

Section G. Budget Narrative

The State will be leveraging Federal funding via the Vermont Health Enterprise Advance Planning Document (APD) and the Exchange Level Two Grant. Federal and State staff must be able to identify what work was done and how much of the cost of that work is applied to each approved funding stream. Over the course of the past few years, Vermont has established a close relationship between a core team of VT staff (Senior Leadership, Financial Managers, Business/Program Managers, and IT Stakeholders) and CMS Leadership (regional administrators, Central Office Personnel- including CCIIO staff, IT Directors, and Program Managers). Close and frequent communication has helped build a trusted network from which Vermont operates in a very committed manner to help ensure coordination between projects, project costs, funding streams (between the APDs and Grants), and allocation of funds to address both Federal and State needs.

In April 2012, the State submitted a Jumbo IAPD V4 that included the Exchange, E & E, HIT, and MES. The allocated costs for the Exchange in the approved IAPD were \$113,812,226. The State’s current estimate of the costs for establishment of the Exchange is \$118,530,426. A portion of this latest exchange cost estimate, \$14,151,461, is to be allocable under Medicaid 90/10 funding while \$104,178,965 is requested under this Level Two Establishment grant application.

We also note that the current Level One Establishment Grant currently has unobligated IT budget funding of \$10,100,000. Accordingly, once the Level Two Establishment grant has been approved, the State plans to submit an updated IAPD to reflect the approved funding for the Level One and Two Establishment grants.

I. Budget Request Overview

The total Exchange establishment budget request for the 2012 – 2014 establishment period is \$104,178,965, as summarized in Table 1 and Table 2, below. This section will outline the specific assumptions and key variables underlying this budget estimate.

Because of the significant portion of cost accounted for by the development and operation of IT infrastructure, this budget narrative is divided into two primary sections: the first addresses non-IT Exchange program establishment staff and activities; the second is focused on the design, development, and implementation of the Exchange technology solution. Although the budget for IT implementation includes costs in each of the primary cost categories outlined in the Funding Opportunity Announcement (FOA), for clarity we have included all costs associated with the IT budget in Line H, Contractual.

Table 1. Vermont Level II Establishment Grant Overview

	Total	Percent of Total
IT Budget		
IT Budget (Prior to Allocation)	79,502,589	
Medicaid Allocation	-14,151,461	
Total IT	65,351,128	63%
Non IT Budget		
Call Center	6,390,151	6%
Outreach and Education	7,377,952	7%
Consulting	10,205,875	10%
Staff & Fringe	7,092,937	7%
Other	7,760,922	7%
Total Non-IT Budget	39,027,837	37%
Grand Total	104,178,965	100%

Table 2. Vermont Level II Establishment Grant Summary by Line Item

	CY 2012	CY 2013	CY 2014	Grant Period Total 2012-2014
Salaries	303,770	2,213,932	2,327,201	4,844,902
Fringe	140,949	1,027,264	1,079,821	2,248,035
Consultants	3,423,078	7,245,367	6,915,382	17,583,827
Equipment	163,090	164,190	83,190	410,470
Supplies	3,600	3,600	3,600	10,800
Travel	103,960	103,960	103,960	311,880
Other	381,608	1,273,223	2,472,942	4,127,773
Contractual Costs	12,084,416	34,209,020	42,499,304	88,792,739
Total Direct Costs	16,670,471	46,306,556	55,553,400	118,530,426
Indirect Cost	0	0	0	0
Total Direct and Indirect	16,604,471	46,240,556	55,485,400	118,330,426
Less Medicaid Allocable	(2,151,026)	(5,520,482)	(6,479,953)	(14,151,461)
Total Costs	14,453,444	40,720,074	49,005,447	104,178,965

II. Budget Line Item Detail**A. SALARIES AND WAGES**

The total amount requested for non-IT salary costs is \$4,844,902. Because the Exchange will be operating within the Department of Vermont Health Access (DVHA), a unit of the state’s Human Services agency, the Exchange will be supported by staff residing in multiple state agencies, including DVHA, the Department of Financial Regulation (DFR), the Agency of Administration (AoA), the Agency of Human Services, the Department for Children and Families, and the Green Mountain Care Board. This matrixed approach has been taken to maximize efficiency by leveraging existing agency expertise and administrative infrastructure. The number of FTE’s required to develop and support the Exchange during the start-up phase is larger than the anticipated need to operate the organization on an ongoing basis. As reflected in the table below, the overall staffing footprint is expected to decrease in CY 2015 following its peak in CY 2014. Please note that the staff requested in this line item relate to non-IT staff. The significant effort to develop and implement an integrated technology solution to support the Exchange and other state programs will also require a significant number of IT staff, including both full time Vermont employees as well as contracted employees. These additional positions, including staff reporting within AHS, DCF, and the Department of Information and Innovation (DII) are included as part of the IT budget and itemized separately below. Staff salary and fringe estimates below have been adjusted to remove potential overlap in budget funding between Vermont’s Level One and Level Two grant funding requests. Tables 3 and 4 below summarize Exchange staffing from 2012 through 2014.

Table 3. Internal Year-End FTEs by HBE Department and Calendar Year

VT Exchange Departments	FTEs (YE)			
	2012	2013	2014	2015
DVHA	5	20	20	17
DFR	2.5	6.3	6.3	4.8

Agency of Administration	1	2.75	2.75	0.5
GMCB	1	1	1	0
AHS IT	0	0	0	3
VDH	1	1	1	0
DCF	2	2	2	0.75
Total	12.5	33.05	33.05	26.05

Table 4. Internal Staff Salaries by Department and Calendar Year

VT Exchange Departments	2012	2013	2014	Total
DVHA	171,078	1,414,081	1,486,428	3,071,588
DFR	45,471	363,894	382,511	791,875
Agency of Administration	19,168	155,096	163,031	337,295
GMCB	19,997	82,531	86,754	189,282
DII	0	0	0	0
AHS IT	0	0	0	0
VDH	18,789	77,542	81,509	177,840
DCF	29,267	120,788	126,967	277,022
Totals	303,770	2,213,932	2,327,201	4,844,902

B. FRINGE BENEFITS

The total amount requested for non-IT fringe costs for the grant period is \$2,248,035. Fringe benefits are estimated using a factor of 46.4%, which is standard for budgeting State of Vermont employee positions.

C. CONSULTANT COSTS

The total requested amount for non-IT consultant costs for the grant period is \$17,583,827. Of the total amount requested \$7,377,952, or 43%, is related to outreach and education; \$3,910,000, or 22%, is related to health insurance market reform, including the evaluation of Risk Adjustment and Reinsurance; the remaining funding request is related to policy, planning, oversight, and project management. A description of the consulting work to be performed and relevance of the project is included in Appendix I.

Table 5. Consulting Engagement Costs by Project

Project	Total Grant Period
Outreach and Education (includes navigator training)	6,448,532
Digital Literacy	573,413
Small Business Tax Credit	309,875
Website Design and Content	356,008
DFR - SERFF Improvement	75,000
External Auditor (Operational)	150,000
Econometric and Actuarial Analysis	300,000
Risk Adjustment & Reinsurance	585,000
Micro Simulation	250,000
Small Employer Survey	200,000
Disenrollment Survey	100,000
Organizational Structure Review	450,000
Staff Training	400,000
Evaluation Implementation and Analysis	675,000
DVHA - Transitional Wellness and Insurance Orientation	720,000

Project Management	1,386,000
Appeals and Grievance Process Assessment	125,000
Tax Collection Study	55,000
Legal Support	125,000
Call Center Operations – Consulting	225,000
Medicaid Integration Planning	250,000
Cost Trend Analysis	500,000
APCD Enhancement	1,575,000
Cost Containment Strategy	1,200,000
Administrative Simplification	150,000
Executive Education - Change Management	250,000
Affordability Standard/Credit	150,000
Total	17,583,827

C. EQUIPMENT

The total amount requested for non-IT equipment costs for the grant period is \$410,470. Estimated equipment costs include computer hardware and software to support Exchange business and IT staff; printers, telephones, fax machines, and other office equipment, as itemized below.

Work Station and Business Software – We estimate that for each FTE there will be a \$1,000 start-up cost with ongoing costs of \$750 per year for work stations and software.

Mobile Devices – The estimated cost for mobile devices is a one-time purchase cost of \$250 with ongoing service fees of \$50 per month, per FTE.

Telephone Equipment – The total expense for telephone equipment costs is estimated at \$750 per FTE per year

PC Projectors – We estimate that 1 PC Projector is required at a total cost of \$2,500.

Printer (b&w) – This budget assumes the need to lease 3 black and white printers at a cost of \$130 per year. This cost includes toner and maintenance.

Printer (color) – This budget assumes the need to lease 3 color printers at a cost of \$200 per month. This cost includes toner and maintenance.

D. SUPPLIES

The total amount requested for non-IT supplies is \$10,800, which is inclusive of general office supplies. General office supplies are estimated at \$100/FTE/Year.

E. TRAVEL

The total amount requested for non-IT employee travel reimbursement is \$311,880. This amount is inclusive of estimated out-of-state trips taken by Exchange personnel for federal and state conferences on exchanges, professional development, and consultation with other states and the federal government. It also includes in-state travel reimbursement. In-state travel is budgeted at \$2,000 per year per FTE, which is standard when budgeting State of Vermont employee costs. Out-of state travel is based upon the need for staff to travel out of state five times annually to attend meetings with federal partners, other states, or conferences. These costs utilize the following assumptions:

Table 6. Out of State Travel Cost Per Trip Assumptions

Out of State Travel	
Days	4
Nights	3

Staff Travelling	4
Round Trip Airfare	600.00
Ground Transport	65.00
Hotel	211.00
Per Diem	75.00
Travel Cost Per Out of State Trip	6,392.00

F. OTHER ADMINISTRATIVE

The total amount requested for other expenses is \$4,127,773, which is inclusive of facilities costs and other ancillary business and staff expenses required for the Exchange. In addition, this amount includes an administrative cost allocation equivalent to 40% of personnel costs to account for overhead and administrative expenses provided state agencies. This allocation, as well as other expense items included here, follows standard DVHA budget development practices and unit cost assumptions. Detailed assumptions for other administrative expenses are itemized below:

Printing & Reproduction – We estimate that each FTE will incur \$50 in printing and reproduction costs per year.

Dues & Subscriptions – This estimated expense includes fees for professional associations and subscriptions. The total estimated cost is \$42 per FTE per month, or \$504 on an annualized basis.

Professional Development – We estimate training and professional development costs and fees will amount to \$83 per FTE per month, or \$996 on an annualized basis.

Office Furniture & Fixtures – We estimate the total cost of office furniture and fixtures to be a one-time cost of \$250 per FTE and an ongoing cost of \$50 per FTE per year.

Stakeholder Meetings – We anticipate having 18 advisory committee and public stakeholder meetings per year at a cost of \$4,500 each. This cost covers the rental of a meeting facility and ancillary printing, materials, and equipment costs.

Appeals (Staff, Hearing Officers, Interpreters) – This cost includes the cost of appeals staff, hearing officers, interpreters, and other expenses to hear and adjudicate appeals. The total estimated annual cost for this is service is \$77,519 per month, or \$930,224 annually starting in 2014.

Printing and Collateral – We estimate the annual cost of printing and collateral services to be \$100,000 per year. We anticipate a staggered introduction of this expense based on the introduction of promotional materials regarding the Exchange establishment.

Mailing and Promotional – We estimate the annual cost of mailing and promotional services to be \$120,000 per year. We anticipate a staggered introduction of this expense based on the need for promotional material regarding the Exchange establishment.

Space – We estimate that work space will cost \$4,000 per FTE per year.

Administrative Allocation Charges – An estimate of 40% of personnel costs are applied according to the state’s Cost Allocation Plan, which reflects administrative and overhead costs borne by the state for items not included in the direct cost estimates itemized above (e.g., HR, accounting, and other overhead cost items

Table 7. Summary of Budget Estimate for Items D, E, F, and G

	2012	2013	2014	Total
D. Equipment				
Work Station and Business Software	99,000	27,000	27,000	18,750
Mobile Devices	32,400	102,600	21,600	10,800
Telephone - Equipment	27,000	27,000	27,000	24,750
PC Projectors	2,500	0	0	0
Printer (b&w) incl. Toner etc.	390	390	390	390
Printer (Color) incl. Toner, etc.	1,800	7,200	7,200	7,200
Total Equipment	163,090	164,190	83,190	410,470
E. Supplies				
General Office Supplies	3,600	3,600	3,600	10,800
Total Supplies	3,600	3,600	3,600	10,800
F. Travel				
In-State	72,000	72,000	72,000	216,000
Out-of-State	31,960	31,960	31,960	95,880
Total Travel	103,960	103,960	103,960	311,880
G. Other Administrative				
Printing and Reproduction	1,800	1,800	1,800	5,400
Dues and Subscriptions	4,536	18,144	18,144	40,824
Professional Development	8,964	35,856	35,856	80,676
Office Furniture and Fixtures	19,800	-3,150	1,350	18,000
Stakeholder Meetings	81,000	81,000	81,000	243,000
Appeals (Hearing Officers, Rooms and Interpreters)	0	0	1,039,912	1,039,912
Printing and Collateral	0	50,000	100,000	150,000
Mailings and Promotional	0	60,000	120,000	180,000
CAP Charges	121,508	885,573	930,880	1,937,961
Space	144,000	144,000	144,000	432,000
Total Other	\$381,608	\$1,273,223	\$2,472,942	\$4,127,773

H. CONTRACTUAL COSTS

The total amount requested for Contractual costs is \$74,641,278. The total amount of contractual funded through other sources is \$14,151,461. Total contractual costs are estimated to be \$88,792,739. This section will first discuss non-IT contractual costs, and will then provide a detailed discussion of funding requested to support the design, development, and implementation of the Exchange technology solution. The breakdown of contractual costs is reflected below:

Non IT Contractual Costs	
Customer Service	6,390,152
Transitional Broker Fee Payments	2,000,000
Other Variable Operating Costs	\$899,999
Sub-Total - Non IT Contractual Costs	9,290,151
Sub-Total - IT Costs (Including Medicaid Allocable)	79,502,589
Total – Contractual Costs	88,792,739
Medicaid Allocated IT Costs	(14,151,461)
Total – Contractual Costs	74,641,278

Non-IT Contractual Costs

1. Customer Service and Call Center Costs

The estimate of customer call center costs is based upon per-member per-month cost benchmarks, scaled to the estimated enrollment in Vermont’s Exchange. This cost estimate assumes that call center functionality will be integrated between the Exchange and the Medicaid program. Based upon estimated Exchange and Medicaid enrollment member months in 2014, the estimated per-member per-month cost of the customer call center is \$3.69, or \$3,195,076. In addition to the cost of operations beginning in 2014, the cost estimate includes the anticipated system set up, installation, and training during the second half of 2013, estimated to be \$3,195,076.

2. Transitional Broker Fee Payments to Support Small Employers

Under Act 171, Vermont’s small group market will be changed beginning in 2014 such that (a) small employers may only purchase insurance through the Exchange and (b) broker fees will no longer be incorporated into health plan premiums, but will rather be charged directly to small employers as a separate, transparent fee. Based upon stakeholder interviews and market research with small employers in Vermont, the state has ascertained from businesses in the state that employers have an anticipated need for broker support during the first year of this market transition, but are unlikely to use a broker if faced with current broker fee levels (estimated at 4% of premium). In order to support the transition to the new, Exchange-based market place, the state is requesting \$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 transitional payment would allow the fee paid by small employers to be reduced from current levels, and is intended as a one-year transitional program to allow employers to become oriented to the new market.

3. Variable Operating Costs Related to Integrated System Solution

The Exchange technology implementation and ongoing maintenance expense, described in detail below, includes the design, development, and build-out of the fixed technology components that will support ongoing Exchange business operations. To provide the services necessary to operate the Exchange, including fulfillment, premium billing, enrollment, and small business-specific functions, the Exchange will seek additional services from contracted third-party vendors. The estimated cost for providing these services in 2014 is \$899,999.

IT Budget

IT Development and Operations:

While the IT Budget has been broken down in the same manner as the overall budget, we anticipate the complete IT project for Vermont to be contracted and have therefore budgeted it as such. This represents a multi-year implementation plan for a full-function health benefits exchange. The budget is displayed in the table below, and an explanation of the contents supporting each budget line item follows the table.

The State’s current IT strategy is to use Oracle OnDemand services which will enable the State to accelerate its DDI environment deployment to support the Exchange and other related healthcare reform environments, such as the Integrated Eligibility System. The self-service strategy implicit in the Exchange requires a level of IT availability that the State data center cannot currently provide. Leveraging Oracle OnDemand will provide the State with a more robust solution able to meet the anticipated demands of the self-service strategy.

Table 8. Total Exchange IT Budget (before allocations)

Summary of Costs		2011	2012	2013	2014	Grant Period
			Year 1	Year 2	Year 3	Costs (2012-14)
A	Salaries		\$ 440,270	\$ 2,908,425	\$ 2,035,670	\$ 5,384,365
B	Fringe		\$ 204,285	\$ 1,349,509	\$ 944,551	\$ 2,498,345
C	Consultants		\$ 5,958,759	\$ 7,942,874	\$ 5,589,066	\$ 19,490,699

D	Equipment	(Sunk Cost) \$ 3,800,000	\$ 2,796,200	\$ 1,180,000	\$ 1,180,000	\$ 5,156,200
E	Supplies		\$ 28,050	\$ 56,100	\$ 56,100	\$ 140,250
F	Travel		\$ -	\$ -	\$ -	\$ -
G	Other		\$ 928,508	\$ 1,468,620	\$ 1,119,518	\$ 3,516,646
H	Contractual Costs (IT Budget)		\$ 841,543	\$16,551,816	\$25,922,724	\$ 43,316,084
Total Costs			\$ 12,084,416	\$31,013,944	\$36,404,229	\$ 79,502,589
	Design & Build (DD&I) Costs		\$ 12,084,416	\$28,996,174	\$28,290,270	\$ 69,370,860
	Maintenance & Operations		\$ -	\$ 2,017,770	\$ 8,113,959	\$ 10,131,729
Total Costs (including Medicaid Allocated)			\$ 12,084,416	\$31,013,944	\$36,404,229	\$ 79,502,589
Medicaid Allocated			(\$2,151,026)	(\$5,520,482)	(\$6,479,953)	(\$14,151,461)
Total Costs (excluding Medicaid Allocated)			9,933,390	25,493,462	29,924,276	65,351,128

Vermont’s small population translates into a low volume of potential exchange enrollees, which makes analysis of sustainability a key component of any business model and eventual solution architecture discussion. For this reason, Vermont continues to review and consider data that could affect sustainability and refine plans accordingly. To this end, during the first year of the grant, a number of significant project activities will be performed and decisions will be made to assess sustainability. These activities include:

- Reviewing the project staffing strategy to determine where additional long-term state contractors and state-knowledgeable resources will add subject matter expertise and aid in knowledge transfer to improve exchange start up and long-term viability of the exchange.
- Performing a detailed assessment of the components and possible external services available from the New England States Collaborative for Insurance Exchange Systems (NESCIES) Consortium, other innovator states, and vendors that can supplement the Vermont solution. These assessments would result in a refined strategy and updated contracting agreements.
- Refining design and implementation decisions related to components shared from the NESCIES consortium to support a refinement of the overall implementation budget.
- Finalizing Exchange business model decisions, based on market research results coupled with IT strategy decisions above and supporting sustainability analysis, which may result in more limited exchange functions given financial, market constraints.

These decisions and accompanying final design review will take place between the end of the second quarter and middle of the third quarter of the first year of the grant period . The implementation team builds up by quarter, as described in the Roadmap report. The internal and external team will consist of a number of full time team and part time members over the implementation timeline, detailed in the tables below. Assumptions for the IT Budget line items are as follows:

A. SALARIES/STAFF COMPENSATION

Total labor cost for resources committed to the IT Budget for the grant period is shown in the table below. Vermont may consider staffing IT roles with long-term contractors for Exchange implementation. The use of long-term contractors is practiced in VT primarily to attract the required skill set and experience with new technologies that are not readily available in the state workforce, and not able to be recruited under the state’s existing salary structure. Contracted individuals’ fully loaded cost is estimated at 67% of the cost of large system integrators or consulting firms’ rates for the same resources with no fringe added. The table below illustrates the internal FTE’s required for the IT Projects:

Table 10. Internal FTE Requirements

<u>Internal Labor Costs</u>	Year 1	Year 2	Year 3	Total
Internal Staff Costs derived from Work Package Cost Details (fully loaded)	\$644,555	\$4,257,934	\$2,980,221	\$7,882,710
Average Internal FTE's	6.9	51.0	34.8	30.9
Average Annual Cost per Internal FTE (fully loaded)	\$93,414	\$83,514	\$85,633	\$87,520

The roles identified below are preliminary. During mobilization, the internal work will likely be adjusted among different roles, depending on the resources available and further refinement of the detailed work plan. The Loaded Annual Cost and Loaded Cost columns for each year are fully loaded as independent contractor costs with no fringe required.

Table 11. Summary of Internal Staffing by year through 2014

		2012				2013		2014	
Name	Daily Rate	Annual Cost	FTE s	Loaded Cost	FTEs	Loaded Cost	FTEs	Loaded Cost	
Total Internal Resources			6.9	\$644,555	51.0	\$4,257,934	34.8	\$2,980,221	
Total Internal Business Resources			4.5	\$384,051	41.6	\$3,263,058	26.1	\$2,043,098	
IB.PGM Business Program Management - Internal	\$ 592	\$ 127,872	0	\$1,184	0.3	\$36,459	0.0	\$3,189	
IB.PM Business Project Management - Internal	\$ 651	\$ 140,616	0.3	\$35,545	1.2	\$169,735	1.8	\$260,512	
IB.PC Project Coordinator - Internal	\$ 541	\$ 116,856	0.5	\$53,018	0.2	\$22,394	0.1	\$10,784	
IB.BUS Business Rep Resource - Internal	\$ 359	\$ 77,544	3.7	\$288,564	36.2	\$2,808,460	17.6	\$1,361,813	
IB.ADM Business Admin Support - Internal	\$ 287	\$ 61,992	0.1	\$5,740	3.6	\$226,010	6.6	\$406,799	
Total Internal Technical Resources			2.3	\$260,505	9.4	\$994,876	8.7	\$937,123	
IT.SPM IT Senior Project Management - Internal	\$ 592	\$ 127,872	0.4	\$53,576	0.6	\$79,343	0.6	\$84,995	
IT.PM IT Project Management - Internal	\$ 651	\$ 140,616	0.2	\$30,923	1.2	\$170,852	1.6	\$232,526	
IT.BAN Business Analyst - Internal	\$ 541	\$ 116,856	0.4	\$48,463	0.4	\$45,219	0.2	\$20,279	

		2012			2013			2014	
Name	Daily Rate	Annual Cost	FTE s	Loaded Cost	FTEs	Loaded Cost	FTEs	Loaded Cost	
IT.AA	Application Architect - Internal	\$ 486	\$ 104,976	0.1	\$8,165	0.4	\$38,125	0.0	\$2,880
IT.IA	Information Architect - Internal	\$ 554	\$ 119,664	0.1	\$10,050	0.1	\$7,260	0.1	\$7,450
IT.SEC	Security Architect - Internal	\$ 486	\$ 104,976	0.3	\$33,330	0.3	\$29,764	0.3	\$29,409
IT.SOL	Solution Architect - Internal	\$ 486	\$ 104,976	0	\$2,236	0.0	\$540	0.0	0
IT.SA	Systems Analyst - Internal	\$ 429	\$ 92,664	0.2	\$14,414	0.9	\$84,621	0.3	\$31,963
IT.DAM	Data Analyst/Modeler - Internal	\$ 429	\$ 92,664	0	0	0.0	0	0.0	0
IT.TA	Technology Architect - Internal	\$ 486	\$ 104,976	0.2	\$17,166	1.8	\$188,264	1.6	\$165,862
IT.NET	Network Analyst - Internal	\$ 429	\$ 92,664	0	\$751	0.0	\$217	0.0	0
IT.PA	Programmer/Analyst - Internal	\$ 429	\$ 92,664	0	0	2.6	\$239,961	2.7	\$250,980
IT.QA	QA Analyst - Internal	\$ 429	\$ 92,664	0.3	\$27,799	0.8	\$72,851	1.0	\$90,229
IT.LIB	Documentation Administrator - Internal	\$ 429	\$ 92,664	0.1	\$13,634	0.2	\$16,139	0.2	\$16,806
IT.OSA	Operations/Support Analyst - Internal	\$ 429	\$ 92,664	0	0	0.2	\$15,224	0.0	\$2,358
IT.DBA	Database Administrator - Internal	\$ 429	\$ 92,664	0	0	0.1	\$6,497	0.0	\$1,387

B. FRINGE BENEFITS

Fringe Benefits for internal staff are estimated at 46.4 % of base salary.

C. CONSULTANTS

Total cost for consulting resources committed to the IT Budget for the grant period is estimated as illustrated below. These costs are separate from the (business) Consulting Costs in the overall budget, and separate from the contractual costs in section (h) below. The days and amounts are before Medicaid allocations for EFPF funding.

Table 12. Consultant Costs (before Medicaid Allocations)

ID	Project	Amount	Days
ST01-P011	Release 1 Mobilization	\$1,593,277	694
ST01-P012	Implementation Strategy Requirements and Plan	\$1,221,442	586
ST01-P013	Requirements and Logical Architecture Specification	\$3,741,277	2,688
ST01-P014	Procurement Process	\$192,043	105
ST01-P015	Data Center Capacity Assessment and Disaster Recovery Plan	\$245,040	110
ST11-P111	Release 2 Mobilization	\$130,866	65

ST21-P211a	IT Program Management	\$1,543,704	701
ST21-P211b	Project Management Quality Assurance	\$6,156,941	2,405
ST21-P211b-2	Independent Verification and Validation (IV&V)	\$1,532,149	599
ST21-P211c	Architecture Integration	\$3,133,961	1,649
Total		\$19,490,699	9,602

D. EQUIPMENT

Total equipment cost included in the IT budget includes hardware costs, software license costs, and annual hardware & software maintenance costs. We assume the majority of software required to configure the IT solutions required for the Exchange must be bought in 2012 to meet the required implementation dates. We assume that hardware lease costs are needed to support the project team's working environment, as well as development and test environments.

Table 13. Equipment Costs (2012 – 2014)

Equipment Category	Amount
Hardware Acquisition	\$650,000
Software Acquisition	\$1,500,000
S/W Maintenance Agreement Costs	\$1,060,000
H/W Maintenance Agreement Costs	\$1,680,000
H/W Warranty & Lifecycle Replacement Costs	\$266,200
Total Equipment Cost	\$5,156,200

E. SUPPLIES

General office supplies are estimated at \$56,100 for each year, for a total of \$140,250 for the contract term. The estimate is calculated based on an average of 66 team members required onsite. We have assumed that the supplies cost is \$100 and telephone cost is \$750 per year per team member.

F. TRAVEL

We have assumed \$7,798,560 of travel costs for the duration of implementation. This accounts for travel required by 70% of contractors at a rate of \$300 per day.

G. OTHER

Other costs of \$1,362,900 include staff technical training costs, build-out of facilities for the project team, including acquisition of furniture and telecommunications for up to 66 onsite team members. The total includes \$82,500 for staff technical training, \$660,000 for facility acquisition and build out, and facility lease and utilities cost for office space of \$4,000 per onsite team member. This projects to an annual office space costs of \$264,000 for each of two and a half years during the implementation.

H. CONTRACTUAL COSTS

The IT Contractual Costs are assumed to be the costs for systems integration services to design, configure and implement the hardware and software required for the Vermont Exchange IT solution. Contractual costs begin relatively low, due to vendor selection and startup activities, but ramp up very quickly in 2013 and 2014. The estimated contractual costs are shown in the table below.

Table 14. Contractual Costs by Release

	Software Package Acquisition and Deployment	Design	Develop	Implement	M&O
Release 1	\$1,077,313	\$4,175,743	\$10,593,138	\$2,265,209	\$4,940,299
Release 2	\$0	\$3,976,409	\$14,081,026	\$1,022,941	\$1,184,004

III. Medicaid Allocation

Since this grant funds an integrated project that supports both the Vermont Exchange and the state’s Medicaid program, IT system development, operating, and maintenance costs must be allocated proportionately between the two programs. Our allocation methodology is based on the relative usage of system functionality by each program, and within each area of system functionality, the relative number of potential users from each program. Medicaid allocations are developed as follows for each function:

- If the function serves the Exchange only, Medicaid allocation of Function Points is 0%, Exchange is 100%.
- If the function serves Medicaid only (very few functions in this category), Medicaid is 100%, Exchange is 0%.
- If the function serves both the Exchange and MAGI Medicaid, the Medicaid allocation is the percent of the population served that is Medicaid, and Exchange allocation is the remainder. The percentages that apply to each category are noted in Table below.

For each Exchange application component, we calculated the total number of function points for Medicaid, and the percentage represents the total function points for the component applicable to Medicaid. To arrive at the overall Medicaid allocation, the number of function points for Medicaid for all components in total, as well as the percentage this is of the function points for all components, are calculated. Functions are rolled up by logical component and recorded in the table below.

Table 15. Medicaid Allocation Summary

Functionality	Function Point Count	Medicaid Portion of FP Count	Medicaid Percent of FP Count
Appeals Management	121	-	0.0%
Comparison Shopping	97	18	18.4%
Eligibility Assessment	638	55	8.5%
Enrollment Processing	1,044	204	19.5%
Insurance Plan Management	523	133	25.5%
Risk Management	646	165	25.5%
Premium & Tax Credit Processing	565	-	0.0%
Broker / Navigator Relationship Management	586	60	10.2%
Business Process Management	188	48	25.5%
Marketing and Outreach	140	-	0.0%
Customer Service & Account Management	316	66	20.9%
Financial Tx Processing	156	-	0.0%
Master Person Index	225	57	25.5%
Knowledge Management	226	58	25.5%
Information Management	1,010	258	25.5%
Integration Management	50	13	25.5%
Integration Content Processing (Processing Adapters)	380	97	25.5%
Total:	6,910	1,232	17.8%

APPENDIX I. CONSULTING ENGAGEMENT DESCRIPTION AND RELEVANCE
NON-IT CONSULTING ENGAGEMENTS

DFR - SERFF Improvement	
Organizational Affiliation	Department of Financial Regulation (DFR)
Scope of Project/Services to be Rendered	Continued development of SERFF Plan Management Forum: enhancements to help state and federal insurance departments collect and review Qualified Health Plans to be sold on the Exchange.
Relevance of Project/Service to Exchange implementation	DFR currently uses SERFF to collect all the rate and form filings submitted for review and approval. SERFF is a logical choice since the Insurance Division has been also charged with the review and approval of Qualified Health Plans. The NAIC is already collaborating with the federal government to implement this system. DFR is also currently involved in the planning and analysis phase with the SERFF team.
Name of Consultants	TBD
Number of Days in Consultation	
Expected budget or Rate of Compensation	Total Budget of \$75,000
Method of Accountability	SERFF staff report directly to the DFR Data and Information Project Manager

Outreach and Education	
Organizational Affiliation	Department of Vermont Health Access
Scope of Project/Services to be Rendered	<p>Integrated communications efforts, including the following:</p> <ul style="list-style-type: none"> • Paid media campaign, including creative development and paid placement of multiple executions, including TV, radio, print and online ads; • Earned media, including major media announcements, op-ed placements, key messaging, media monitoring and analysis, media training, reactive media counsel, etc; • Social media, including strategic recommendations, editorial calendar, development and design and implementation of social media channels, etc.; • Grassroots outreach and strategic partnerships, including partnerships with professional, community and corporate organizations and development of collateral material(s), etc.; • Small business outreach, including tailored outreach and partnerships with multiple organizations, trainings and other state events for small business owners, development of collateral material(s), etc; and • Navigator program training materials and overall strategic counsel and administration. <p>Digital Literacy to bridge the digital literacy gap in Vermont so that all Vermonters can access the Exchange, regardless of their computer and internet access and knowledge.</p> <ul style="list-style-type: none"> • Partner with libraries, community health centers, clinics, hospitals, community and civic organizations, community colleges, adult education centers, public schools, faith-based organizations, and the United Way 211 hotline to provide basic computer assistance and provide computer and internet access where needed. • Cultivate a training corps of librarians, health care providers, and other community leaders that can provide basic computer assistance. • Promote locations with internet connectivity and/or wireless internet (Wi-Fi) hotspots and/or build mobile “enrollment kiosk” computer labs with internet access to be staffed by application assisters. <p>Build capacity within the Exchange to educate business owners about the availability of the small business tax credit. Develop and print educational materials for small business owners to understand the intricacies of the tax credit and how they can avail themselves.</p> <p>Website Design and Content:</p> <ul style="list-style-type: none"> • Exchange Website Language Development/Refinement: Develop and refine labels and taxonomy, as well as create up to 40 pages of new content. • Exchange Website Visual Design: Generate up to 20 wireframes for new interactions and layout and design up to 22 PSD files. • Exchange Website Usability Testing: Contract with website testing vendor, draft testing script and framework for usability testing, participate in usability tests and present usability testing results.
Relevance of Project/Service to Exchange implementation	<p>Contractor will develop and execute a strategic outreach and education plan that raises awareness of the availability of the Exchange and ultimately drives enrollment. The digital literacy project will increase access to the Exchange through its primary access point – the Exchange website. The goal of this project is to connect Vermont residents, particularly those in rural areas where broadband internet is limited. Research indicates that 25% of Vermonters are not comfortable using a website to pick an insurance plan. Vermont businesses are eligible for up to \$45 million in small business tax credits and businesses are not taking advantage of this. As the tax credits are only available to businesses who offer health coverage to their employees, informing more businesses of this information will likely lead to re-enrollment for those who currently offer health coverage and expanded coverage for those who do not but wish to access the tax credit. The content of the website, as well as the overall design and layout will be imperative for a successful Exchange. The design will need to be user-friendly and intuitive for all users, as well as include tools and features that improve the consumer's experience.</p>

Name of Consultants	TBD
Number of Days in Consultation	2,479 days in consultation (November 16, 2012 – December 31, 2014)
Expected budget or Rate of Compensation	<p>Total budget: \$7,687,827</p> <p>In total, this work amounts to \$7,687,827. A majority of this budget is comprised of out-of-pocket expenses. Expenses total approximately \$4,063,000, or 53 percent of the total budget. These expenditures include:</p> <ul style="list-style-type: none"> • Paid media placements (\$2,565,000) • Materials printing (\$400,000) • Technology for the digital literacy project (\$300,000) • Grassroots efforts and partnerships (\$150,000) • Website usability testing (\$100,000) <p>Approximately \$3,624,827, or 47 percent of the total budget, is accounted for in consulting fees. The State of Vermont will be relying on these consultants to help provide expertise not available within the State. We expect a contractor to bring a multi-functional team of approximately 20 people at an estimated blended rate of \$214.</p>
Method of Accountability	DVHA Exchange Education And Outreach Manager

External Auditor (Operational)	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Vermont has identified the need for a robust system of program integrity measures. This work will perform a readiness assessment of the operating systems of the Exchange to validate that the necessary processes and systems are in place to ensure a sound operating environment is in place prior to the start of operations in 2014.
Relevance of Project/Service to Exchange implementation	Vermont is committed to an Exchange that exhibits strong operational integrity and control at the outset of operations and will be taking this measure to provide senior leaders, members, and key partners the confidence that Exchange processes and systems are sound and ready for full operations.
Name of Consultants	TBD
Number of Days in Consultation	January 2013 – June 2014
Expected budget or Rate of Compensation	Total Budget of \$150,000
Method of Accountability	DVHA Exchange Director Of Change Management

Econometric and Actuarial Analysis	
Organizational Affiliation	DFR
Scope of Project/Services to be Rendered	Includes: (a) actuarial analyses of key market changes related to health care reform, including ongoing assessment of essential benefits standardization; (b) market merger analysis; (c) rate review assessment; (d) detailed review of options and recommendations for reinsurance and risk adjustment
Relevance of Project/Service to Exchange implementation	Planning and implementation of the Exchange requires on-going analyses of current insurance markets, estimation of cost and coverage implications of various exchange design choices, and a variety of analyses of the policy implications of alternative strategies for employers, households, insurance carriers, and government. In addition, the Exchange must perform several critical actuarial analyses to assess the impact of different ACA elements, as well as develop an assessment of risk adjustment and reinsurance program implementation, determine key adverse selection risks, including adverse selection against the market in general as well as adverse selection within and outside the Exchange, and analyze options to determine the level to which risk is mitigated through various risk adjustment models.

Name of Consultants	TBD
Number of Days in Consultation	Approximately 445 hours annually during the grant period
Expected budget or Rate of Compensation	Total Budget of \$300,000
Method of Accountability	DFR Project Director

Risk Adjustment & Reinsurance	
Organizational Affiliation	DFR
Scope of Project/Services to be Rendered	Because HHS has indicated that they will not be able to run simulations in advance of 2014, in time for pricing products in 2014, the state of Vermont needs to support these activities. The State's approach will be to use the VHCURES and/or a distributed approach to both risk adjustment and reinsurance simulations to model the impact of these programs on premium rates. Included in these efforts will be stakeholder engagement meetings. Two rounds of simulation will be performed. The first round will focus on the identification of data issues and working through the process of data collection and validation. The second round will focus on developing estimates for pricing and parameter selection.
Relevance of Project/Service to Exchange implementation	Risk Adjustment and Reinsurance will have important effects on premium rates. Issuers will need to estimate these effects and file adjusted rates with appropriate support as part of the rate filing process.
Name of Consultants	TBD
Number of Days in Consultation	Approximately 740 hours annually through December of 2014
Expected budget or Rate of Compensation	Total Budget of \$585,000
Method of Accountability	DFR Project Director

Micro Simulation	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Planning and implementation of the Exchange requires on-going analyses of current insurance markets, estimation of cost and coverage implications of various exchange design choices, and a variety of analyses of the policy implications of alternative strategies for employers, households, insurance carriers, and government. The vendor will develop a Vermont-specific simulation model to estimate the cost and coverage implications of implementation of the ACA in the state.
Relevance of Project/Service to Exchange implementation	A plethora of specific policy decisions must be made in order to ensure that the Exchange structure is consistent with the state's goals under health care reform and operational on the federal schedule; that the interaction of employers, households, and insurers with the exchange be as efficient and effective as possible; and that disruptions be minimized. To manage these decisions, Vermont seeks a micro-simulation model that can provide objective quantitative and qualitative input in identifying the tradeoffs of various policy choices to decision-makers at the state level.
Name of Consultants	TBD
Number of Days in Consultation	Anticipate model to be delivered on a fixed-deliverable basis.
Expected budget or Rate of Compensation	Total budget of \$250,000
Method of Accountability	DVHA Exchange Policy And Planning Chief

Small Employer Survey	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Contractor will conduct a baseline employer survey in 2013 to determine the characteristics of plans offered pre-Exchange and employers' intention to continue to offer coverage, to modify current coverage, or to drop coverage. The survey would also gauge employers' knowledge of the Exchange and the changes that will

	become effective in 2014, the employers' level of comfort in purchasing coverage through the Exchange, and what type of assistance would be beneficial to them.
Relevance of Project/Service to Exchange implementation	Results from this survey would form a baseline against which the success of small businesses in the Exchange could be measured. The intent would be to survey small employers again at some point after implementation.
Name of Consultants	TBD
Number of Days in Consultation	100
Expected budget or Rate of Compensation	Total budget of \$200,000
Method of Accountability	DVHA Exchange Division Project Director

Disenrollment Survey	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Contractor will conduct in 2013 a baseline survey of consumers who were enrolled in existing programs and then disenrolled to determine the reasons consumers are losing coverage. The intent is to conduct these surveys periodically to determine if churn rates are increasing or decreasing and to help DVHA develop methods for mitigating churn.
Relevance of Project/Service to Exchange implementation	One of the goals of the Exchange is to provide continuity of coverage for consumers, and this survey would measure whether or not continuity is being achieved, as well as help identify methods for reducing the churn rate.
Name of Consultants	TBD
Number of Days in Consultation	50
Expected budget or Rate of Compensation	Total Budget of \$100,000
Method of Accountability	DVHA Exchange Division Project Director

Organizational Structure Review	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	DVHA wishes to engage a management consultant to review the current organizational structure, which houses Exchange functions in three different state departments, to determine if changes to that structure are needed to achieve maximum efficiency and effectiveness.
Relevance of Project/Service to Exchange implementation	The Exchange needs to provide consumers with a 21 st -century enrollment experience and Vermont may need an innovative organizational structure to meet that goal.
Name of Consultants	TBD
Number of Days in Consultation	Approximately 1800 hours
Expected budget or Rate of Compensation	Total Budget of \$450,000 Estimated team of 5-6 people at a blended rate of \$250 hr, for 8 weeks, with follow-up consultation as needed.
Method of Accountability	DVHA Commissioner and Agency Secretary's office

Staff Training	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Agency staff in several departments will need to be trained to assume responsibility for various Exchange functions, including eligibility determination, enrollment, financial management, program integrity, navigators, and others.
Relevance of Project/Service to Exchange implementation	Extensive training will ensure that the Exchange has a smooth start-up and will be able to serve consumers effectively by open enrollment 10/1/13.
Name of Consultants	TBD
Number of Days in Consultation	Eight 1-week training sessions, 40 days + 60 days prep time

Expected budget or Rate of Compensation	Total Budget of \$400,000 (includes room rental costs)
Method of Accountability	DVHA Exchange Director Of Operations

Evaluation Plan Implementation	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Develop and conduct surveys to measure impact, awareness, and preliminary outcomes related to key measures Exchange effectiveness. Primary costs incurred will be a household survey of Vermont residents and related analysis. This analysis will enable the state to track the performance of the Exchange in general, as well as monitor other aspects of health reform implementation, in particular, health insurance coverage, health care access, quality and affordability, and health outcomes.
Relevance of Project/Service to Exchange implementation	A robust analysis will provide the state with data to demonstrate success, identify issues needing mid-course correction, continually improve its programs, and identify unmet public health and programmatic needs that should be addressed.
Name of Consultants	TBD
Number of Days in Consultation	March 2013 - December 2014
Expected budget or Rate of Compensation	Total Budget of \$675,000 Household Survey: \$390,000 Member Satisfaction Survey: \$50,000 Employer Survey: \$100,000 Project Management & Staffing Costs (Chief Analyst ~ \$250/hr. Data Analyst (2) ~ \$160/hr.): \$135,000
Method of Accountability	DVHA Exchange Policy & Planning Chief

Transitional Wellness and Insurance Orientation	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	8 consultant health insurance, usage, and wellness facilitators will provide transitional support to newly insured Vermonters and facilitate their orientation to the health care system. Facilitators will also help to prepare physician practices throughout Vermont to prepare for and work with the influx of newly insured and transitioning underinsured Vermonters
Relevance of Project/Service to Exchange implementation	In order for the Exchange and health reform to be successful, those who are newly insured through the Exchange will also need to have a basic familiarity with insured medical system, and physician practices must be equipped and prepared to provide comprehensive primary care in order to assure that coverage translates into access.
Name of Consultants	TBD
Number of Days in Consultation	Full Time, one year
Expected budget or Rate of Compensation	Total budget of \$720,000 (includes \$80,000 per facilitator with approximately \$10,000 in training and travel costs per facilitator per year)
Method of Accountability	DVHA Blueprint for Health Project Director

Project Management	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Overall project management for the Exchange establishment work effort, including coordinating core area work streams and scopes across the State's contractors and interagency workgroups to facilitate Exchange design and implementation.
Relevance of Project/Service to Exchange implementation	Work Plan and Development and Management: Develop and maintain project work plan and timeline, provide cross project monitoring of timelines, deliverables, milestones, risks and status and assure timely task follow-up and project completion. Project Facilitation and Monitoring Tools: Develop and maintain project tasks and issues list, project communications and status update tools. Meeting Schedules and

	Agendas: Develop leadership group and workgroup meeting schedules, agenda and materials to facilitate exchange establishment progress and decision making. Meeting Summaries: Prepare summary meeting notes including discussion, decisions and next steps to support project leadership, workgroups, and contractors. Project Website Development and Maintenance: Maintain and further develop project management website and public website
Name of Consultants	TBD
Number of Days in Consultation	Three full time contracted project managers, working from Q3 of 2012 through the end of 2013 (15 months). Hourly rate assumed is \$175.
Expected budget or Rate of Compensation	Total budget of \$1,386,000
Method of Accountability	DVHA Exchange Change Management Director

Appeals and Grievance Process Assessment (Individual Responsibility, Eligibility, Insurance Consumer)	
Organizational Affiliation	DVHA/DFR
Scope of Project/Services to be Rendered	Vermont will engage a consultant to implement the appeals program design and recommendations being developed under Vermont's Level One grant funding. Project will enable the state to discharge state appeals duties related to non-group eligibility and insurance responsibility appeals as well as employers appeals contemplated in the ACA and applicable federal regulations.
Relevance of Project/Service to Exchange implementation	Due to the integrated nature of Vermont's ACA implementation effort, providing a streamlined and well-integrated customer appeals experience will be an important element of the overall consumer responsiveness sought by the state.
Name of Consultants	TBD
Number of Days in Consultation	Estimated total hours of 250.
Expected budget or Rate of Compensation	Total budget of \$125,000
Method of Accountability	DVHA Exchange Project Director

Tax Collection Study	
Organizational Affiliation	Department of Taxes
Scope of Project/Services to be Rendered	As it prepares to develop a new or repurposed revenue stream to support ongoing Exchange operations, the State of Vermont is seeking assistance in exploring the cost savings, efficiencies, and synergies that may exist by consolidating revenue collection and processing in a single agency. The Department is seeking grant funding for a consultant to evaluate consolidation of the collection of health care taxes, fees, and offsets.
Relevance of Project/Service to Exchange implementation	Currently, the Vermont Department of Taxes is Vermont's primary revenue collection agency. Yet, health policy agencies collect provider taxes and myriad payments and fees. The inefficiencies and vulnerabilities of this arrangement may be exacerbated by implementation of the exchange. Also, this project fits with Exchange commitment of reusability of systems and processes.
Name of Consultants	TBD
Number of Days in Consultation	Approximately 260 hours
Expected budget or Rate of Compensation	Total budget of \$55,000
Method of Accountability	Tax Department Project Director

Legal Support	
Organizational Affiliation	DVHA/DFR
Scope of Project/Services to be Rendered	Legal Consultation
Relevance of Project/Service to Exchange implementation	Provide legal consultation regarding specific areas of law requiring specialized legal expertise, such as health benefits and ERISA.

Name of Consultants	TBD
Number of Days in Consultation	Approximately 140 hours annually during the grant period
Expected budget or Rate of Compensation	Total budget of \$125,000
Method of Accountability	DVHA Exchange Policy Analyst

Call Center Operations - Consulting	
Organizational Affiliation	DVHA/DCF
Scope of Project/Services to be Rendered	Vendor will work with Exchange operations staff and other state personnel to define and implement business requirements and specifications for the acquisition and implementation of an integrated customer call center solution, including the development of business processes, identification of key risks and mitigation strategies, vendor identification, and procurement support.
Relevance of Project/Service to Exchange implementation	The customer service center plays a critical role in supporting members and contributing to the world class shopping and enrollment process envisioned by the Exchange. Critical points of integration exist between customer service function and other exchange components (most notably, premium aggregation, billing, and enrollment) so developing detailed business process specifications will be critical to successful implementation.
Name of Consultants	TBD
Number of Days in Consultation	Approximately 1,000 hours of consultation
Expected budget or Rate of Compensation	Total budget of \$225,000
Method of Accountability	DVHA Exchange Project Director

Medicaid Integration & Enrollment Planning	
Organizational Affiliation	DVHA
Scope of Project/Services to be Rendered	Vendor will support the Exchange by identifying policy options and providing expert implementation assistance around several key issues including: alignment of benefits and cost sharing between Medicaid and the Exchange; streamlined coverage for Exchange and Medicaid-eligible pregnant women; and transition planning for optional Medicaid groups transitioning to the Exchange.
Relevance of Project/Service to Exchange implementation	Provides the Exchange staff with expert analysis around Medicaid/Exchange program integration and improving transitions from existing optional Medicaid programs to Exchange coverage. This analysis also will identify policy options the staff may consider implementing to ensure streamlined coverage.
Name of Consultants	TBD
Number of Days in Consultation	September 1, 2012- December 31, 2013
Expected budget or Rate of Compensation	Total budget of \$250,000; A 4 person team, working an average of 300 hours per person, at a blended rate of \$200 hr.
Method of Accountability	DVHA Exchange Policy And Planning Chief

Cost Trend Analysis	
Organizational Affiliation	Green Mountain Care Board
Scope of Project/Services to be Rendered	Analysis of factors that may cause cost growth within Vermont health care system including the relationship between provider costs and insurance premium rates. Analysis will also involve administrative and labor costs, payment systems, cost structures, reimbursement levels, reserve levels, utilization trends, and cost containment. Specifically, we expect the contractor to: <ul style="list-style-type: none"> Evaluate variation in current payment methodologies in Vermont – across payers, across provider types, between provider types, within provider

	<p>categories;</p> <ul style="list-style-type: none"> • Evaluate variation in quality or acuity of health care delivery that may or may not explain any of the variations in payment; • Consult with provider organizations, payers, stakeholders, and bargaining groups for input related to this analysis; • Develop policy options for the GMCB to address regarding provider payment goals within the Vermont Health Benefit Exchange, including any necessary phasing-in over time; • Advise on the advantages and disadvantages of any potential market dynamics created by the various policy options; • Evaluate and review provider contracts to identify variation in payment and additional contract terms not easily captured through claims reporting; • Identifying policy options for the GMCB related to variation and additional payments, and • Recommend methods to reduce variation and achieve the cost-containment goals of the Exchange.
Relevance of Project/Service to Exchange implementation	The exchange needs to ensure that plan prices, benefit design, and payment policies allow affordable products to be offered on the exchange and consumers have access to the necessary information. This will also enable the state to work towards eliminating any cost-shifting of expenses onto commercial payers.
Name of Consultants	TBD
Number of Days in Consultation	Two-stage review over two years (2013 and 2014): year one will provide a baseline and year two will provide a measure of cost trend. Anticipated duration of work expected to be 3-4 months during each year.
Expected budget or Rate of Compensation	<p>Total budget of \$500,000</p> <p>We believe this this project involves project management, claims data analysis, actuarial analysis, provider contract analysis, knowledge of health economics and health care markets, knowledge of provider payment methodologies, knowledge of provider rate-setting efforts and their lessons for Vermont, and knowledge of the Vermont insurance and provider markets. Recent bids and contracts by the state have shown the following per hour charges:</p> <ul style="list-style-type: none"> • Project management- range from \$75-\$150; • Claims data analysis-range from \$150-\$285; • Actuarial analysis- range from \$300-\$395; • Provider contract analysis-range from \$100-\$150; • Knowledge of health economics- range from \$200-\$350; and • Health care markets- range from \$150-\$145. <p>In 2010, Massachusetts paid approximately \$275,000 for its financial analysis, which included payments for health economists, actuaries and project management. Our expectation is that our cost will be slightly higher due to inflation and limited consultant resources in the health care field as a result of health care reform. Our understanding of the cost of the contract analysis in 2010 in Massachusetts is that it was a combination of hiring new state attorneys and using outside consultants with expertise in health care quality and data analysis. Recent bids and contracts by the state have shown the following per hour charges: Quality and claims data analysts \$150-\$185 and attorneys \$100-\$150. We anticipate the need for 600 hours of quality and claims data analysts (approx. 90,000-111,000) and 500 hours for attorneys (approx. 50,000-75,000) Given this structure, we estimate these services will cost \$140,000-\$186,000 to conduct a similar review.</p>
Method of Accountability	GMCB Executive Director

All Payer Claims Database Enhancement	
Organizational Affiliation	DFR/GMCCB
Scope of Project/Services to be Rendered	The Vermont Department of Financial Regulation has the authority to establish and maintain an All Payer Claims Database (VHCURES). The law directs private and public payers to submit claims for health services paid on behalf of enrollees. VHCURES requires all major commercial payers to provide information by submitting files to a technology vendor. VHCURES uses standards and formats that are necessary for the database to be used for payment functions, including risk adjustment and reinsurance.
Relevance of Project/Service to Exchange implementation	VHCURES data will provide VT's Exchange with the necessary information to inform the design health insurance products, and to enter into the most efficient and affordable health insurance contracts. It will also provide health plan quality information needed for the Exchange website to assist Vermonters in making the best decisions when choosing their health insurance plan. The APCD will provide critical information to evaluate the impact of the Exchange on access, quality, efficiency, health status and health outcomes of exchange enrollees.
Name of Consultants	TBD
Number of Days in Consultation	18 months
Expected budget or Rate of Compensation	Total Budget: \$1,575,000, Includes Software and integration for VHCURES: \$100,000 Financial Audits: \$125,000 VHCURES Enhancement: \$200,000/year for 3 years, total of \$600,000 Claims Analysis: \$250,000/year for 3 years, total of \$750,000
Method of Accountability	GMCCB Executive Director

Cost Containment Strategy	
Organizational Affiliation	Green Mountain Care Board
Scope of Project/Services to be Rendered	Develop payment reform programs to be integrated into the exchange to promote cost containment. Contractors (1) Assess potential approaches to implementing all-payer rates by identifying the scope of rate setting methodologies to be used, and any necessary phase-in approaches that would need to be employed; (2) Model the impact of implementing all-payer rates within the Exchange, and of applying those rates to public payers, including the identification of costs or savings to the State, to private payers, and to specific types of providers, individual institutions, or geographic areas; (3) Develop a plan for coordinating the all-payer approach with Medicare payment policies and innovations in Medicare payment; (4) Find solutions to this approach that are consistent with Vermont's policies related to payment reform, and the political environment; (5) Accommodate and promote competitive approaches and solutions within an overall framework of consistent incentives, standards, and reasonable rules overseen by a regulatory authority; (6) Identify solutions to payment reform that achieve the simultaneous goals of achieving cost reduction and quality improvement and result in an increase in the overall value of care provided for the dollar expended; (7) Explore reimbursement systems that promote a higher degree of equity, predictability, stability, and fairness in the payment of provider services; (8) Insure that proposed solutions are aligned and in conformance with the ACA and Medicare Rules and Regulations
Relevance of Project/Service to Exchange implementation	Cost containment strategy programs will ensure that prices offered on the exchange are effective and fair for exchange purchasers.
Name of Consultants	TBD
Number of Days in Consultation	3 years
Expected budget or Rate of Compensation	Total budget of \$1,200,000
Method of Accountability	GMCCB Executive Director

Administrative Simplification	
Organizational Affiliation	Agency of Administration
Scope of Project/Services to be Rendered	Vermont is currently working with a contractor to identify business processes which could be used by the Exchange to reduce the administrative costs. The state would seek consulting assistance in the operational design for two or three areas of administration that could be simplified across multiple payers participating in the Exchange.
Relevance of Project/Service to Exchange implementation	Health care costs are rising at an unsustainable rate. In a multi-payer system, there are redundant administrative systems, which also have multiple differences. These differences create complicated, expensive systems for health care providers. Reducing the complexity will reduce costs.
Name of Consultants (if needed)	TBD
Number of Days in Consultation	
Expected budget or Rate of Compensation	Total budget of \$150,000 A 3 person team, working an average of 250 hours per person, at blended rate of \$200 hr.
Method of Accountability	AoA Director of Health Care Reform

Executive Education	
Organizational Affiliation	Agency of Administration
Scope of Project/Services to be Rendered	Provide executive change management and leadership training to the Exchange health care reform team executive leadership to ensure that the transition from Vermont's current health insurance environment to the Vermont Health Benefit Exchange will be successfully managed within state government.
Relevance of Project/Service to Exchange implementation	Consolidating enrollment and eligibility in the Exchange will require massive retraining and redeployment of Vermont's current human resources. With the aggressive timeframe needed, managers must have excellent skills. Providing executive development will ensure that Vermont's managers and leaders can successfully execute the transition.
Name of Consultants	TBD
Number of Days in Consultation	
Expected budget or Rate of Compensation	Total Budget of \$250,000 \$50K per day = \$250K for 1 week, for 30 - 50 staff members, Tuck Executive Education program at Dartmouth http://www.tuck.dartmouth.edu/
Method of Accountability	AoA Director of Health Care Reform

Affordability Standard and Credit	
Organizational Affiliation	Agency of Administration
Scope of Project/Services to be Rendered	Vermont is considering adopting an affordability standard, to build off the federal standard for premium tax credits and cost-sharing subsidies. The federal standard would be considered unaffordable by many Vermonters and is less affordable than Vermont's current Catamount Health premium assistance program. Vermont is currently designing the standard, but would need to operationalize the standard in the Exchange, which could be done through a premium assistance program or through a tax credit. This could include an employer-sponsored premium assistance program similar to what Vermont currently offers. The Exchange will need to finalize policy and business operations for our information technology solutions.
Relevance of Project/Service to Exchange implementation	In order for the Exchange to be successful, it will need to offer affordable options to individuals and employees. While the federal premium tax credits are helpful, the required contributions will not be affordable for Vermonters.

Name of Consultants (if needed)	TDB
Number of Days in Consultation	
Expected budget or Rate of Compensation	Total budget of \$150,000 A 4 person team for one month, at approximately 160 hours each, at a blended rate of \$230 hr.
Method of Accountability	AoA Director of Health Care Reform and Commissioner of Vermont Health Access

IT CONSULTING ENGAGEMENTS

Release 1 Mobilization	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	Mobilization includes defining standards and methodologies for the key components of the project over the full systems development life cycle including requirements definition, logical design, physical design, development, testing, and quality assurance. It includes development of detailed project plans, resource mobilization, and procurement and deployment of project team equipment including servers and other necessary infrastructure as well as implementation of the project CASE tool and project documentation repository. Finally, it contains the tasks for establishing an Enterprise Architecture capability for the exchange, including governance of the architecture.
Relevance of Service to the Project	This is a critical enabler of project success. The IT project plan calls for a large project team over multiple years. Standard methodology, deliverable standards, effective CASE and deliverable documentation tools, and an enterprise architecture capability are essential to ensure that the team is productive and all of the sub-components developed by team members fit into the overall architecture.
Days in Consultation	694 days
Expected Compensation	\$1,593,277
Method of Accountability	The consultant will use a PMP to document the scope and objectives of the work, the approach, and the techniques and tools used to manage the work. The PMP also confirms the deliverables, timeframes, resources, and expected outcomes of the work. In developing the PMP, the consultant will work closely with Vermont project leadership to see that Vermont's goals and objectives are adequately reflected. Progress is regularly reported on all deliverables, which are reviewed and approved by the client.

Implementation Strategy Requirements and Plan	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	Implementation Strategy Requirements and Plan includes reviewing in greater detail the progress of other states in developing their exchange solutions to identify potential to leverage them, outlining business and technical requirements to support anticipated delivery needs, determining options for procurement of software and systems integration services, and deciding on how to package procurements, assessing implementation strategy options such as the number and scope of releases, setting interoperability standards between the Exchange and all key parties, and developing an operations and support strategy for the Exchange to determine who will operate and maintain the systems once implemented. This function includes performing both a threat assessment and privacy impact analysis, an update of the implementation plan and cost estimate, using the more detailed architecture produced in a previous step to enable more accurate estimating and planning.
Relevance of Service to the Project	It is necessary to do more in-depth analysis of options for procurement and implementation to minimize risk and optimize value for money from the investment. Establishing business benefit targets will enable an objective evaluation of the Exchange once implemented. Interoperability standards are critical to ensure the exchange functions reliably and effectively with insurance

	companies and other stakeholders. An updated implementation plan is essential to ensure that the project meets its commitments.
Days in Consultation	586 days
Expected Compensation	\$1,221,442
Method of Accountability	The consultant will use a Project Management Plan (PMP) to document the scope and objectives of the work, the approach, and the techniques and tools used to manage the work. The PMP also confirms the deliverables, timeframes, resources, and expected outcomes of the work. In developing the PMP, the consultant will work closely with Vermont project leadership to see that Vermont's goals and objectives are adequately reflected. Progress will be regularly reported on all deliverables, which are reviewed and approved by the client.

Requirements and Logical Architecture Specification	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	<p>Requirements and Logical Architecture Specification includes all of the work necessary to perform Business Requirements and Functional Design of the project. It includes detailed functional and technical requirements, use case specifications, logical data modeling, interface and interoperability specifications, and non-functional requirements specification, including requirements for security, privacy, scalability and audit. All functional requirements will be clearly mapped to the business architecture, to ensure they are aligned with the business design of the exchange and with Federal guidance. The requirements and specifications are developed for all of the functional and technical application components defined in the strategic level architecture of the Exchange IT solution. In summary, this is the place where the strategic level architecture completed for planning purposes is elaborated in program segments and detailed capability architecture partitions.</p> <p>To move quickly, requirements and logical architecture specifications will be done to some extent in iterative steps. Once the requirements and architecture are done for a given software component, development of the solution can begin. This will enable rapid progress toward solution implementation, and will require a high degree of coordination.</p> <p>This work package will also include a refinement of the release schedule to identify potential sub-releases. For example, Vermont will likely want an early sub-release of the plan management component to ensure that Issuers are clear on the data specifications required to upload plan details to the Exchange. They may choose to do a soft launch of the Exchange in the summer of 2013 to allow anonymous browsing and comparison shopping prior to an open enrollment release for October 1, 2013.</p>
Relevance of Service to the Project	A comprehensive logical architecture and requirements specification is essential to ensure that software packages selected will fit the needs of the organization, and that the design is optimized. It also supports maximum flexibility and agility of the systems that are acquired and configured, or built. This translates into optimal ongoing support, maintenance and enhancement of systems, supporting the sustainability of the exchange.
Days in Consultation	2,688 days
Expected	\$ 3,741,277

Compensation	
Method of Accountability	The consultant will use a Project Management Plan (PMP) and related best practice artifacts to document the scope and objectives of the work, the approach, and the techniques and tools used to manage the work. The PMP also confirms the deliverables, timeframes, resources, and expected outcomes of the work. In developing the PMP, the consultant will work closely with Vermont project leadership to see that Vermont 's goals and objectives are adequately reflected. Progress will be regularly reported on all deliverables, which are reviewed and approved by the client.

Procurement Process	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	This function is responsible for running the procurement process in accordance with the procurement strategy developed in the previous step. For planning and estimating purposes, we have assumed that there will be 3 sets of procurements: one each for Technical Support Building Block software packages, service delivery software packages, and one for procuring systems integration services. The procurement process includes conducting market research through environmental scans and RFIs, developing RFPs and assisting the state in running the procurement, evaluating proposals, selecting products and vendors, and negotiating contracts.
Relevance of Service to the Project	Selecting the right software packages and solution integrators is essential to success. A thorough and objective process is needed to ensure that the interests of the state are protected, and the best value is achieved in terms of required functionality and optimum life cycle cost
Days in Consultation	105 days
Expected Compensation	\$192,043
Method of Accountability	The consultant will use a Project Management Plan (PMP) to document the scope and objectives of the work, the approach, and the techniques and tools used to manage the work. The PMP also confirms the deliverables, timeframes, resources, and expected outcomes of the work. In developing the PMP, the consultant will work closely with Vermont project leadership to see that Vermont 's goals and objectives are adequately reflected. Progress will be regularly reported on all deliverables, which are reviewed and approved by the client.

Data Center Capacity Assessment and Disaster Recovery Plan	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	This function includes a more detailed plan for data center hosting including an assessment of the State data center as a potential host of the Exchange solution versus an outsourced data center and findings on what would be required to ensure that the State data center is able to meet the service levels required by the Exchange. It also includes the development of a disaster recovery plan for the Exchange.
Relevance of Service to the Project	Data center operations are a key enabler of Exchange operations. It is important that the IT operations service provider is able to meet the service levels required for Exchange operation at a cost that ensures the financial sustainability of the Exchange.
Days in Consultation	110 days
Exp Rate of Comp	\$245,040
Method of Accountability	The consultant will use a Project Management Plan (PMP) to document the scope, objectives of the work, the approach, and the techniques used to manage the work. The PMP also confirms the deliverables, timeframes, resources, and expected outcomes of the work. In developing the PMP, the consultant will work closely with VT project leadership to see that VT's goals and objectives are adequately reflected. Progress is regularly reported on all deliverables, and reviewed/approved by the client.

Release 2 Mobilization	
Name of Consultant	TBD

Organization	TBD
Nature of Services to be Rendered	Release 2 Mobilization - This function includes updating of detailed project plans for Release 2 requirements, refines resource mobilization, and updates Enterprise Architecture capability for the exchange, including governance of the architecture.
Relevance of Service to the Project	This is a critical enabler of project success. The IT project plan calls for a large project team over multiple years. Creation of project plans and updating standards for methodology, deliverable standards, effective CASE and deliverable documentation tools, are essential to ensure that the team is productive and that the second release takes advantage of all lessons learned in from the first release.
Days in Consultation	65 days
Expected Compensation	\$130,866
Method of Accountability	The consultant will use a Project Management Plan (PMP) to document the scope, objectives of the work, the approach, and the techniques used to manage the work. The PMP also confirms the deliverables, timeframes, resources, and expected outcomes of the work. In developing the PMP, the consultant will work closely with VT project leadership to see that VT's goals and objectives are adequately reflected. Progress is regularly reported on all deliverables, and reviewed/approved by the client.

IT Program Management	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	The IT Program Manager and Program Management Office will be responsible for the execution of the Exchange technical implementation. The Program Manager will have experience in successfully leading large-scale systems integration projects in excess of \$50M. The ideal candidates for the IT Program Management Office will have this experience operating within a State, Local or Federal government environment.
Relevance of Service to the Project	The Vermont Exchange project is a large, mission critical endeavor. The IT project plan calls for a large project team over multiple years with a need to meet mandated deadlines and timeframes. Vermont must engage the services of a seasoned Program Manager and team with the appropriate level of experience to provide the project the highest possibility of success.
Days in Consultation	701
Expected Compensation	\$1,543,704
Method of Accountability	The position will report to Vermont's Exchange Leadership. Through the use of multiple reporting channels include status reports, meetings, and the provision of appropriate project metrics, the State will have the ability to monitor the Program Manager and the health of the Exchange implementation project.

Project Management Quality Assurance	
Name of Consultant	TBD
Org Affiliation	TBD
Nature of Services to be Rendered	The QA portion of the project involves establishing a quality management plan that defines how all major deliverables of the project will be reviewed for quality, who is responsible for reviews of each deliverable, what the acceptance criteria is, how deliverable defects will be tracked and fixed, how quality will be monitored, measured and reported over the course of the project. The PMQA function shares responsibility for review and testing of all deliverables with identified business and technical reviewers identified by the state. The PMQA function ensures the appropriate quality reviews are done, protocols are followed, and the function performs the monitoring and reporting of quality. This function also confirms that comprehensive testing and validation plans are in place, and that comprehensive software testing is carried out and addresses all required functions and exercises all logic paths. Its scope includes functional, integration, performance, security, and user acceptance testing. The effort includes review and testing of deliverables and functionality.
Relevance of Service to the Project	The Vermont Exchange project is a large, mission critical endeavor. The IT project plan calls for a large project team over multiple years with a need to meet mandated deadlines and timeframes. Deep quality assurance functions designed to align with, and be conducted in real

	time in parallel with the systems development lifecycle are an industry standard project risk mitigation practice.
Days in Consultation	2,405
Expected Compensation	\$6,156,941
Method of Accountability	The QA management team will report directly to Vermont 's Exchange leadership. Through the use of multiple reporting channels include status reports, meetings, and the provision of appropriate project metrics, the State will have the ability to monitor the Project Management Quality Assurance vendor and the health of the Exchange implementation project.

Independent Verification & Validation (IV&V)

Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	<p>The Verification function is oriented towards the software production process and it focuses on whether the process conforms to the requirement specifications, standards, practices and conventions. It focuses on defect prevention, successful completion of each life cycle activity and addresses the management question: "Are we building the right product?"</p> <p>The Validation function is oriented towards the final software product and it focuses on requirements specification conformance, defect detection, identification and removal and addresses the management question: "Are we building the product the right way?"</p>
Relevance of Service to the Project	The Vermont Exchange project is a large, mission critical endeavor. The IV&V vendor will provide management with an enhanced view and additional insight into the project. The IV&V function enables the early identification of and response to potential risk areas and improves the overall quality of the product.
Days in Consultation	599
Expected Compensation	\$1,532,149
Method of Accountability	The IV&V vendor will report directly to Vermont's Exchange leadership. Through the use of multiple reporting channels including status reports, meetings and the provision of appropriate project metrics, the State will have the ability to monitor the Independent Verification & Validation vendor.

Architecture Integration	
Name of Consultant	TBD
Organization	TBD
Nature of Services to be Rendered	<p>This function includes the ongoing architecture review and integration that takes place over the course of the project, to coordinate the efforts of different team members who are developing the many component parts of the integrated architecture. This function ensures that all business, application, information, technology, and security architecture components are consistently developed and documented, interoperate properly, and are properly aligned between domains (i.e. the information architecture must support the information needed by business applications). The function ensures that all components of the design are traceable to Vermont requirements and Federal standards and conditions. This function provides guidance and support to team members working on component designs and implementations, to achieve the required integration goals of the project.</p>
Relevance of Service to the Project	Architecture integration will reduce overall project risk by ensuring that all components work together to perform the required functions supporting the Exchange business. It also contributes to optimizing the flexibility of the integrated solution in adapting to new or changed business

	rules or requirements. A flexible, integrated solution optimizes the life cycle cost of building, maintaining and operating the solution, and thus supports the long term sustainability of the exchange.
Days in Consultation	1,649
Expected Compensation	\$3,133,961
Method of Accountability	The position will report directly to Vermont's Exchange leadership. Through the use of multiple reporting channels include status reports, meetings, and the provision of appropriate project metrics, the State will have the ability to monitor the Integration Vendor and the health of the Exchange implementation project.

Appendix II: Cost Allocation Tables

TOTAL COSTS - GRANT PERIOD											
	A	B	C	D	E	F	G	H	I	J	Total
Core Exchange Functions	Salaries	Fringe	Consultants	Equipment	Supplies	Travel	Other	Contractual	Total Direct Costs	Indirect Cost	
Exchange IT Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,502,589	\$ 79,502,589	\$ -	\$ 79,502,589
Oversight & Program Integrity	\$ 103,644	\$ 48,091	\$ 1,250,000	\$ 8,781	\$ 231	\$ 6,672	\$ 88,303	\$ -	\$ 1,505,721	\$ -	\$ 1,505,721
Financial Management	\$ 756,372	\$ 350,957	\$ 55,000	\$ 64,081	\$ 1,686	\$ 48,690	\$ 644,416	\$ -	\$ 1,921,202	\$ -	\$ 1,921,202
Program Integration	\$ 700,260	\$ 324,921	\$ 2,211,000	\$ 59,327	\$ 1,561	\$ 45,078	\$ 596,610	\$ -	\$ 3,938,757	\$ -	\$ 3,938,757
Assistance to Ind/Small Biz	\$ 103,644	\$ 48,091	\$ 8,532,827	\$ 8,781	\$ 231	\$ 6,672	\$ 88,303	\$ -	\$ 8,788,548	\$ -	\$ 8,788,548
Governance	\$ 103,644	\$ 48,091	\$ -	\$ 8,781	\$ 231	\$ 6,672	\$ 88,303	\$ -	\$ 255,721	\$ -	\$ 255,721
Background Research	\$ 283,044	\$ 131,332	\$ 875,000	\$ 23,980	\$ 631	\$ 18,220	\$ 241,149	\$ -	\$ 1,573,356	\$ -	\$ 1,573,356
Stakeholder Consultation	\$ 417,868	\$ 193,891	\$ 100,000	\$ 35,403	\$ 931	\$ 26,899	\$ 356,016	\$ -	\$ 1,131,009	\$ -	\$ 1,131,009
Legislative/Regulatory Action	\$ 283,044	\$ 131,332	\$ 200,000	\$ 23,980	\$ 631	\$ 18,220	\$ 241,149	\$ -	\$ 896,356	\$ -	\$ 896,356
Insurance Mkt Reforms	\$ 103,644	\$ 48,091	\$ 4,560,000	\$ 8,781	\$ 231	\$ 6,672	\$ 88,303	\$ -	\$ 4,815,721	\$ -	\$ 4,815,721
Business Operations	\$ 1,989,738	\$ 923,239	\$ -	\$ 168,575	\$ 4,435	\$ 128,085	\$ 1,695,223	\$ 9,290,150	\$ 14,199,445	\$ -	\$ 14,199,445
QHP Certification	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Call Center	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 6,390,151	\$ 6,717,460	\$ -	\$ 6,717,460
Website	\$ 16,650	\$ 7,725	\$ -	\$ 1,411	\$ 37	\$ 1,072	\$ 14,185	\$ 90,000	\$ 131,080	\$ -	\$ 131,080
Tax Credit and Subsidy Calculator	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Quality Rating System	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ -	\$ 327,309	\$ -	\$ 327,309
Navigator Program	\$ 111,027	\$ 51,516	\$ -	\$ 9,406	\$ 247	\$ 7,147	\$ 94,593	\$ -	\$ 273,896	\$ -	\$ 273,896
HIX/Medicaid Eligibility, Advance Tax Credits	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Seamless Eligibility Processes	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Enrollment Process	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Applications and Notices	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Individual Responsibility Determinations	\$ 16,650	\$ 7,725	\$ -	\$ 1,411	\$ 37	\$ 1,072	\$ 14,185	\$ 90,000	\$ 131,080	\$ -	\$ 131,080
Administration of Tax Credits and Cost Sharing Reductions	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 90,000	\$ 417,309	\$ -	\$ 417,309
Adjudication of Eligibility Appeals	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ -	\$ 327,309	\$ -	\$ 327,309
Notification and Appeals of Employer Liability	\$ 16,650	\$ 7,725	\$ -	\$ 1,411	\$ 37	\$ 1,072	\$ 14,185	\$ -	\$ 41,080	\$ -	\$ 41,080
Outreach and Education	\$ 236,862	\$ 109,904	\$ -	\$ 20,067	\$ 528	\$ 15,247	\$ 201,803	\$ -	\$ 584,412	\$ -	\$ 584,412
Risk Adjustment and Transitional Reinsurance	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ -	\$ 327,309	\$ -	\$ 327,309
SHOP Exchange - specific Functions	\$ 132,658	\$ 61,553	\$ -	\$ 11,239	\$ 296	\$ 8,540	\$ 113,023	\$ 2,090,000	\$ 2,417,309	\$ -	\$ 2,417,309
TOTAL	\$ 4,844,902	\$ 2,248,035	\$ 17,783,827	\$ 410,470	\$ 10,800	\$ 311,880	\$ 4,127,773	\$ 88,792,739	\$ 118,530,426	\$ -	\$ 118,530,426
Medicaid Allocable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,151,461)	\$ (14,151,461)	\$ -	\$ (14,151,461)
Total Level II Grant Request	\$ 4,844,902	\$ 2,248,035	\$ 17,783,827	\$ 410,470	\$ 10,800	\$ 311,880	\$ 4,127,773	\$ 74,641,278	\$ 104,378,965	\$ -	\$ 104,378,965

Core Exchange Functions	Salaries	Fringe	Consultants	Equipment	Supplies	Travel	Other	Contractual	Total Direct Costs	Indirect Cost	
Exchange IT Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,502,589	\$ 79,502,589	\$ -	\$ 79,502,589
Oversight & Program Integrity	\$ 103,644	\$ 48,091	\$ 1,250,000	\$ 3,698	\$ -	\$ 6,672	\$ 29,306	\$ -	\$ 1,441,410	\$ -	\$ 1,441,410
Financial Management	\$ 756,372	\$ 350,957	\$ 55,000	\$ 26,988	\$ -	\$ 48,690	\$ 213,867	\$ -	\$ 1,451,873	\$ -	\$ 1,451,873
Program Integration	\$ 700,260	\$ 324,921	\$ 2,211,000	\$ 24,986	\$ -	\$ 45,078	\$ 138,001	\$ -	\$ 3,504,245	\$ -	\$ 3,504,245
Assistance to Ind/Small Biz	\$ 103,644	\$ 48,091	\$ 8,532,827	\$ 3,698	\$ -	\$ 6,672	\$ 29,306	\$ -	\$ 8,724,237	\$ -	\$ 8,724,237
Governance	\$ 103,644	\$ 48,091	\$ -	\$ 3,698	\$ -	\$ 6,672	\$ 29,306	\$ -	\$ 191,410	\$ -	\$ 191,410
Background Research	\$ 283,044	\$ 131,332	\$ 875,000	\$ 10,099	\$ -	\$ 18,220	\$ 80,032	\$ -	\$ 1,397,728	\$ -	\$ 1,397,728
Stakeholder Consultation	\$ 417,868	\$ 193,891	\$ 100,000	\$ 14,910	\$ -	\$ 26,899	\$ 118,154	\$ -	\$ 871,722	\$ -	\$ 871,722
Legislative/Regulatory Action	\$ 283,044	\$ 131,332	\$ 200,000	\$ 10,099	\$ -	\$ 18,220	\$ 80,032	\$ -	\$ 721,728	\$ -	\$ 721,728
Insurance Mkt Reforms	\$ 103,644	\$ 48,091	\$ 4,560,000	\$ 3,698	\$ -	\$ 6,672	\$ 29,306	\$ -	\$ 4,751,410	\$ -	\$ 4,751,410
Business Operations	\$ 1,989,738	\$ 923,239	\$ -	\$ 10,995	\$ -	\$ 128,085	\$ 562,605	\$ -	\$ 3,674,663	\$ -	\$ 3,674,663
QHP Certification	\$ 132,658	\$ 61,553.49	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Call Center	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Website	\$ 16,650	\$ 7,725	\$ -	\$ 594	\$ -	\$ 1,072	\$ 4,708	\$ -	\$ 30,749	\$ -	\$ 30,749
Tax Credit and Subsidy Calculator	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Quality Rating System	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Navigator Program	\$ 111,027	\$ 51,516	\$ -	\$ 3,962	\$ -	\$ 7,147	\$ 31,993	\$ -	\$ 205,045	\$ -	\$ 205,045
HIX/Medicaid Eligibility, Advance Tax Credits	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Seamless Eligibility Processes	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Enrollment Process	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Applications and Notices	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Individual Responsibility Determinations	\$ 16,650	\$ 7,725	\$ -	\$ 594	\$ -	\$ 1,072	\$ 4,708	\$ -	\$ 30,749	\$ -	\$ 30,749
Administration of Tax Credits and Cost Sharing Reductions	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Adjudication of Eligibility Appeals	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
Notification and Appeals of Employer Liability	\$ 16,650	\$ 7,725	\$ -	\$ 594	\$ -	\$ 1,072	\$ 4,708	\$ -	\$ 30,749	\$ -	\$ 30,749
Outreach and Education	\$ 236,862	\$ 109,904	\$ -	\$ 8,451	\$ -	\$ 15,247	\$ 66,974	\$ -	\$ 437,439	\$ -	\$ 437,439
Risk Adjustment and Transitional Reinsurance	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
SHOP Exchange - specific Functions	\$ 132,658	\$ 61,553	\$ -	\$ 4,733	\$ -	\$ 8,540	\$ 37,510	\$ -	\$ 244,994	\$ -	\$ 244,994
TOTAL	\$ 4,844,902	\$ 2,248,035	\$ 17,783,827	\$ 172,870	\$ -	\$ 311,880	\$ 1,369,912	\$ 79,502,589	\$ 106,234,015	\$ -	\$ 106,234,015
Medicaid Allocable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,151,461)	\$ (14,151,461)	\$ -	\$ (14,151,461)
Total Level II Grant Request	\$ 4,844,902	\$ 2,248,035	\$ 17,783,827	\$ 172,870	\$ -	\$ 311,880	\$ 1,369,912	\$ 65,351,128	\$ 92,082,554	\$ -	\$ 92,082,554

VARIABLE COSTS - GRANT PERIOD											
	A	B	C	D	E	F	G	H	I	J	Total
Core Exchange Functions	Salaries	Fringe	Consultants	Equipment	Supplies	Travel	Other	Contractual	Total Direct Costs	Indirect Cost	
Exchange IT Systems	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oversight & Program Integrity	\$ -	\$ -	\$ -	\$ 5,083	\$ 231	\$ -	\$ 58,997	\$ -	\$ 64,311	\$ -	\$ 64,311
Financial Management	\$ -	\$ -	\$ -	\$ 37,093	\$ 1,686	\$ -	\$ 430,549	\$ -	\$ 469,329	\$ -	\$ 469,329
Program Integration	\$ -	\$ -	\$ -	\$ 34,342	\$ 1,561	\$ -	\$ 398,609	\$ -	\$ 434,511	\$ -	\$ 434,511
Assistance to Ind/Small Biz	\$ -	\$ -	\$ -	\$ 5,083	\$ 231	\$ -	\$ 58,997	\$ -	\$ 64,311	\$ -	\$ 64,311
Governance	\$ -	\$ -	\$ -	\$ 5,083	\$ 231	\$ -	\$ 58,997	\$ -	\$ 64,311	\$ -	\$ 64,311
Background Research	\$ -	\$ -	\$ -	\$ 13,881	\$ 631	\$ -	\$ 161,117	\$ -	\$ 175,629	\$ -	\$ 175,629
Stakeholder Consultation	\$ -	\$ -	\$ -	\$ 20,493	\$ 931	\$ -	\$ 237,863	\$ -	\$ 259,287	\$ -	\$ 259,287
Legislative/Regulatory Action	\$ -	\$ -	\$ -	\$ 13,881	\$ 631	\$ -	\$ 161,117	\$ -	\$ 175,629	\$ -	\$ 175,629
Insurance Mkt Reforms	\$ -	\$ -	\$ -	\$ 5,083	\$ 231	\$ -	\$ 58,997	\$ -	\$ 64,311	\$ -	\$ 64,311
Business Operations	\$ -	\$ -	\$ -	\$ 97,579	\$ 4,435	\$ -	\$ 1,132,618	\$ 9,290,150	\$ 10,524,782	\$ -	\$ 10,524,782
<i>QHP Certification</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Call Center</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 6,390,151	\$ 6,472,466	\$ -	\$ 6,472,466
<i>Website</i>	\$ -	\$ -	\$ -	\$ 817	\$ 37	\$ -	\$ 9,477	\$ 90,000	\$ 100,331	\$ -	\$ 100,331
<i>Tax Credit and Subsidy Calculator</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Quality Rating System</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ -	\$ 82,314	\$ -	\$ 82,314
<i>Navigator Program</i>	\$ -	\$ -	\$ -	\$ 5,445	\$ 247	\$ -	\$ 63,200	\$ -	\$ 68,892	\$ -	\$ 68,892
<i>HIX/Medicaid Eligibility, Advance Tax Credits</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Seamless Eligibility Processes</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Enrollment Process</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Applications and Notices</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Individual Responsibility Determinations</i>	\$ -	\$ -	\$ -	\$ 817	\$ 37	\$ -	\$ 9,477	\$ 90,000	\$ 100,331	\$ -	\$ 100,331
<i>Administration of Tax Credits and Cost Sharing Reductions</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 90,000	\$ 172,314	\$ -	\$ 172,314
<i>Adjudication of Eligibility Appeals</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ -	\$ 82,314	\$ -	\$ 82,314
<i>Notification and Appeals of Employer Liability</i>	\$ -	\$ -	\$ -	\$ 817	\$ 37	\$ -	\$ 9,477	\$ -	\$ 10,331	\$ -	\$ 10,331
<i>Outreach and Education</i>	\$ -	\$ -	\$ -	\$ 11,615	\$ 528	\$ -	\$ 134,829	\$ -	\$ 146,973	\$ -	\$ 146,973
<i>Risk Adjustment and Transitional Reinsurance</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ -	\$ 82,314	\$ -	\$ 82,314
<i>SHOP Exchange - specific Functions</i>	\$ -	\$ -	\$ -	\$ 6,506	\$ 296	\$ -	\$ 75,513	\$ 2,090,000	\$ 2,172,314	\$ -	\$ 2,172,314
TOTAL	\$ -	\$ -	\$ -	\$ 237,600	\$ 10,800	\$ -	\$ 2,757,861	\$ 9,290,150	\$ 12,296,411	\$ -	\$ 12,296,411
Medicaid Allocable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Level II Grant Request	\$ -	\$ -	\$ -	\$ 237,600	\$ 10,800	\$ -	\$ 2,757,861	\$ 9,290,150	\$ 12,296,411	\$ -	\$ 12,296,411