



Independent Review

5% Cost Sharing Cap Project

For the

State of Vermont

Agency of Digital Services



**Submitted to the
State of Vermont, Agency of Digital Services
April 19, 2022**

Final Report

Prepared by:

Erica Rice, Project Manager

Brandon Milton, Project Principal

Berry Dunn McNeil & Parker, LLC (BerryDunn)

2211 Congress Street

Portland, ME 04102-1955

207-541-2217, erice@berrydunn.com

207-541-2337, bmilton@berrydunn.com

Table of Contents

Section	Page
Table of Contents.....	i
1.0 Executive Summary	1
1.1 Cost Summary	2
1.2 Disposition of Independent Review Deliverables	2
1.3 Risks Identified as High Impact and/or Having High Likelihood of Occurrence.....	4
1.4 Other Key Issues	5
1.5 Recommendation	5
1.6 Report Acceptance	5
1.7 Report Acceptance.....	6
2.0 Scope of This Independent Review	1
2.1 In Scope	1
2.2 Out of Scope.....	1
3.0 Sources of Information.....	3
3.1 Independent Review Participants	3
3.2 Independent Review Documentation.....	4
4.0 Project Information.....	6
4.1 Historical Background.....	6
4.2 Project Goals	6
4.3 Project Scope	8
4.4 Major Deliverables.....	10
4.5 Project Phases and Schedule	11
5.0 Acquisition Cost Assessment.....	13
6.0 Technology Architecture and Standards Review	15
7.0 Assessment of Implementation Plan.....	18
8.0 Cost Analysis and Model for Benefit Analysis.....	23
9.0 Analysis of Alternatives.....	25

10.0 Impact on Analysis of Net Operating Costs	26
11.0 Security Assessment	31
12.0 Risk Assessment and Risk Register	33
Attachment 1- Life Cycle Cost-Benefit Analysis.....	34
Attachment 2 – Risk Register	36

1.0 Executive Summary

For all Information Technology (IT) activities over \$1,000,000, Vermont Statute (or at the discretion of the Chief Information Officer [CIO]) requires an Independent Review by the Office of the CIO before the project can begin. The State of Vermont (State) Agency of Digital Services (ADS) engaged Berry Dunn McNeil & Parker, LLC (BerryDunn) to conduct an independent review of the 5% cost sharing solution implementation plan and professional services for implementation and ongoing maintenance and operations (M&O). This Independent Review began on March 8, 2022 and the presentation of findings is scheduled for the week of April 25, 2022.

The 5% Cost Sharing Cap project is a project within the State of Vermont's Agency of Human Services (AHS) under the Department of Vermont Health Access' (DVHA) Medicaid Management Information Systems (MMIS) Program. DVHA is undertaking this project to comply with the 42 Code for Federal Regulations (CFR) § 447.56 - Limitations on premiums and cost sharing which requires State Medicaid Agencies to cap member copays at 5% of members' household income before the cap is reached.

To help ensure compliance to the CFR, the State is working with the following vendors and stakeholders:

- Gainwell Technologies (Gainwell): MMIS
- Change Healthcare: Pharmacy Benefit Management
- Archetype: 5% Cost Sharing Reporting Solution
- ACCESS: Federal Poverty Level (FPL) file data exchange

While conducting this Independent Review, BerryDunn identified eight risks, with three risks being high impact and/or high likelihood of occurrence. BerryDunn lists these risks in summary form in Section 1.3, and in detail in Attachment 2 – Risk Register.

1.1 Cost Summary

Table 1.1 includes a summary of the costs. More detail is located in Section 5: Acquisition Cost Assessment and Section 10: Impact Analysis on Net Operating Costs.

Table 1.1: Cost Summary

IT Activity Life Cycle	Cost and Funding Source
Total Life Cycle Costs (Five Years)	\$1,025,995
Total Implementation Costs	\$1,025,995
New Annual Operating Costs (Five Years)	\$0
Current Annual Operating Costs (Five Years)	\$0
Difference Between Current and New Operating Costs	\$0
Funding Source(s) and Percentage Breakdown of Multiple Sources	90% Federal 10% State

1.2 Disposition of Independent Review Deliverables

Table 1.2 includes a summary of the Independent Review findings as elaborated later in the report.

Table 1.2: Independent Review Deliverables

Deliverable	Highlights From the Independent Review Include Explanations of Any Significant Concerns
Acquisition Cost Assessment	<p>The acquisition costs assessed included only those applicable to technical (implementation) services, ADS Enterprise Project Management Office (EPMO) project management, ADS security analyst, other ADS labor, other State labor, and Independent Review services. These costs total \$1,025,995.</p> <p>Due the State's decision to modify existing systems and the various contract vehicles used to procure implementation services for this project, there are no technical solutions that can be adequately compared to this project's acquisition costs.</p> <p>Instead, BerryDunn conducted research to compare the standard hourly rates for the roles Gainwell and Archetype have allocated to the project (e.g., project manager, application developer, business analyst [BA]). Based on our research, the State appears to be paying a comparable price to what other states are paying for similar services. To understand average costs for the services the vendors are providing, BerryDunn</p>

Deliverable	Highlights From the Independent Review Include Explanations of Any Significant Concerns
	reviewed the ADS IT Retainer Contracts and leveraged our knowledge of what other states are paying for similar services.
Technology Architecture and Standards Review	The nature of the 5% Cost Sharing Cap project is unlike that of a system procurement and implementation project. Since the MMIS, Pharmacy Benefits Management (PBM), ACCESS, and Archetype systems are already in place, the project focuses on enhancing the existing systems to support the State's compliance with 42 CFR §447.56(f).
Implementation Plan Assessment	Currently, an integrated project plan that incorporates the project schedules from each implementation stakeholder group does not exist. A number of risks could affect the project schedule, quality, and cost, should they be realized.
Cost-Benefit Analysis	While the tangible benefits are negligible, BerryDunn's opinion is that the intangible benefits for the State, specifically in the area of compliance, outweigh the one-time costs for implementation.
Analysis of Alternatives	The State's decision to enhance its existing Medicaid Enterprise Systems (MES) to comply with the federal cost sharing regulation was a sound decision. As the State begins working toward replacing the existing MMIS, it should consider assessing alternatives for a new, modernized MMIS that can help maintain automation of the 5% cost sharing process through those procurements.
Impact Analysis on Net Operating Costs	The State will expend one-time costs on implementation and other professional services in Year 1 and 2, with a break-even at Year 3.
Security Assessment	BerryDunn and the ADS Security Office do not have any concerns with compliance to State and federal security requirements.

1.3 Risks Identified as High Impact and/or Having High Likelihood of Occurrence

Table 1.3 provides a summary of the eight risks BerryDunn identified during this point-in-time assessment, including risk probability, impact, and overall rating. A complete Risk Register is included in Attachment 2. While the majority of these risks focus on the project timeline, they could also affect project quality and cost.

Table 1.3: Project Risk Summaries and Ratings

Risk #	Risk Description	Risk Likelihood/Probability	Risk Impact	Overall Risk Rating
1	Vendor staff turnover could cause delays in the implementation timeline.	Medium	High	Medium
2	The project might experience delays in the implementation timeline due to limited availability of the State's technical resources.	Low	High	Medium
3	The project might experience delays in the implementation timeline due to limited availability of program subject matter experts.	Medium	High	High
4	The current implementation timeline might not include sufficient time for MMIS development.	High	High	High
5	The lack of an integrated project schedule could delay the start of planned tasks or in-flight tasks might not be coordinated effectively.	Medium	High	High
6	The implementation timeline could be delayed due to a dependency on the readiness of the new Modern Data Analytics Reporting (MDAR) solution.	High	High	High
7	The lack of an integrated test plan could create challenges during the testing phase, impacting the implementation timeline.	Low	High	Medium
8	The project might experience delays in the implementation timeline due to limited availability of the State's testing resources.	Medium	High	High

BerryDunn determines risk levels based on the criteria in Table 1.4: Risk Rating Criteria.

Table 1.4: Risk Rating Criteria

:Risk Rating Criteria			
Scale	Low	Medium	High
Impact	<p>Condition does not impact quality and is unlikely to impact achievement of project objectives.</p> <p>-OR-</p> <p>Condition might be mitigated through adjustment in effort to avoid impacts to project objectives.</p>	<p>Condition might be mitigated through reduction or deferral of baseline scope in order to avoid impact to quality and/or moving date of key milestone.</p> <p>-OR-</p> <p>Condition might be mitigated by focused corrective actions in order to help ensure achievement of project objectives.</p>	<p>Condition might require acceptance of agreed upon modifications in order to avoid impact(s) to key project objectives.</p> <p>-OR-</p> <p>Conditions might introduce risk to project scope, quality of work products, system solution and/or user experience.</p>
Likelihood	1-39%	40-89%	90-100%

1.4 Other Key Issues

BerryDunn did not identify other key issues during this Independent Review.

1.5 Recommendation

Based on the assessment provided in this report, BerryDunn recommends that the State continue to monitor the risks identified and proceed with the plan for implementing the 5% cost sharing solution.

1.6 Report Acceptance

Independent Reviewer Certification

I certify that this Independent Review Report is an independent and unbiased assessment of the proposed solution's acquisition costs, technical architecture, implementation plan, cost-benefit analysis, and impact on net operating costs, based on the information made available to BerryDunn by the State.

Brandon L Milton

Independent Reviewer Signature

Date

1.7 Report Acceptance

The electronic signature below represents the acceptance of this document as the final completed Independent Review Report.

DocuSigned by:

4333BDE6B4F74AB

5/18/2022

State of Vermont Chief Information Officer

Date

2.0 Scope of This Independent Review

2.1 In Scope

The scope of this document is fulfilling the requirements of Vermont Statute, Title 3, Chapter 56, §3303(d).

The Independent Review Report includes:

- An acquisition cost assessment
- A technology architecture review and standards review
- An implementation plan assessment
- A cost analysis and model for benefit analysis
- An analysis of alternatives
- An impact analysis on net operating costs for the agency carrying out the activity
- A security assessment

This Independent Review used the following schedule:

- Week of March 7, 2022: Conduct project initiation planning meeting
- Weeks of March 14, 2022 and March 21, 2022: Review documentation; schedule interviews; develop participation memos; conduct interviews with the State and vendor; document initial findings; draft the Independent Review Report and the Risk Register
- Week of March 21, 2022: Conduct additional research; provide the preliminary Independent Review Report to the State
- Week of April 13, 2022: Collect feedback; update the Independent Review Report; submit the proposed final draft Independent Review Report to the State
- Week of May 11, 2022: Present the Independent Review Report to the CIO; complete any follow-up work and updates to the Independent Review Report; obtain CIO sign-off via the Oversight Project Manager on the Independent Review Report; facilitate the closeout meeting

2.2 Out of Scope

BerryDunn did not evaluate the following areas during this Independent Review:

- The State's decision to make enhancements to current systems to meet project goals

- Other MMIS modules/services (e.g., financial management, provider management, etc.), ACCESS, PBM system, or the Vermont Health Connect (VHC) reporting system (e.g., Modern Data Analytics Reporting [MDAR])

3.0 Sources of Information

3.1 Independent Review Participants

Table 3.1 includes a list of stakeholders who participated in fact-finding meetings and/or communications.

Table 3.1: Independent Review Participants

Name	Organization and Role	Participation Topic(s)
Marie Schonholtz	ADS Portfolio Manager (outgoing)	5% Independent Review Kickoff Meeting
Paul Pratt	ADS Portfolio Manager (incoming)	N/A
Cameron Hurley	ADS Project Manager	5% Independent Review Kickoff Meeting Interview Independent Review for 5% Copay Project – VT Project Leaders Interview Independent Review for 5% Copay Project – Project Management Interview Independent Review for 5% Copay Project – Change Healthcare Interview Independent Review for 5% Copay Project – Gainwell Interview Independent Review for 5% Copay Project – Change Healthcare Interview Independent Review for 5% Copay Project – Archetype Interview
Dylan Frazer	DVHA, Deputy Director of Medicaid Policy/Business Lead	Independent Review for 5% Copay Project – VT Project Leaders Interview
Lori Collins	DVHA, Contractor	Independent Review for 5% Copay Project – VT Project Leaders Interview
Jason Pope	DVHA, Pharmacy Program Administrator	Independent Review for 5% Copay Project – Change Healthcare Interview

Name	Organization and Role	Participation Topic(s)
Sean Judge	ADS, MMIS IT Lead	Independent Review for 5% Copay Project – Project Management Interview
Robert Maddock	ADS, BA	Independent Review for 5% Copay Project – Project Management Interview
Elizabeth Waring	Gainwell	Independent Review for 5% Copay Project – Gainwell Interview
Michael Smith	Gainwell	Independent Review for 5% Copay Project – Gainwell Interview
Kathy Purdy	Archetype, Business Analyst	Independent Review for 5% Copay Project – Archetype Interview
Mike Ouellette	Change Healthcare, Contract Manager	Independent Review for 5% Copay Project – Change Healthcare Interview
Nancy Miner	Change Healthcare, Project Manager	Independent Review for 5% Copay Project – Change Healthcare Interview
Tracie LeBoeuf	ADS, Supervisor of ACCESS Developers	Independent Review for 5% Project - ACCESS Team
Stephen Morse	ADS, ACCESS Lead Developer	Independent Review for 5% Project - ACCESS Team
Sharon Baker	ADS, ACCESS Developer	Independent Review for 5% Project - ACCESS Team

3.2 Independent Review Documentation

Table 3.2 below includes a list of the documentation utilized to compile this Independent Review.

Table 3.2: Independent Review Documentation

Document Name	Description	Source
Contract #34056 Amendment 5	State of Vermont, contract for services between DVHA and	ADS

Document Name	Description	Source
	Change Healthcare Pharmacy Solutions, Inc.	
5% Copay Project Stakeholder Registry	Stakeholder registry for the 5% Cost Sharing Cap Project	ADS
5% Copay Risks	A list 5% Cost Sharing Cap Project risks identified by the State	ADS
5% Copay Project Charter	A draft project charter for the 5% Cost Sharing Cap Project	ADS
5% Project Plan	The State's project plan for the 5% Cost Sharing Cap Project	ADS
Archetype Specification Order (SO) Form	A SO that provides specifications for Archetype to generate reports to comply with the Centers for Medicare & Medicaid Services (CMS) 5% cost sharing rules for Modified Adjusted Gross Income (MAGI) Medicaid enrollment, income, and household information	ADS
Draft MMIS 5% Copay Reports Requirements Document	A document intended for use by Archetype and the State that provides MMIS 5% Copay Reports requirements for updates that are applicable to the Oracle Data Integrator (ODI) and have been identified as desired functionality by SoV	ADS
MMIS 5% Copay IT Activity Business Case & Cost Analysis (ABC) Form Worksheet V1.0	An Excel workbook that provides cost information that informed the IT ABC Form for the 5% Cost Sharing Cap project	ADS
MMIS 5%IT ABC Form	The IT ABC Form used to document cost and justification information related to the proposed 5% Cost Sharing Cap project	ADS

4.0 Project Information

4.1 Historical Background

Around the year 2016, the State submitted a state plan amendment (SPA) that included capping beneficiaries' copay responsibility at 5% of their household income to comply with the Centers for Medicare & Medicaid Services (CMS) 5% cost sharing rules for MAGI Medicaid enrollment, income, and household information. CMS deemed the SPA submission as non-compliant with federal regulations. In response, the State agreed with CMS to update its MMIS as part of integrated eligibility work.

A few years later, the State submitted a SPA for cost sharing, and at that time CMS requested the State become compliant with CFR § 447.56 - Limitations on premiums and cost sharing regardless of the MMIS integration timeline. Since that time, the State has been working with vendors on determining a solution to comply with the CFR and has a goal to implement the 5% cost sharing solution by the end of 2022. The systems enhancements will proactively discontinue member copay charges based on a beneficiary's income threshold. In cooperation with Gainwell, the State began analyzing solution options in August 2022.

4.2 Project Goals

This section of the report describes the specific business values, business needs, and outcomes that the State identified and expects the 5% Cost Sharing Cap project vendors to help it achieve through the implementation of the 5% cost sharing solution, which includes:

- Compliance with 42 CFR § 447.56
- Reduce the need for manual intervention with implementation of a mostly automated solution that proactively turns cost sharing off prior to a beneficiary exceeding the household 5% cost sharing for drugs, outpatient hospital, and dental services
- Enhance the VHC Income/FPL reporting to enable proactive tracking and capping of beneficiary cost sharing
- Calculate and store updated copay information for members each week after weekly PBM claims are received based on a <5% household income threshold
- Receive and store VHC income file information to include household information and expanded member income data
- Update the MMIS claims processing to use the new copay calculation information so copays for claims where a member has exceeded their threshold are not deducted
- Allow providers to look up whether they should charge a copay
- Generate cost sharing cap notices to members
- Produce provider outreach, communications, and documentation updates

Business Needs

The State must comply with 42 CFR §447.56(f) to help ensure the receipt of enhanced federal financial participation (FFP) funding and avoid funding Medicaid at a higher share from State revenue. Implementing the 5% cost sharing solution across the MMIS, PBM, and reporting system might also provide the State with cost savings by reducing the number of hours vendors spend on the current manual process.

Business Values

The following are business values the State might realize with the implementation of the 5% cost sharing solution:

- Help ensure the State's compliance to the cost sharing federal regulation and meeting CMS' expectations
- Reduction of up-front copays that exceed the 5% cost sharing cap via reports to verify copays do not exceed the 5% threshold
- Enhanced automation and reduction of manual processes
- Automatic notification to providers indicating that a member has reached the copay cap
- Net decrease to State costs resulting from reduction of operating costs, State labor costs, and/or infrastructure costs
- Improved customer service for internal and external customers including, but not limited to:
 - Service automation
 - Improved access to information
 - Improved service quality
 - Faster turnaround times
- Reduced risk to the State by replacing a manual process with automation and implementing a sustainable solution

Outcomes

The State seeks to achieve the following outcomes through the 5% Cost Sharing Cap project:

- Compliance with 42 CFR §447.56(f)
- Enhanced automation of the copay cap process
- Up-front detection of members reaching their 5% cost sharing cap and avoidance of retro identification of members exceeding the cap
- Improved reporting and data sharing

- Improved communication with providers that notifies them when a copay is no longer required for services
- Improved beneficiary experience

Benchmarks for Successful Project Completion

The State defines successful completion of the project using these benchmarks:

- Vendors have completed the project in accordance with their contracts with the State and applicable project management planning documentation
- Functional and operational deficiencies are resolved prior to the solution's deployment to the production environment
- Vendors have completed the project on time and within budget
- All State-specified requirements are met by the solutions implemented by each vendor
- The solution meets the requirements of 42 CFR §447.56(f)
- Vendors have completed training stakeholders affected by the solution

4.3 Project Scope

The 5% Cost Sharing Cap project requires enhancements to the MMIS, PBM, and ACCESS systems. This section describes the scope for each aspect of the end-to-end project solution. All vendor stakeholders are required to develop a requirements specification document to capture the business need and help ensure the State's business rules are met in order to comply with federal regulations. Additionally, all vendor stakeholders are required to submit a complete testing plan that supports end-to-end testing of the integrated 5% cost sharing cap solution.

MMIS

The MMIS core changes for Gainwell's solution to meet the requirements of the 5% Cost Sharing Cap project include:

- MAGI household MMIS enhancements that will allow the MMIS to receive and store VHC income file information including household formation and expanded member income data
- Calculation and storage of updated copay information for members after the weekly PBM claims are received based on a <5% household income threshold. The MMIS will then send member copay information to the PBM
- Updated MMIS medical claims processing using the new copay calculation information that avoids deducting copay for claims where a member has exceeded the copay threshold

- Enhanced copay determination that allows providers to identify when a copay is not required for services
- Updated retro copay reporting and processes that locate and reimburse members when a copay was charged above the 5% cost sharing cap based on non-real time limitations
- Generation of cost sharing cap notices to members
- Production of provider outreach communications, and documentation updates
- Providing project management support and deliverables

The MMIS deliverables include:

- Business Requirements Document
- Testing Plan
- Test Cases
- Operations Manual

PBM

The PBM changes include preparing the system to accept a weekly feed that will inform the PBM of which members require a copay. The system needs configuration to automatically set the appropriate flag to help ensure copay requirements are turned off in the system when a member reaches the copay cap.

Modern Data Analytics Reporting (MDAR)

The MDAR updates to the ACCESS system include updating the exchange of FPL files to help ensure timely delivery to the MMIS and when applicable, setting the MMIS flag in the reporting solution to indicate the member has reached the 5% cost sharing cap. The ACCESS team expects development of the ACCESS updates to take approximately two weeks.

ACCESS confirmed with the State there is no need, at this time, to send certain categories (social security income [SSI]-related codes) that currently do not send FPL information to the MMIS because that member population does not have copays. Therefore, the SSI-related codes will not be included in the updated 5% cost sharing cap solution.

Archetype

The scope for the changes required in the VHC MDAR system for which Archetype is responsible include creating two reports that comply with the CMS 5% cost sharing rules for MAGI Medicaid enrollment, income, and household information. One report will contain all members currently enrolled in MAGI Medicaid and their monthly income as of the report generation date. The second report will include all members in a household enrolled in Medicaid. The system will generate both reports daily and the reports will be stored on an

existing VHC third-party external secure file transfer protocol (SFTP) drive for the MMIS vendor to retrieve. The MMIS vendor will use the reports to calculate cost sharing correctly.

In particular, the Archetype SO stipulates that Archetype will:

- Develop and review a requirements document with the State
- Participate in State meeting regarding MMIS vendor report activity
- Update the ODS and Data Warehouse tables to include a required fields in the VHC MDAR system
- Develop code to generate daily reports in the VHC MDAR system
- Develop code to store daily reports on the specified VHC third-party external SFTP drive in the VHC MDAR system
- Support deployment and conduct testing of modified code to staging and production in the VHC MDAR system

The SO also indicates that once the changes are live, Archetype will continue to support the changes as part of the continued Archetype M&O scope.

4.4 Major Deliverables

Table 4.1 provides a summary of the deliverables, descriptions, and frequency, as articulated in the contract with Gainwell and other documentation provided by the State related to agreements with the other solution vendors. The frequency for some deliverables was not finalized at the time of this Independent Review.

Table 4.1: Project Deliverables and Frequency Proposed by the Vendor

Deliverable	Description	Frequency
Business Requirements Document	A document to include specification for business rules and claims processing changes as necessary. Technical changes such as configuration, tables, and other technical changes required to implement the project will also be described. The vendor shall also maintain requirements traceability throughout the project.	Once
Testing Plan	A document that will include the vendor's testing approach, test scenarios, and user stories. The document should also describe testing methodologies and all test environments, configuration, and test data required.	Once

Deliverable	Description	Frequency
Test Cases	A document that includes all test results for review and approval by the State. All test cases should be mapped to business requirements and user stories where appropriate. Coverage of all requirements by test cases should also be provided.	Once
Operations Manual	A document that includes the cadence for regular reviews and updates of the manual.	Once and updates as needed

4.5 Project Phases and Schedule

Table 4.2 is a summary of the project phases/milestones, dates, and tasks planned, as articulated in the State's project plan at the time of this assessment. As noted in the Attachment 2, the State project manager has not yet created a project plan that integrates all activities required by each vendor. However, the State's project plan does account for high-level activities and durations of those activities.

Table 4.2: Project Phases/Milestones, Dates, and Tasks

Project Phase/Milestone	Date(s)	Tasks
Exploration	11/2/2020 – 10/19/2021	Business Notifies IT Director/Manager of requested IT Project
		IT Director/Manager Notifies IT Portfolio Manager of Requested IT Project
		IT Portfolio Manager enters requested Project in PPM Tool
		ADS Resources needed for Exploration
		IT ABC Form
Initiation	8/21/2021 – 11/10/2023	Stakeholders
		Charter
		Team Business Requirement Meetings
		Product Backlog
Planning	11/2/2020	Roadmap Plan
		RFP
		Vendor Selection
Execution		Contract
		Conduct Implementation Team Kickoff Meeting

Project Phase/Milestone	Date(s)	Tasks
	11/2/2020 – 10/31/2022	Release Schedule
		Sprint Backlog
		Requirements
		Design/Technical Specification
		Testing Plans
		Development
		MMIS / PBM Copay Integration Testing (Change Healthcare, Gainwell)
		System Integration Testing (Change Healthcare, Gainwell, ACCESS, Archetype)
		User acceptance testing (UAT) (DVHA)
Closing	11/2/2020	Deliverable Acceptance
		Lessons Learned
Conduct Independent Review	1/21/2022 – 6/9/2022	IR Vendor Procurement
		Execute Independent Review
		Close IR

5.0 Acquisition Cost Assessment

Table 5.1 includes a summary of acquisition costs reported to BerryDunn during this Independent Review.

Table 5.1: Acquisition Cost Assessment

Acquisition Costs	Cost	Comments
Implementation Services	\$321,850	Design, development, testing, and implementation services for Gainwell, Change Healthcare, and Archetype
ADS EPMO Project Oversight	\$0	Costs are covered at the program level
ADS EPMO Project Manager	\$169,000	Provided by the State
ADS EPMO Business Analyst (BA)	\$97,240	Provided by the State
ADS Enterprise Architect (EA)	\$16,250	Provided by the State
ADS Security Staff	\$22,880	Provided by the State
ADS IT Labor	\$21,840	Provided by the State and is for IT Management support
Other State Labor	\$352,435	Provided by the State and includes staffing from DVHA and the AHS
Independent Review	\$24,500	BerryDunn's Independent Review services
Total One-Time Acquisition Costs	\$1,025,995	

1. Cost Validation: Describe how you validated the acquisition costs.

BerryDunn validated acquisition costs during documentation review and an interview with the State's project manager.

2. Cost Comparison: How do the acquisition costs of the proposed solution compare to what others have paid for similar solutions? Will the State be paying more, less, or about the same?

Due to the State's decision to enhance existing systems and the various contract vehicles used to procure implementation services for this project, there are no technical solutions that BerryDunn could adequately compare to this project's acquisition costs. Rather, BerryDunn conducted research to compare the standard hourly rates for the roles Gainwell and Archetype have allocated to the project (e.g., project manager, application developer, BA, etc.).

For Gainwell's services, the State is currently paying \$132 per hour for hours expended on system enhancements, regardless of role. For Archetype's services, the State is paying

\$225 per hour for hours expended on the project. BerryDunn found that states can pay anywhere between \$100 and \$300 per hour, on average.

- 3. Cost Assessment:** Are the acquisition costs valid and appropriate in your professional opinion? List any concerns or issues with the costs.

As outlined above, the State appears to be paying a comparable price to what other states are paying for similar services.

6.0 Technology Architecture and Standards Review

1. **State's IT Strategic Plan:** Describe how the proposed solution aligns with each of the State's IT Strategic Principles:

- a. Assess how well the technology solution aligns with the business direction
- b. Assess how well the technology solution maximizes benefits for the State
- c. Assess how well the information architecture of the technology solution adheres to the principle of Information is an Asset
- d. Assess if the technology solution will optimize process
- e. Assess how well the technology solution supports resilience-driven security

The State currently operates a legacy MMIS, utilizing Gainwell Technologies as its Fiscal Agent. For Vermont, the existing core Gainwell contract ends December 31, 2026, and allows for two additional one-year amendments, potentially extending the contract to December 31, 2028, if the State opts to utilize both amendments.

While there are some changes needed in the systems that need to send data to the MMIS (e.g., ACCESS and the MDAR system), the MMIS is the system that will be responsible for capping beneficiaries' copay responsibility at 5% of their household income and generating notices about cost sharing at eligibility determination and when the cap is met.

2. **Sustainability:** Comment on the sustainability of the solution's technical architecture (i.e., is it sustainable?).

The State is working to improve its Medicaid Enterprise through a series of upcoming requests for proposals (RFPs), beginning with the Data Warehouse followed by the procurement of a modular MMIS. The decision to evaluate the State's decision on the technical design of the solution is not in scope for this Independent Review since project has already started. BerryDunn assumes the State determined that the systems are sustainable as a short-term solution in order to meet 5% cost sharing cap requirements. The sustainability of the MMIS might change based on factors that are unknown at the time of this Independent Review.

3. **How does the solution comply with the ADS Strategic Goals enumerated in the [ADS Strategic Plan of January 2021](#)?**

Based on BerryDunn's assessment, the solution aligns with the following ADS strategic goals:

- Goal 2 – Vermont Experience: Thoughtfully and respectfully design technical systems that improve our understanding of Vermonters' needs.

- 4. Compliance with the Section 508 Amendment to the Rehabilitation Act of 1973, as amended in 1998:** Comment on the solution's compliance with accessibility standards as outlined in this amendment. Reference: <http://www.section508.gov/content/learn>.

Gainwell is required within the contract to employ, and comply with, multiple industry testing standards, including the Americans with Disabilities Act, Section 508.

- 5. Disaster Recovery:** What is your assessment of the proposed solution's disaster recovery plan; do you think it is adequate? How might it be improved? Are there specific actions that you would recommend to improve the plan?

The contract with Gainwell includes disaster recovery and business continuity obligations, including the development of a Business Continuity and Disaster Recovery Plan to include details, such as policies and procedures for testing and backing up data, resources, hardware and software, network telecommunications, recovery, etc. Data recovery will be covered under the umbrella of the established MMIS Business Continuity and Disaster Recovery Plan to restore operations. Disaster recovery and continuity requirements are in Exhibit 1 of the contract under Section vi – *Data Services Technical Non-Functional*.

- 6. Data Retention:** Describe the relevant data retention needs and how they will be satisfied for or by the proposed solution.

The State's contract with Gainwell outlines data retention requirements, including Gainwell's responsibility related to retaining paper claims and documentation, electronic documentation and artifacts, and record retention for auditing purposes. Within Attachment F – *Agency of Human Services' Customary Contract / Grant Provisions*, specific language exists related to the inspection and retention of records for Medicaid program parties. This contract language applies to any party providing services paid for under Vermont's Medicaid program or Global Commitment to Health Waiver. Under this contract language, Gainwell is required to retain records, financial data, contracts, computer, and other electronic systems relating to the performance of services under Vermont's Medicaid program for a period of 10 years, as identified by 42 CFR 438.3(u).

- 7. SLA:** What are the post-implementation services and service levels required by the State? Is the vendor proposed SLA adequate to meet these needs in your judgement?

Exhibit 2 of the Gainwell contract does not include specific SLAs related to cost sharing requirements. SLA #36 does require MMIS system changes, initiated through a change request or SO, to be 100% implemented as designed; however, the 5% Cost Sharing Cap project is outlined in the contract under Section III: Additional One-time, Ongoing, and Future MMIS Modernization Projects. The State reported that SLA #36 is intended to cover all system changes, but the State's contract manager reported that the contract language will be evaluated the next time an amendment is needed, and then determine if the SLA needs to be made clearer.

BerryDunn recommends that the State determine whether an SLA related to cost sharing should be added to the current contract through an amendment.

8. **System Integration:** Is the data export reporting capability of the proposed solution consumable by the State? What data is exchanged and what systems (State and non-State) will the solution integrate/interface with?

The data reporting capability of the solution is consumable by the State. The MMIS will receive Medicaid eligibility data from the MDAR system and ACCESS. The MMIS will send cost sharing data to the PBM.

7.0 Assessment of Implementation Plan

1. The reality of the implementation timetable.

The nature of the 5% Cost Sharing Cap project is unlike that of a system implementation project. Since the affected systems are already in place, the project focuses on enhancing the existing MMIS, PBM, MDAR, and ACCESS solutions to accommodate CMS cost sharing requirements. The State has built time into the implementation timeline to help avoid not meeting the State's implementation schedule.

However, because of resource turnover on the State and vendor teams, there is concern about the need to revisit the MMIS solution requirements due to the lack of knowledge transfer between resources who have vacated positions with Gainwell and those backfilling the vacancies. The complexity for coding the 5% cost sharing cap solution and helping ensure the incoming BA understands the business rules and requirements for the solution could require the State and Gainwell to revisit the requirements—this could cause a delay in the implementation schedule. Additionally, if Gainwell is unable to onboard the new BA by April 30, 2022, time will be lost and prevent the MMIS part of the 5% cost sharing cap solution from being ready by the June 30, 2022 target date.

Additional concerns exist because of the inability for ACCESS resources to engage in the project until July 1, 2022. The ACCESS developer supervisor indicated that the solution would likely take two weeks to develop, as the only changes required are to update the system to send FPL member data files to the MMIS timely and setting the MMIS flag in the solution.

Archetype plans to complete its development for the solution in the new MDAR solution, Amazon Web Service (AWS), which will replace the current reporting solution for VHC, and the deliverables outlined in the SO by August 3, 2022. If the implementation date of AWS is delayed, it might affect the implementation plan for the 5% Cost Sharing Cap project. However, Archetype indicated and the State agreed that as a contingency plan, the existing MDAR solution could be leveraged until AWS is implemented. The drawback to the contingency plan being that if the current system must remain in place until the AWS implementation is complete, data loads take up to 20 hours where AWS will load data hourly. However, the MMIS will receive the data daily as contractually required if the legacy system remains in place at the onset of the 5% cost sharing cap solution.

Change Healthcare has completed its requirements development and both the State and the vendor indicated that there are no concerns with meeting the implementation timeline.

All vendors use a combination of agile and waterfall implementation processes. The State should consider creating an integrated project plan to help ensure management of the complexities involved in ensuring each vendor completes their project activities required on time and that it closely monitors critical deadlines and dependencies between vendors' activities to help avoid implementation timeline slippage.

2. Readiness of impacted divisions/departments to participate in this solution/project (consider current culture, staff buy-in, organizational changes needed, and leadership readiness).

The State and the solution vendors indicated that there are no concerns regarding stakeholder readiness as the 5% cost sharing cap solution will help alleviate most of the manual copay cap process and ease the workload of staff performing the copay work. The State indicated it does not anticipate any operational challenges with the implementation of the solution.

The State has a plan to communicate with providers regarding the transition of the 5% cost sharing cap process.

3. Do the milestones and deliverables proposed by the vendor provide enough detail to hold the vendor accountable for meeting the business needs in these areas?

a. Project Management

At the time BerryDunn wrote this report, each vendor was maintaining individual project plans and the State project manager had developed a project plan that includes high-level activities for all vendors. However, the State's project plan did not integrate all of high-level activities with key milestones from each vendors' project plan. The lack of an integrated project schedule could delay the start of planned tasks or in-flight tasks might not be coordinated effectively. BerryDunn recommends the State consider creating an integrated project schedule to track all implementation activities and monitor dependencies to help mitigate the possibility of timeline slippage.

The State expressed a concern that there may be resource constraints that may affect the timing for implementing the 5% cost sharing cap solution. The following Table 7.1 lists and describes the potential constraints. These resource constraints may cause the project timeline to slip if resources are not available at the points in time designated in the project plan timeline.

Table 7.1: Resource Constraints

Project Contributor	Resource Constraint Description
State	Two key project stakeholders recently left the State which has caused a lack of knowledge transfer to the individuals who backfilled the vacated roles
Gainwell	The Gainwell BA recently moved to another project and the developer assigned to the code the 5% cost sharing cap solution left Gainwell
ACCESS	The ACCESS team's resources cannot begin working on the solution until July 1, 2022

b. Training

Because the 5% cost sharing cap solution will reduce or possibly eliminate the manual copay cap process through automation, minimal training is required. If the new process includes a new MMIS screen view that shows the household members' copay status, then the MMIS staff would require training. Gainwell will work with the State to identify training needs if applicable. Training is not required for the PBM or other systems related to the 5% cost sharing cap solution.

c. Testing

The State is requiring Gainwell, Change Healthcare, and Archetype to provide their test plans prior to completing key development of their solutions. Test plans are due to the State by the end of March 2022.

The State's testing lead and its BA consultant will evaluate the test plans. Although vendors will test their own solutions, the State will conduct end-to-end testing. In preparation for this, the State developed test scenarios and plans to engage the State's test team. However, a cohesive end-to-end test plan for the 5% Cost Sharing Cap project that includes the details for all vendors and the State test team does not exist. Without an end-to-end test plan, the State might be prevented from having insight into the flow of data through the new solution and may not be able to confirm the solution meets the project requirements, including confirming that users can see that a member has reached their copay cap.

The project might experience delays in the implementation timeline due to limited availability of the State's testing resources because the State's testing resources needed to support the 5% Cost Sharing Cap project may not be available because of competing Medicaid project priorities.

Gainwell plans to begin integration testing on July 1, 2022, and end one month later. System integration testing (SIT) will start following integration testing and last for two

months. The State indicated that if Gainwell can begin developing the solution on April 1, 2022, as planned, the implementation timeline might not be at risk; however, the State expressed a concern that Gainwell may not be able to begin development on time because of the need to onboard the new developer.

UAT will begin in October 2022. According to the project timeline, in August 1, 2022, all vendors should begin testing in SIT. SIT is planned to conclude in October 2022.

At the time BerryDunn wrote this report, Archetype planned to provide Gainwell with the new reports it is developing for the solution by late March 2022 so Gainwell can test the reports in the new system once it is developed. Archetype's first phase of testing will be to provide data from its development environment to Gainwell for testing in the MMIS. Archetype's second phase of testing will test the data delivery method via Optum through an SFTP site. Archetype plans to work with a Medicaid subject matter expert (SME) and Gainwell to develop test scenarios.

Change Healthcare indicated it is prepared to work with the other solution vendors to complete end-to-end testing.

d. Design

At the time BerryDunn wrote this report, the State indicated that Change Healthcare had completed its solution design and Gainwell had all the information to inform the MMIS solution design. The State expects Change Healthcare and Gainwell to complete development of their solutions by the end of June 2020.

The new AWS Archetype is implementing will be cloud-based. Archetype uses Snowflake for the Data Warehouse software; Tableau will be the data analytics solution to handle the extract, transfer, and load (ETL) process.

e. Conversion (If Applicable)

Because the 5% Cost Sharing Cap project is not an implementation project, conversion is not required to achieve the project goals.

f. Implementation Planning

As mentioned earlier in this section under Project Management, the State and each vendor are maintaining separate project plans and at the time of the writing of this report, the State did not have an integrated project plan to help monitor project activities and dependencies.

g. Implementation

All vendors use a combined agile and waterfall approach to manage implementing their parts of the full 5% cost sharing cap solution. The implementation timeline is reasonable as long as the State and the vendors are able to maintain their plans for backfilling vacant positions so project work can proceed unencumbered.

4. Does the State have a resource lined up to be the project manager on the project? If so, does this person possess the skills and experience to be successful in this role in your judgment? Please explain.

The State has assigned a project manager (PM) to oversee the project implementation. Although the project manager is new to the effort, the PM is thoroughly involved in the project planning. Continued PM involvement through project implementation will provide beneficial continuity to the State's project approach. For these reasons, BerryDunn believes the State's PM has the appropriate skills and experience to meet the State's project management needs successfully.

8.0 Cost Analysis and Model for Benefit Analysis

- 1. Analysis Description:** Provide a narrative summary of the cost-benefit analysis conducted. Be sure to indicate how the costs were independently validated.

BerryDunn evaluated the costs provided by the State in the IT ABC Form and financial information provided by the State's PM. The State's PM verified these costs.

BerryDunn discussed the benefits of the project during interviews with the State and vendors and incorporated the benefits into this report.

- 2. Assumptions:** List any assumptions made in your analysis.

BerryDunn performed the cost-benefit analysis using the following assumptions:

- All payments to vendors will be made in State FY 2022 and 2023.
- There is a five-year life cycle, with vendor implementation activities beginning in August 2021 and ending in November 2022.
- There is not an increase in costs to maintain and operate the MMIS, MDAR system, ACCESS, or PBM.

- 3. Funding:** Provide the funding source(s). If multiple sources, indicate the percentage of each source for both acquisition costs and ongoing operational costs over the duration of the system/service life cycle.

DVHA will use 90% federal funds and 10% State funds for implementation costs.

- 4. Tangible Costs and Benefits:** Provide a list and description of the tangible costs and benefits of this project. It is "tangible" if it has a direct impact on implementation or operating costs (an increase = a tangible cost, and a decrease = a tangible benefit). The cost of software licenses is an example of a tangible cost. Projected annual operating cost savings is an example of a tangible benefit.

Tangible Costs

- **Implementation Services** – A one-time cost of \$321,850 for services provided by Gainwell, Change Healthcare, and Archetype
- **ADS EPMO Project Management, Security Analyst, Other ADS Labor and Other State Labor** – These one-time costs total \$679,645
- **Independent Review Services** – This one-time cost total \$24,500

Tangible Benefits

Based on interviews with the State, there does not appear to be tangible benefits resulting from this project. However, the State could be at risk of losing FFP if it remains out of compliance with the 5% cost sharing cap program rules.

5. Intangible Costs and Benefits: Provide a list and descriptions of the intangible costs and benefits. Its “intangible” if it has a positive or negative impact but is not cost related. Examples: Customer service is expected to improve (intangible benefit) or employee morale is expected to decline (intangible cost).

- Achieved compliance with 42 CFR § 447.56
- Reduced manual intervention to turn cost sharing off when a beneficiary exceeds the household 5% cost sharing cap for drugs, outpatient hospital, and dental services
- Improved customer service for Medicaid beneficiaries

6. Costs vs. Benefits: Do the benefits of this project (consider both tangible and intangible) outweigh the costs in your opinion? Please elaborate on your response.

While the tangible benefits appear negligible, BerryDunn’s opinion is that the intangible benefits for the State outweigh the one-time costs for implementation.

7. IT ABC Form Review: Review the IT ABC Form (Business Case/Cost Analysis) created by the Business for this project. Is the information consistent with your Independent Review and analysis? If not, please describe. Is the life cycle that was used appropriate for the technology being proposed? If not, please explain.

At the time of this Independent Review, the State was in the process of updating IT ABC Form that was approved in September 2021. The State’s PM provided a worksheet with detailed cost information, which was used for the financial components included in this report. BerryDunn recommends that the project team finalize the updated IT ABC Form and submit it for review and approval.

9.0 Analysis of Alternatives

- 1. Provide a brief analysis of alternative solutions that were deemed financially unfeasible.**
- 2. Provide a brief analysis of alternative technical solutions that were deemed unsustainable.**
- 3. Provide a brief analysis of alternative technical solutions where the costs for operations and maintenance were unfeasible.**

The State said some State Medicaid Agencies (SMAs) have determined that taking copays is not worth the financial burden due to the complexities of implementing such a solution and those SMAs have chosen to accept the loss of revenue. The State, however, has opted to enhance its existing solution to become compliant with federal cost-sharing rules because it sees value in the long-term benefits of complying with the rules.

The State is working to improve its Medicaid Enterprise through a series of upcoming RFPs, beginning with the Data Warehouse followed by the procurement of a modular MMIS. BerryDunn recommends that the State assess alternatives for a new, modernized MMIS that can help maintain automation of the 5% cost sharing cap process through those procurements.

10.0 Impact on Analysis of Net Operating Costs

1. Insert a table to illustrate the Net Operating Cost Impact.

Table 10.1: Life Cycle Costs by Year

Impact on Operating Costs	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Five-Year Totals
Professional Services (Non-Software Costs)						
Current Costs	\$0	\$0	\$0	\$0	\$0	\$0
Projected Costs	\$235,550	\$110,800	\$0	\$0	\$0	\$346,350
Maintenance, Support, and Licenses Costs						
Current Costs	\$0	\$0	\$0	\$0	\$0	\$0
Projected Costs	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs (State Labor)						
Current Costs	\$0	\$0	\$0	\$0	\$0	\$0
Projected Costs	\$359,386	\$320,259	\$0	\$0	\$0	\$679,645
Baseline Annual Current Costs	\$0	\$0	\$0	\$0	\$0	\$0
Baseline Annual Projected Costs	\$594,936	\$431,059	\$0	\$0	\$0	\$1,025,995
Cumulative Current Costs	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Projected Costs	\$594,936	\$1,025,995	\$1,025,995	\$1,025,995	\$1,025,995	\$1,025,995
Net Impact on Professional Services	(\$235,550)	(\$110,800)	\$0	\$0	\$0	(\$346,350)
Net Impact on Maintenance, Support, and Licenses Costs	(\$359,386)	(\$320,259)	\$0	\$0	\$0	(\$679,645)
Net Impact on Operating Costs	(\$594,936)	(\$431,059)	\$0	\$0	\$0	(\$1,025,995)

2. Provide a narrative summary of the analysis conducted and include a list of any assumptions.

BerryDunn used the following assumptions to conduct the analysis of impact on net operating costs:

- Current operating costs cannot be extrapolated; therefore, current costs are not included.
- There are no additional operating costs at the end of this project.
- Gainwell and Change Healthcare resources are allocated to the project 60% in FY 2022 for requirements gathering, design, and development activities and 40% in FY 2023 for testing and deployment activities. The State will make monthly payments for these services accordingly.
- Based on total cost incurred to-date provided by Archetype, resources are allocated to the project 90% in FY 2022 for requirements gathering, design, development, and testing activities and 10% in FY 2023 for deployment activities. The State will make monthly payments for these services accordingly.
- The following State resources are allocated 50% in both State FY 2022 and FY2023:
 - ADS EPMO PM
 - ADS EPMO BA
 - Other ADS Labor (e.g., IT Manager)
 - Other Costs (e.g., DVHA and other business staff)
- The following State resources are only allocated in FY 2022 to support requirements and design activities:
 - ADS EA
 - ADS Security Staff

BerryDunn used the following costs and calculations in performing the impact analysis on net operating costs:

- The projected costs for Professional Services in FY 2022 include:
 - \$136,200 for Gainwell's implementation services
 - \$21,000 for Change Healthcare's implementation services
 - \$53,850 for Archetype's implementation services
 - \$24,500 for BerryDunn's Independent Review services
- The projected costs for Professional Services for FY 2023 include:

- \$90,800 for Gainwell's implementation services
- \$14,000 for Change Healthcare's implementation services
- \$6,000 for Archetype's implementation services
- The projected costs for Other Costs (State Labor) in FY 2022 include:
 - \$84,500 for the ADS EPMO PM
 - \$48,620 for the ADS EPMO BA
 - \$16,250 for the ADS EA
 - \$22,880 for the ADS Security Staff
 - \$10,920 for Other ADS Labor
 - \$176,216 for Other Costs
- The projected costs for Other Costs (State Labor) in FY 2023 include:
 - \$84,500 for the ADS EPMO PM
 - \$48,620 for the ADS EPMO BA
 - \$10,920 for Other ADS Labor
 - \$176,216 for Other Costs

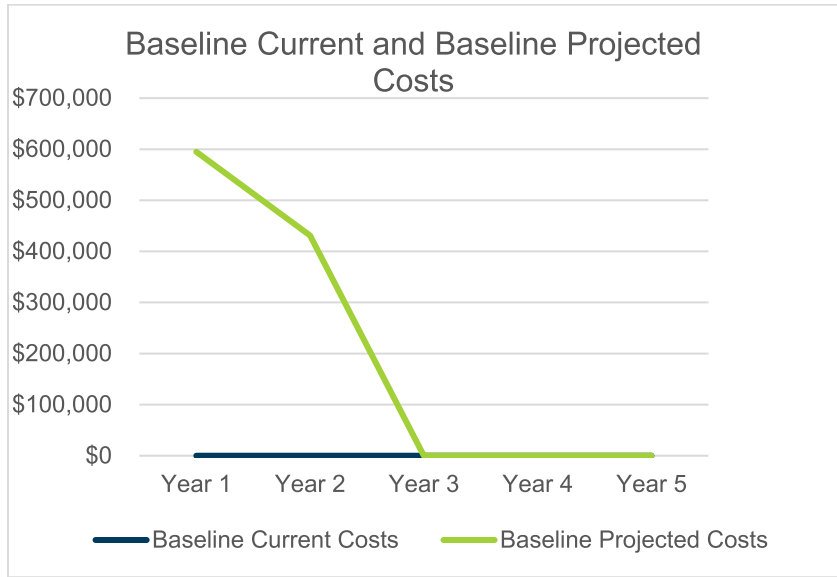
3. Explain any net operating increases that will be covered by federal funding. Will this funding cover the entire life cycle? If not, please provide the breakouts by year.

DVHA will use 90% federal funds and 10% State funds for the project.

4. What is the break-even point for this IT activity (considering implementation and ongoing operating costs)?

As depicted in Figure 10.1, there is a break-even at Year 3. The State will expend most one-time costs on implementation and other professional services in Years 1 and 2.

Figure 10.1: Baseline Current and Baseline Projected Costs



11.0 Security Assessment

1. Will the new system have its own information security controls, rely on the State's controls, or incorporate both?

The MMIS has its own information security controls, managed by Gainwell. For access controls, Gainwell uses multifactor authentication (MFA) and issues credentials to users approved to access specific data or system functions.

2. What method does the system use for data classification?

Gainwell confirmed that the following data types will be securely stored, accessed, and transmitted:

- Publicly Available Information
- Confidential Personally Identifiable Information (PII)
- Protected Health Information
- Medicaid Information

3. What is the vendor's breach notification and incident response process?

Section 6.2 and the Business Associate Agreement (BAA) in the contract outlines all the noticing, reporting, and documenting requirements Gainwell must adhere to for breaches. The Gainwell Vermont Account Security and Privacy Officer (ASPO) is responsible for coordinating and escalating breaches in accordance with State and federal requirements and interacts directly with the State's security officer on all security-related incidents.

4. Does the vendor have a risk management program that specifically addresses information security risks?

Gainwell uses the risk management program in place with its existing Vermont account and Amazon Web Service (AWS).

5. What encryption controls/technologies does the system use to protect data at rest and in transit?

Gainwell uses sufficient information security controls for data at rest, data in transit, and access controls:

- For data at rest, Gainwell utilizes an encrypted storage area network (SAN) in its Orlando Data Center (ODC). Gainwell's personal computers are encrypted using Windows BitLocker Device Encryption
- For data in transit, within its network, Gainwell uses a Virtual Private Network (VPN) that is encrypted by default that users must log into to access MMIS data from anywhere within Gainwell. SFTP is used to transfer data from Gainwell to CMS.

6. What format does the vendor use for continuous vulnerability management, what process is used for remediation, and how do they report vulnerabilities to customers?

The State requires Gainwell to run quarterly vulnerability assessments and reports the results to the State. Gainwell is expected to remediate all critical issues within 90 days, all medium issues within 120 days, and all low issues within 180 days. Any exceptions must receive written approval from the State.

12.0 Risk Assessment and Risk Register

This section describes the process for development of a Risk Register; including the following activities:

- A. *Ask the Independent Review participants to provide a list of the risks that they have identified and their strategies for addressing those risks.*
- B. *Independently validate the risk information provided by the State and/or vendor and assess their risk strategies.*
- C. *Identify any additional risks.*
- D. *Ask the Business to respond to your identified risks, as well as provide strategies to address them.*
- E. *Assess the risks strategies provided by the Business for the additional risks you identified.*
- F. *Document all this information in a Risk Register and label it Attachment 2. The Risk Register should include the following:*
 - **Source of Risk:** *Project, Proposed Solution, Vendor, or Other*
 - **Risk Description:** *Provide a description of what the risk entails*
 - **Risk Ratings to Indicate:** *Likelihood and probability of risk occurrence; impact should risk occur; and overall risk rating (high, medium, or low priority)*
 - **State's Planned Risk Strategy:** *Avoid, Mitigate, Transfer, or Accept*
 - **State's Planned Risk Response:** *Describe what the State plans to do (if anything) to address the risk*
 - **Timing of Risk Response:** *Describe the planned timing for carrying out the risk response (e.g., prior to the start of the project, during the Planning Phase, prior to implementation, etc.)*
 - **Reviewer's Assessment of State's Planned Response:** *Indicate if the planned response is adequate/appropriate in your judgment, and if not, what would you recommend?*

Additional Comments on Risks:

The risks identified during this Independent Review can be found in Attachment 2 – Risk Register.

Table A.1 on the following page reflects a five-year life cycle cost analysis for the 5% Cost Sharing Cap project.

Attachment 1- Life Cycle Cost-Benefit Analysis

Table A.1 Life Cycle Analysis

Description	Initial Implementation FY 2022	Initial Implementation FY 2023	Maintenance FY 2023	Maintenance FY 2024	Maintenance FY 2025	Maintenance FY 2026	Total
Professional Services							
Implementation	\$211,050	\$110,800					\$321,850
State Labor Costs							
Other State Labor Costs	\$176,216	\$176,219					\$352,435
ADS EPMO Project Manager	\$84,500	\$84,500					\$169,000
ADS EPMO BA	\$48,620	\$48,620					\$97,240
ADS EA	\$16,250	\$0					\$16,250
ADS Security Staff	\$22,880	\$0					\$22,880
ADS IT Staff	\$10,920	\$10,920					\$21,840
Totals							
Initial Implementation Cost	\$570,436	\$431,059					\$1,001,495
BerryDunn Independent Review	\$24,500						\$24,500
Total Implementation	\$594,936	\$431,059					\$1,025,995



Description	Initial Implementation	Initial Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026	Total
Total Life Cycle Operating Costs			\$0	\$0	\$0	\$0	\$0	\$0
Total Life Cycle Costs to be Paid With State Funds	\$59,493.60	\$43,105.90	\$0	\$0	\$0	\$0	\$0	\$102,599.50
Total Life Cycle Costs to be Paid With Federal Funds	\$535,442.40	\$387,953.10	\$0	\$0	\$0	\$0	\$0	\$923,395.50
Description	Initial Implementation	Initial Implementation	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance	Total
	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2026	Total
Implementation	\$211,050	\$110,800						\$321,850
State Labor Costs								
Other State Labor	\$176,216	\$176,219						\$352,435
ADS EPMO Project Oversight	\$0	\$0						\$0
ADS EPMO Project Manager	\$84,500	\$84,500						\$169,000
ADS EPMO BA	\$48,620	\$48,620						\$97,240
ADS EA	\$16,250	\$0						\$16,250
ADS Security Staff	\$22,880	\$0						\$22,880
ADS IT	\$10,920	\$10,920						\$21,840



Attachment 2 – Risk Register

Data Element	Description
Risk #	Sequential number assigned to a risk to be used when referring to the risk.
Risk Probability, Impact, Overall Rating	Three-value indicator of the potential impact of the risk if it were to occur, along with an indicator of the probability of the risk occurring. Assigned values are High, Medium, or Low.
Source of Risk	Source of the risk, which might be interviews with the State, project documentation review, or vendor interview.
Risk Description	Brief narrative description of the identified risk.
State's Planned Risk Strategy	Strategy the State plans to take to address the risk. Assigned values are Avoid, Mitigate, Transfer, or Accept.
State's Planned Risk Response	Risk response the State plans to adopt based on discussions between State staff and BerryDunn reviewers.
Timing of Risk Response	Planned timing for carrying out the risk response, which might be prior to contract execution or subsequent to contract execution.
Reviewer's Assessment of State's Planned Response	Indication of whether BerryDunn reviewers feel the planned response is adequate and appropriate, and recommendations if not.

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
1	Medium	High	Medium
Source of Risk: Interview with State leadership, 5% Copay Risks document provided by the State, and interview with Gainwell			
Risk Description: Vendor staff turnover could cause delays in the implementation timeline. The Gainwell BA originally assigned to the 5% Cost Sharing Cap project left Gainwell. While the solution requirements were developed prior the BA's departure, because of the complexity of the coding required for the MMIS component of the solution, the new BA Gainwell assigns to the project might have a difficult time understanding the requirements and business rules. This could lead to the need for the State and Gainwell to revisit the requirements to help ensure clarity for the new BA resource, thus possibly causing a delay in the implementation timeline.			
State's Planned Risk Strategy: Mitigate			
State's Planned Risk Response: The State will closely monitor Gainwell's progress with their plan to leverage their internal capability resources to meet their development delivery deadline of 6/30. Gainwell BA has completed the Business Requirements Document before she left.			
Timing of Risk Response: ASAP.			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
1	Medium	High	Medium
Reviewer's Assessment of State's Planned Response: The State's response to this risk is appropriate. BerryDunn recommends that the State PM monitor this risk closely to help ensure that Gainwell has the BA resource in place by the time MMIS development is scheduled to start.			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
2	Low	High	Low
Source of Risk: Interview with State leadership, 5% Copay Risks document provided by the State, and Interview with ACCESS			
Risk Description: The project might experience delays in the implementation timeline due to limited availability of the State's technical resources. The systems developer assigned to the 5% Cost Sharing Cap project is not available to begin making programming changes in ACCESS until July. While the ACCESS changes are less complex and will likely take two weeks to develop, if the developer's availability becomes later than July and the ACCESS solution is not be available for end-to-end testing, the implementation timeline could slip.			
State's Planned Risk Strategy: Accept			
State's Planned Risk Response: After discussing this with Tracie LeBoeuf, she's indicated the ACCESS work will be approximately 60 hours and feels comfortable with the 4 weeks needed to complete the work (7/1-7/29).			
Timing of Risk Response: Ongoing			
Reviewer's Assessment of State's Planned Response: The State's response to this risk is appropriate. BerryDunn recommends continuous monitoring of this risk to help ensure ACCESS meets the indicated timeline.			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
3	High	High	High
Source of Risk: 5% Copay Risks document and Leadership interview			
Risk Description: The project might experience delays in the implementation timeline due to limited availability of program subject matter experts. Two key resources have recently left employment with the State and permanent backfills for these positions have not yet been identified. One of the resources was key to the requirements development for the 5% Cost Sharing Cap project and the other was the director of the State's Pharmacy Unit. These resources vacating these positions might leave a gap in knowledge transfer and cause challenges for the State resources backfilling these roles to understand the project requirements should questions from vendors arise to gain clarification regarding business rules and/or the project requirements.			
State's Planned Risk Strategy: Accept			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
3	High	High	High
State's Planned Risk Response: Although there have been no direct replacements of the two key persons listed above the project remains in good shape due to the remaining State staff who have stepped in to fill in the gaps.			
Timing of Risk Response: Ongoing			
Reviewer's Assessment of State's Planned Response: The State's planned risk strategy is to accept this risk. BerryDunn believes the State can mitigate this risk by having the State's PM continue to monitor resource availability throughout the life of the project.			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
4	High	High	High
Source of Risk: Project Leadership interview			
Risk Description: The current implementation timeline might not include sufficient time for MMIS development.			
The State recognizes that the MMIS coding needs for the 5% Cost Sharing Cap project, for which the Gainwell developer will be responsible, are complex. Due to the complexity of the coding required in the legacy system, Gainwell might not be done with development by May 16, 2022. A delay in Gainwell's development could affect the ability start end-to-end testing and prevent the entire solution from going live by October 2022.			
State's Planned Risk Strategy: Accept			
State's Planned Risk Response: The end of development date for Gainwell is 6/30 as indicated on the project plan. 5/16 is for Immigrant Health Insurance Pan (HIP).			
Although Gainwell does not have a developer at this time, they indicated they will use existing resources to fulfill this requirement and we're expecting to hear very soon their plan to meet this date.			
Timing of Risk Response: Ongoing			
Reviewer's Assessment of State's Planned Response: The State's planned risk strategy is to accept this risk. BerryDunn believes the State can mitigate this risk by having the State's PM continue to monitor resource availability to help ensure the project timeline is met. We also learned, through the State's review of the initial draft report, that there is support from CMS to extend the overall timeline, if absolutely needed. BerryDunn recommends that the State include this in the mitigation strategy, with a trigger date for when the State will request an extension from CMS, should there be slippage in implementation timeline.			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
5	Medium	High	High
Source of Risk: State Project Manager and Business Analyst interview			

Risk #: 5	Risk Likelihood/Probability: Medium	Risk Impact: High	Overall Risk Rating: High
<p>Risk Description: The lack of an integrated project schedule could delay the start of planned tasks or in-flight tasks might not be coordinated effectively.</p> <p>The State project manager has not completed creating an integrated 5% Cost Sharing Cap project schedule that shows activities and milestones for all stakeholder groups. While the State does not see a disconnect in the cohesion of the vendors' activities and project schedules, by not having an integrated schedule, planned project work could be delayed or tasks might not be coordinated effectively for the work in-flight.</p>			
<p>State's Planned Risk Strategy: Mitigate</p>			
<p>State's Planned Risk Response: The current project plan has the all the activities currently available to the Project Manager. We have an updated plan for Archetype and are awaiting detailed plans for Change Healthcare and Gainwell. Once available they will be integrated into the schedule. However, we have high-level milestone dates for each vendor including ACCESS, which the team adheres to.</p>			
<p>Timing of Risk Response: Ongoing</p>			
<p>Reviewer's Assessment of State's Planned Response: BerryDunn understands the State's PM has developed a plan with all the information available at the time of this Independent Review. However, BerryDunn recommends that the State obtain project schedules from Gainwell and Change Healthcare as both contracts indicate that all parties must agree to timing and schedule of the project (see Page 18, Section 3 of Gainwell Contract # 42868).</p>			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
6	Medium	High	High
Source of Risk: 5% Copay Risks document provided by the State and Archetype interview			
Risk Description: The implementation timeline could be delayed due to a dependency on the readiness of the new Modern Data Analytics Reporting (MDAR) solution. Archetype plans to complete its development for the 5% Cost Sharing Cap project in the new MDAR solution, which is a cloud-based solution using AWS that will replace the current reporting solution for Vermont Health Connect. Archetype is expected to complete the development in production by August 3, 2022 along with the deliverables outlined in the approved specification order. If that date changes due to a delay in the implementation of the MDAR solution, then it may affect the 5% cost sharing cap implementation plan.			
State's Planned Risk Strategy: Accept			
State's Planned Risk Response: This is low risk, not high in my opinion. We are in close communication with the MDAR project and Archetype leaders to help ensure that any change in either schedule will be known and mitigated by either the MDAR or Archetype team before we must move our timeline. There is a large buffer of time before this will be an issue for the 5% Copay project.			
Timing of Risk Response: Ongoing			
Reviewer's Assessment of State's Planned Response: While the State believes this risk is low, BerryDunn thinks there might be a need for additional work (e.g., testing of the AWS) if the current reporting solution is used as a contingency plan. If the AWS is not ready at the time of the new solution additional work might be required after go-live to help ensure the MDAR reports function as expected when the AWS is live. This additional work might result in additional time from State and vendor resources and could require unplanned costs. BerryDunn recommends that the State and MDAR PMs remain in close communication on this topic to monitor this risk.			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
7	Low	High	Medium
Source of Risk: Project Leadership interview and vendor interviews			
Risk Description: The lack of an integrated test plan could create challenges during the testing phase, impacting the implementation timeline. Each vendor has a general test plan and the State expects each vendor to deliver individual test plans by the end of March 2022 prior to the vendors developing key parts of their solutions. However, there is not a cohesive end-to-end test plan for the 5% Cost Sharing Cap project that includes the details for all vendors and the State test team. Without an end-to-end test plan, the State would be prevented from having insight into the flow of data through the new solution and might not be able to confirm the solution meets the project requirements, including confirming that users can see that a member has reached their copay cap.			
State's Planned Risk Strategy: Accept			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
7	Low	High	Medium
<p>State's Planned Risk Strategy: The State and vendors have met to discuss an end-to-end UAT test strategy for this project. This effort will be led by our testing lead Renee Taylor. This is our plan for testing;</p> <ol style="list-style-type: none"> 1. Develop end to end testing scenarios for project (4/5-4/15) 2. Determine if any additional scenarios are needed in Seibel (week of 4/18) 3. Create any additional scenarios needed, not found in Seibel (2 weeks beginning 4/25) 4. Prepare to run integration testing with VHC (Archetype) / Gainwell / Change Healthcare (7/1-7/29) 5. Prepare to run Systems Integration testing with ACCESS / VCH (Archetype) / Gainwell / Change Healthcare (8/1 – 9/30) 6. Prepare to run UAT testing with State of VT testing team's test plan with ACCESS / VHC (Archetype) / Gainwell / Change Healthcare 			
<p>Timing of Risk Response: Ongoing</p>			
<p>Reviewer's Assessment of State's Planned Response: The State's planned risk strategy is appropriate for this risk.</p>			

Risk #:	Risk Likelihood/Probability:	Risk Impact:	Overall Risk Rating:
8	Medium	High	High
<p>Source of Risk: State Project Manager and Business Analyst interview</p>			
<p>Risk Description: The project might experience delays in the implementation timeline due to limited availability of the State's testing resources.</p> <p>While the State has a dedicated quality assurance (QA) and testing team for Medicaid projects, the testing resources needed to support the 5% Cost Sharing Cap project might not be available due to competing priorities for other projects. If the State cannot allocate the testing resources needed during the planned testing phase, this could result in delays the implementation timeline</p>			
<p>State's Planned Risk Strategy: Accept</p>			
<p>State's Planned Risk Response: We've met with the testing team lead – Renee Taylor and we've formulated a plan for testing and she'll have the testing plan to us by Mid May. There are no issues at this time with staffing.</p>			
<p>Timing of Risk Response: Ongoing</p>			
<p>Reviewer's Assessment of State's Planned Response: The State's planned response is appropriate for this risk. However, understanding that the State's testing team's priorities could change based on criticality of other project initiatives, BerryDunn recommends that the State PM monitor this risk closely to help ensure the availability of the State testing team.</p>			