



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: July 19, 2013
Subject: Grant Requests

Enclosed please find two (2) items that the Joint Fiscal Office has received from the administration, including the establishment of seventeen (17) limited service positions.

JFO #2631 – \$1,158,875 grant from the Federal Emergency Management Agency to the Vermont Agency of Transportation. These funds will be used to provide federal disaster assistance for damages caused by the severe storm and flooding on May 26, 2013 in Chittenden County, Lamoille County, and Essex County.

[JFO received 07/18/13]

JFO #2632 – \$42,687,000 grant from the U.S. Department of Health and Human Services to the Department of Vermont Health Access. These funds will be used for planning and implementation of the federal mandated health benefits exchange (Vermont Health Connect), including premium processing, call center activities, and integration of existing state health coverage programs into the exchange environment. This request includes establishment of **seventeen (17) limited service positions**.

[JFO received 07/19/13]

These items will be placed on the agenda for action at the Joint Fiscal Committee's July 23, 2013 meeting.



State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

[phone] 802-828-2376
 [fax] 802-828-2428

Agency of Administration

SFO 2632

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

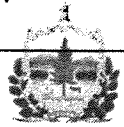
Grant Summary:	This grant will be used for continued planning and implementation of the Health Benefits Exchange, Vermont Health Connect.				
Date:	7/17/2013				
Department:	Department of Vermont Health Access				
Legal Title of Grant:	Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges				
Federal Catalog #:	93.525				
Grant/Donor Name and Address:	Center of Consumer Information and Insurance Oversight, US Department of Health and Human Services, 200 Independence Ave., Washington D.C 20201				
Grant Period:	From: 7/9/2013		To: 7/8/2014		
Grant/Donation	\$42,687,000				
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$41,701,915	\$985,085	\$	\$42,687,000	

	# Positions	Explanation/Comments
Position Information:	17	All LSP end dates correspond with the end of the grant (6/30/2014).

Additional Comments: Funding for this grant is restricted until DVHA and CMS agree upon an acceptable cost allocation methodology. Expedited approval of this grant is required to meet the October 1st open enrollment date. See the attached memo for additional grant details.

Department of Finance & Management	<i>[Signature]</i> 7/18/13	(Initial) <i>EB</i> 7/17/2013
Secretary of Administration	<i>[Signature]</i> 7/18/13	(Initial)
Sent To Joint Fiscal Office		Date 7/19/13

RECEIVED
 JUL 19 2013
JOINT FISCAL OFFICE






State of Vermont
 Department of Vermont Health Access
 312 Hurricane Lane, Suite 201
 Williston VT 05495-2807
 dvha.vermont.gov

[Phone] 802-879-5900
 [Fax] 802-879-5651

Agency of Human Services

TO: Emily Byrne, Budget Analyst
 Department of Finance & Management
 Molly Ordway-Paulger, Director of Classification, Compensation & HRIS
 Department of Personnel

THRU: Doug Racine, Secretary
 Agency of Human Services

FROM: Mark Larson, Commissioner
 Department of Vermont Health Access 

DATE: Tuesday, July 16, 2013

SUBJECT: AA-1 request for Grant #1 HBEIE130147-01-00, Cooperative Agreements to Support Establishment of State-Operated Health Insurance Exchanges

The DVHA was recently awarded a Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges by the Center of Consumer Information and Insurance Oversight, U.S. Department of Health and Human Services. Through this grant award, CCIIO has provided \$42,687,000 in ACA funds to assist in Vermont's continuation of planning for design and implementation of the federally mandated American Health Benefits Exchange, Vermont Health Connect.

This is the State's fourth Exchange Establishment Grant and will support the design, development, and implementation of several major Vermont Health Connect components: premium processing, call center activities, and the integration of existing state health coverage programs (Medicaid, CHIP) into the new exchange eligibility environment. The State will also use funds to support the additional staffing and technological resources needed to ensure operational readiness on October 1, 2013.

To facilitate and manage these tasks, DVHA must hire the appropriate staff. The grant application includes funds for positions associated with Vermont Health Connect. The grant funds 17 FTE limited services positions to hire, which will be located at the DVHA Winooski office, the Human Services Board, Agency of Human Services Central Office and at the Department for Children and Families. This work cannot currently be done by staff already employed as the complexities and demands of successfully implementing this important grant require dedicated professional full-time focus. We are coordinating across Agencies to finalize the RFRs, 9 out of the 17 are included here. The remainder will be sent to you shortly for your review. *Remainder Received 7/16 EB*

With the Notice of Award, our federal partners confirmed what they had previously told us in a telephone call: we need to update and finalize our cost allocation methodology in advance of drawing down and spending the funds. Our Finance Team is working with CMS to negotiate our Health Services Enterprise Implementation Advanced Planning Document (HSE IAPD), which includes Vermont Health Connect funding. We will update you with this information as soon as the process is finalized.

We are working quickly to accept these grant funds as they are critical for the success of finalizing the development and implementation of Vermont Health Connect and staffing appropriately for open enrollment, starting October 1, 2013. If you have any questions or are in need of further information, please contact me directly. Thank you for your swift attention in this matter.



JUL 16 2013


State of Vermont
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston VT 05495-2807
dvha.vermont.gov

[Phone] 802-879-5900
[Fax] 802-879-5651

Agency of Human Services

TO: Martha Heath, Chair of Joint Fiscal Committee

THRU: Jeb Spaulding, Secretary Agency of Administration
Doug Racine, Secretary Agency of Human Services

FROM: Mark Larson, Commissioner
Department of Vermont Health Access 

DATE: Tuesday, July 16, 2013

SUBJECT: AA-1 request for Grant #1 HBEIE130168-01-00, Cooperative Agreements to Support Establishment of State-Operated Health Insurance Exchanges

The DVHA was recently awarded the State Planning and Establishment Grants for the Affordable Care Act's Exchange by the Center of Consumer Information and Insurance Oversight, U.S. Department of Health and Human Services. We are asking for the expedited approval process for this agreement due to the aggressive timelines and required completion date for this specific project of 7/8/2014.

With the Notice of Award, our federal partners confirmed what they had previously told us in a telephone call: we need to update and finalize our cost allocation methodology in advance of drawing down and spending the funds. Our Finance Team is working with CMS to negotiate our Health Services Enterprise Implementation Advanced Planning Document (HSE IAPD), which includes Vermont Health Connect funding. We will update you with this information as soon as the process is finalized.

All required and relevant grant documentation has been attached. If you require further documentation that what has been provided or if you have any questions, please feel free to contact me. Thank you for your attention in this matter.



VERMONT GRANT ACCEPTANCE REQUEST
Affordable Care Act (Form AA-1-ACA)

Priority Level (check one box):

Expedited 14 Days Normal 30 days

BASIC GRANT INFORMATION

1. Agency:	Agency of Human Services
2. Department:	Department of Vermont Health Access
3. Program:	State Planning and Establishment Grants for the Affordable Care Act's Exchanges
4. Legal Title of Grant:	Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges
5. Federal Catalog #:	93.525

6. Grant/Donor Name and Address:
 Center of Consumer Information and Insurance Oversight, U.S. Department of Health and Human Services,
 200 Independence Ave., Washington D.C. 20201

7. Grant Period: **From:** 7/9/2013 **To:** 7/8/2014

8. Purpose of Grant:
 The State of Vermont seeks a third Level One grant to fund the design, development, and implementation of several major Vermont Health Connect components. Funding would provide support for premium processing, call center activities, and the integration of existing state health coverage programs (Medicaid, CHIP) into the new exchange eligibility environment.

9. Impact on existing program if grant is not Accepted:
 Failure to enact the establishment of an exchange to fulfill the federal mandates included in the Affordable Care Act, signed into law in March of 2010.

10. BUDGET INFORMATION

	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2014	FY 2015	FY	
Personal Services	\$41,471,035	\$979,631	\$	Staff & Contracts
Operating Expenses	\$230,880	\$5,454	\$	Other Costs
Grants	\$	\$	\$	
Total	\$41,701,915	\$985,085	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$41,701,915	\$985,085	\$	
(Direct Costs)	\$40,548,227	\$957,832	\$	
(Statewide Indirect)	\$27,441	\$648	\$	2.5% of Wages
(Departmental Indirect)	\$1,126,247	\$26,605	\$	Included AHS Cap
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	
Total	\$41,701,915	\$985,085	\$	

Appropriation No:	Amount:	\$
3410010000		\$39,409,227
3400001040		\$140,908
3440010000		\$2,151,780

			\$
			\$
			\$
		Total	\$41,701,915

PERSONAL SERVICE INFORMATION

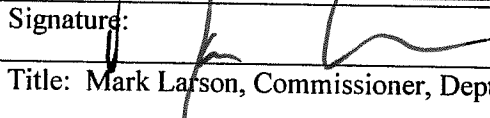
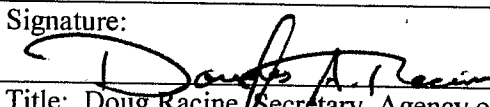
11. Will monies from this grant be used to fund one or more Personal Service Contracts? Yes No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.
 Appointing Authority Name: Mark Larson Agreed by: ML (initial)

12. Limited Service Position Information:	# Positions	Title
	17	See attached list
Total Positions	17	

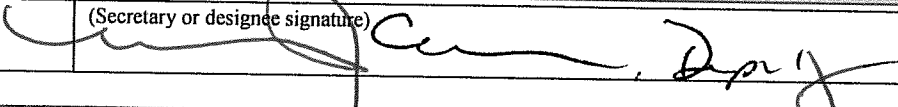
12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT


I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature: 	Date: 7.16.13
Title: Mark Larson, Commissioner, Dept Vermont Health Access	
Signature: 	Date: 7/18/13
Title: Doug Racine, Secretary, Agency of Human Services	

14. SECRETARY OF ADMINISTRATION

Approved:  (Secretary or designee signature) Date: 07/18/13

15. ACTION BY GOVERNOR

Accepted Rejected
 (Governor's signature) Date: 07/18/13

16. DOCUMENTATION REQUIRED

- Required GRANT Documentation**
- | | |
|---|---|
| <input checked="" type="checkbox"/> Request Memo | <input type="checkbox"/> Notice of Donation (if any) |
| <input type="checkbox"/> Dept. project approval (if applicable) | <input type="checkbox"/> Grant (Project) Timeline (if applicable) |
| <input checked="" type="checkbox"/> Notice of Award | <input type="checkbox"/> Request for Extension (if applicable) |
| <input checked="" type="checkbox"/> Grant Agreement | <input type="checkbox"/> Form AA-1PN attached (if applicable) |
| <input checked="" type="checkbox"/> Grant Budget | |

End Form AA-1

**STATE OF VERMONT
Joint Fiscal Committee Review
Limited Service - Grant Funded
Position Request Form**

This form is to be used by agencies and departments when additional grant funded positions are being requested. Review and approval by the Department of Human Resources must be obtained prior to review by the Department of Finance and Management. The Department of Finance will forward requests to the Joint Fiscal Office for JFC review. A Request for Classification Review Form (RFR) and an updated organizational chart showing to whom the new position(s) would report must be attached to this form. Please attach additional pages as necessary to provide enough detail.

Agency/Department: Dept. Vermont Health Access Date: 7/17/2013

Name and Phone (of the person completing this request): Kate Jones

Request is for:

- Positions funded and attached to a new grant.
- Positions funded and attached to an existing grant approved by JFO # _____

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):

Center of Consumer Information and Insurance Oversight, US Dept of Health and Human Services, Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges

2. List below titles, number of positions in each title, program area, and limited service end date (information should be based on grant award and should match information provided on the RFR) position(s) will be established only after JFC final approval:

Title* of Position(s) Requested # of Positions Division/Program Grant Funding Period/Anticipated End Date

See attached List

*Final determination of title and pay grade to be made by the Department of Human Resources Classification Division upon submission and review of Request for Classification Review.

3. Justification for this request as an essential grant program need:

Failure to enact the establishment of an exchange to fulfill the federal mandates included in the Affordable Care Act, signed into law in March of 2010.

I certify that this information is correct and that necessary funding, space and equipment for the above position(s) are available (required by 32 VSA Sec. 5(b)).

Signature of Agency or Department Head [Signature] Date 7.16.13

Approved/Denied by Department of Human Resources [Signature] Date 7.16.13

Approved/Denied by Finance and Management [Signature] Date 7/18/13

Approved/Denied by Secretary of Administration [Signature] Date 07/18/13

Comments:

JUL 16 2013

Position Identifier	Position Title	Dept	Pay Grade	% to Project	Grant Funding Period
New	Business Analyst	DVHA	25	100%	7/9/2013 7/8/2014
New	Business Analyst	DVHA	25	100%	7/9/2013 7/8/2014
New	Business Analyst	DVHA	25	100%	7/9/2013 7/8/2014
New	Business Analyst	DVHA	25	100%	7/9/2013 7/8/2014
New	Business Analyst	DVHA	25	100%	7/9/2013 7/8/2014
New	Business Analyst	DVHA	25	100%	7/9/2013 7/8/2014
New	Administrative Services Manager II	DVHA	26	100%	7/9/2013 7/8/2014
New	Administrative Services Manager II	DVHA	26	100%	7/9/2013 7/8/2014
New	Vermont Health Connect Education & Outreach Coordinator	DVHA	25	100%	7/9/2013 7/8/2014
New	Privacy Officer	DVHA	29	100%	7/9/2013 7/8/2014
New	Financial Director II	DVHA	29	100%	7/9/2013 7/8/2014
New	Attorney	HSB	30	100%	7/9/2013 7/8/2014
New	Attorney	HSB	30	100%	7/9/2013 7/8/2014
New	Administrative Assistant B	HSB	19	100%	7/9/2013 7/8/2014
New	Information Technology Analyst II	AHS	24	100%	7/9/2013 7/8/2014
New	Training Curriculum Development Coordinator	DCF	22	100%	7/9/2013 7/8/2014
New	Training Curriculum Development Coordinator	DCF	22	100%	7/9/2013 7/8/2014
		Total		17	

1. DATE ISSUED MM/DD/YYYY 07/09/2013 | 2. CFDA NO. 93.525 | 3. ASSISTANCE TYPE Cooperative Agreement

Department of Health and Human Services
Centers for Medicare & Medicaid Services
Office of Acquisitions and Grants Management

7500 Security Boulevard
Baltimore, MD 21244-1850

NOTICE OF AWARD

AUTHORIZATION (Legislation/Regulations)
Section 1311 of the Affordable Care Act, Health Insurance Exchange

1a. SUPERSEDES AWARD NOTICE dated
except that any additions or restrictions previously imposed remain
in effect unless specifically rescinded

4. GRANT NO. 1 HBEIE130168-01-00
Formerly

5. ACTION TYPE New

6. PROJECT PERIOD MM/DD/YYYY
From 07/09/2013 Through 07/08/2014

7. BUDGET PERIOD MM/DD/YYYY
From 07/09/2013 Through 07/08/2014

8. TITLE OF PROJECT (OR PROGRAM)
Cooperative Agreement to Support Establishment of the Affordable Care Act's Health Insurance

9a. GRANTEE NAME AND ADDRESS
Vermont Agency of Human Services
208 Hurricane Lane
-DUP2
Williston, VT 05495-2069

9b. GRANTEE PROJECT DIRECTOR
Ms. Kate Jones
208 Hurricane Lane
Williston, VT 05695-2806
Phone: 8028798256

10a. GRANTEE AUTHORIZING OFFICIAL
Mr. Douglas Racine
208 Hurricane Lane
Suite 103
Williston, VT 05405
Phone: 802-871-3009

10b. FEDERAL PROJECT OFFICER
Ms. Susan Lumsden
200 Independence Ave Sw Rm 738-G
Washington, DC 20201-0004
Phone: 301-492-0000

ALL AMOUNTS ARE SHOWN IN USD

11. APPROVED BUDGET (Excludes Direct Assistance)	
I Financial Assistance from the Federal Awarding Agency Only	1
II Total project costs including grant funds and all other financial participation	
a. Salaries and Wages	0.00
b. Fringe Benefits	0.00
c. Total Personnel Costs	0.00
d. Equipment	0.00
e. Supplies	0.00
f. Travel	0.00
g. Construction	0.00
h. Other	42,687,000.00
i. Contractual	0.00
j. TOTAL DIRECT COSTS	42,687,000.00
k. INDIRECT COSTS	0.00
l. TOTAL APPROVED BUDGET	42,687,000.00
m. Federal Share	42,687,000.00
n. Non-Federal Share	0.00

12. AWARD COMPUTATION			
a. Amount of Federal Financial Assistance (from item 11m)	42,687,000.00		
b. Less Unobligated Balance From Prior Budget Periods	0.00		
c. Less Cumulative Prior Award(s) This Budget Period	0.00		
d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	42,687,000.00		
13. Total Federal Funds Awarded to Date for Project Period	42,687,000.00		
14. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project):			
YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2		d. 5	
b. 3		e. 6	
c. 4		f. 7	
15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:			
a. DEDUCTION			b
b. ADDITIONAL COSTS			
c. MATCHING			
d. OTHER RESEARCH (Add / Deduct Option)			
e. OTHER (See REMARKS)			
16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:			
a. The grant program legislation b. The grant program regulations. c. This award notice including terms and conditions, if any, noted below under REMARKS. d. Federal administrative requirements, cost principles and audit requirements applicable to this grant. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.			

REMARKS (Other Terms and Conditions Attached - Yes No)
Please refer to the Standard and Special Terms and Condition.

GRANTS MANAGEMENT OFFICER: Michelle Feagins, Grants Management Officer

17. OBJ CLASS 41405	18a. VENDOR CODE 1036000264D4	18b. EIN 036000264	19. DUNS 809376155	20. CONG. DIST. 00
FY-ACCOUNT NO.	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT ACTION FIN ASST	APPROPRIATION
21. a. 3-5992638	b. HBEIE0168A	c. SEPI	d. \$42,687,000.00	e. 7530115
22. a.	b.	c.	d.	e.
23. a.	b.	c.	d.	e.

DVHA
July 16th
2013

Mark Larson
Department of Vermont
Health Access
Commissioner
737002 (E)
41486 - 73DVA21

Lori Collins
Deputy Commissioner,
Medicaid Policy, Fiscal &
Support Services Division
737003 (E) 41486

Lindsay Tucker
Deputy Commissioner, Health
Benefits Exchange
737010 (E)
41696 - 73DVA17

Vacant
Privacy Officer

VHC Outreach &
Education
Coordinator

Justin Tease
Health Care Project
Director
730181
41696 - 73DVA42

Vacant
Administrative Serv
Manager II

Vacant
Administrative Serv
Manager II

Carrie Hathaway,
Financial Director III
730059
41497

Vacant
Financial Director II

Vacant
Business Analyst

Vacant
Business Analyst

Vacant
Business Analyst

Vacant
Business Analyst

Vacant
Business Analyst

Vacant
Business Analyst

Project Abstract Summary

Project Summary

Project Abstract

Application Title Vermont Design, Development and Implementation Activities
Applicant organization name Department of Vermont Health Access
Program applying for Cooperative Agreement to Support Establishment of the Affordable Care Act's Health Insurance Exchanges
Funding Opportunity Number IE-HBE-12-001
Address Hurricane Lane, Suite 201, Williston, Vermont, 05495-2807
Congressional district(s) served Vermont
Organizational Website <http://dvha.vermont.gov/>
Category of Funding Level One Establishment Grant
Projected date of project completion July 2013 to July 2014

Health care reform is strongly supported by all levels of state government in Vermont. Act 48 (2011) created Vermont Health Connect, and Act 171 (2012) provided additional support for its implementation. The State is well positioned to begin open enrollment in October 2013. Over the past eighteen months, Vermont has made significant progress on the required activities for a state-based Exchange. In order to achieve successful operation of the Exchange, the Department of Vermont Health Access (DVHA) seeks a third Level One grant—Level One C—to fund the Design, Development, and Implementation of several major Exchange components: Vermont's integrated eligibility system and the integration of existing state health coverage programs (Medicaid, CHIP) into the new eligibility environment; staff augmentation for enterprise architecture; customer support center activities; premium processing; and a third party administrator for Vermont's broker program. The state also seeks support for the additional staffing and technological resources needed to ensure operational readiness on October 1, 2013. This Level One grant will support critical Exchange components and operations that will enable the Exchange to fulfill its mission to provide all Vermonters with the knowledge and tools needed to compare easily and choose a quality, affordable and comprehensive health plan.

Estimated number of people to be served as a result of the award of this grant.

622000

Section G: Budget Narrative

The State of Vermont seeks a third Level One grant—Level One C—to fund the design, development, and implementation of several major Vermont Health Connect components. Funding would provide support for premium processing, call center activities, and the integration of existing state health coverage programs (Medicaid, CHIP) into the new exchange eligibility environment. The State also seeks support for the additional staffing and technological resources needed to ensure operational readiness on October 1, 2013. The scope of the present grant is limited to specific activities that were not included in the previously awarded Level One grants and the Level Two Establishment grant.

I: Budget Request Overview

The total budget request is \$109,410,211. This section outlines the specific assumptions and key variables underlying this budget estimate. The grant period is from July 1, 2013 to June 30, 2014.

Category	Cost
Salaries and wages	\$ 1,208,142
Fringe benefits	\$ 562,752
Consultant costs	\$ -
Equipment	\$ 91,896
Supplies	\$ 1,259
Travel	\$ 40,895
Other	\$ 120,072
Contractual costs	\$ 106,145,570
Total Direct Costs	\$ 108,170,586
Administrative Allocation Charges	\$ 1,239,625
TOTAL COSTS	\$ 109,410,211

II: Budget Line Item Details

A: SALARIES AND WAGES

The total amount requested for salaries is \$1,770,894. The number of FTEs required to develop and support the Exchange during open-enrollment and the first year is larger than the anticipated need to operate the program on an ongoing basis. Staff positions will be within the Agency of Human Services, Department of Vermont Health Access, Department

Budget Narrative

for Children and Families, Human Services Board, and the Department of Information and Innovation. Staff salary and fringe estimates below have been adjusted to remove potential overlap in budget funding between the four previously awarded grants.

<u>Employee Position</u>	<u>FTE</u>	<u>Mos</u>	<u>Monthly Salary</u>	<u>Salary for Grant Period</u>	<u>Exchange Allocation</u>	<u>Monthly Fringe</u>	<u>Fringe for Grant Period</u>	<u>Exchange Allocation</u>
Business Analyst	6	12	\$ 6,424	\$ 462,509	\$ 422,503	\$ 2,992	\$ 215,437	\$ 196,799
Communication & Notices Manager	1	12	\$ 6,829	\$ 81,953	\$ 81,953	\$ 3,181	\$ 38,173	\$ 38,173
Web Portal Content Manager	1	12	\$ 6,829	\$ 81,953	\$ 81,953	\$ 3,181	\$ 38,173	\$ 38,173
Outreach and Education Research Coordinator	1	12	\$ 6,424	\$ 77,085	\$ 77,085	\$ 2,992	\$ 35,906	\$ 35,906
Privacy Officer	1	12	\$ 8,261	\$ 99,133	\$ 99,133	\$ 3,848	\$ 46,176	\$ 46,176
Financial Director II	1	12	\$ 8,261	\$ 99,133	\$ 99,133	\$ 3,848	\$ 46,176	\$ 46,176
Attorney	2	12	\$ 17,649	\$ 211,786	\$ 156,827	\$ 4,110	\$ 98,650	\$ 73,050
Administrative Assistant B	1	12	\$ 4,540	\$ 54,475	\$ 40,339	\$ 2,115	\$ 25,375	\$ 18,790
Information Technology Analyst II	1	12	\$ 6,042	\$ 72,509	\$ 53,693	\$ 2,815	\$ 33,775	\$ 25,010
Training Coordinator	2	12	\$ 10,750	\$ 129,002	\$ 95,526	\$ 2,504	\$ 60,089	\$ 44,496
Total	17		Salary	\$1,369,536	\$ 1,208,144	Fringe	\$ 637,929	\$ 562,750

Exchange Business Analyst: The State of Vermont requires Business Analysts to evaluate stakeholder needs, gather information and coordinate resources, develop models and strategies toward robust systems and business solutions, and facilitate delivery of key artifacts for completion of Exchange-related activities.

Communication & Notices Manager: The State of Vermont requires a position for the management of all Notices to support the Exchange, Qualified Health Plans, and MAGI Medicaid.

Web Portal Content Manager: The State of Vermont requires a manager to act as the owner of the system of record for all customer-facing portal content including knowledgebase; content change process leader; communicating changes to all stakeholders; the contact log and case management system for the Exchange.

Privacy Officer: The State of Vermont requires a position to protect sensitive Exchange data from unauthorized use, and for reporting incidents that could jeopardize the confidentiality, integrity and availability of protected data.

Budget Narrative

Financial Director: The State of Vermont requires a Financial Director to oversee the Exchange Comptroller with management level accounting work in the maintenance, review and reconciliation of financial records to ensure compliance with accepted accounting principles and standards. This position will be responsible for budget development and oversight across the Exchange project as it intersects with the Health Services Enterprise Project.

Outreach and Education Research Coordinator: The State requires an Outreach and Education Research Coordinator to coordinate with Policy and Outreach and Education staff to develop form letters and incorporate into personalized responses as necessary; assist with research into press inquiries that fall beyond Policy Team's responsibilities; support media and social media preparation work as needed; support material distribution to partners and public, as needed; and to assist with the enormous task of supporting the small group market through the transition to the Exchange.

Human Services Board Attorney: The State of Vermont requires two Attorney level staff positions to manage the expected increase in appeals surrounding health insurance eligibility.

Human Services Board Administrative Assistant: The State of Vermont requires one support staff person to assist the Human Services Board pertaining to the expected increase of appeals surrounding health insurance eligibility. This position will be responsible for administrative assistance in support of the Human Services Board Attorney positions requested above.

Information Technology Analyst II: The State of Vermont requires one staff member who will be responsible for the implementation of common telephony systems to all resolver groups coupled with the Customer Relationship Management will facilitate providing unified training, metrics, reporting and customer experience, no matter where the physical location of a particular resolver group.

Training Coordinator: The State of Vermont requires two Training Coordinators to train staff at a professional level including curriculum development, staff development, training work, implementation, and evaluation of health care related programs.

B. FRINGE BENEFITS

Fringe benefits are calculated as 46.58% of salaries and include Social Security, retirement, health insurance and Medicare expenses. Because fringe benefits are based on monthly salary, they have been calculated alongside the salary calculations in the above table.

Fringe Benefits	
<i>(includes FICA, retirement, workers' comp and health, dental & life insurance)</i>	
FICA	7.84%

Budget Narrative

Health Insurance	18.83%
Retirement	17.56%
Dental	1.30%
Life	0.40%
Long Term Disability (LTD)	0.04%
Employee Assistance Program (EAP)	0.05%
Workers Compensation	0.56%
ota	46.58%

C: CONSULTANT COSTS

Consultants will not be used to fulfill this grant obligation.

D: EQUIPMENT

The total costs requested for equipment is \$91,896. Estimated equipment costs include computer hardware and software for the 17 additional staff needed. The cost per employee is identical to what was requested and received from Level Two grant funds. Note that printer and PC projectors are not included here since they were received from Level Two grant funds. Please note: total amounts reflected below are the level one C allocated costs.

<u>Equipment</u>	<u>Cost per employee</u>	<u>Level One C Grant Allocation Total</u>
Computer Equipment Hardware	\$2,000	\$25,177
Training Equipment	\$750	\$9,441
Mobile Devices & Plan	\$250 plus \$50/month x 17 FTEs	\$10,071
Telephone equipment	750 x 17 FTEs	\$9,441
Software	\$2,000	\$25,177
Desk, Chair, Other	\$1,000	\$12,589
		\$91,896

E: SUPPLIES

Total allocated amount requested for supplies is \$1,259. General office supplies are estimated at \$100/FTE/Year. Please note: total amounts reflected below are the Level One C allocated costs.

Budget Narrative

F: TRAVEL

Travel requested is \$40,895. This amount is inclusive of estimated out-of-state trips taken by personnel for Exchange conferences, professional development, and consultation with other states and the federal government. It also includes in-state travel reimbursement. In-state travel is budgeted at \$3,000 per year for 17 FTEs, which is standard in budgeting State of Vermont employee costs. Out-of-state travel is based upon the need for staff to travel out of state once. Two staff will also travel to one National Conference related to exchange operations during this grant period. Please note: total amounts reflected below are the Level One C allocated costs.

<u>Description</u>	<u>Level One C Grant Allocation Cost</u>
\$3,000 X 17 FTE	\$37,766
National Conference for two staff	
\$800 roundtrip airfare (x 2 staff)	\$1,600
3 days per diem x \$38.25/day (x 2 staff)	\$230
\$300/night for two nights lodging (x 2 staff)	\$1,200
\$50 for ground transportation (x 2 staff)	\$100
Total	\$40,895

G: OTHER ADMINISTRATION

The total amount requested for other expenses is \$1,359,697. Other expenses include facilities costs and other ancillary business and staff expenses required. In addition, this amount includes an administrative cost allocation equivalent to 70% of personnel costs to account for overhead and administrative expenses provided state agencies. Note that appeals (staff, hearing officers, interpreters), printing and collateral, and mailing and promotional were budgeted and received funding from the Level Two grant. Please note: total amounts reflected below are the Level One C allocated costs.

<u>Other Administrative</u>	<u>Cost per Employee</u>	<u>Total</u>
Printing and Reproduction	\$50/FTE/yr	\$ 629
Dues and Subscriptions	\$250/FTE/yr	\$ 6,294
Professional Development	\$900/FTE/yr	\$ 11,330
Space	\$4,000/FTE/yr	\$ 94,414
Mailing List Purchases	No break down provided	\$ 7,405

Budget Narrative

Administrative Cost Allocation	70% of Salaries	\$ 1,239,625
Total		\$ 1,359,697

I: CONTRACTUAL COSTS

The total amount requested for contractual costs is \$108,170,586.

Integrated Eligibility	
Organizational Affiliation	Department of Vermont Health Access (DVHA)
Scope of Project/Services to be Rendered	Leveraging the authority of the Affordable Care Act and state health reform law, Vermont will transform its fragmented legacy eligibility and enrollment systems into a centralized, web-based system with a common point of entry for all users (citizens, navigators, assistors, providers, etc.).
Relevance of Project to Exchange	Integrated Eligibility is a central component of both Vermont Health Connect and the larger Health Services Enterprise. Integrated Eligibility includes the following functionality that can be common to all Health and Human Service assistance programs: eligibility determination, re-determination, case management, benefits management, notification, appeals, business analytics, business intelligence, interfaces to external systems and data hubs, etc. This work includes the integration of existing state health coverage programs (Medicaid, CHIP) into the new Exchange eligibility environment.
Name of Consultants	CGI
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$68,980,282 (includes IE proposal and signed contract for ACCESS remediation)
Method of Accountability	DVHA, Exchange Director of IT Implementation

Enterprise Architecture Staff Augmentation	
Organizational Affiliation	Department of Information and Innovation (DII)
Scope of Project/Services to be Rendered	Vermont plans to maximize its Enterprise Architecture (EA) program to ensure reuse, standards and sustainability, and Vermont will continue to work with CMS to be fully aligned with its prescribed Seven Standards and Conditions. EA staff augmentation will support sustainability and increase visibility into the health of business processes, architectural principles and all EA domain artifacts. An updated IT system is particularly critical as Vermont transitions from a system of on-site service and maintenance to a cloud-based system.
Relevance of Project to Exchange	Additional efforts in EA will enable the State of Vermont to articulate effectively to other systems integrators and/or hosting providers the State's entire solution requirements across all architectural domains. The funds will allow the State to purchase and implement an efficient and

Budget Narrative

	effective Enterprise architecture modeling tool that will unify business process, maturity, principle and other artifacts that exist across the four EA domains (Business, Application, Information and Technical). It will also allow Vermont Health Connect to maximize investment in EA framework to support sustainability and increase visibility into the health of business processes, architectural principles and all EA domain artifacts. Developing the EA framework and processes will allow for better-informed business and technical decisions.
Name of Consultants	Oracle, Deloitte, Competitive Computing, 22 nd Century Technologies, Advizex, Compliance Process Partners
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$22,330,670 (signed contracts)
Method of Accountability	DII, Chief Technology Officer

Customer Support Center, Call Center	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	<p>Additional call center requirements:</p> <ul style="list-style-type: none"> • Improved Service Level Agreements: Maximus will move to the best practice industry standard method for Service Level Agreements. This includes: lowering call abandonment rate from 10% to 5%; increasing call answer rate to 70% in 25 seconds, from current SLA of 95% in 2 minutes; and increasing call center hours of operation by 50%; • Upgraded Call Center Telephony to accommodate expanded call volume; • Expanded functionality to Accept Credit Card Payments; and • Development of a Disaster Recovery Plan, where none has existed previously.
Relevance of Project to Exchange	An integrated Customer Relationship Management software and improved service levels will allow the call center to provide a more consistent consumer experience and increase the rate of 1st call resolution
Name of Consultants	Maximus
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$2,694,091 (signed contract)
Method of Accountability	DVHA, Exchange Project Director, Customer Support Center

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Customer Support Center, Phone System Standardization & Upgrades	
Organizational Affiliation	DII
Scope of Project/Services to be Rendered	Purchase, installation and implementation of Voice Over Internet Protocol (VOIP) telephony system, Interactive Voice Response (IVR) and Wide Area Network (WAN) connectivity to all Exchange Resolver groups.
Relevance of Project to Exchange	Providing Vermonters a holistic and user-centric experience for addressing their healthcare needs requires the coordination of an entire ecosystem of "Resolvers". The Customer Support Center is a vendor-provided Resolver Level 1 group and the primary point of entry for individual and small business private and public health care plans. They in turn will be connected seamlessly to Resolver Level 2 and 3 groups located across many existing state agencies and departments. All of these groups will have access to the Exchange CRM to expedite the service levels have set and taken together are the measure of an excellent user experience. To implement those "future state" processes the State will invest in the State of Vermont's telephony and IT infrastructure to a) VOIP enable the disparate call centers, and b) upgrade WAN connectivity and workstations to support the CRM solution.
Name of Consultants	TBD
Number of Days in Consultation	12 Months
Expected budget or Rate of Compensation	\$1,200,000
Method of Accountability	DII Telecommunications Director

Premium Processing	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Premium processing is an essential function that includes invoicing, collection, remittance and reconciliation capabilities, for Vermont Health Connect and State of Vermont public health programs including, but are not limited to, Medicaid, VPharm and Dr. Dynasaur. Specific capabilities under this grant: State Premium Subsidy, State Cost Sharing Reduction, Non-Sufficient Fund Fees, Real Time Integration, and Payment Hierarchy.
Relevance of Project to Exchange	These important customizations will help ensure that the Exchange helps meet Vermont's legal requirements and health reform goals of reducing the churn, streamlining administration, and expanding access to high quality care.
Name of Consultants	CGI
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$1,942,143 (signed contract)
Method of Accountability	DVHA, Exchange Project Director, Premium Processing

Third Party Administrator

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Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Vermont is seeking financial support for the development and implementation of a compensation system that utilizes a Third Party Administrator (TPA) to create a mechanism to invoice employers and individuals for the services rendered by brokers in assisting with QHP enrollment. The Vermont Health Connect technology infrastructure will seamlessly complement the State's premium billing process supported by a TPA agreement.
Relevance of Project to Exchange	Through Vermont's Level Two Grant funding, Vermont has received \$2,000,000 dollars to fund a transitional broker payment to offset a portion of the cost that would be incurred by small businesses should they purchase broker services at existing commission levels; this will enable the disbursement of that funding as well as allow ongoing payments from employers to brokers for services related to Exchange transition and QHP selection.
Name of Consultants	TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$250,000
Method of Accountability	DVHA, Exchange Project Director, Premium Processing

Quantitative Research Survey	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Vermont request financial support for quantitative survey design, execution, and analysis. The State will contract with a vendor to administer several statewide surveys in 2014 to assess the impact of Exchange products on access to affordable health care services. The State also seek funds for three to four smaller surveys, in the same period, to capture additional information on specific population and regions (e.g., areas where the State has a higher than average uninsurance rates or a significant amount of small businesses buying on Vermont Health Connect).
Relevance of Project to Exchange	A critical component of the success for Vermont Health Connect will be the consumer experience and whether Vermonters benefit from improvements to health plan quality and channels of access. Additionally, the plans offered on Vermont Health Connect differ from those currently offered in Vermont. These products are designed with value-based insurance design principles to encourage Vermonter's access to preventive and chronic disease services. To fully evaluate the success of Vermont Health Connect, the State wishes to evaluate if Vermonters do in fact gain access to these services.
Name of Consultants	TBD
Number of Days in Consultation	12 months

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Expected budget or Rate of Compensation	\$2,200,000
Method of Accountability	DVHA, Exchange Policy and Planning Chief

Operational Readiness, Contract Support	
Organizational Affiliation	Department for Children and Families, Economic Services Division (DCF/ESD)
Scope of Project/Services to be Rendered	<p>Contract support to perform necessary policy reviews and provide guidance on the State's program integration efforts specific to DCF/ESD. The expert contractor will be available as needed to DCF/ESD staff for:</p> <ol style="list-style-type: none"> 1. Program policy review, analysis and consultative services; 2. Recommendations related to the integration efforts between ACCESS and new systems; 3. Assistance with Vermont Health Connect rules engine to reflect SOV comprehensive health care rule document; 4. Analysis and recommendations surrounding gaps in systems design which require eligibility staff "work-arounds"; and 5. Consultative services for client notice review, verification interfaces and other HBE related issues.
Relevance of Project to Exchange	Support DCF/ESD in Exchange and Health Services Enterprise projects to ensure adequate Eligibility & Enrollment capacity and necessary alignment.
Name of Consultants	TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$1,483,992
Method of Accountability	DCF/ESD, Enterprise Business Analyst, Exchange Lead

Operational Readiness, All Payer Methodology Development Legal Support	
Organizational Affiliation	Green Mountain Care Board (GMCB)
Scope of Project/Services to be Rendered	Contract legal support to provide opinions and guidance to the non-legal staff and stakeholders working on this project in the area of anti-trust.
Relevance of Project to Exchange	Vermont is engaged in broad cost containment efforts; these efforts are intended to result in lower health care cost growth across all payers in Vermont. In the current market, all payers are not contributing equally to annual cost increases; Vermonters with commercial insurance are paying the majority of any annual system cost increases as Medicaid and Medicare limit expenditures. It is therefore critical that we measure and evaluate the extent of these distortions so that appropriate policy decisions can be made to lower the impact on the commercial market and

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	in the Exchange.
Name of Consultants	Simplified Bid Process needed
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$73,000
Method of Accountability	GMCB, General Counsel
Operational Readiness, Contingency Planning	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Contingency planning workshops and support of contingency plan. Temporary staff to meet the needs of operations readiness, in the case of triggered manual work-arounds, including DCF/ESD and Applications Document Processing Center Staff.
Relevance of Project to Exchange	Contingency planning and adequate staffing are essential components of ensuring operational readiness for day one of Vermont Health Connect.
Name of Consultants	HES/TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$1,774,111
Method of Accountability	DVHA, Exchange Director of Operations

Operational Readiness, Technology/Training	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	The State of Vermont requests additional funding to provide individuals acting in a consumer assistance function on behalf of the State (e.g., Navigators, Certified Application Counselors, and brokers) with training equipment. Funding will be used to purchase training laptops, smart boards, a screen recording tool and access to a learning management system.
Relevance of Project to Exchange	To implement a successful training program for both the Navigators and State staff, the State of Vermont must have the technology in place both to collect and deliver information efficiently and effectively. Success during initial open enrollment will require a statewide network of trained Navigators and staff to help individuals and small employers apply for and purchase coverage on the Exchange.
Name of Consultants	TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$100,000
Method of Accountability	DVHA, Exchange Training Manager

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Operational Readiness, Human Services Board	
Organizational Affiliation	Human Services Board (HSB)
Scope of Project/Services to be Rendered	Funds for the Human Services Board for technology upgrades, including a new printer, scanner four laptops, and the acquisition of a documents' database to house case files and supporting documentation that must remain confidential from the State Agency that made the eligibility determination.
Relevance of Project to Exchange	The Vermont Human Service Board (HSB) is the independent, quasi-judicial body that responsible for conducting and documenting all Fair Hearing requests within the Agency of Human Services. In October 2013, the HSB will also begin adjudicating applicable eligibility appeals for private plans sold on Vermont Health Connect. The State of Vermont expects a significant and temporary spike in the number of appeals filed during the initial year of the exchange.
Name of Consultants	TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$200,000
Method of Accountability	Human Services Board, Administrator

Information Systems, Interactive Consumer Decision Support Tool	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Through CGI, the State of Vermont will sub-contract with Jellyvision to build an Interactive Conversation platform for individuals and businesses considering whether to purchase coverage through Vermont Health Connect.
Relevance of Project to Exchange	To ensure that individuals and small businesses understand the impact of coming change in the months leading preceding go-live and the options available to them during open enrollment, it is critical that Vermont have the online consumer support functions necessary to address frequently asked questions. The goal is to create a rich web experience that will assist individuals, families and small business employee audiences in understanding the Affordable Care Act and how Vermont Health Connect works.
Name of Consultants	CGI
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$400,000 (signed contract)
Method of Accountability	DVHA, Exchange Director of IT Implementation

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Information Systems, Patient Portal	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Vermont Health Connect seeks funds to support additional functionality for Release 3 of the Exchange to include information to help patients make informed choices about their healthcare providers. This additional functionality will connect to the State's Blueprint for Health, Vermont's patient-centered medical home model (PCMH), to present provider-level quality data for consumers. And finally, the portal offers an additional way to educate consumers about new care delivery models like PCMH (APCPs in VT) and Vermont's other reforms such as the new accountable care organizations (ACOs). Specifically, this extension will include information on differences among providers in terms of standards met, quality ratings, patient satisfaction measures, etc.
Relevance of Project to Exchange	Vermont Health Connect will be a portal to help consumers choose between different qualified health plans and, through this additional functionality, specific healthcare providers. Clear display of this new information will also help consumers choose wisely about which providers in the network to seek for care to help the State of Vermont improve quality outcomes and control costs.
Name of Consultants	TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$1,481,000
Method of Accountability	DVHA, Exchange Director of IT Implementation

Information Systems, Vermont Health Connect Mobile	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Design, develop and implement a mobile strategy for the State of Vermont that is phased and lays out a clear plan for ongoing feature and experience development that is closely tied to the larger Health Exchange strategic initiatives and timelines. The first phase – a mobile Exchange application -- will focus on building a scalable and extensible infrastructure early that features key user experience functionality aimed at driving Exchange use and adoption. The Exchange user interface will be powered by a commercial off the shelf IT platform, OneGate, developed and delivered by the Exeter Group of Cambridge, Massachusetts. OneGate will facilitate the information sharing, decision-making, and ultimately the purchasing of Health Insurance by individuals and employers in the State of Vermont.
Relevance of Project to Exchange	Supporting and leveraging the power of mobile capabilities to drive engagement and adoption is part of a long-term strategy for the State. This additional functionality will allow Vermonters another channel to access

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	and interface with the Exchange in a mobile and convenient way.
Name of Consultants	TBD
Number of Days in Consultation	12 months
Expected budget or Rate of Compensation	\$750,000
Method of Accountability	DVHA, Exchange Director of IT Implementation

State of Vermont Response to Additional Budget Negotiation Questions
June 25, 2013, Level 1C Establishment Grant Request

Question: - Itemized breakdown of IE line item, including tasks and costs

SOV Response: The integrated eligibility request within the Level 1C grant application includes design, development and implementation (DDI) costs as well as operations costs concurrent with DDI. The details of this request are as follows:

Total Cost Summary		
Description	Total DDI Costs	M&O Durring DDI
Implementation: Phase 1	\$ 27,850,837	
Implementation: Phase 2	\$ 4,911,195.00	
Implementation: Phase 3	\$ 32,317,775.00	
Implementation: Phase 4	\$ 29,084,166.00	
Implementation: Unanticipated Tasks		\$ 471,700.00
Application Maintenance and Operations Support		\$ 61,625.00
Hosting and Disaster Recovery Support (Until Full Deployment)		\$ 1,736,579.00
Packaged Software Costs	\$ 3,584,804.44	\$ 644,444.07
Hardware Costs (if applicable)	\$ 99,005.00	\$ -
Total Costs	\$ 97,847,782	\$ 2,914,348
Total Other Optional Cost Summary		
Description	Total DDI Costs	M&O Durring DDI
Hosting after full deployment		n/a
Disaster Recovery after full deployment		n/a
Project Team's Facility		\$ 701,775.00
Total Costs		\$ 701,775
Total Additional Changes to Overall Scope		
Description	Total DDI Costs	M&O Durring DDI
Less: Eligibility Components Included in HBE Solution		\$ (9,996,100)
Plus: Gartner Consultative/Project Management Support		\$ 1,106,250.00
Plus: Dii Staff Support		\$ 579,600.00
Total Costs		\$ (8,310,250)
	Total Costs	\$ 93,153,656

The integrated eligibility (IE) project scope as submitted by our current and prospective vendor is divided into four phases. Phase 1 and 2 implementation plans include ACCESS remediation (included in our May 2 contract amendment with CGI and new contract with Maximus) and MAGI Medicaid eligibility (included in our initial CGI contract for our exchange implementation). Phase 3 (under contract negotiation now) completes the MAGI eligibility development and implementation and brings in categorically eligible Medicaid determination. Phase 4 includes all other healthcare programs, such as Community Rehabilitation & Treatment; Level 1 Psych Care; Family Planning Option; Money Follows the Person; and Waiver While Waiting. Additionally, Phase 4 includes rolling in some non-healthcare programs such as TANF and SNAP. **Please note:** we are currently working with prospective vendor through ongoing contract negotiations to break out healthcare and non-healthcare costs. Upon identification of the requested detail from the vendor,

State of Vermont Response to Additional Budget Negotiation Questions
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the State will amend this Establishment Grant request to accurately reflect the healthcare costs and will realign our cost allocation methodology accordingly.

Listed below are the details behind each implementation phase:

Implementation: Phase 1			
Description	Hours	Composite Rate for Implementation	Total DDI Costs
	1,339	\$232.16	
Project Status Reporting			\$ 310,862
Project Kickoff Presentation	216	\$232.16	\$ 50,147
Roles and Responsibilities Plan (HR Plan)	121	\$232.16	\$ 28,091
Scope Management Plan	95	\$232.16	\$ 22,055
Cost Management Plan	133	\$232.16	\$ 30,877
Schedule Management Plan	152	\$232.16	\$ 35,288
Communications Management Plan	152	\$232.16	\$ 35,288
Quality Management Plan	152	\$232.16	\$ 35,288
Risk Management Plan	152	\$232.16	\$ 35,288
Change Management Plan	152	\$232.16	\$ 35,288
Work Breakdown Structure	152	\$232.16	\$ 35,288
Final Work Plan and Schedule	228	\$232.16	\$ 52,932
Performance Management Plan	203	\$232.16	\$ 47,128
Requirements Analysis, Validation and Development Plan	152	\$232.16	\$ 35,288
System Design Plan	228	\$232.16	\$ 52,932
System Development Plan	228	\$232.16	\$ 52,932
Testing Plan	266	\$232.16	\$ 61,755
Implementation / Deployment Plans	76	\$232.16	\$ 17,644
Cross-walk of RFP Functional Requirements Against ACCESS Functionality	508	\$232.16	\$ 117,937
SOA Handbook	368	\$232.16	\$ 85,435
System Design	37,282	\$232.16	\$ 8,655,389
System Development	65,351	\$232.16	\$ 15,171,888
System Integration & Testing	12,258	\$232.16	\$ 2,845,817
Warranty Services			No Charge
Total Implementation	119,964	\$232.16	\$ 27,850,837

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Implementation: Phase 2			
Description	Hours	Composite Rate for Implementation	Total DDI Costs
Project Status Reporting (provide a % for the total cost)	663	\$222.75	\$ 147,683
Requirements Template	141	\$222.75	\$ 31,408
Detailed Functional and Technical Requirements Traceability Matrices	386	\$222.75	\$ 85,982
SOA Functional Requirements	759	\$222.75	\$ 169,067
SOA Non-Functional Requirements	734	\$222.75	\$ 163,499
System Architecture	253	\$222.75	\$ 56,356
SOA Models	897	\$222.75	\$ 199,807
SOA Transition Plan	671	\$222.75	\$ 149,465
Functional Design Document	263	\$222.75	\$ 58,583
Technical Design Document	813	\$222.75	\$ 181,096
Solution Implementation Design	597	\$222.75	\$ 132,982
Security Plan	522	\$222.75	\$ 116,276
Disaster Recovery / Business Continuity Plan	815	\$222.75	\$ 181,541
Capacity Plan	815	\$222.75	\$ 181,541
Infrastructure Services Plan	815	\$222.75	\$ 181,541
User Acceptance Testing	2,852	\$222.75	\$ 635,283
Final Acceptance Testing	1,609	\$222.75	\$ 358,405
Pilot Test	906	\$222.75	\$ 201,812
Receive State Approval for Implementation	1,463	\$222.75	\$ 325,883
System Testing - Test Results	282	\$222.75	\$ 62,816
System Readiness Certification for User Acceptance Testing	115	\$222.75	\$ 25,616
Site Readiness Reports	31	\$222.75	\$ 6,905
UAT Report	238	\$222.75	\$ 53,015
FAT Report	202	\$222.75	\$ 44,996
Pilot Plan	363	\$222.75	\$ 80,858
System Pilot Evaluation Report	108	\$222.75	\$ 24,057
System Operations Documentation	1,054	\$222.75	\$ 234,779
Data Conversion Plan	807	\$222.75	\$ 179,759
Training Plan	531	\$222.75	\$ 118,280
Training Materials	381	\$222.75	\$ 84,868
Infrastructure Services Deployment Report	19	\$222.75	\$ 4,232
System Maintenance, Support and System Transition Plan	1,262	\$222.75	\$ 281,111
System Incident Reports - Warranty	116	\$222.75	\$ 25,839
Corrective Maintenance Reports	116	\$222.75	\$ 25,839
Tier 2 Help Desk Plan - M&O	269	\$222.75	\$ 59,920
Business Change Management Plan	180	\$222.75	\$ 40,095
Warranty Services			No Charge
Total Implementation	22,048	\$222.75	\$ 4,911,195

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Implementation: Phase 3			
Description	Hours	Composite Rate for Implementation	Total DDI Costs
Project Status Reporting (provide a % for the total cost)	6,133	\$217.59	\$ 1,334,479
Detailed Functional and Technical Requirements Traceability Matrices	981	\$217.59	\$ 213,456
SOA Functional Requirements	981	\$217.59	\$ 213,456
SOA Non-Functional Requirements	981	\$217.59	\$ 213,456
System Design	29,009	\$217.59	\$ 6,312,068
System Development	35,327	\$217.59	\$ 7,686,802
System Integration & Testing	23,159	\$217.59	\$ 5,039,167
User Acceptance Testing	17,222	\$217.59	\$ 3,747,335
Final Acceptance Testing	6,182	\$217.59	\$ 1,345,141
Pilot Test	3,364	\$217.59	\$ 731,973
Receive State Approval for Implementation	5,685	\$217.59	\$ 1,236,999
System Testing - Test Results	123	\$217.59	\$ 26,764
System Readiness Certification for User Acceptance Testing	6	\$217.59	\$ 1,306
Site Readiness Reports	46	\$217.59	\$ 10,009
UAT Report	46	\$217.59	\$ 10,009
FAT Report	46	\$217.59	\$ 10,009
System Pilot Evaluation Report	55	\$217.59	\$ 11,967
System Operations Documentation	18,645	\$217.59	\$ 4,056,966
Training Materials	245	\$217.59	\$ 53,310
Infrastructure Services Deployment Report	6	\$217.59	\$ 1,306
System Incident Reports - M&M	67	\$217.59	\$ 14,579
Adaptive Maintenance Reports	67	\$217.59	\$ 14,579
System Enhancements Reports	150	\$217.59	\$ 32,639
Warranty Services			No Charge
Total Implementation	148,526	\$217.59	\$ 32,317,775

State of Vermont Response to Additional Budget Negotiation Questions
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Implementation: Phase 4			
Description	Hours	Composite Rate for Implementation	Total DDI Costs
Project Status Reporting (provide a % for the total cost)	3,168	\$217.52	\$ 689,103
Detailed Functional and Technical Requirements Traceability Matrices	3,168	\$217.52	\$ 689,103
SOA Functional Requirements	2,851	\$217.52	\$ 620,150
SOA Non-Functional Requirements	2,851	\$217.52	\$ 620,150
System Design	28,572	\$217.52	\$ 6,214,981
System Development	28,382	\$217.52	\$ 6,173,653
System Integration & Testing	13,900	\$217.52	\$ 3,023,528
User Acceptance Testing	9,991	\$217.52	\$ 2,173,242
Final Acceptance Testing	4,853	\$217.52	\$ 1,055,625
Pilot Test	3,814	\$217.52	\$ 829,621
Receive State Approval for Implementation	4,625	\$217.52	\$ 1,006,030
System Testing - Test Results	127	\$217.52	\$ 27,625
System Readiness Certification for User Acceptance Testing	13	\$217.52	\$ 2,828
Site Readiness Reports	127	\$217.52	\$ 27,625
UAT Report	127	\$217.52	\$ 27,625
FAT Report	38	\$217.52	\$ 8,266
System Pilot Evaluation Report	38	\$217.52	\$ 8,266
System Operations Documentation	8,109	\$217.52	\$ 1,763,870
Training Materials	317	\$217.52	\$ 68,954
Infrastructure Services Deployment Report	3	\$217.52	\$ 653
Configuration Management Plan and Infrastructure, System Source Code and Documentation	811	\$217.52	\$ 176,409
Updated System Code and Documentation	17,823	\$217.52	\$ 3,876,859
Warranty Services			No Charge
Total Implementation	133,708	\$217.52	\$ 29,084,166

Question: - Itemized breakdown of Enterprise Architecture Staff Augmentation

SOV Response: Please see the table found on the following page for detail regarding the Enterprise Architecture Staff Augmentation request, including current contracts and anticipated work.

State of Vermont Response to Additional Budget Negotiation Questions
 June 25, 2013, Level 1C Establishment Grant Request

	Cost	Level 1c	Levels 1a & 2	Other CMS Sources	
Total Anticipated Architecture Costs	\$ 45,580,000	\$ 22,330,670	\$ 11,031,088	\$ 12,218,272	
Existing Contracts/Vendors	Cost	Level 1c	Levels 1a & 2	Other CMS Sources	
22nd Technologies	\$ 3,600,000	\$ 2,665,800		\$ 934,200	EA/PM/BA
Advizex	\$ 1,120,000	\$ 829,360		\$ 290,640	Enterprise Architecture
Competitive Computing	\$ 800,000	\$ 592,400		\$ 207,600	Enterprise Architecture
Compliance Process Partners	\$ 465,000	\$ 344,333		\$ 120,668	Enterprise Architecture
Oracle T&M	\$ 7,300,000	\$ 4,203,230	\$ 1,293,188	\$ 803,612	EB/BA/Technical SMEs
Deloitte	\$ 1,500,000	\$ 1,110,750		\$ 389,250	Enterprise Architecture
Desai Consulting	\$ 6,150,000		\$ 3,076,925	\$ 3,076,925	PM/Change Management/BA
Gartner Consulting	\$ 3,500,000		\$ 3,290,750	\$ 908,250	Contract Mngmt/Change Mngmt
Mintz, Levin, Cohn, et al	\$ 600,000		\$ 444,800	\$ 155,700	Contract Management
Speridian	\$ 3,000,000	\$ 2,221,500		\$ 778,500	PM/BA
State Technical Staff 7/1/12-6/30/13	\$ 800,000		\$ 587,400	\$ 207,600	EA/BA/Technical SMEs/Change Mngmt
Subtotal	\$ 28,835,000	\$ 11,967,373	\$ 6,894,688	\$ 7,872,944	
Projected/To Be Contracted Need	Cost	Level 1c	Levels 1a & 2	Other CMS Sources	
Technical Lead SMEs	\$ 6,240,000	\$ 4,620,720		\$ 1,619,280	Est the need of 15 FTE @ \$416K/yr
Enterprise Architecture - CORE	\$ 3,750,000	\$ 2,776,875		\$ 973,125	Est the need of 15 FTE @ \$250K/yr
Enterprise Architecture - IE	\$ 1,000,000	\$ 740,500		\$ 259,500	Est the need of 4 FTE @ \$250K/yr
Contract Management	\$ 300,000	\$ 222,150		\$ 77,850	Est based on prior use of resources under Mintz, et al, and Gartner
Enterprise - Change Management	\$ 2,705,000	\$ 2,003,053		\$ 701,948	Est based on prior use of Desai and Gartner
State Staff - anticipated core	\$ 2,000,000		\$ 1,480,000	\$ 519,000	Projection based on scaling up to full staffing levels, approx. \$500,000/qr 7/1/13 - 12/31/14
State Staff - anticipated IE (EA related)	\$ 750,000		\$ 555,375	\$ 194,625	Projection based on current staffing levels 7/1/13 - 12/31/14
Subtotal	\$ 16,745,000	\$ 10,363,298	\$ 2,035,375	\$ 4,345,328	