

MEMORANDUM

To: Health Connector Board of Directors
From: Kari Miller, CFO
Re: Recommendation to Extend a Contract with Viebec for Fiscal Year 2021
Date: June 7, 2020

OVERVIEW

In May 2018, the Board of Directors authorized a budget neutral contract with Viebec to perform healthcare actuarial and financial analytic services in support of Health Connector programs through June 30, 2019 for an amount not to exceed (NTE) \$349,816. Actual costs for the period were ~\$100K (or 30%) less than the NTE amount. Viebec was a new corporation established in 2018 by the Health Connector's former Chief Actuary (Ms. Edith Boucher Calvao) upon relocation to Canada.

Upon Ms. Boucher Calvao's relocation, the Health Connector entered into an engagement with Viebec to remotely provide actuarial services until a local, permanent resource could be employed. Despite an extended search, and in comparison to Ms. Boucher Calvao, the candidates did not have the desired level of expertise or carrier experience deemed necessary to successfully perform the required duties. In addition, the complexity associated with the Customer Experience Project (CXP) necessitated stability and the recommendation was made by staff to extend the contract through FY20.

In July 2019, the Board of Directors approved the extension for FY20 in an amount not to exceed \$336,560 (projected costs are lower and estimated at \$250K). In response to a question from Mr. Petion regarding the Health Connector's plan to bring actuarial services in-house, Mr. Gutierrez stated that the Health Connector would re-open the search for an in-house actuary in FY20.

However, planning for potential in-house actuarial services has not commenced, primarily due to other competing matters. In the meantime, Health Connector staff remain pleased with the performance of this contractor and will continue to work with the Board on this matter.

Currently, Health Connector staff recommend extending the contract with Viebec through FY21. Ms. Boucher Calvao's expertise, dedication and unique understanding of the Health Connector is an asset given the challenges the Health Connector will likely face in FY21 with continuing CXP and covid19 responsibilities.

SCOPE OF WORK AND LEVEL OF EFFORT

Viebec's Chief Actuary, with assistance from a Financial Analyst, will perform healthcare actuarial services in support of the Health Connector at the direction of the Chief Financial Officer. The total not to exceed amount is \$343,292 for services from July 1, 2020 through June 30, 2021.

Position	FY20					FY21			
	Hourly Rate	Annual Hours	Total (Not to Exceed)	FY20 Projected	FY20 Variance	FY21 Adj	Hourly Rate	Annual Hours	Total (Not to Exceed)
Chief Actuary	\$124.48	1,920	\$238,993	\$229,259	-\$9,734 -4%	2%	\$126.97	1,920	\$243,773
Financial Analyst	\$51.90	1,880	\$97,567	\$20,000	-\$77,567 -80%	2%	\$52.94	1,880	\$99,519
		3,800	\$336,560	\$249,259	-\$87,302 -26%			3,800	\$343,292

BOARD RECOMMENDATION

Health Connector staff recommend extending a contract with Viebec to perform healthcare actuarial and financial analytic services in support of Health Connector programs for an amount not to exceed \$343,292 through June 30, 2021.