



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Daniel Dickerson, Fiscal Analyst
Date: December 23, 2014
Subject: Grant Request #2727, #2728, #2729, #2730, #2731

Enclosed please find five (5) items that the Joint Fiscal Office has received from the administration. One (1) limited-service position is associated with these requests.

JFO #2727 – \$21,704 donation in the form of vehicle improvements from Whelen Engineering in Chester, CT to the Vermont Criminal Justice Training Council. Whelen Engineering previously installed law enforcement equipment packages on two (2) training vehicles for the police academy in order to enhance training scenarios for trainees.
[JFO received 12/22/14]

JFO #2728 – \$10,000 donation from the Holborn Foundation to the Vermont Department of Finance and Management. These funds will cover a portion of the costs associated with implementation and administration of the new law that requires labeling of food produced from genetic engineering. The donated funds will be deposited in the Vermont Food Fight Fund.
[JFO received 12/22/14]

JFO #2729 – \$43,000 grant from the USDA Agricultural Marketing Service to the Vermont Agency of Agriculture, Food and Markets (AAFM). These funds will be used to support a one-year temporary position at AAFM to collect and track local food data at farmer's markets, livestock sales, farm-to-school programs, and from food hubs. This data will be compiled and disseminated for distribution locally and nationally.
[JFO received 12/22/14]

JFO #2730 – \$535,059 grant from the U.S. Dept. of Health and Human Services to the Vermont Agency of Human Services. These funds will be used over two years to implement a falls prevention program aimed at decreasing the number of falls and injuries and reducing fall risks experienced by older adults through participation in the evidence-based intervention, FallScope. **One (1) limited-service position**, a Public Health Program Specialist, is associated with this request.
[JFO received 12/22/14]

JFO #2731 – \$1,179,000 grant from the U.S. Dept. of Health and Human Services, Center for Consumer Information and Insurance Oversight to the Green Mountain Care Board (GMCB). These funds will be used to support the review of health insurance premium changes by the GMCB and to

support other activities related to simplifying rate reviews, increasing medical price transparency and integrating rate review with GMCB's broader authorities. The funds will support three existing positions created under the previous rate review grant.

[JFO received 12/22/14]

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; ddickerson@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by January 6, 2015 we will assume that you agree to consider as final the Governor's acceptance of these requests.

JFO 2731



RECEIVED
Agency of Administration
DEC 22 2014
JOINT FISCAL OFFICE

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

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

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

Grant Summary:	The grant funds will be used to support the reievow of health insurance premium changes by the Green Mountain Care Board.				
Date:	12/16/2014				
Department:	Green Mountain Care Board				
Legal Title of Grant:	Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV				
Federal Catalog #:	93.511				
Grant/Donor Name and Address:	Dept. Health and Human Services, Center for Consumer Information and Insurance Oversight, US Department of Health and Human Services, 200 Independence Ave., Washington, DC, 20201				
Grant Period:	From: 9/19/2014		To: 9/18/2016		
Grant/Donation	\$1,179,000				
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$442,125	\$589,500	\$147,375	\$1,179,000	

Position Information:	# Positions	Explanation/Comments
	3	Will fund three existing positions created under the previous Rate Review Grant

Additional Comments:

Has Vantage budget detail been reviewed and reconciled? Yes No **EB** (Analyst Initial)

Department of Finance & Management	K M/T/H	(Initial)
Secretary of Administration	12/18/14	(Initial)
Sent To Joint Fiscal Office	12/19/14	Date



VERMONT GRANT ACCEPTANCE REQUEST Affordable Care Act (Form AA-1-ACA)	Priority Level (check one box): Expedited 14 Days <input checked="" type="checkbox"/> Normal 30 days <input type="checkbox"/>
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BASIC GRANT INFORMATION

1. Agency:	Agency Of Administration		
2. Department:	Green Mountain Care Board		
3. Program:	Insurance Rate Review		
4. Legal Title of Grant:	Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV		
5. Federal Catalog #:	93.511		
6. Grant/Donor Name and Address:	Dept of Health and Human Services, Centers for Medicare & Medicaid Services, 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:	9/19/2014	To: 9/18/2016
8. Purpose of Grant:	Grant funds shall be used to help Vermont transform the way it reviews health insurance premium increases and enhance pricing transparency. This grant will help hold insurance companies accountable for their proposed rate hikes.		
9. Impact on existing program if grant is not Accepted:	Failure to accept these grant funds will negatively impact the state from moving forward with its plan for a transparent high performance health system		

10. Budgetary Information

	SFY 1	SFY 2	SFY 3	Comments
	FY 15	FY 16	FY 17	
Expenditures:				
Personal Services	\$432,430	\$576,574	\$144,143	Staff & Contracts
Operating Expenses	\$9,695	\$12,926	\$3,232	Other Costs
Grants	\$0	\$0	\$0	
Total	\$442,125	\$589,500	\$147,375	
Revenues:				
State Funds:				
Cash	\$0	\$0	\$0	
In-Kind	\$0	\$0	\$0	
Federal Funds:				
(Direct Costs)	\$442,125	\$589,500	\$147,375	
(Statewide Indirect)	\$0	\$0	\$0	
(Departmental Indirect)	\$0	\$0	\$0	
Other Funds:				
Grant (source)	\$0	\$0	\$0	
Total	\$0	\$0	\$0	

Appropriation No:	3330010000	Amount:	\$1,179,000
			\$
			\$
			\$

DEC 12 2014

		\$
		\$
		\$
	Total	\$1,179,000

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: Al Gobeille, Board Chair Agreed by: ASG (initial)

12. Limited Service Position Information:	# Positions	Title
	270,010	Health Policy Director
	270,012	Health Policy Analyst
	270,013	Health Policy Analyst
Total Positions		

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

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: Susan Barrett Date: 12/11/14
 Title: Susan Barrett, Executive Director

Signature: Al Gobeille Date:
 Title: Al Gobeille, GMCB Chair

SECRETARY OF ADMINISTRATION

Approved: [Signature] (Secretary or designee signature) Date: 12/17/14

15 ACTION BY GOVERNOR

Check One Box:
 Accepted Date: 12/19/14
 Rejected (Governor's signature)

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

Green Mountain Care Board
89 Main Street
Montpelier, VT 05620

[phone] 802-828-2177
www.gmcboard.vermont.gov

Alfred Gobeille, Chair
Con Hogan
Jessica Holmes, PhD
Betty Rambur, PhD, RN
Allan Ramsay, MD
Susan Barrett, JD, Executive Director

TO: Representative Martha Heath, Joint Fiscal Committee Chair
THRU: Jeb Spaulding, Secretary Agency of Administration
FROM: Susan Barrett, Executive Director 
DATE: December 10, 2014
RE: AA-1 request for Grant # 1 PRPPR140080-01-00, Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV

Introduction

On September 18, 2014 the Center for Consumer Information and Oversight (CCHIO) awarded the Green Mountain Care Board (GMCB) a \$1,179,000 federal "Grant[s] to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV" (Cycle IV grant). The project and budget period for the Cycle IV grant begins September 19, 2014 and ends September 18, 2016. This memo is intended to formally request the Joint Fiscal Committee (JFC) to begin accepting funds on behalf of this grant on January 1, 2015.

Background

Beginning January 1, 2014, the Vermont legislature expanded the Board's authority over rate review and charged it with conducting a full analysis of health insurance rate requests. Utilizing its own contract actuaries, the Board is required by statute to issue a decision whether to approve, modify or disapprove a rate filing within 90 days of its submission. The funds from the Cycle IV rate review grant will support the Board, staff, and the Board's contract actuary, Lewis & Ellis, to further its review work. Specifically, funds will be used to ensure that rate filings are transparent, meet state and federal requirements, provide consumers with accessible, affordable and quality coverage, and to ensure that the Board operates an effective rate review program under federal guidelines. In addition, the Board proposes the following activities to be performed under the Cycle IV Rate Review Grant, including:

1. Simplifying the rate review filing cycle and improving the Board's ability to examine rates against the market as a whole;
2. Increasing medical price transparency within the health care system;
3. Increasing the Board's authority to enforce rate review decisions; and
4. Increasing integration of rate review with the Board's broad authority over payment and system reform.

Recommendation

The Green Mountain Care Board recommends that the State accept funds from the Center for Consumer Information and Oversight (CCHIO) for the "Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV."



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information & Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



September 19, 2014

Susan Barrett
Executive Director
Green Mountain Care Board
89 Main Street
Montpelier, VT 05620-3101

Re: Cycle IV of the Health Insurance Rate Review Grant Program

Dear Executive Director Barrett:

The Center for Consumer Information and Insurance Oversight (CCIIO) is pleased to inform Vermont that you have been awarded a grant under the funding opportunity announcement entitled "Grants to States to Support Health Insurance Rate Review and Increase Transparency in the Pricing of Medical Services, Cycle IV." Congratulations on your successful application. The Notice of Grant Award is available at GrantSolutions.gov.

Pursuant to the HHS Grants Policy Statement, there are terms and conditions associated with the receipt of this grant. These include the Standard and Program Terms and Conditions, which are posted on GrantSolutions.gov. Also available on GrantSolutions.gov are the templates for quarterly programmatic reporting, annual programmatic reporting, the final programmatic report, required data collection, and instructions on how to obtain disbursement of grant funds. Please see the Program Terms and Conditions for more information on required reporting. Please note that the project and budget period for Cycle IV is September 19, 2014 through September 18, 2016.

We at CCIIO thank you for your commitment to improving rate review and medical pricing transparency. CCIIO looks forward to ongoing collaboration with Vermont as you continue to enhance the premium review process and provide greater information to consumers about the pricing of medical services in your state.

Sincerely,

A handwritten signature in black ink, appearing to read "Samara Lorenz", with a stylized flourish at the end.

Samara Lorenz
Acting Director, Oversight Group
Center for Consumer Information and Insurance Oversight

*Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV*

F. Budget and Budget Narrative (required)

i. SF-424A See form SF-424A

ii. Budget Narrative

Introduction

The State of Vermont and the Green Mountain Care Board (Board) are requesting the full grant amount of \$1,179,000 to participate in the *Health Insurance Rate Review Grant Program, Cycle IV*. The Board has maintained an Effective Rate Review Program and has utilized funds from the Cycle II Rate Review Grant Program to increase the transparency of Vermont's rate review process through the creation and maintenance of a "user-friendly" website. The Board also partners with the Office of Health Care Advocate (formerly the Health Care Ombudsman), which serves to monitor rate review activities and represent consumer interests during the rate review process and at hearings. In state fiscal year 2014, the Board devoted \$753,000 to its rate review activities. The Board has made significant progress in broadening the purpose of rate review and strengthening its impact on the health care system. Grant funds in this application are budgeted beginning October 1, 2014 through September 30, 2016, and work is expected to begin in January of 2015.

In accordance with the letter of intent that was sent in June of 2014, the Board plans to use the grant funds to carry out four main tasks: 1) simplify the rate review filing cycle 2) increase medical price transparency within the health care system to increase consumer awareness, decision making and negotiations with providers and insurers 3) gain the ability to examine rates against national and state-wide benchmarks as a whole and increase the Board's authority to enforce rate review decisions 4) and increase integration of rate review with the Board's broad authority over payment and system reform.

The Board anticipates utilizing grant funds to support rate review staffing and to engage technical experts and the Office of Health Care Advocate, where needed and appropriate, to develop rate enforcement mechanisms and to implement insurer reporting standards and market requirements. Further, the Board intends to expand its use of its All-Payer Claims Database (VHCURES) to support its efforts to integrate rate review into the larger landscape of health care reform activities and increase medical pricing transparency. All funds requested to support staff are for grant activities *only*. The Board will not use grant funds to supplant current staff salaries. Funding for staff will end with the completion of this grant. Below is the budget detail by line item.

A. (Personnel) Salaries and Wages

The total amount of personnel funds to be requested is \$235,192.86 over two years. In the first year of the grant, the total personnel funds requested are \$135,261.19 and in year two of the grant, the amount being requested for personnel is \$99,931.67. For each current staff person we have calculated a percentage of time estimated to be spent on grant activities. Staff are required to report their grant related work hours to the State on a weekly basis. A report

**Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV**

displaying these hours will be submitted to HHS with each quarterly report. Salaries include a 2.5% step increase beginning July 1, 2015. A list of annual salaries is attached and listed in the SF-424A.

Total Rate Review Cycle IV Grant \$235,192.86

Year One (10/1/14-9/30/15)

<u>Position Title and Name</u>	<u>Annual</u>	<u>Time</u>	<u>Months</u>	<u>Amount Requested</u>
Health Policy Director Judith Henkin	\$88,138	50%	12 months	\$44,069
Health Policy Analyst Kelly Macnee	\$48,778	50%	12 months	\$24,389
Dir. Health Sys. Finance Michael Davis	\$117,190	5%	12 months	\$5,860
Senior Health Care Analyst Tom Crompton	\$76,744	25%	12 Months	\$19,186
Director of Data Management Dian Kahn	\$88,138	25%	12 Months	\$22,034
Data Project Manager Stacey Murdock	\$84,736	10%	12 Months	\$8,474
Business and Grants Manager TBD	\$75,000	15%	12 Months	\$11,250

Year Two (10/1/15-9/30/16)

<u>Position Title and Name</u>	<u>Annual</u>	<u>Time</u>	<u>Months</u>	<u>Amount Requested</u>
Health Policy Director Judith Henkin	\$90,341	30%	12 months	\$27,102
Health Policy Analyst Kelly Macnee	\$49,997	40%	12 months	\$19,999
Dir. Health Sys. Finance Michael Davis	\$120,120	5%	12 months	\$6,006
Senior Health Care Analyst Tom Crompton	\$78,661	10%	12 Months	\$7,866
Director of Data Management Dian Kahn	\$90,341	25%	12 Months	\$22,585
Data Project Manager Stacey Murdock	\$86,854	10%	12 Months	\$8,658
Business and Grants Manager TBD	\$76,875	10%	12 Months	\$7,688

***Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV***
Health Insurance Policy Director (HIPD) - Judy Henkin

The Health Insurance Policy Director oversees the entire rate review process for the Board including; management, review, writing and issuing formal decisions on behalf of the Board; website maintenance and development; coordinating, attending and directing rate hearings; responding to public comments and overseeing the consumer outreach progress. The Health Insurance Policy Director will be the lead policy developer on the four enhancements outlined in the narrative, including simplification of the rate filing process, medical pricing transparency, development of enforcement mechanisms and reporting standards and guiding the contract actuaries on a feasibility study regarding the integration of new payment models into the rate review process. 50% of time is budgeted for 12 months in year one. 30% of time is budgeted for 12 months in year two of the Cycle IV grant. This position is also partially funded by Cycle II grant funds, contingent upon approval of grant extension.

Health Policy Analyst- Kelly Macnee

The Health Policy Analyst assists with the review of rate filings, manages communication between the parties involved, and is responsible for managing the grant activities and grant related reporting. The Health Policy Analyst will communicate frequently with the contracted actuary regarding the simplification of the rate filing system, the development of enforcement mechanisms and insurer reporting standards, and will help to guide the feasibility study regarding the integration of new payment models into the rate review process. 50% of time is budgeted for 12 months in year one. 40% of time is budgeted for 12 months in year two.

Director Health System Finances- Mike Davis

This position plays a key role in integrating data and information from VHCURES into the expenditure analysis so that it can be used in medical price transparency reporting. Time has been calculated at 5% in year one and in year two of the grant.

Senior Health Care Analyst- Tom Crompton

The Senior Health Care Analyst assists with rate filing reviews and decisions. He is also responsible for SERFF reporting and data submissions and special VHCURES projects, including medical pricing transparency. The Senior Health Care Analyst will work with the Health Policy Analyst, the Health Insurance Policy Director and the Director of Health Systems Finance to coordinate activities with the Contracted Actuary and to ensure the timely completion of enhancement projects. 25% of this position's time has been budgeted in year one of the grant and 10% of time has been budgeted in year two of the grant.

Director of Data Management- Dian Kahn

The Director of Data Management oversees the Board's VHCURES program. This position will be responsible for coordinating and overseeing efforts to develop a prototype for medical pricing information that includes a recommended approach and methods, generation of a starter set of priced medical services, testing applicability of the pricing information within the rate review process, and recommendations for continued, phased development that will serve both the rate review process and public price transparency reporting. 25% of this position's time will be

Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV
dedicated to Cycle IV activities in both years one and two.

Data Project Director-Stacey Murdock

The Data Project Director is specifically responsible for the data improvement efforts that will strengthen VHCURES as a tool for medical pricing transparency and for rate review. Enhancements include improving the ability to identify and analyze cost drivers at the provider level that relate to rate filings and development of medical pricing information. 10% of this position's time will be dedicated to Cycle IV grant activities in years one and two.

Business and Grants Manager- Vacant

This position is currently vacant, but the Board expects to have the position filled by the start of the Cycle IV grant. The business manager will be responsible for managing the grant budget, organizing materials to meet reporting requirements and maintaining all grant related documents. 15% of the Business and Grants Manager's time is dedicated to the Cycle IV program in year one and 10% of this position's time is dedicated in year two.

Health Law Intern- Vacant

This is an un-paid internship position, offered annually to work through the summer and assist with rate review decisions and other legal analysis related to rate review regulations. There is a potential to collaborate with the academic institution to offer academic credit. 100% of time of the intern is allocated for three months.

B. Fringe Benefits

31% of total salaries=Fringe

Rate Review Cycle IV Grant \$72,909.79

<i>Year One (10/1/14-9/30/15)</i>
<i>Total Fringe: \$ 41,930.97</i>
<i>Year Two (10/1/15-9/30/16)</i>
<i>Total Fringe: \$ 30,978.82</i>

**Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV**

C. Travel

Travel (in-State and out-of-State)

Rate Review Cycle IV Grant: \$9,852.24

Yearly Travel Costs (same allocation in grant years one and two)

In-State Travel/Year

Office	0.56	2.00		\$ 380
Offices	0.56	2.00		
holder mtgs.	0.56	2.00		
Total Per Person/year				\$ 273.06
Total # of Employees Traveling				2.00
Total In State Travel				\$ 546.12

Out-of-State Travel/Year

Airfare x \$500 r/t = \$500
Lodging x \$130/night x 3 nights = \$390
Per Diem x \$35 x 3 = \$105
Ground Transportation x \$100 r/t = \$100
Total Per Person Trip Cost = \$1,095
Total Estimate Trips/year = 4
Total Yearly Out-of-State Travel Costs = \$4,380

The Health Insurance Policy Director and the Health Policy Analyst will travel an estimated 6 times, in-state, to meet with the Health Care Advocate in Burlington, Vermont. The Health Insurance Policy Director, the Health Policy Analyst, the Senior Health Care Analyst, and the Director of Data Management will attend a total of 4 combined trainings out-of-state. Trainings and professional development will be targeted particularly at medical price transparency efforts using all-payer-claims databases and rate review enforcement mechanisms.

D. Equipment

Rate Review Cycle IV Grant \$1,000.00

Other Sources of Funding: Global Commitment Fund, Interdepartmental Fund, Exchange Fund

<i>Item Requested</i>	<i>Amount</i>	<i>Unit Cost</i>	<i>Total Amount</i>
<i>Software upgrade to make staff computers compatible with iRate program</i>	<i>\$1,000.11</i>	<i>1</i>	<i>\$1,000.11</i>

**Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV**

The Board's Contract Actuaries have indicated that the iRate program has strong potential to aid in the improvement of rate filing requirements. Equipment expenses will only be made in grant year one.

E. Supplies

Rate Review Cycle IV Grant Total Project Supplies \$1,000.00

<u>Item Requested</u>	<u>Year One</u>	<u>Year two</u>	<u>Total Amount</u>
General Office Supplies	\$500	\$500	\$1,000
Total Supplies			\$1,000

General Office Supplies will be used by staff members to carry out the daily activities associated with the outlined enhancements.

F. Consultant/Contractual Costs

1. Name of Consultant: David Dillon, FSA, MAA, MS, Vice President and Principal of L&E as well as Jackie Lee, FSA, MAA, also Vice-President will be the lead contact persons working with the Green Mountain Care Board and both have extensive experience working with states to build, enhance and expand their rate review authority and expertise.
2. Organizational Affiliation: Lewis and Ellis, Actuaries & Consultants.
3. Nature of Services to be rendered: Support the roll-out of a simplified rate review schedule that enhances the way in which the Board reviews rate filings in a comprehensive, thorough and cumulative manner. The Board will rely on L&E to compare rates filed in Vermont with those of the region as well as rates filed nationally. Assess and guide use of analytics generated from medical reimbursement data to inform the rate review process. Develop plan for collecting any necessary information to review rates in the context of the market as a whole and applying additional criteria to review. Develop options for the implementation of reporting on the historical accuracy of rate estimates. Author a feasibility study on the potential to account for the effects of new payment models through the rate review process.
4. Relevance of Service to the Project: David Dillon and Jackie Lee have experience assisting a variety of clients with the design and pricing of insurance programs, the financial valuation of both short-term and long-term health coverages, and the financial examination of insurance carriers. L&E's expertise and experience in the arena of enhanced rate review and their ability to perform the services delineated above will enable the Board to innovate in its rate review process while maintaining its current effectiveness.
5. Number of Days of Consultation: We estimate that the Board will be under contract with Lewis and Ellis for the entire first year of the grant, with the contract clearly stating the option to renew the contract after a year.

***Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV***

6. Expected Rate of Compensation:

Staff Member Category	Hourly Rate
	1/1/14-12/31/14
Senior Actuary (FSA, MAAA Designations)	\$350
Actuary (ASA, MAAA Designations)	\$225

7. **Justification of expected rates:** Beginning January 1, 2014, the Board entered into a contract with L&E. The Board awarded the firm the actuarial contract after reviewing nine competitive bids in response to a request for proposals. L&E's bid provided the highest value compared with other proposals.
8. **Method of Accountability:** The Health Policy Director will be responsible for managing the contracted actuaries and ensuring they are meeting expectations of the contract. Contractor will submit an invoice on a quarterly basis to the Board for services provided and expenses incurred during the previous quarter. Each invoice must include a unique invoice number, dates of service, itemized hours being invoiced with a description of work performed, and a list of allowable expenses incurred and the address for remittance of payment. A billing for mileage shall include the points of origin and destination and the number of miles traveled. Only actual charges will be paid.

Additional Contracting Needs: HCA

1. **Name of Contract/Consultant:** Office of the Health Care Advocate (HCA)
2. **Organizational Affiliation:** Vermont Legal Aid via MOU with Vermont's Agency of Administration (AoA).
3. **Nature of Services to be rendered:** Advocate for consumers as an advisory to the Board on rate review and enhancements to the rate review program. Cycle II funds also contribute to the HCA's activities, but do not include funding for enhancements proposed in this application.
4. **Relevance of service to the project:** The HCA ensures proper consumer protections are in place and aids the Board in maintaining a "user friendly" consumer website and rate review process that is culturally and linguistically appropriate.
5. **Number of Days of Consultation:** The Board expects to partner with the HCA throughout the term of the grant.
6. **Expected Rate of Compensation:** \$100,000.00 is allocated to this MOU in year one of the program and \$50,000.00 is allocated in year two.
7. **Justification of expected rates:** The budgeted allocation for the HCA is based on the amount that has historically been awarded for rate review enhancement work.
8. **Method of Accountability:** The Health Policy Director meets monthly with the HCA to ensure that they are meeting the expectations outlined in the MOU.

***Budget and Budget Narrative
Green Mountain Care Board
Health Insurance Rate Review Grant Program, Cycle IV
Additional Contracting Needs: Program Evaluation***

At this time the Board has not identified an evaluation consultant to assess the efficacy of its rate review program and to assist the Board with its evaluation plan. The Board will carry-out the State of Vermont's prescribed Request for Proposal process and adhere to state procurement rules and protocol in its selection of an evaluation vendor. The Board intends for an independent, objective assessment of its rate review program to inform rate review enhancements prior to the conclusion of the grant and beyond the term of the grant. The total amount budgeted for an evaluation consultant is \$70,045 in year two of the Cycle IV grant.

G. Construction (Not applicable)

H. Other

<i>Item Requested</i>	<i>Year One</i>	<i>Year Two</i>	<i>Total</i>
<i>Advertising</i>	<i>\$2,000</i>	<i>\$1,000</i>	<i>\$3,000</i>
<i>Space/Rent</i>	<i>\$4,000</i>	<i>\$3,000</i>	<i>\$7,000</i>
<i>Phone/Internet</i>	<i>\$2,000</i>	<i>\$2,000</i>	<i>\$4,000</i>
<i>Total</i>	<i>\$8,000</i>	<i>\$6,000</i>	<i>\$14,000</i>

Advertising is required for the posting of information about stakeholder meetings, potential rule changes, rate review forums, or other events planned to share changes and enhancements to the rate review process with the general public. Space/Rent is required to house the Board staff that are designated to carry out the enhancements outlined in the grant narrative. All staff need to be located on site in order to facilitate in person meetings, and use of confidential information located at the Board office. Phone/Internet expenses will be incurred as Board staff will need to do substantial outreach to carriers, the HCA, and its Contracted Actuaries.

I. Total Direct Costs

Object Class Category	Total Amount Requested
Personnel	\$235,192.86
Fringe Benefits	\$72,909.79
Travel	\$9,852.24
Equipment	\$1000.11
Supplies	\$1000.00
Contractual	\$845,045
Construction	\$0
Other	\$14,000
Total Direct Costs	\$1,179,000

J. Total Indirect Costs (None)