



NTT Contingency Extension Agreement

Recommendation and Vote

Vicki Coates, Deputy Executive Director

Health Connector Board of Directors Meeting, August 19, 2019

Establishing Contingency Plans for Premium Billing and Contact Center Go-Live, June 1, 2020

Current plans are for a go-live of both the new premium billing system as well as new contact center vendor/services on June 1 of next year.

	2019							2020						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Contact Center Implementation Customer Relationship Management (CRM) Customer Interaction Centers (CICs)	6/28 Site Visits Complete	7/19 Notify Apparent Successful Bidder	8/19 Board Presentation	9/3 – 12/15 Initiating Project Activities						12/9 – 3/31 Establish Connectivity, Perform Integrated Testing, Validate Testing Results			4/15 – 5/31 Operational Readiness	6/1 Public GO-LIVE
Softheon Implementation Enrollment & Premium Billing Notices Member Portal	6/19 EPB & Notices BRD Sign-Off	7/19 Member Portal BRD Sign-Off	7/22 – 12/31 Softheon Application Development & Configuration				12/4 Primary Data Conversion Complete		2/20 Equity Portal Complete	3/30 Integration Complete	4/13 Cut-Over Plan Complete	4/15 Pre-Production Sign-Off	5/31 System GO-LIVE	

- If unforeseen circumstances/roadblocks arise in the completion, system testing, or operational readiness for this go-live, the Connector has one month remaining (June 1, 2020 – June 30, 2020) in the existing NTT contract
- Should issues be severe/critical, as a contingency, CCA has worked with NTT to negotiate an optional 3 month extension (July 1, 2020 – September 30, 2020). This hopefully unused contingency is the subject of today's vote

NTT Contingency Extension: Summary of Terms and Costs

- NTT has agreed to continue their services, if needed, for three months beyond the current contract termination date to aid the Health Connector in smooth transition
- The Health Connector will notify NTT on or before March 1, 2020 if this extension will be exercised
 - If exercised, regardless of the go-live date, NTT will be entitled to three full months of payments
- In addition to standard operating costs, the Health Connector will pay one-time miscellaneous costs identified by NTT as directly related to continuance (e.g. lease buy-out, FMS and Salesforce License costs)
 - These costs are capped at \$466,410 per month and will be paid based on actual costs
- Utilization of the NTT extension will only be triggered if there is substantial lack of progress on the CXPP project and other risk mitigation strategies have failed to address the issues

Estimated NTT Extension Costs	July	August	September	Total
PPPM	\$2,945,001	\$2,964,021	\$3,011,759	\$8,920,782
Annual Fee	\$175,000	\$175,000	\$175,000	\$525,000
Change Orders	\$164,567	\$165,079	\$166,364	\$496,009
Miscellaneous	\$466,410	\$466,410	\$466,410	\$1,399,230
Total	\$3,284,568	\$3,304,100	\$3,353,123	\$9,941,791

All costs in Millions (\$)

VOTE

The Health Connector requests Board of Directors approval to enter into an Agreement with NTT for a contingency extension agreement, which if exercised may cost up to \$9,941,791, as described in the preceding slide.