

MEMORANDUM

To: Health Connector Board of Directors
Cc: Louis Gutierrez, Executive Director
From: Vicki Coates, Chief Operating Officer
Date: June 5, 2015
Re: Extension of Deloitte Project Management Contract

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). This involved establishing 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 Marketplace.

The Health Connector issued a Request for Proposals (RFP) in Fall 2011, for the purpose of securing project management assistance associated with the Health Connector’s transition efforts.

In November 2011, Health Connector staff recommended and this Board voted to contract with Deloitte Consulting, LLP (Deloitte) to provide Transition Project Management Assistance to the Health Connector. Since then, the contracts have been renewed annually. The current contract term expires on June 30, 2015.

Deloitte is a professional services firm which provides technology, human capital and business strategy and operations consulting services across a broad spectrum of industries, including state and federal government, health plans and health care providers. In addition, Deloitte has been active in ACA Implementation related engagements across the country.

The purpose of this memorandum is to provide a brief summary of work completed under this engagement in 2014, as well as to recommend a continuation of our engagement with Deloitte for another year.

DELOITTE’S WORK TO DATE AND PROJECTED FOR FISCAL YEAR 2015

Throughout its engagement with the Health Connector, Deloitte has provided a range of services from project implementation, preparedness for Open Enrollment and contingency planning. Given the fact that Deloitte’s work has changed over time to meet developing needs, the contractual vehicle has been to enter into short-term work orders, typically up to three months long, specifying the specific tasks and staffing, as well as any required deliverables or timelines, for that period. This has permitted the Health Connector to have Deloitte resources deployed to meet pressing needs as circumstances have changed. Each work order has stated a budget and a staffing plan for the time period.

Currently, Deloitte staff continue to provide project management support for the operational assessment, reporting and carrier issue resolution. The Health Connector anticipates that during the course of 2015, it will continue to require project management support from Deloitte for Open Enrollment preparedness, contingency planning, operational reporting, testing and premium billing controls review.

KEY TERMS

Renewing the contract sets the general scope of project management assistance services, but staffing levels will be separately determined through work orders. We will not be changing any key terms of the agreement, and will continue to define work to be performed through a series of work orders. The Health Connector administers the Deloitte engagement in the form of 2-3 month-long work orders, which provide the Health Connector the flexibility to “ramp up” or “ramp down” support based on our evolving needs. The Health Connector anticipates signing a new work order starting July 1, 2015. The scope of this work order will be determined in the June timeframe based on our needs.

The costs associated with the work orders are based on a rate table that sets the ceiling for rates for each level of staff resource. Deloitte adjusts its rates annually but has agreed to hold current rates constant during the extension.

BOARD RECOMMENDATION

Health Connector staff recommends extending the current contract with Deloitte for the term from July 1, 2015 through June 30, 2016.