Database – Siebel UI Design Accelerator – Cost effective delivery model	• Exceptional customer satisfaction results with highly referenceable clients • First Siebel Partner of Excellence Award for North America (2000) • First Siebel Customer experience blueprint endorsed systems integrator (2005) • Gartner recognition as the market leader in its Magic Quadrant for CRM services Providers Worldwide from 2006 to 2013

Table 16. Oracle-Siebel Capabilities.

Our Approach

Deloitte brings to VHC, Enterprise Value Delivery (EVD) methodology - a set of methodologies, tools, and accelerators developed over thousands of projects, provides consistent implementation approach across Oracle packages. It presents a robust collection of deliverable templates, sample deliverables, and accelerators promoting consistent delivery, quality service, and measurable value. It is supported by a strong program governance and planning structure that organizes and manages the work required to deliver a solution on time and within budget.

Output from Streams 1 & 2 will determine the scope of Stream 5. We are proposing a four phase approach that combines insights and output gathered from Stream 1 & 2, our experience with other states HIX engagement using the similar Oracle technology stack and leverages our methodologies, tools and accelerators.

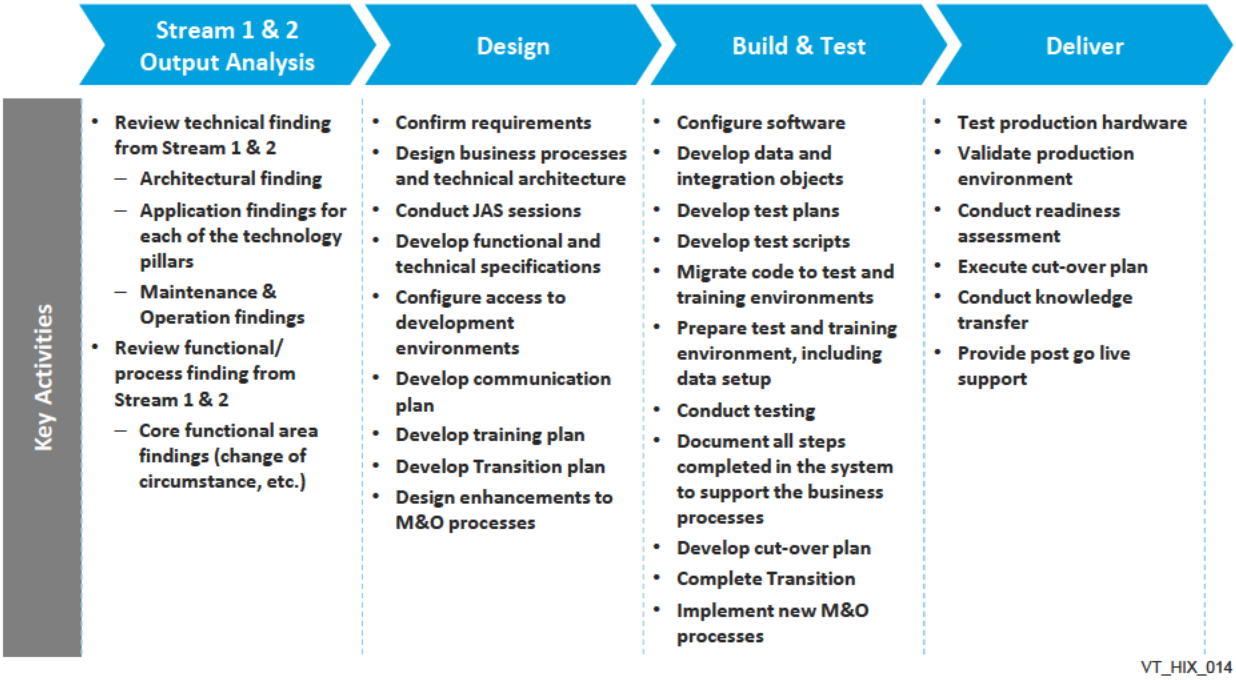


Figure 13. Workstream 5 phase-based activities

Quality Assurance

Based on our experience in implementing HIX solution for other states, our solution offering comes with over 3000 Integration testing scenarios that we can leverage and has the knowledge to cross reference test with CMS blueprint scenarios that will be instrumental in the process of certifying the exchange. We will work with VHC to outline additional test cases to test the components that integrate with existing assets and for any approved change requests.

Operational readiness test is the final check to validate that VHC State Based Marketplace performs all required functions, interacts seamlessly with all external entities, and supports all scenarios that are handled. The success of the operational readiness test determines whether the system is ready for implementation. With a broad set of operational readiness scenarios already in place for the solution, Deloitte elaborates on the existing cases in order to cover any additional scenarios due to enhancements for YHI. These scenarios include tests for readiness to correctly process all inputs including participant applications, meet all reporting requirements, successfully communicate with all external agencies, and have a reliable back-up capacity plan in place.

Deloitte's quality assurance is an organized, well documented, and structured process for managing and executing functional, technical, and deployment testing to drive effectiveness. Our approach delivers maximum quality, a realistic schedule, and reduces performance risk to the implementation. We use a layered functional testing approach comprising of the testing types shown in the following graphic:

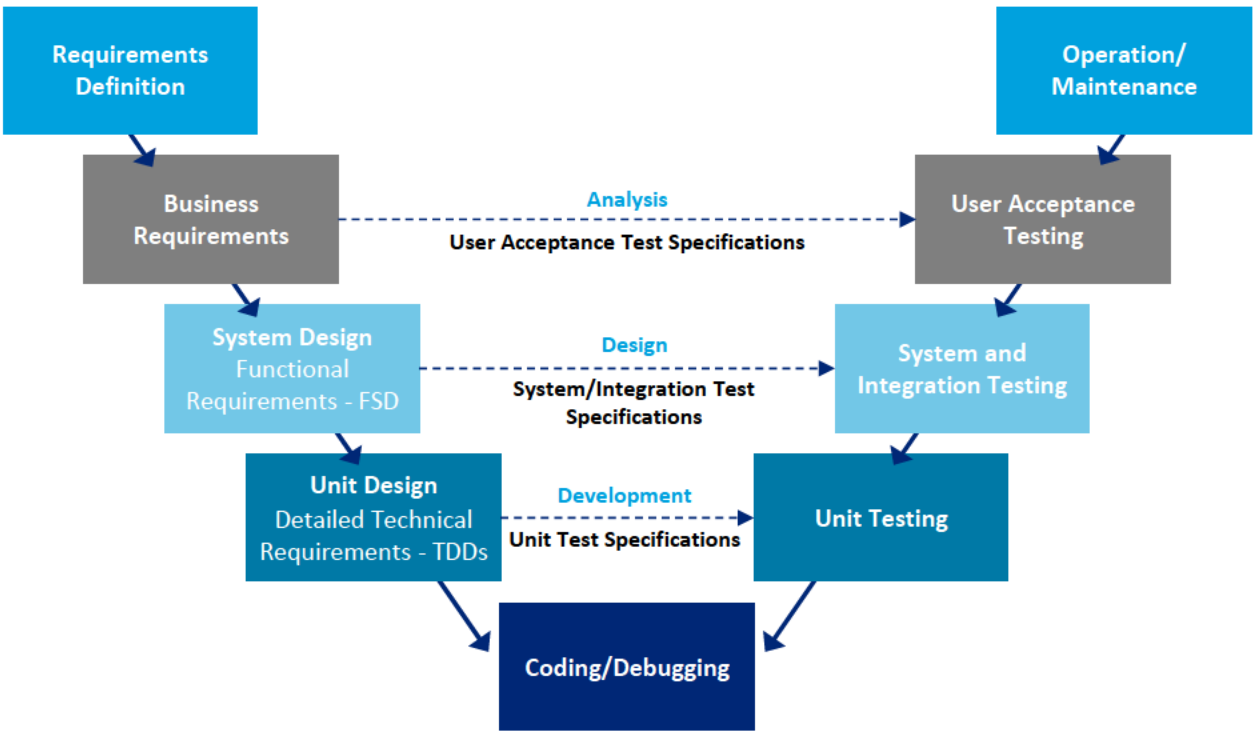


Figure 14. Layered functional testing approach

Our testing approach is collaborative, requiring close teaming. We will work closely with you to develop mutually agreed upon test 'entry criteria' and 'exit criteria' that will form the basis of test 'acceptance criteria' and 'sign-off' procedures. Entry criteria are defined to verify readiness for a particular test phase. Defect categories and priorities serve as the basis of test reporting and the criteria for exiting test cycles. Exit criteria validate the desired results of each test cycle. The exit criteria define the acceptable test case present complete and category/priority of defects unresolved for each cycle. It is a possibility that the exit criteria will differ for each test cycle.

Release Management

VHC will benefit from our production-proven approach to release management that reduces operational risk and improves the attainment of release dates. Our approach to release plan delivers detailed actions to successfully deploy releases to each of your environments.

At the root, release management involves the following components:

Activities		Key Considerations
Planning the release	• Prioritizing the components that go into the release (these may be defects or enhancements) • Determining Level of Effort • Finalizing release components • Determining Release Date	Frequency of releases is very important. While there are times when emergency releases are called for, they should be as infrequent as possible to support a more informed release management process.
Developing the release	• Developing software components • Testing • Preparing and delivering training and communication	
Overseeing the release	• Regular monitoring of release components against the workplan	Regular reporting from system development vendors is essential. Most releases will require multiple vendors to come together on a single date. Any slippage must be tracked and mitigated quickly
Implementing the release	• Executing the move of the software to production • Informing users of the components of the release	
Monitoring the release	• Monitoring system performance post implementation • Monitoring post implementation user issues through help desk, call center, etc.	

Table 17. Release management steps

Maintenance & Operations

The M & O team will primarily focus on the restoration of functionality (break-fix) in the event that a user is unable to use that specific functionality. They will also focus on other application maintenance activities that ensure continued application availability. In the event of additional capacity, they can support development team activities.

The effectiveness of application maintenance and operations begins with the establishment and alignment of the key dimensions.

Dimension	Description	Key Component
Strategy	Determines the on-going strategy for the application management service delivery operation. This includes mechanisms for support/business alignment, goals for continuous improvement, budgeting, and the optimized sourcing strategy (e.g. onsite / offsite / offshore).	• Defined business/IT alignment process • Prioritization standards • Defined service delivery scope and objectives • Defined service delivery sourcing strategy • Planning and budget process and tool
Governance	Governance is the mechanism for evaluating and providing direction to the application management service delivery team. Operational standards are determined by the governance steering committee which also directs overall activities and performance.	• Governance Structures & Procedures • Service Level Objectives • Standards & Controls • Communication plan • Quality assurance standards • Project management standards • Prioritization process • Financial management tools and process
Organization	The application management service delivery organization reflects the support strategy for IT business alignment (centralized v/s decentralized) and the sourcing strategy. The organizational design includes roles and responsibilities and the human resource processes to attain, train and retain the necessary talent.	• Roles, responsibilities and reporting relationship document. • Knowledge transfer, training and development plans (cross-training) • Staff acquisition and retention processes • Staff performance management
Processes	Processes include the ITIL processes required for effective application management and the mechanism for measuring effectiveness against service levels. The processes will reflect the strategies, particularly those associated with service delivery objectives and sourcing.	• Documented service processes for service desk, incident management, problem management, release management, escalation management and change management among others. • Transition plan • Templates/ training required for process execution
Technology	This will include the technologies that are used to manage and measure service delivery.	• Service Desk technology • Knowledge management technology • Support tools • Infrastructure

Table 18. Application Maintenance and Operation considerations

The Maintenance & Operations need to follow basic guidelines in order to provide a consistent quality support. The diagram shows the suggested ITIL compliant approach.

- Establish a team of resources that are dedicated to provide support for the incidents that need to be fixed in the short term and perform problem management for permanent fixes
- Establish a clear delineation of responsibilities between support and development work
- Establish the scope of work to be undertaken by the support team
- Evaluate the size of the team based on technological, defect loads, expected load on the applications.
- Establish a process to transition knowledge to new support resources
- Size the hours and identify the locations for application support based on the expected workload and expected defect volume. Provisions should be made to provide emergency support on an as-needed basis
- Establish a ITIL based process to manage incidents, defects and changes
- Establish a release management process to provide defect fixes on an emergency as well as scheduled basis

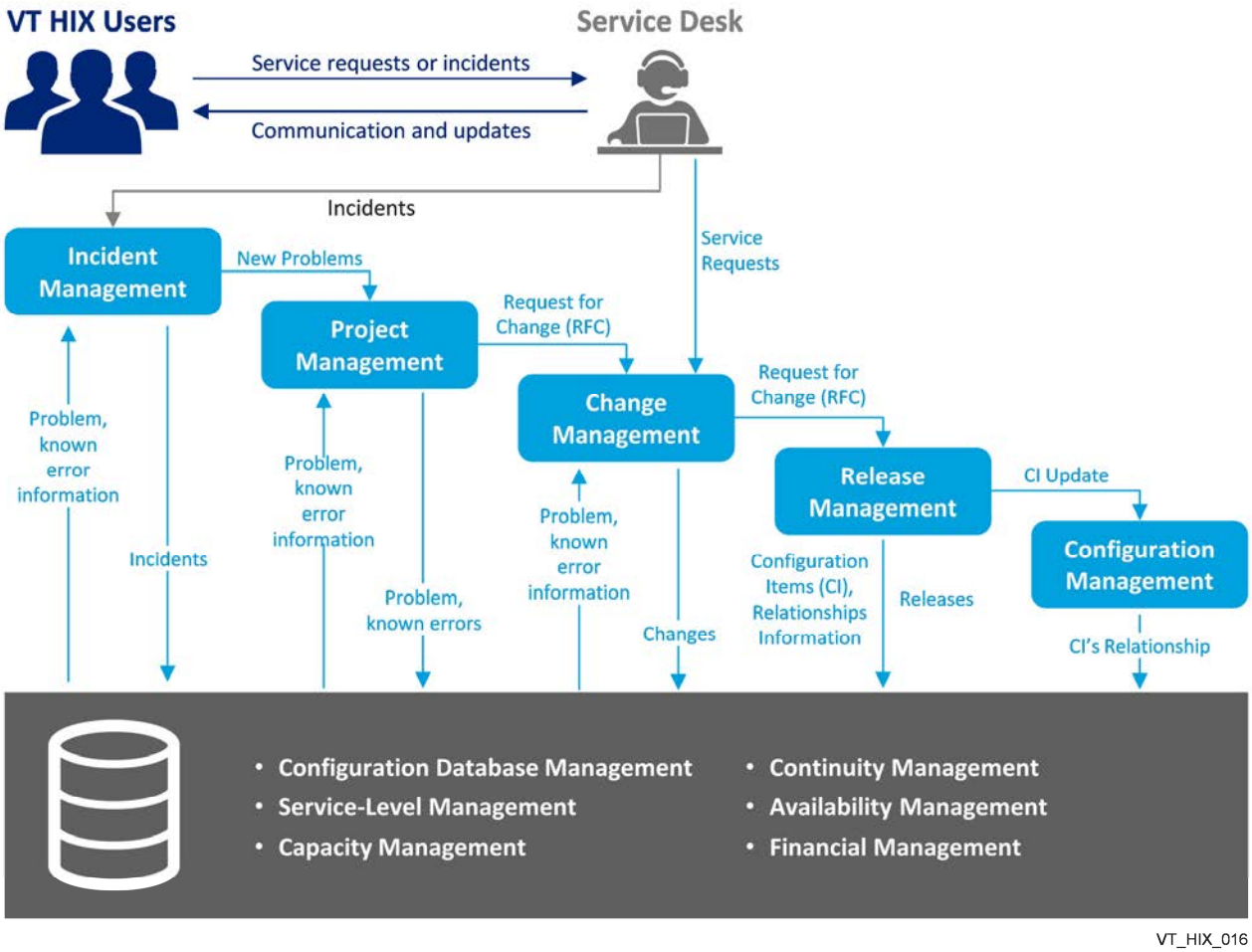


Figure 15. Service Desk and ITIL model

Staffing

RFP Reference

For each work stream, describe your proposed approach, timeline (assume a June 2 project start), key specific staff (including bios or resumes), volume of personnel resources, a rate card that is applicable to that workstream, and a budget approach for the SOW described above.

A PARTNERSHIP BETWEEN DELOITTE AND VERMONT

The most important ingredient in our recipe for the success of the Vermont HIX solution is the people who will make it happen – on your team and ours. Our staff brings the right mix of skills, talent and experience necessary to successfully complete this critical initiative. We have brought together professionals who have recently lead requirements sessions, created designs, developed the code, tested the code and assisted clients in UAT and guided our clients in post October 1, 2013 enhancements.

> "Your entire team's dedication and commitment to our success and your tireless work ethic was a sight to behold and I have been and continue to be proud to engage Deloitte as our trusted partner as we enter this new market....
>
> You all have been a model of consistency as well as excellence and have taught this new and growing organization many things along this incredible journey."
>
> **Curt Kwak, CIO**
> Washington Health Benefit Exchange

We have experience in working with carriers to develop Plan Management functionality that accurately displays plan information for both the SHOP client and the individual and allows clients the ease of either browsing for a health plan option or purchasing. We've worked with our Exchange clients to produce complex composite rating SHOP options and Cobra compliance and we have been successful in creating the 834 interfaces with carriers and reconciliation files for CMS. In short, this team has spent the last two years working intimately with the SBMs and FFM and is eager to bring their knowledge to Vermont.

Our staffing approach combines careful analysis of your RFP with the proven project management and governance organizational structure used on our other ACA Exchange projects – including 4 SBMs and 14 FFM states. We are leveraging this proven approach and the related assumptions we have made to arrive at a staffing plan that:

- Puts the right people in the right place at the right time and varies staffing levels by phase. The staffing composition is larger during the first 60 days of the project and scales down appropriately after 60 days through the duration of the project
- Provides flexibility in resource types to account for slight shifts in project needs up or down to meet Vermont's needs over the contract duration
- Provides consistency in key roles with people that have delivered on SBM implementations

Deloitte provides the following detailed biographies of our proposed personnel.

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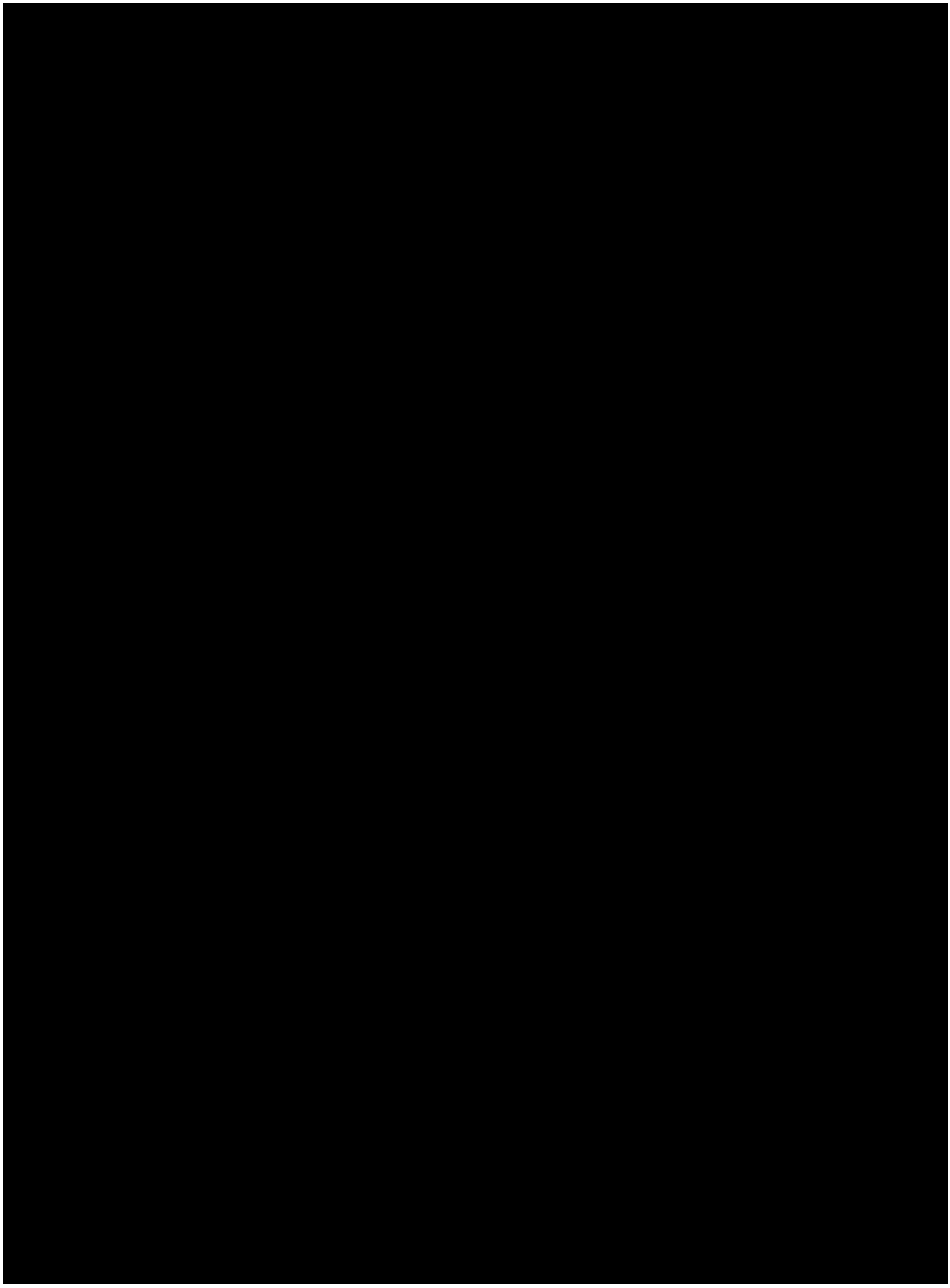

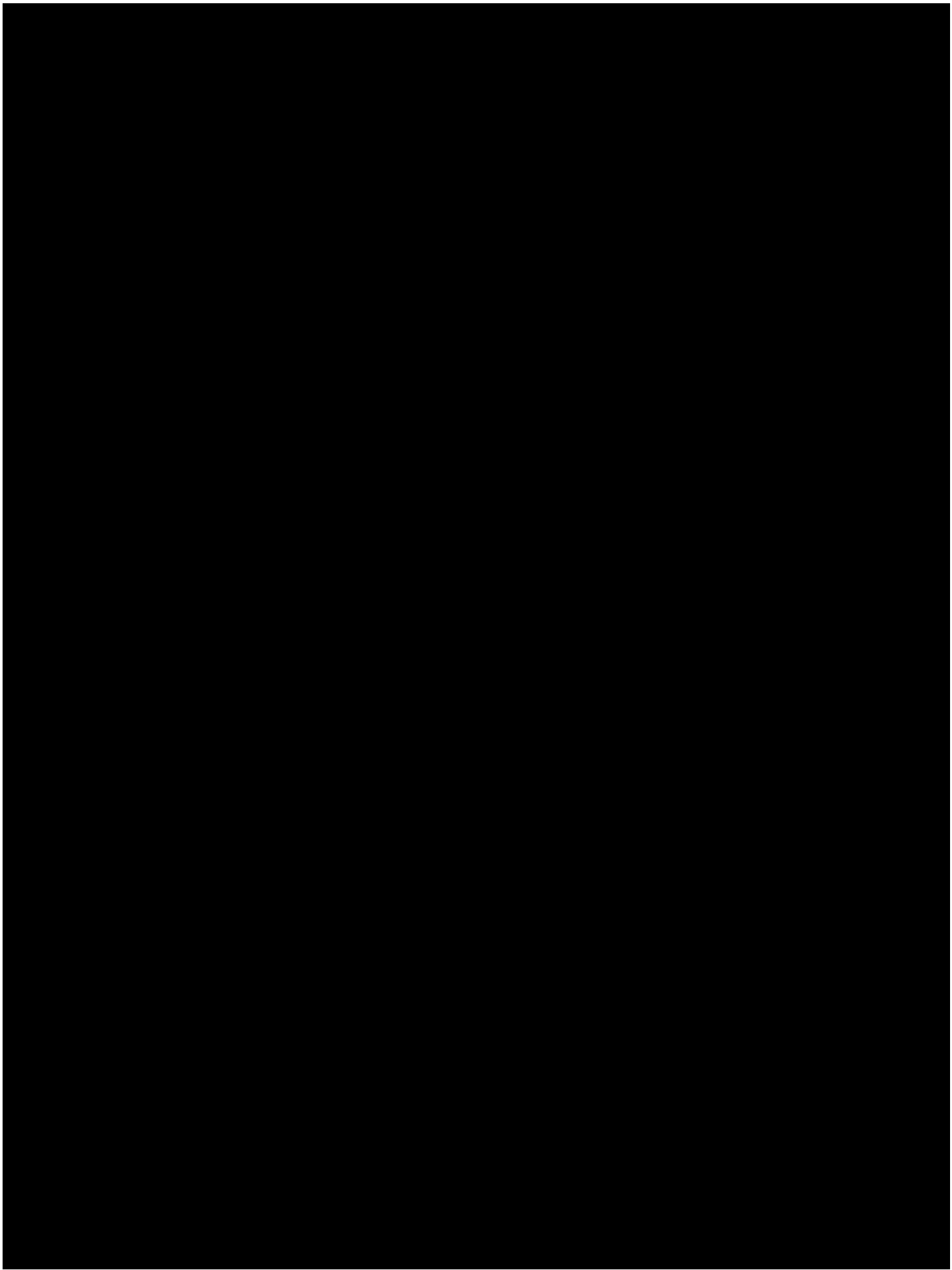

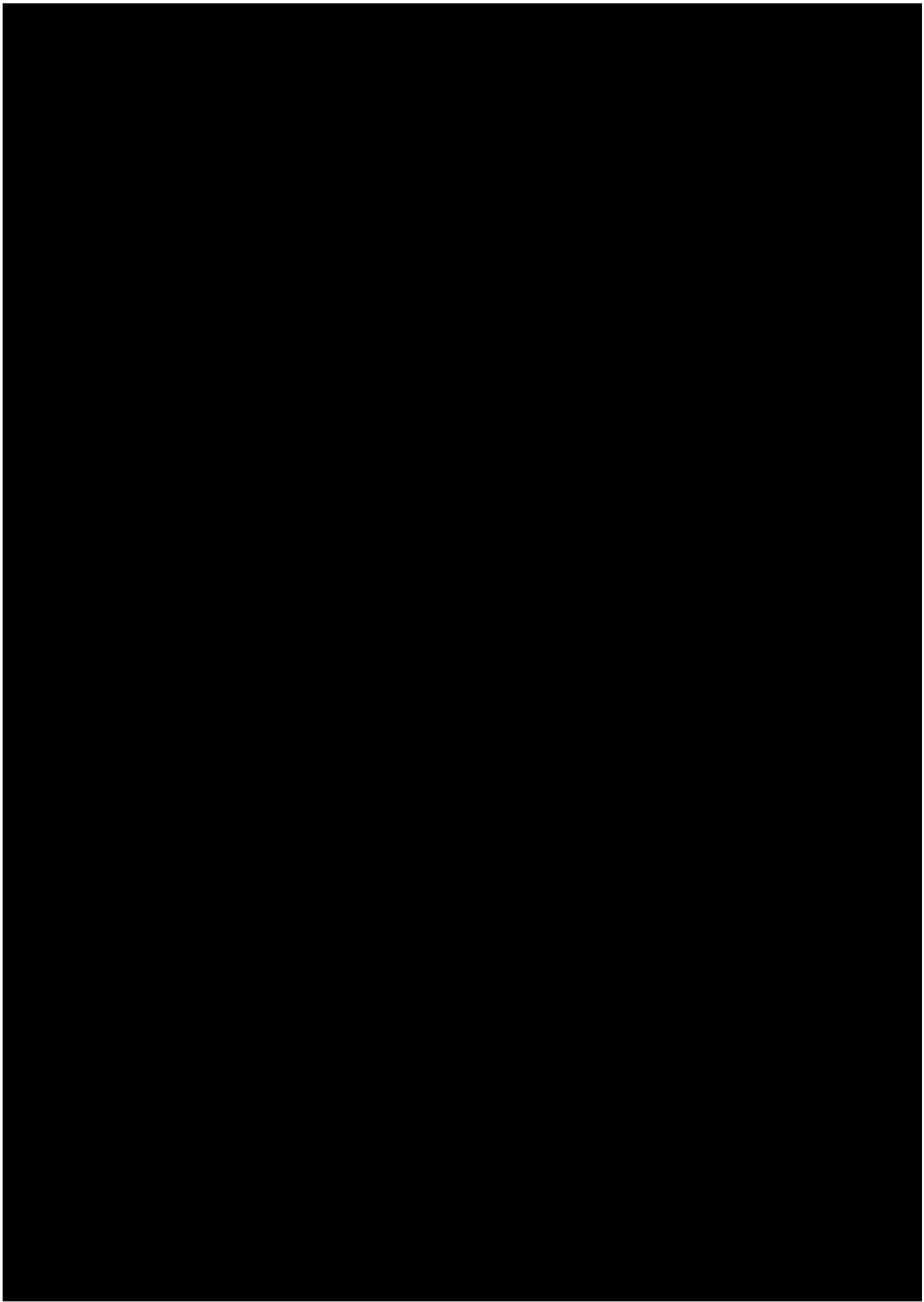

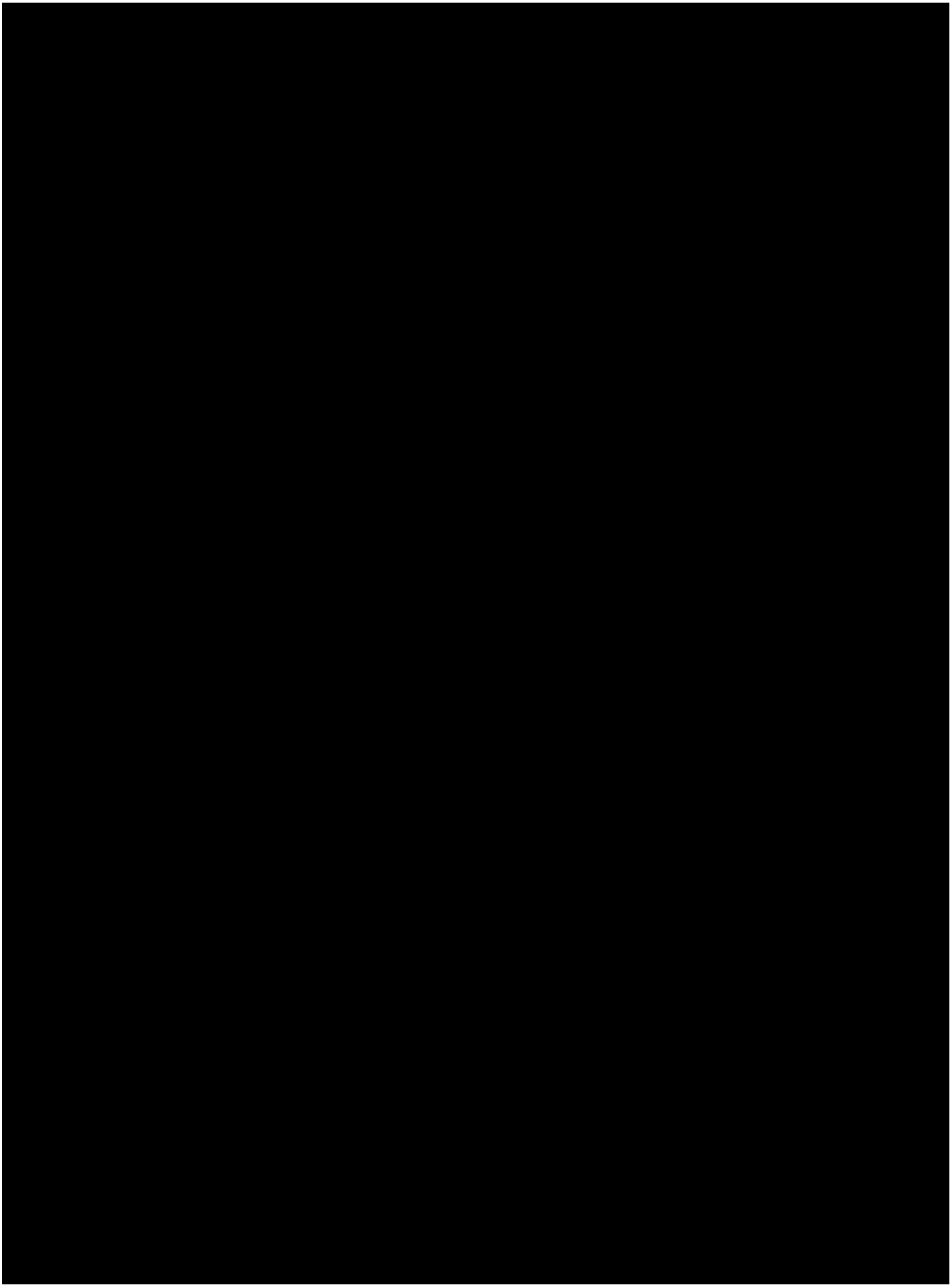

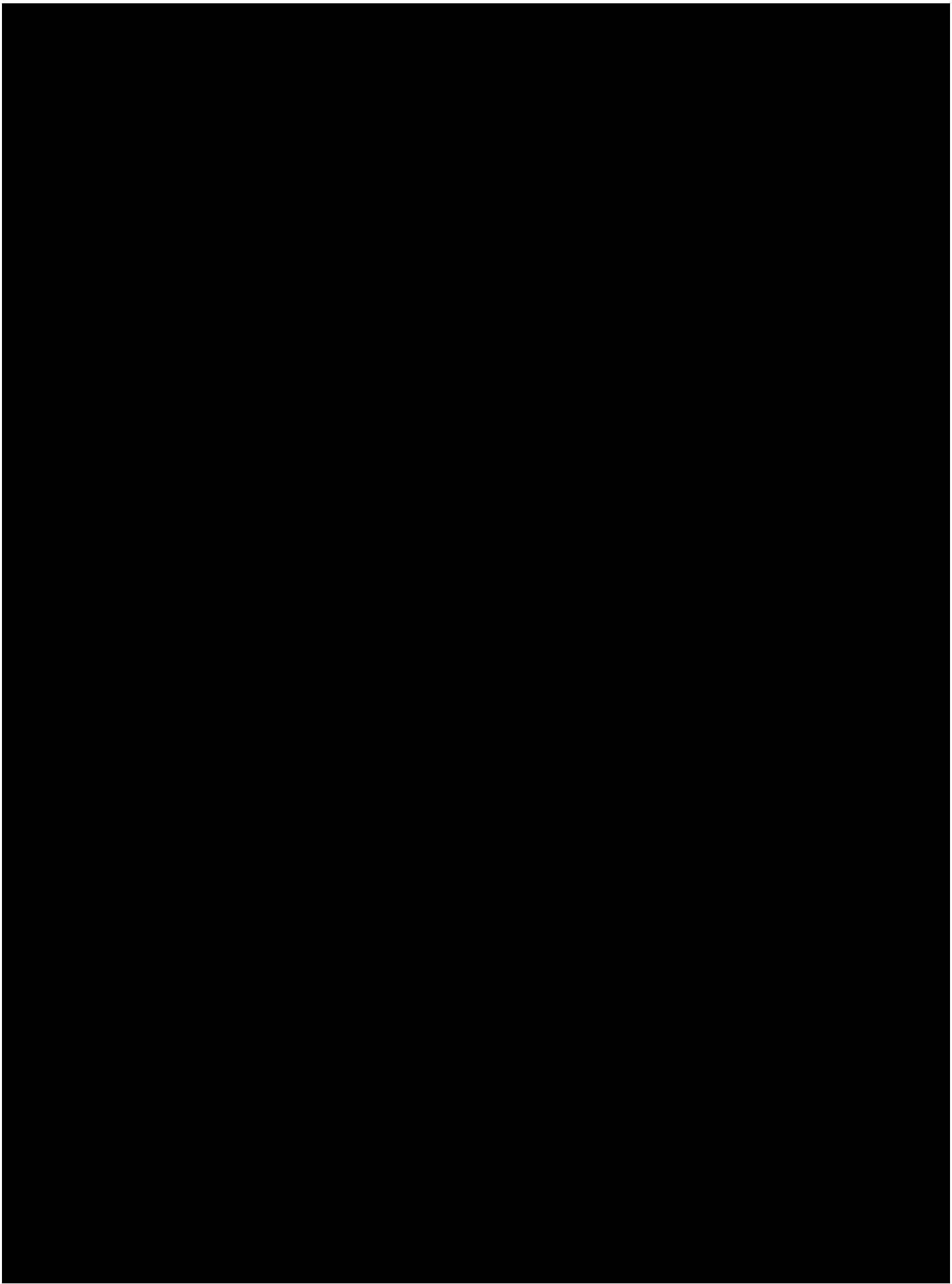

Budget

RFP Reference
Regarding your proposed budget, we are looking for your overall approach and a preliminary budget figure for each workstream. Your approach may be based on a rate card, a global budget by workstream as a whole, or a budget estimate by week, month or other variable unit based on the number of labor resources proposed. Your proposed budget by workstream will be considered preliminary. Specific scope and budget for each workstream will be finalized in the form of a negotiated Task Order under a master contract.

OVERALL APPROACH AND PRELIMIARY BUDGET FIGURE

We are pleased to provide you the budget for the IT Evaluation and Remediation & Operations Support project. Our approach to defining the budget focused on identifying the most appropriate way to represent cost for each of the work streams based on the information provided in the Statement of Work.

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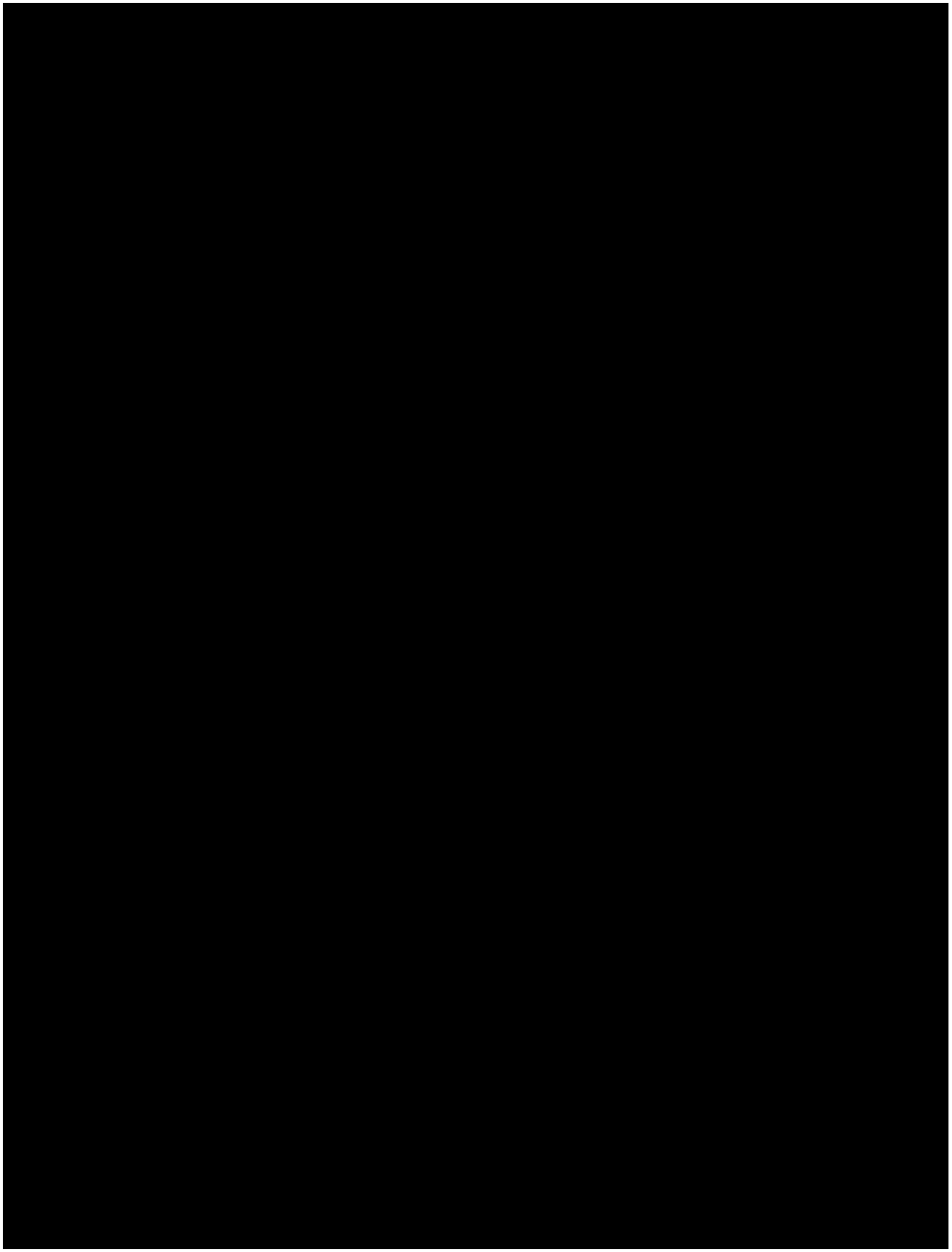

Qualifications and References

RFP Reference
Provide a capability statement and qualifications; work for other state-based exchanges and federal exchange is particularly relevant.

QUALIFICATIONS

Throughout the proposal, we have provided a number of references to our qualifications. To highlight a few:

- Deloitte is the only organization to successfully design, develop, and install 4 State Based Marketplaces (SBMs) for the initial enrollment period in October 2013.
- We have implemented 14 projects related to eligibility and the Affordable Care Act (ACA). We have the SBM experienced team with the depth of capabilities to lead an SBM project team.
- Deloitte is a premier system integrator, serving thousands of clients in the management of multi-vendor systems implementations across all industries with a focus on the intersection of Health Care and Public Sector.
- We are the largest health care consultancy in the United States according to Kennedy Consulting
- Deloitte has implemented more eligibility systems in the United States than any other vendor – 23 and growing!
- With over 1500 Oracle implementations, Deloitte was recognized by Oracle as the Global Industry Partner of the Year
- Deloitte S&O is the #1 Strategy organization globally in terms of breadth of capabilities and global aggregate revenue and a leader in Business Operations Consulting globally in the "ability to execute" axis
- Our Human Capital practice is the largest in the world

What this means to VHC is that we have the resources for the challenges you have today and we have the resources for the challenges you may have in the future.

As we see it, there are three important criteria that Deloitte should bring to the table in a successful collaboration with Vermont HIX. While we have deep experience in each of these areas, we will provide a reference one specific example that illustrates each criterion and how it applies to our relationship with Vermont HIX. We would be happy to provide further specific references should you find it necessary.

- **Collaboration with the state and vendors for implementation of an SBM**. Deloitte implemented 4 state exchanges (CT, KY, RI, WA), each of which is recognized as a model performer. We reference in the next section our partnership with KY.
- **Partnership with a public sector client for program management and enhancement of a current SBM.** Deloitte has been chosen as a partner for remediation of exchanges in several states (for example MD, MN, NV, OR). We reference in the next section our partnership with Oregon.
- **A deep knowledge of the Seibel technology in the public sector.** We have delivered several large transformation and Oracle Siebel CRM implementation programs aligned with the VT HIX scope. We highlight here 3 recent Deloitte public sector partnerships and reference in the next section our partnership with the Province of British Columbia.

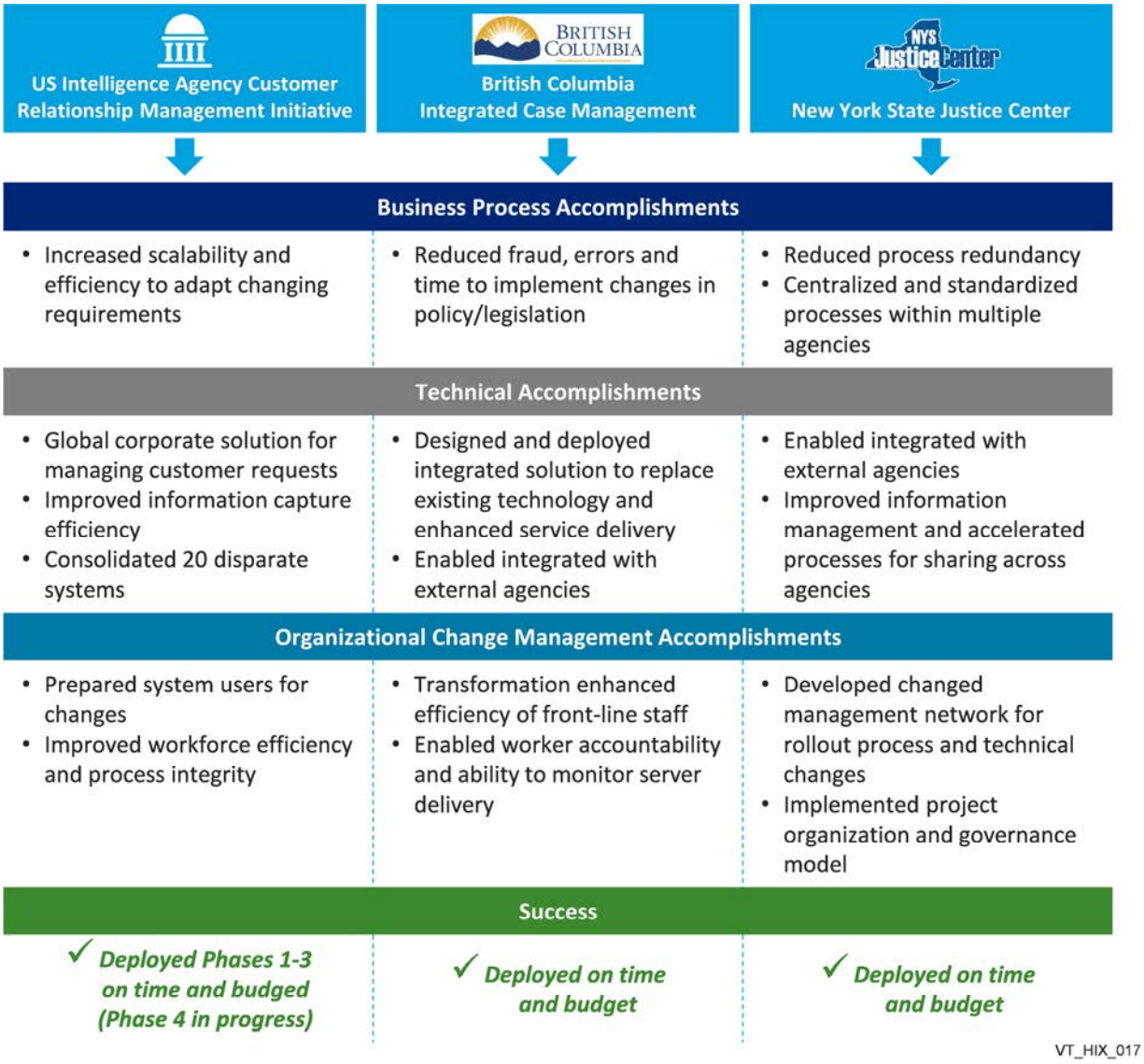

Figure 17. Recent successful engagements

SPECIFIC REFERENCES

[redacted]

Brief Description of the Project/Initiative	Start Date	Completion Date
• Deloitte designed, developed tested and successfully implemented Kentucky's Individual and SHOP State Based Marketplaces – kynect • Plan management, real-time eligibility (including rules engine) and enrollment, shop and compare, financial management, interfaces (State, Federal, and Carrier) and account management, stakeholder engagement and training	October 2012	Present

Relevance to VT HIX

- Demonstrates Deloitte's ability to build – from start to finish - successful state Health Insurance Exchanges
- Demonstrates strength in project management for large multi-track programs
- Demonstrates expertise in healthcare regulation and compliance
- Demonstrates post-go –live systems integration support for a Health Benefits Exchange
- Public sector project. The successful implementation demonstrates Deloitte's understanding and experience with public sector projects

[redacted]

Brief Description of the Project/Initiative	Start Date	Completion Date
• Advised Cover Oregon on Health Benefits exchange enhancement and stabilization • Performed a technology deep dive of the Cover Oregon Solution to facilitate the development of a roadmap which outlined the future remediation and enhancement items, including timing and an estimated effort range • Assessed Cover Oregon's technical solution including: Siebel, WebCenter, OBIEE, PeopleSoft, OAM/IAM, MDM, OPA, Enterprise Search, UCM, BIP, Enterprise Manager, and SOA • Functionally assessed Cover Oregon's solution based on Key Functional Capabilities and the completeness of their delivery	February 2014	April 2014

Relevance to VT HIX

- Advised Cover Oregon on Health Benefits exchange enhancement and stabilization
- Performed a technology deep dive of the Cover Oregon Solution to facilitate the development of a roadmap which outlined the future remediation and enhancement items, including timing and an estimated effort range
- Assessed Cover Oregon's technical solution including: Siebel, WebCenter, OBIEE, PeopleSoft, OAM/IAM, MDM, OPA, Enterprise Search, UCM, BIP, Enterprise Manager, and SOA
- Functionally assessed Cover Oregon's solution based on Key Functional Capabilities and the completeness of their delivery

[redacted]

• Designed an integrated case management solution to replace existing technology and enhance service delivery • Conducted JAD sessions for core functions, including that for business process reengineering and requirement validation • Established requirements, built and tested end to end scenarios • Developed and implemented an end-to-end integration strategy from requirements to implementation and support • Leveraged Enterprise Value Delivery (EVD) for Oracle • Created collaborative plans for change management to implement process and technical changes • Developed centralized repository to collect and share data across programs • Implemented a HP hosted solution using Oracle Policy Automation (OPA)for managing policy regulations and integrating with Oracle Siebel solutions	Scheduled to deploy in October 2014.	

Relevance to VT HIX

- Demonstrates Deloitte's capability to successfully integrate Oracle Policy Automation (OPA) with Oracle Siebel Public Sector 8.2.1 in a complex multi-tiered environment
- Demonstrates Deloitte's hosted solution implementation
- Demonstrates end-to-end integration experience moving from initial strategy to implementation
- Involves process, people and technology skills and disciplines: business process reengineering, best practice deployment, operational and technology integration and transformation
- Includes successful delivery of integrated case management solution within a short time frame
- Demonstrates Deloitte's effective solution for information collection and sharing between multiple agencies
- Public sector project. The successful implementation demonstrates Deloitte's understanding and experience with public sector projects

Assumptions

Assumption
VHC will provide timely review and approval of all work products in a timely manner in compliance with the mutually agreed upon project plan.
VHC resources that are critical to the overall success of the project will be available at all times throughout the project duration.
VHC shall cooperate in providing Deloitte with reasonable facilities and timely access to data, information and personnel of the VHC; providing experienced and qualified personnel having appropriate skills to perform their assigned tasks and duties in a competent and timely fashion; (iii) providing a stable, fully functional system infrastructure environment which will support the Services and allow Deloitte and the VHC to work productively; and (iv) promptly notifying Deloitte of any issues, concerns or disputes with respect to the Services.
VHC, Deloitte, project stakeholders, and any necessary Executive Steering Committees will be available to meet regularly to discuss and mitigate project risks, issues, and milestones.
VHC will provide timely decisions to pending questions or issues necessary to the completion of a project phase prior to the respective project milestone. VHC will be responsible for additional costs incurred by Deloitte should VHC resources not be able to provide responses in a reasonably timely manner.
VHC will provide necessary hardware and environments for testing of the application including mobile environments.
Deloitte assumes that VHC will provide project facility for Deloitte team members to perform project activities. In addition, we assume that the VHC will provide conference rooms to facilitate requirement, design sessions, user acceptance testing and meetings as needed.
VHC will provide necessary hardware, software, network infrastructure, and technical support for connectivity to facilitate remote connection for off-site resources.
Deloitte will be allowed "24/7" access to office space, servers, and environments
Deloitte will support VHC in identifying the types of resources required to conduct the project, helping define the project timeline, identifying risks and mitigation plans, and identifying issues and resolutions. However, Deloitte will not be responsible for any project constraints (e.g., timely availability of VHC resources or lack thereof, schedule delay) and resulting impact to schedule and cost.
VHC personnel assigned will have the appropriate experience, availability and decision-making authority. This includes meeting all necessary time commitments. They will have the role and authority to represent their various functions. They will also be responsible to speak for, approve of, and communicate for their respective businesses
VHC personnel assigned will have the appropriate experience, availability, and decision-making authority. This includes meeting all necessary time commitments. They will have the role and authority to represent their various business units and functions. They will also be responsible to speak for, approve of, and communicate for their respective business functions.
VHC and Deloitte will mutually agree upon the tools to be utilized throughout the project
VHC's personnel will be available to answer questions relevant to this engagement in a timely manner
VHC will provide the URLs and VHC software where applicable for web application testing
In the event that Deloitte is requested to provide any services for items that are out of scope, Deloitte and VHC will mutually agree on the scope, approach and fees/hours and resources to be assigned for such services.
Deloitte assumes the Project Work Plan will not deviate materially from the activities, durations and timeline as included in the proposal and that VHC will promptly approve the Project Work Plan so as to not impact the project or other payments to Deloitte.
Deloitte acknowledges and understands that VHC intends to provide the applicable security regulations and VHC's procedural requirements for the protection of confidential data. We assume these will be provided as part of contract discussions and assume the regulations and requirements will not cause a material change or impact to our planned approach.
Deloitte assumes VHC shall cooperate with Deloitte hereunder, including, without limitation, providing Deloitte with reasonable facilities and timely access to data, information and personnel of VHC. VHC shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to Deloitte for purposes of the performance of the Services and VHC shall promptly notify Deloitte of any issues, concerns or disputes with respect to the Services. VHC acknowledges and agrees that Deloitte's performance is dependent upon the timely and effective satisfaction of VHC's responsibilities hereunder and timely decisions and approvals of VHC in connection with the Services. Deloitte shall be entitled to rely on all decisions and approvals of VHC. In the event VHC fails to perform its responsibilities and the Deloitte's planned performance is delayed or disrupted as a result of such failure, Deloitte will be provided equitable relief, including adjustments to the performance schedule and additional compensation to address the impact resulting from the VHC's failure.
The Application Portal Custom code and source code will be available for us to perform the automated security code review beginning week 1.
VHC will be responsible for providing resources and documentation required for the assessment within 2 business days of request.

Table 21. Assumptions.