

**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: September 14, 2012  
Subject: Grant Request

Enclosed please find four (4) items that the Joint Fiscal Office has received from the administration.

**JFO #2578** – Request to establish **one limited service position** in the Department of Children and Families. This position will lead the rollout of a new commodity food ordering system that will allow recipients to better manage school food programs, menus, and budgets.  
*[JFO received 9/11/12]*

**JFO #2579** – In-kind donation of \$25,000 worth of services from State Smart Transportation Initiative (SSTI) to the Vermont Agency of Transportation. SSTI will support the preparation of a comprehensive transportation funding study required under Section 40 of Act 153. The amount of this donation is an estimate of the value of SSTI's work. No funding will be provided directly to, or flow through, the State of Vermont.  
*[JFO received 9/14/12]*

**JFO #2580** – \$77,800 worth of land donated by Sarah Scharfenaker and Tom Koehne to the Vermont Department of Fish & Wildlife. This amount represents the value of 37 acres of land to be added to the Calendar Brook Wildlife Management Area.  
*[JFO received 9/14/12]*

**JFO #2581** – Request to establish **twenty-three (23) limited service positions** in the Department of Vermont Health Access. These positions will work to design and implement the Health Services Enterprise System, with the intention of modernizing and replacing existing systems with an interoperable, digital, real-time health IT network.  
*[JFO received 8/20/12]*

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; [nlavery@leg.state.vt.us](mailto:nlavery@leg.state.vt.us)) if you have questions or would like an item held for Joint Fiscal Committee review. Unless we hear from you to the contrary by September 28 we will assume that you agree to consider as final the Governor's acceptance of these requests.

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

JFO 2581

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: AHS - DVHA Date: 8/17/12

Name and Phone (of the person completing this request): Jill Gould 802-879-8240

Request is for:  
 Positions funded and attached to a new grant.  
 Positions funded and attached to an existing grant approved by JFO # N/A - Medicaid

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):  
 Department of Health and Human Services - Centers for Medicare and Medicaid Services (CMS) 0 Implementation Advanced Planning Document (IAPD) - Vermont Health Enterprise. Award letter attached.

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:

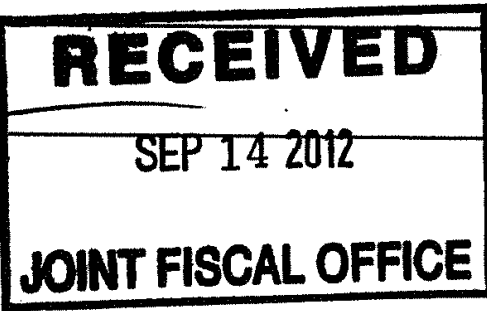
<u>Title* of Position(s) Requested</u>	<u># of Positions</u>	<u>Division/Program</u>	<u>Grant Funding Period/Anticipated End Date</u>
List Attached <i>highlighted in yellow</i>	23	Various	9/30/15

\*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:  
 The Vermont Health Enterprise will modernize and replace our Eligibility and Enrollment (E&E) and Medicaid Management Information System (MMIS) while taking advantage of a short-term window of enhanced funding that will build an IT platform that will eventually benefit all of the Human Services Programs. It is imperative that we have these positions to help design, develop and implement the system(s) within the aggressive deadlines.

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 \_\_\_\_\_ Date 8-17-12  
 Approved/Denied by Department of Human Resources \_\_\_\_\_ Date 8/23/12  
 Approved/Denied by Finance and Management \_\_\_\_\_ Date 9/11/12  
 Approved/Denied by Secretary of Administration \_\_\_\_\_ Date 09/11/12



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Comments:



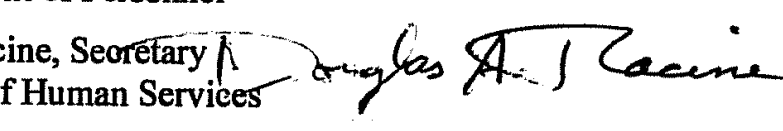
State of Vermont


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: August 17, 2012

SUBJECT: JFC – Limited Service Position Request related to Health Enterprise Services IAPD  
(Jumbo IAPD)

Please accept this request to create twenty-three (23) Limited Service Positions related to the Vermont Health Services Enterprise Advanced Planning Document which was approved by CMS May 4, 2012.

These positions are needed for the Design, Development and Implementation of the Health Services Enterprise Systems including the Eligibility and Enrollment System (E&E), Medicaid Management Information Services (MMIS), and the State Medicaid Health Plan (SMHP-HIT).

DVHA has received approved federal funding to support the Health Services Enterprise Project which combines various enhanced funding opportunities into one application “jumbo” IAPD and one award letter so we may more easily leverage core component IT systems that benefit multiple federal programs. This “jumbo” IAPD has increased funding for these projects as well as combined and supersedes four (4) already approved individual IAPD (VIEWS, MMIS, Infrastructure and SHMP) funding and positions. DVHA and CMS have agreed to eventually fold in the funding for the Health Benefits Exchange (HBE) into this award for cost allocation purposes. Although the HBE funding will be awarded through individual grants, that final approved funding will be represented in this “jumbo” documentation for approved cost allocation and tracking purposes. Currently the “Jumbo” IAPD and Level 1 Exchange grant have approved funding for sixty-nine (69) positions; these are listed in the attached document.

In addition, we have applied for and are waiting for the Notice of Grant Award for the Health Benefit Exchange Level 2 funding. When received, we will submit an AA-1 and request for an additional twenty-one (21) limited service positions. The Level 2 Grant Award will support sixty-six (66) positions through implementation. Twenty-nine (29) positions have already been created through the Planning grant, Level 1 or statutory approval, five positions are partially funded base positions, and eleven (11) other positions overlap with the jumbo IAPD E&E project, and have been requested in this submission.

All required and relevant grant documentation has been attached. If you have any questions or are in need of further information, please feel free to give me a call. Thank you for your attention in this matter.

AUG 24 2012





Job Type	Position Count	Created	New Request	Position Number	FTE	Position Title	Department	Original Program Funding	Funding Source	Comments
IT	1	1	0	720148	1	Project Manager	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 1
IT	1	1	0	720154	1	Business Analyst	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 2
IT	1	1	0	720151	1	SOA QA Integrator - Senior Sys Dev	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 3
IT	1	1	0	720153	1	SOA Developer 1	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 4
IT	1	1	0	720152	1	SOA Developer 2	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 5
IT	1	1	0	720155	1	Database Administrator	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 6
IT	1	1	0	720149	1	Admin. Asst. for AHS IT	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 7
IT	1	1	0	720160	1	Infrastructure / Architecture Security Specialist	AHS IT	HIX	HIX Level 1 Grant	Approved JFO 2550 - 8
Program	1	1	0	730187	1	Financial Admin I	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 9
Program	1	1	0	730188	1	Financial Specialist II	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 10
Program	1	1	0	730189	1	Executive Office Manager	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 11
Program	1	1	0	010015	1	Admin. Asst. for AoA	AoA	HIX	HIX Level 1 Grant	Approved JFO 2536
Program	1	1	0	730179	1	Health Care Policy Analyst	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 12
Program	1	1	0	730180	1	Health Access Policy & Planning Chief	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 13
Program	1	1	0	010014	1	Attorney/Policy Analyst	AoA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 14
Program	1	1	0	730182	1	Change Management Director	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 15
Program	1	1	0	730186	1	Contract & Grants Administrator	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 16
Program	1	1	0	730185	1	Deputy Commissioner	DVHA	HIX	HIX Level 1 Grant	Approved by Statute
Program	1	1	0	730181	1	Exchange Project Director	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 17
Program	1	1	0	730190	1	Outreach Program Manager	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 18
Program	1	1	0	730183	1	Exchange Project Director	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 19
Program	1	1	0	730184	1	Exchange Project Director	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 20
Program	1	1	0	730185	1	Exchange Project Director	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 21
Program	1	1	0	290130	1	Project Coordinator	DVHA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 22
Program	1	1	0	290129	1	Director, QIP Certification	BISHCA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 23
Program	1	1	0	290131	1	Data Analyst	BISHCA	HIX	HIX Level 1 Grant	Approved JFO 2550 - 24
Program	1	1	0	270011	1	Data Analyst	GMCB	HIX	HIX Level 1 Grant	Approved JFO 2550 - 25
Program	1	1	0	751100	1	Business Analyst	DCF	HIX	HIX Level 1 Grant	Approved JFO 2550 - 26
Program	1	1	0	751101	1	Business Analyst	DCF	HIX	HIX Level 1 Grant	Approved JFO 2550 - 27
IT	1	1	0	720157	1	Data Base Administrator - Health Enterprise	AHS IT	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 1
IT	1	1	0	720158	1	Enterprise Business Analyst - Provider Directory	AHS IT	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 2
Program	1	1	0	730213	1	Health Reform Enterprise Director	DVHA	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 3
Program	1	1	0	730209	1	Business Analyst	DVHA	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 4
Program	1	1	0	730211	1	Health Reform Portfolio Director	DVHA	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 5
Program	1	1	0	730212	1	Health Reform Portfolio Director	DVHA	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 6
Program	1	1	0	730214	1	Health Reform Portfolio Privacy Policy Specialist	DVHA	MMIS/Portfolio	MMIS PAPPD-U	Approved JFO #2562 - 7
Program	1	1	0	730177	1	EHRIP Medicaid Operations Administrator	DVHA	EHRIP	SMHP IAPD	Approved JFO 2543 - 1
Program	1	1	0	730175	1	EHRIP Medicaid Operations Administrator	DVHA	EHRIP	SMHP IAPD	Approved JFO 2543 - 2
Program	1	1	0	730174	1	EHRIP Program Operations Auditor	DVHA	EHRIP	SMHP IAPD	Approved JFO 2543 - 3
Program	1	1	0	730178	1	EHRIP Administrative Support Coord.	DVHA	EHRIP	SMHP IAPD	Approved JFO 2543 - 4
Program	1	0	0	NONE	0	Senior Business Analyst	DVHA	EHRIP	Combined IAPD	Not requested at this time
IT	1	1	0	740835	1	Public Health Informatics Specialist	VDH	IZ Registry	SMHP IAPD	Existing Position
IT	1	0	0	NONE	0	Public Health Analyst III	VDH	IZ Registry	Combined IAPD	New JFO Request
IT	1	1	0	740063	1	Senior Systems Developer	VDH	IZ Registry	SMHP IAPD	Existing Position
Program	1	1	0	740512	0.25	Epidemiologist	VDH	IZ Registry	SMHP IAPD	Existing Position
Program	1	1	0	NONE	0	Senior Business Analyst	DVHA	Provider Directory	Combined IAPD	Not requested at this time
Program	1	0	0	NONE	0	Medicaid Operations Provider Directory	DVHA	Provider Directory	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Interactive Marketing and Web Developer	DVHA	EHRIP	Combined IAPD	New JFO Request
Program	1	1	0	730176	1	Fiscal Analyst	DVHA	EHRIP	SMHP IAPD	Approved JFO 2543 - 5
Program	1	0	0	NONE	0	Medical Fiscal Analyst	DVHA	EHRIP	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request
Program	1	0	0	NONE	0	Eligibility Specialist	DCF	E&E	Combined IAPD	New JFO Request

Job Type	Position Count	Created	New Request	Position Number	FTE	Position Title	Department	Original Program Funding	Funding Source	Comments
Program	1	0	1	1	1	Eligibility Specialist	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Eligibility Specialist	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Eligibility Specialist	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Eligibility Specialist	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Benefits Program Assistant Administrator	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Benefits Program Assistant Administrator	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Economic Services Supervisor	DOF	EKE	Combined IAPD	New JFO Request
Program	1	0	1	1	1	Health Care Program Specialist	DOF	EKE	Combined IAPD	New JFO Request
IT	1	0	1	1	1	Enterprise Business Analyst	AHS IT	EKE	Combined IAPD	New JFO Request
IT	1	0	1	1	1	Enterprise Business Analyst	AHS IT	EKE	Combined IAPD	New JFO Request
IT	1	0	1	1	1	Enterprise Business Analyst	AHS IT	EKE	Combined IAPD	New JFO Request
IT	1	0	1	1	1	Enterprise Business Analyst	AHS IT	EKE	Combined IAPD	New JFO Request
IT	1	0	1	1	1	Senior Systems Developer	AHS IT	Enterprise	Combined IAPD	New JFO Request
<b>TOTAL</b>	<b>68.00</b>	<b>44.00</b>	<b>23.00</b>	<b>Total</b>	<b>66.25</b>					

*all RFRs received for new positions & yellow highlighted*  
*HOP*

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
Consortium for Medicaid and Children's  
Health Operations  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601



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May 4, 2012

Mark Larson  
Commissioner  
State of Vermont, Department of Vermont Health Access  
312 Hurricane Lane, Suite 201  
Williston, VT 05495

Dear Mr. Larson:

Thank you for the submission of your Implementation Advance Planning Document (IAPD) entitled Vermont Health Enterprise, initially submitted to the Centers for Medicare & Medicaid Services (CMS) on March 13, 2012 with a revised submission on April 04, 2012. The IAPD provides a comprehensive plan to support Health Information Technology (HIT) and Health Reform Information Technology (IT), referred to as the portfolio. The portfolio includes underlying common IT shared services and tools to support the Health Insurance Exchange (HIX), the Eligibility and Enrollment (E&E) system, Financial Management systems, public health information, health data, health surveillance technologies and the full Medicaid Management Information System (MMIS) or Medicaid Enterprise Solution (MES) architecture. CMS has completed its review of your IAPD and approves your project, as follows:

**Health Information Technology (HIT)**

The IAPD was submitted to CMS for review and approval to proceed with certain activities authorized under Section 4201 of the American Recovery and Reinvestment Act of 2009 (the Recovery Act), Pub L. 111-5, and our regulations at 42 CFR Part 495, Subpart D. The Social Security Act, as amended under Section 4201 of the Recovery Act, as well as our final regulation, allows the payment of incentives to eligible professionals and eligible hospitals for the adoption and meaningful use of certified electronic health record (EHR) technology.

CMS approves Vermont's IAPD effective on the date of this letter. Our approval of the State's IAPD is subject to provisions in regulations at 42 CFR Part 495, Subpart D.

CMS is approving funding for health information exchange activities described in Vermont's IAPD in an amount not to exceed \$7,159,688 (Federal share \$6,443,720). This funding breaks out as follows: \$1,618,885 (Federal share \$1,456,996) for Federal Fiscal Year (FFY) 2012, and \$5,540,804 (Federal share \$4,986,723) for FFY 2013. Please note that these amounts reflect a

reduction due to funding provided by private payers in the amount of \$4,507,358 as well as a grant from the Office of the National Coordinator (ONC) in the amount of \$2,600,000. Also note that CMS has determined that the telemedicine development and e-prescribing items are not appropriate for HIT funding at this time.

Vermont is also revising the funding amounts from its previously approved IAPD, approved by CMS on September 23, 2011. CMS is approving \$2,188,599 (Federal share \$1,969,739) for FFY 2012, and \$2,080,581 (Federal share \$1,872,523) for FFY 2013.

In total, CMS is approving funding for HIT activities described in Vermont's IAPD in an amount not to exceed \$11,428,869 (Federal share \$10,285,982). The total approved funding for HIT activities in this IAPD breaks out as follows: \$3,807,484 (Federal share \$3,426,735) for FFY 2012, and \$7,621,385 (Federal share \$6,859,247) for FFY 2013. Approval of funding for all HIT activities will expire on September 30, 2013. Please refer to Enclosure A for a breakout by expense of approved HIT implementation funds.

This approval letter replaces the September 23, 2011 approval letter and represents all approved funding for the State's Medicaid Electronic Health Record Incentive Program going forward.

As described in our regulations at 42 CFR Part 495, Subpart D, Requests for Proposals (RFPs) or contracts that the State may utilize to complete incentive program activities must be approved by CMS prior to release of the RFP or prior to execution of the contract. Also, the State must fund its share consistent with the requirements of section 1903(w) of the Social Security Act, implementing regulations, CMS guidance and other applicable laws, rules, and regulations.

Annual HIE-related benchmarks and performance measures included in Enclosure B must be addressed each year. Also, please refer to Enclosure C for additional information about the State's responsibilities concerning activities described in the IAPD.

If there are any questions concerning this information, please contact Jessica Kahn at (410) 786-9361, or via email at [Jessica.Kahn@cms.hhs.gov](mailto:Jessica.Kahn@cms.hhs.gov).

#### **Eligibility & Enrollment System (E&E)**

CMS approves your IAPD for the design, development and implementation (DDI) for an Eligibility and Enrollment system effective on the date of this approval letter for Federal fiscal year 2012 through FFY 2014 (September 30, 2015) for a total project cost \$21,470,560. This total project cost represents the Medicaid and CHIP program share of your core components which is the sum of the allocated costs for the shared functionality of the HIX and the costs of the new replacement E&E system. CMS is approving total Medicaid Federal Financial Participation (FFP) title XIX development costs of \$19,323,504 at an enhanced match rate (refer to the State Medicaid Manual Part 11 for specific FFP rates for the variety of activities supporting proper matching rates; specifically noting that COTs license(s) are considered at a 75 percent match and training at a 50 percent match) which results in a State share amount of \$2,147,056.



To provide guidance to you on State share, States are required to fund the non-Federal share consistent with Federal rules and regulations at section 1903(w)(6)(A) and 42 CFR 433.51. CMS may review the non-Federal share funding sources on an individual basis using information provided by the State and gathered by CMS staff. Please be mindful that all sources of the non-Federal share and any fees, taxes, or donations must meet the requirements of section 1903(w) of the Social Security Act, implementing regulations, CMS guidance, and other applicable laws, rules, and regulations.

In support of approving Vermont's overall project to develop a replacement E&E system comprised of core components and shared services including Master Data Management (MDM), Identity Management, Enterprise Service Bus (ESB), Workflow solution, Rules Engine, Enterprise Master Persons Index (EMPI), Portal, Provider Directory, Imaging / Electronic Records Management expansion, Data Warehouse, an automated Call Center, related staffing costs, and additional E&E development, CMS approves for FFY 2012 a budget amount of \$2,615,430 for DDI project costs. Specifically, CMS is approving Medicaid FFP title XIX development costs of \$2,353,887 for FFY 2012. Please see the following table for the 2012 funding approval amounts with corresponding FFP rates.

Federal / State Program FFY 2012	Program Share of Cost	Amount (\$)	FFP Rate*	Federal Share (\$)	State Share (\$)
Phase I DDI Title XIX		\$2,615,430	90%	\$2,353,887	\$261,543
Phase I DDI Title XXI**		0		0	0
Phase I DDI		\$2,615,430		\$2,353,887	\$261,543
<b>TOTAL PROJECT COSTS, FFY 2012</b>		\$2,615,430		\$2,353,887	\$261,543

\*\*The State of Vermont CHIP population is minimal (approximately .06% of total population) and per CMS EHR guidance, CHIP allocation is included in the Medicaid allocation (page 47 of IAPD).

The CMS approves the State of Vermont's IAPD in accordance with Federal regulations at 42 CFR part 433, subpart C regarding Mechanized Claims Processing and Information Retrieval Systems, and 45 CFR part 95, subpart F regarding Automatic Data Processing Equipment and Services - Conditions for FFP. We are approving Vermont's IAPD for the development of an integrated eligibility system at the applicable enhanced FFP match rate as the State has provided assurances that it will comply with the seven standards and conditions specified in 42 CFR part 433, subpart C, as modified by the final rule, "Federal Funding for Medicaid Eligibility Determination and Enrollment Activities," published in the *Federal Register* on April 19, 2011. In addition, we remind you that we will be monitoring the progress of Vermont's project using a Systems Development Life Cycle (SDLC) model that parallels the Exchange Life Cycle Gate Review process that the Center for Consumer Information and Insurance Oversight (CCIIO) is utilizing. This approach supports the high degree of interaction that will be required between Medicaid, the Children's Health Insurance Program (CHIP), and the Exchanges and the use of a shared eligibility service among the programs.

The information that you submit to CCIIO for the purposes of any Exchange grant application may also be used to satisfy the necessary documentation related to this IAPD document. We will be closely collaborating with our Federal partners in CCIIO on the oversight of your project. In addition and as part of the monitoring and review process, please provide:

- Monthly status reports, to report on the status of your project including updates to your project management plan and risk register in accordance with your risk plan.
- IT artifacts, made available in the Collaborative Application Lifecycle Management tool (CALT) as required through the SDLC gate review process that supports your project.
- Independent Verification and Validation (IV&V) reports. Since this IAPD includes estimated costs for an IV&V vendor, we request to review IV&V reports throughout the SDLC gate review process.
- Alternatives Analysis and Cost Benefit Analysis which supports your solution decisions during your Initiation and Planning phase of your gate review process.
- A more detailed Project Management Plan including key milestones demonstrating your iterative approach to project development including your test period. In addition, when does Vermont plan to complete their MITA State Self Assessment and Roadmap and share that information using CALT? Also, within Section 8 of your IAPD entitled Proposed Activity and Milestone Schedule, you provide a high level schedule of your VIEWS development. From this diagram, it is hard to determine Vermont's planned test period and if adequate time is built into the plan to ensure complete end to end testing and interface testing to support your implementation plan.
- As stated in your IAPD, Vermont is planning an infrastructure to support other non-Medicaid IT projects such as the health care portal, the Data Warehouse solution, and potentially some other facets of core components (see pages 17 through 22 of the IAPD). However, it does not appear that Vermont has elected to take advantage of the opportunity to invoke the OMB A-87 Cost Allocation Exception. We request that you review the latest Tri-Agency letter to States dated January 23, 2012 to confirm your position on the exception. In addition, we request that you include all other applicable human service programs, both from a business as well as technical standpoint, in your design and development of your total project that will ultimately support these programs.

At your request, CMS' prior approval of Vermont's Agency of Human Services and Office of Vermont Health Access IAPD to replace the existing eligibility system with the Vermont Integrated Eligibility Workflow System (VIEWS) dated April 15, 2009 for total project cost of \$34,664,034 is being closed out in support of this new IAPD documenting the change in scope, schedule, and cost allocation methodology. Total expenditures under this previous IAPD were \$127,416.96 and represent planning implementation efforts.

#### **Medicaid Enterprise System (MES)**

The submitted IAPD requests additional FFP of \$100,912,810 to incrementally replace the legacy Medicaid Management Information System (MMIS) with the Vermont Medicaid Enterprise Solution (MES). The legacy MMIS will be transformed over time by replacing components of the legacy system with components that comport with the seven standards and conditions. The cost allocated Total Computable for the MES project is \$112,180,900. State costs are \$11,218,090.

CMS approves the submitted IAPD in accordance with the provisions of 45 CFR 95 Subpart F and Part 11 of the State Medicaid Manual (SMM). This approval authorizes the Department to claim FFP as follows:

- 90 percent FFP in an amount not to exceed \$4,500,000 for State in-house personnel costs
- 90 percent FFP in an amount not to exceed \$19,444,000 for Change Management State in-house personnel costs
- 90 percent FFP in an amount not to exceed \$2,241,810 DDI costs for State in-house personnel costs
- 90 percent FFP in an amount not to exceed \$64,980,000 for DDI costs
- 90 percent FFP in an amount not to exceed \$3,249,000 for IV&V costs
- 90 percent FFP in an amount not to exceed \$6,498,000 for Quality Assurance vendor costs.

Any change in the approved IAPD scope of work, duration or cost requires CMS prior approval of an IAPD amendment in accordance with the provisions of SMM Section 11238 and 45 CFR 95 Subpart F. Should the project deviate from the CMS approved IAPD, FFP for the Vermont MMIS re-procurement project may be suspended or disallowed as provided for in Federal regulations at CFR 95.611(c) (3) and 95.612. In addition, continued Federal funding of the Vermont MES project is contingent upon the following:

1. The Department's ability to demonstrate progress in meeting project milestone commitments as noted in the E&E section and specific to MES funding; and
2. The Department's timely submission of monthly status reports for the MES portion of the project. The monthly status reports should be submitted to this office by the last day of each calendar month beginning with May 2012. Monthly status reports are to be signed by you and include, at a minimum, the following information.
  - **Major Project Accomplishments**  
A description of major project accomplishments since the last report;
  - **Project Status**  
The department's assessment of the current project status as compared to the approved IAPD project schedule including specific reference to all project milestones start and end dates;
  - **Project Problems**  
A description of problems that have or will have an impact on the project schedule or content;
  - **Corrective Action**  
A plan of action to correct any problems identified above;
  - **Funding Summary**  
A cumulative summary of project costs claimed for FFP by rate of FFP.

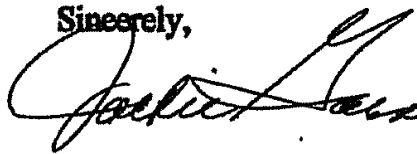
Upon successful implementation of the Vermont MES project, please provide CMS with written notification that includes the following:

1. The date the project was completed and officially accepted by the Department;
2. The final cost to complete the Vermont MES project; and
3. Assurances/documentation that the project, as completed, meets the objectives and performs the functions described in the approved IAPD.

If you have any questions or concerns regarding the MES and E&E sections of this approval, please feel free to contact Ellen Ambrosini at (410)786-6918, [Ellen.Ambrosini@CMS.hhs.gov](mailto:Ellen.Ambrosini@CMS.hhs.gov), or David Guiney at (617)565-1298, [David.Guiney@CMS.hhs.gov](mailto:David.Guiney@CMS.hhs.gov).

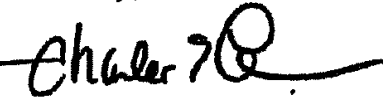
CMS appreciates and supports Vermont's vision to develop a health enterprise, commonly known as Vermont's Health Enterprise Portfolio, which is interoperable, digital, real-time, and a learning health network for its citizens.

Sincerely,



Jackie Garner  
Consortium Administrator

Sincerely,



Charles Lehman  
Director, Division of State Systems

Sincerely,



Richard McGreal  
ARA, Boston