



Exchange Project Management Contract Extension

(VOTE)

**Roni Mansur, Deputy Executive
Director & Chief Operating Officer**

Board of Directors Meeting

May 9, 2013



Agenda

- Background
- Initial Contract Term: Key Deliverables
- Optional Renewal Year 1: Key Deliverables
- Need for Continued Project Management Assistance
- Key Terms & Staff Recommendation (VOTE)



Background

- In Fall 2011, the Health Connector identified the need to enhance its internal planning structure with regard to implementation of the Affordable Care Act (ACA) and establish an ACA Transition Project Management Office (PMO) to develop an integrated plan and implement project management processes to ensure that the Health Connector meets the key milestones required to become an ACA-compliant Exchange by 2014
- A Request for Proposals (RFP) for project management assistance was issued in September 2011
 - On November 10, 2011, the Board approved the Health Connector's recommendation to contract with Deloitte for project management assistance
 - The initial contract term was from November 2011 to June 2012, with three optional one-year renewals at the sole discretion of the Health Connector
- On May 10, 2012, the Board approved Health Connector staff's recommendation to exercise the first optional one-year renewal with Deloitte for continued project management assistance for a term expiring June 30, 2013



About Deloitte

- Deloitte is a professional services firm which provides technology, human capital and business strategy and operations consulting services across a broad spectrum of industries (e.g., state government, federal government, health plans, health care providers)
- Deloitte has been active in ACA Implementation and Health Insurance Exchange-related engagements across the country

Summary of Deloitte's National Health Insurance Exchange activities

| National Health Insurance Exchange Related Activities | Representative States |
|--|---|
| ACA Implementation Assessment (e.g., Current state assessment, technology impact assessment, operational readiness, EHB assessment, high-risk insurance program) | <ul style="list-style-type: none"> • IN, CO*, PA |
| ACA Implementation Planning (e.g., ACA research, prototype development, operating model development, market analysis, projections, implementation scenario planning) | <ul style="list-style-type: none"> • MA, WI, IL, NY, MN |
| ACA Implementation (e.g., Project management, end-to-end design and development of HIX, portal design, integrated eligibility system development) | <ul style="list-style-type: none"> • MA*, CT, RI, KY, OR, WA |
| MAGI Medicaid Implementation (with a Federally Facilitated Exchange or Partnership Model) | <ul style="list-style-type: none"> • WV, WI, IN, TX, DE, NH |

* Subcontractor



Initial Contract Term: Key Deliverables

During the initial contract term, Deloitte's role was primarily focused on helping the Health Connector lay the organizational foundation to support ACA transition.

| ACA Implementation Timeline | | | | | | | | | | | | |
|-------------------------------|------|------|----|----|----|------|----|----|----|------|----|--|
| Key Areas of Deloitte Support | 2011 | 2012 | | | | 2013 | | | | 2014 | | |
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | |
| Project Management | | | | | | | | | | | | |

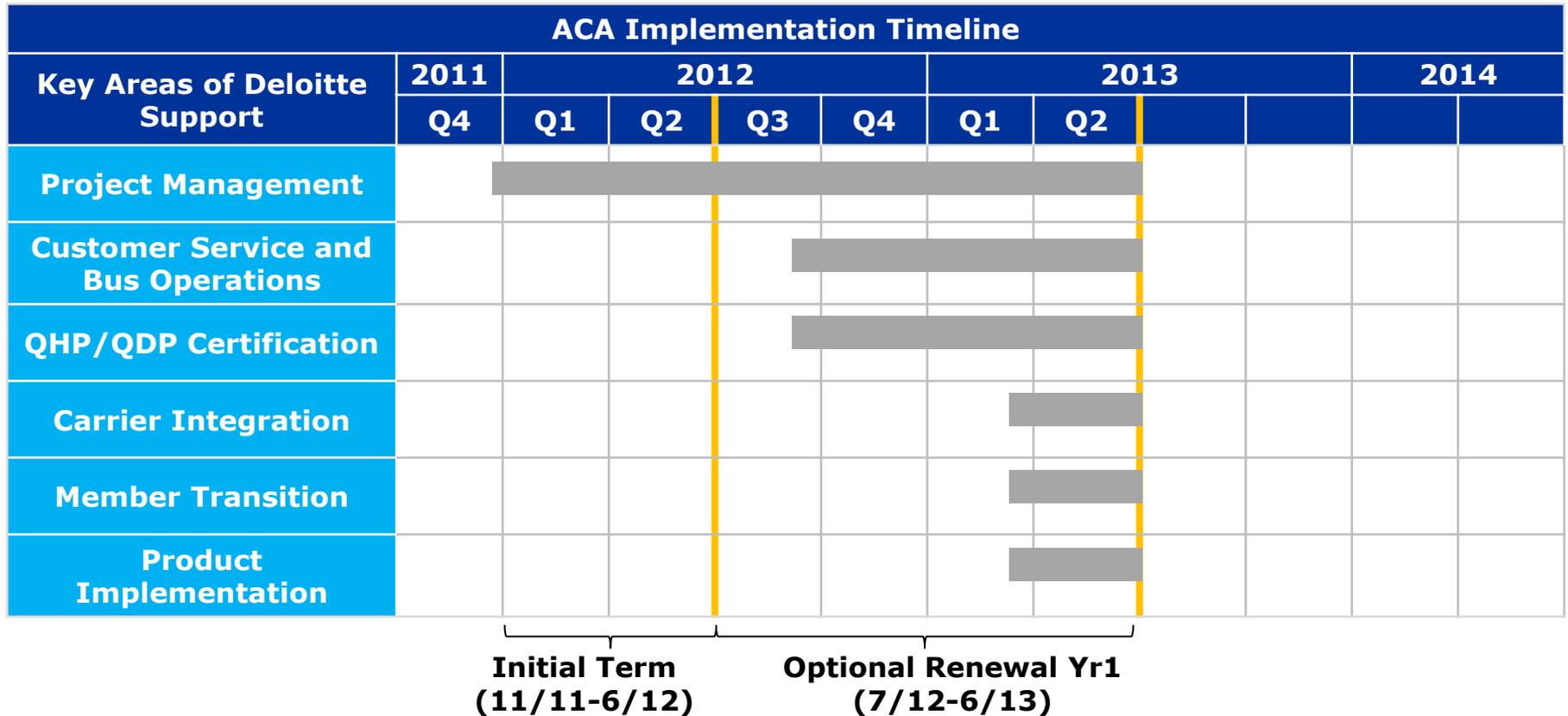
**Initial Term
(11/11-6/12)**

- Developed gap analysis of the Health Connector's operating model relative to the ACA
- Established the Health Connector's internal governance model to support ACA implementation
- Structured workgroups and facilitated governance meetings to support key decision-making
- Developed road maps, status reports, workgroup charters, project plans and internal cross-workgroup communications channels



Optional Renewal Year 1: Key Deliverables

Beginning with the first contract extension, Deloitte's engagement has expanded to include critical supportive roles in several key projects.





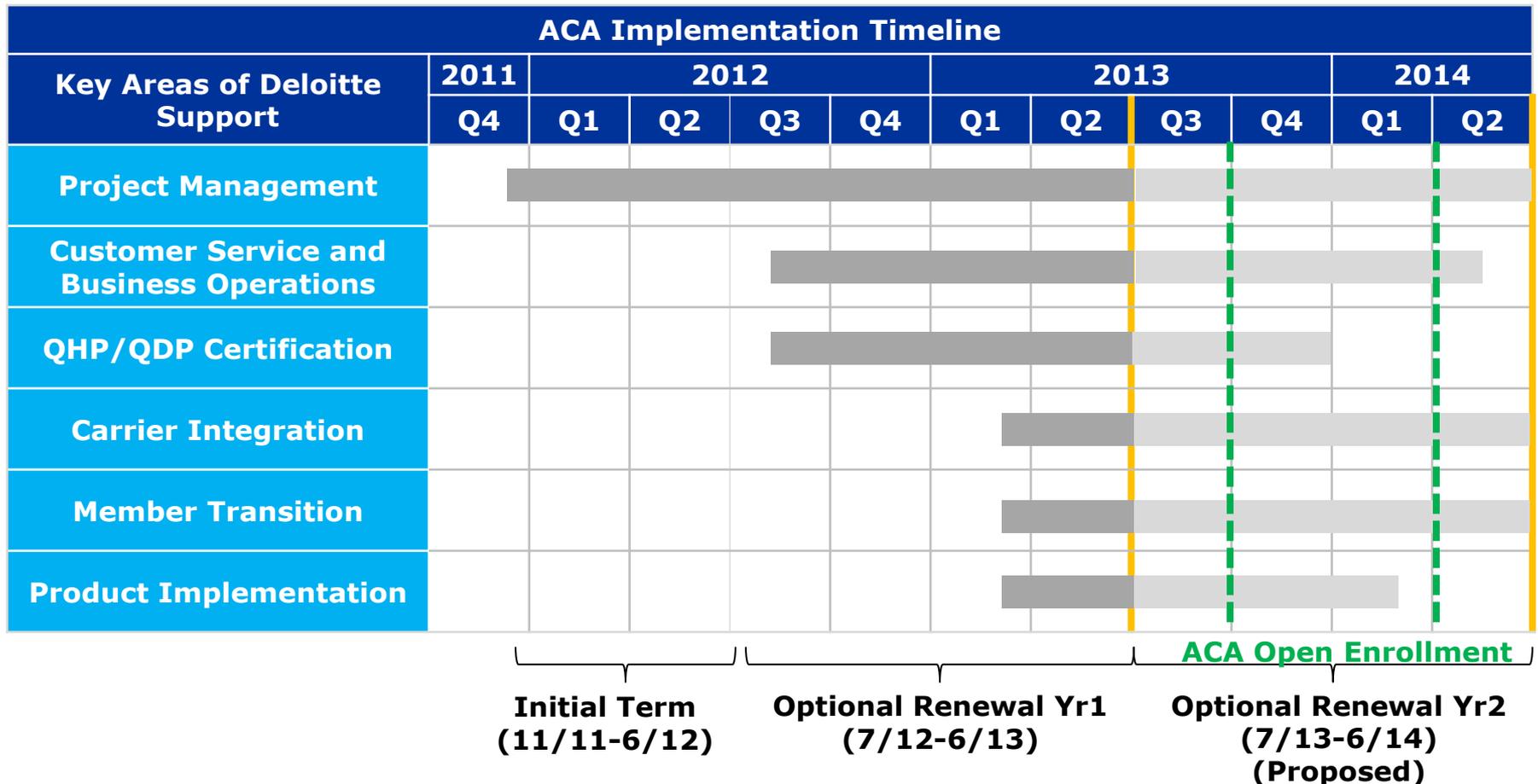
Optional Renewal Year 1: Key Deliverables (cont'd)

| <i>Key Support Area</i> | <i>Deloitte Responsibilities</i> |
|---|---|
| Project Management | <ul style="list-style-type: none"> • Continued ACA transition PMO: status reports and dashboards, internal communication support, project plan development and tracking • Federal compliance: supporting the development of federally-required progress reports; tracking compliance timelines and milestones |
| Customer Service and Business Operations | <ul style="list-style-type: none"> • Procurement: incorporate requirements and best practices, drafting documents, supporting procurement process • Implementation: developing governance model and project plan, facilitate working sessions, tracking decision-making |
| QHP/QDP Certification | <ul style="list-style-type: none"> • Launch: drafting RFP, supporting carrier engagement, facilitating DOI collaboration, managing Q&A process • SoA review: summarizing responses, supporting procurement process |
| Carrier Integration | <ul style="list-style-type: none"> • Facilitating ongoing communication with each carrier; cataloguing issues (e.g., IT interface, data exchange) and developing integration timeline |
| Member Transition | <ul style="list-style-type: none"> • Supporting the development of transition strategy and implementation plan for transitioning both Commonwealth Care and Commonwealth Choice members |
| Product Implementation | <ul style="list-style-type: none"> • Creating a product knowledge base for the purposes of supporting implementation (e.g., customer service and business operations, training) • Developing "product view" implementation checklists; facilitating issue resolution |



Need for Continued Project Management Assistance

The need for ACA implementation project management support will continue over the next few months through ACA open enrollment.





Need for Continued Project Management Assistance (cont'd)

- The upcoming phase of implementation is expected to be the most intensive period of ACA transition to date. The high volume of activities and narrowing timeline, requires that a robust support structure is in place
- Day-to-day project management support helps Health Connector staff more efficiently leverage their subject matter expertise by letting the PMO manage the project management and coordination activities needed for a successful implementation
 - Tracking milestones and facilitating decision-making and resolution of issues and risks
 - Targeted support for key projects and deliverables
 - Cross-project communication to aid in coordination of overall implementation activities
- This continued support will also allow Health Connector staff to maintain all ongoing Connector 1.0 activities
 - *e.g.*, Commonwealth Care and Commonwealth Choice open enrollment



Key Terms & Staff Recommendation

- Health Connector staff recommends exercising the second one-year optional renewal for project management assistance services with Deloitte for the term from July 1, 2013 through June 30, 2014
- Renewing the contract sets the general scope of project management assistance services, but staffing levels will be separately determined through work orders
 - The Health Connector administers the Deloitte engagement in the form of two- to three-month work orders, which provides the Health Connector the flexibility to “ramp-up” or “ramp-down” support based on our evolving needs
 - The current work order expires on 6/30/2013
 - The Health Connector anticipates signing a new work order starting 7/1/2013 for continued project management support; the scope of this work order will be determined in the June timeframe based on our needs
- Costs associated with the work orders are based on a rate table that sets the ceiling for rates for each level of staff resource
 - These rates represent a 3% increase from the prior year
 - We have historically been able to negotiate rates during the work order process



Key Terms & Staff Recommendation (cont'd)

- The engagement with Deloitte has been funded with Federal Exchange Planning and Level 1, Level 1A and Level 2 Establishment grants received by the Health Connector and we intend to continue using Exchange Establishment Grant funds to pay for the extension
 - There are provisions that allow the contract with Deloitte to be cancelled if required federal grant funding is not received in full
- Health Connector staff recommends exercising the second one-year optional renewal for project management assistance services with Deloitte for the term from July 1, 2013 through June 30, 2014