

AMENDMENT

It is agreed by and between the State of Vermont, Department of Vermont Health Access (hereafter called the "State") and Vermont Information Technology Leaders, Inc. (hereafter called the "Grantee") that the grant on the subject of creating and managing the Vermont Health Information Exchange Network effective July 1, 2013 is hereby amended effective upon signature by both parties as follows:

1. By deleting Section 3 (Maximum Amount) on page 1 of 47, and substituting in lieu thereof the following Section 3:

3. Maximum Amount: In consideration of services to be performed by the Grantee, the State agrees to pay the Grantee, per payment provisions specified in Attachment B, a sum not to exceed \$6,085,315.

2. By deleting Section 5 (Source of Funds) on page 1 of 47, and substituting in lieu thereof the following Section 5:

5. Source of Funds **DFR:** \$226,174 **Fair Share:** \$1,702,350
Federal SMHP: \$2,681,051 **State SMHP:** \$297,894
Federal SIM through this State Grant: \$1,177,846

3. By deleting Section 8 (Contact Persons for this Award) beginning on page 1 and substituting in lieu thereof the following Section 8:

	<u>For the State</u>	<u>For the Grantee</u>
Programmatic:	Steve Maier	John Evans
Phone:	802-233-8337	802-223-4100
E-mail:	Steven.Maier@state.vt.us	JEvans@vitl.net
Financial:	Meaghan Kelley	Becky Bowen
Phone:	802-871-3302	802-839-1941
E-Mail:	Meaghan.kelley@state.vt.us	Bbowen@vitl.net

4. By deleting from Attachment A, Section I (Regional Extension Center (REC) Team and eHealth Services) beginning on page 11 of 47 in its entirety and substituting in lieu thereof the following Section I:

Technical Assistance: Practice Transformation and Data Quality Facilitation Teams:

The Grantee shall assist the State in extending and expanding the existing Grantee eHealth Services team. Federal funding to the Grantee for this team will end on February 9, 2014, and funding support from this grant will cover data quality initiative related salary and expenses for the team for the duration of the grant period after February 9, 2014, and for all other eHealth services as outlined in 2, 3, 4, and 5 below for the entire grant period. The Grantee agrees to employ sufficient eHealth Specialists

and other staff to support the work described in this section for the entire grant period. The eHealth Services team activities will be coordinated with other field team resources from the State and from Covisint and directed through the Management Team and its processes as described in Section G of this Agreement. The activities of the eHealth Services team shall include, but not be limited to, the following projects:

1. Data Quality Initiatives: Form HSA Teams, in partnership with Covisint, Blueprint, and practice representatives, to address identified clinical and business data quality issues to conform to the State data quality objectives. Provide data quality education to practices, including webinars, FAQ reference documents, and data readiness assessments. Train practices on EHR usage and data collection to support State's clinical and business quality data measures. The goal for SFY14 is to complete 25 Sprint data quality improvement initiatives (pre or post go-Live) as deemed appropriate by HSA Teams and in support of shared responsibilities. These sprint data quality improvement initiatives will be comprised of five (5) remediation Sprints, fifteen (15) onboarding Sprints, and five (5) manual Sprints. The number and timing of these Sprints may be adjusted quarterly by the Sprint Management Team as described in Section E. A Sprint is defined by the number of sites, not the number of data sources. A Sprint is deemed complete once the site attests to the quality of the data.
2. Provide primary care providers with assistance in reaching Stage 2 Meaningful Use: Educate practices on Meaningful Use changes brought about by Stage 2 requirements and prepare practices for Stage 2 attestation. The goal for SFY 14 is to provide evidence of Stage 2 Meaningful Use attestation for fifty (50) primary care providers. The number and timing of deliverables may be adjusted quarterly by the Executive Management Team as described in Section E.
3. Provide assistance to specialty care providers in reaching both Stage 1 and Stage 2 Meaningful Use: Deliver consulting services package to specialty care providers through EHR Selection and Implementation processes to include compliance with interoperability criteria to VHIE as recommended by Grantee to Green Mountain Care Board. Provide fundamental and advanced Meaningful Use training to specialty care providers who have not yet attested to Meaningful Use. The goal for SFY 14 is to provide evidence of Stage 1 or Stage 2 Meaningful Use attestation for sixty (60) specialty care providers. The number and timing of deliverables may be adjusted quarterly by the Executive Management Team as described in Section E.
4. Provide REC services to Full Continuum Providers: Deliver consulting services package to Full Continuum Providers through EHR Selection and Implementation processes to include compliance with interoperability criteria to VHIE as recommended by Grantee to Green Mountain Care Board. Provide fundamental and advanced Meaningful Use training to Full Continuum Providers who have not yet attested to Meaningful Use. The goal for SFY 14 is to provide evidence of Stage 1 or Stage 2 Meaningful Use requirements fulfillment for forty-five (45) Full Continuum Providers in SFY14. The number and timing of deliverables may be adjusted quarterly by the Executive Management Team as described in Section E.

5. Provide other assistance to providers as may be defined by the Executive Management Team, including but not limited to, implementing State's new Policy on Patient Consent for Provider Access to VHIE.

The State shall have the right to request that the Grantee address performance issues pertaining to any eHealth Specialist employees of the Grantee that are assigned to support the work outlined in this section. The Grantee shall be given 45 days after written notice from the State of its specific performance concerns to address the performance of said eHealth Specialist. After Grantee has been given 45 days to address the eHealth Specialists performance, and if the State determines that the performance issues have not been addressed, the State may request that the Grantee replace that eHealth Specialist. The Grantee will be given adequate time to perform the recruitment, hiring, and training of a replacement eHealth Specialist.

As approved by the federal Center for Medicare and Medicaid Innovation (CMMI), funding for this section is provided through the Vermont State Innovation Model (SIM) grant starting in February 2014. The SIM funds will be in addition to funding provided by the state in this agreement for Sprint Teams. The SIM funds are 35% of the total for this section. The additional SIM funds will allow for 25 of the Sprints as described in this agreement.

Total I: The SIM funding associated with the work as described just above is \$346,346. The Grantee will bill the state monthly for this work.

5. By deleting from Attachment A, Section J.9 (Provider Incentives) on page 15 of 47 in its entirety.

6. By deleting from Attachment A, Section J.10 (Expanded Connectivity of HIE Infrastructure) beginning on page 15 of 17 and substituting in lieu thereof the following Section J.10:

10. Technology and Infrastructure: Expanded Connectivity of HIE infrastructure – This section is funded through the Vermont State Innovation Model (SIM) grant. The scope of work includes the following components:

As approved by the federal CMMI, this section will be funded through the Vermont State Innovation Model (SIM) grant, with anticipated funds starting in October 2013. The scope of work includes the following components:

- Interface development work is to be provided by Medicity, which will be dedicated to the Grantee and designed to accelerate the connectivity between hospital, ambulatory, and other healthcare providers to the VHIE network
- Staff certification training to perform aspects of interface development
- Provide onsite resources for accelerating interface development

The deliverables for this work are built into the tables in Attachment B, but are intended to support the 3-year SIM grant goals of:

- Connectivity to all patient-centered medical homes and other primary care providers;
 - Connectivity to accountable care organization providers;
 - Extension to mental health and substance abuse providers;
 - Extension to other specialty care providers;
 - Extension to long term care providers;
 - Extension to key community services; and
 - Extension to public health registries.
- (\$831,500 in requested SIM funding will be made available upon CMMI approval and an Amendment in this Agreement as per Section H.)

The SIM funds will be in addition to funding provided by the state in this agreement for net interfaces. The SIM funds are 35% of the total for this section. The additional SIM funds will allow for 37 interfaces as described in this agreement.

Total J: The funding associated with the work as described just above is \$831,500 for the period 11/04/2013 – 06/30/2014. The Grantee will bill the State monthly for work performed under this task.

7. By adding to the end of Attachment A, Section L (Authorized State SIM representative):

L. Authorized SIM State Representative

Georgia J. Maheras, Esq.
Project Director
Vermont Health Care Innovation Project
109 State Street
Montpelier, VT 05620
Georgia.maheras@state.vt.us
802-505-5137

8. By adding to the end of Attachment A, Section M (Federal Regulations):

1. Federal Regulations

As a recipient of federal funds, the recipient is required to adhere to the following federal regulations:

- a. A-110: “Uniform Administrative Requirements for grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations” (OMB Circular A-110)
- b. A-122: “Cost Principles for Non-Profit organizations”(OMB Circular A-122)

- c. A-133: “Audits of States, Local Governments and Non-Profit Organizations”
(OMB Circular A-133)

These circulars may be found on the Office of Management and Budget website at:

<http://www.whitehouse.gov/omb/circulars/index.html>.

Where applicable in the specification of work in this Grant Agreement, Grantee will adhere to Code of Federal Regulations, Title 42 – Public Health (42 CFR) Part 495 – Standards for the electronic health record technology incentive program (42 CFR 495), and all other Federal Regulations that may apply.

- 9. By deleting Attachment B (Payment Provisions) in its entirety, beginning on page 17 of 47, and substituting in lieu thereof the following Attachment B:**

ATTACHMENT B
PAYMENT PROVISIONS

The State shall pay the Grantee for work performed as described in Attachment A in conjunction with the Grantee budget set forth below. The maximum payable amount under this Grant shall not exceed \$6,085,315 in State Fiscal Year 2014 funds. The parties to this Agreement intend to utilize funding through the SIM grant for certain activities as spelled out in the Agreement once that funding has been approved by the federal Center for Medicare and Medicaid Innovation (CMMI) and this grant agreement is amended.

The maximum dollar amount payable under this Agreement is not intended as any form of a guaranteed amount. The Grantee will be paid for products and services actually performed as specified in Attachment A, up to the maximum allowable amount specified in this Agreement. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are included in this Attachment. The State of Vermont’s standard payments terms are Net 30 days from date of invoice.

FY2014 Grant Budget

I. Base Activities		
A.1	Core Operations in Support of State HIE Operations:	State Grant Funding
	Administrative Salaries & Benefits	1,196,516
	Insurance	76,860
	Professional & Legal	88,343
	Outreach and Education	46,475
	Occupancy/Rent	149,671
	Telecommunications	99,651
	Operational Expense	101,225
	Meetings, Travel, Professional Development	58,197
	Depreciation	27,158
	Direct Project Management Expenses:	
	Direct IT Expense (equipment, software)	19,800
	Depreciation on New Assets	56,550
	Total Core Functions	\$1,920,446
A.2	Direct State-wide Medicity Contract Expense:	\$756,546
Total I: Base Activity Expenses:		\$2,676,992
II. New Activities – Known and Specified:		
B.1	Patient Consent	\$224,460
B.3	Enhanced HIE	\$216,000
1	Implement an Event Notification System	
2	Conduct a review of the portal market	
3	Connect Grantee to another HIE, in another State	
4	Implement specialized interface tools to extract additional data elements	
C.1	HIE Technology Infrastructure	\$477,156
1	Select and implement Grantee infrastructure hosting vendor	
2	Implement training for ProAccess upgrade	
3	Implement software toolkit for MPI management – support manual	

	identification of duplications	
4	Purchase and implement the Grantee interface engine	
C.2	HIE Services Infrastructure	
1	Install Mediprise for operational and clinical ad hoc data reporting	
2	Additional Medicity expenses for increased interface requirements	
3	Provide HelpDesk support for interfaces; Medicaid EHR Incentive Program; ProAccess	
4	Maintain security: Implement security assessments for Health Care Organizations; Follow up to break glass situations; fulfill security-related requests from patients; maintain and review audit logs. Hire a consultant to perform both a HIPAA and Federal Information Processing Standards (FIPS 200) security assessment	
D.	New HIE Services	\$62,000
1	Terminology Services: Analyze tools available, purchase and develop an implementation plan	
2	Purchase and implement data analytical tools and develop a scoring model for ADT messages	
3	Implement a connection to the Social Security Agency, if feasible.	
I.	eHealth Services Team	\$346,346*
1	Data quality initiatives; form HSA Teams	
2	Provide primary care providers with assistance in reaching Stage 2 Meaningful Use	
3	Provide assistance to specialty care providers in reaching both Stage 1 and Stage 2 Meaningful Use	
4	Provide REC services to Full Continuum Providers	
5	Provide other assistance defined by the Executive Management Team	
J.	HIE Connectivity Expenses	\$2,082,361
1	Deliver additional Hospital interfaces: 12 IZ; 4 CCD; 1 Lab; 1 orders	
2	Deliver 75 new interfaces for Health Care Organizations: ADT, Lab, Radiology, CCD, IZ	
3	Develop "standard" orders interface so that each hospital is using the same interface to receive an order	

4	Investigate the delivery of reportable lab interfaces to VDH through the VHIE.	
5	Deliver at least 1 new interface to each of 4 home health agencies	
6	Deliver at least 1 new interface to each of 4 designated agencies	
7	Deliver at least 1 new interface to at least 10 Specialist practices	
8	Implement event notification system	
10	Implement EHR-EHR CCD exchange	
11	Implement Medicity interface acceleration plan	\$831,500*
Total II: New Activities – Know and Specified		\$3,408,323
SY2014 HIE Total Expenses:		\$6,085,315

*Indicates SIM funding

Variances of the subtotal budget items shall not exceed 10% without prior approval from the State. Written requests for such approvals must first be submitted by the Grantee prior to the expenditure of funds in excess of the above budgeted line items.

For reimbursement purposes, the Grantee's expenses are divided into Core Operations (A.1 above) and Project Operations (A.2 and II). Grantee will invoice for core operations expenses on a monthly basis.

Grantee will invoice for Project Operations at least quarterly no more than monthly. The first invoice for Project Operations will be submitted at the beginning of the Grant period (July 1, 2013), for partial payment of the State funded portion of the Project Operations portion of the base budget. This grant has project operations expenses of \$3,408,323, of which \$809,255.75 was released as the first payment upon execution of this agreement.

Quarterly invoices will be generated for periods ending 9-30-2013, and 12-31-2013 for actual and estimated project operations expenses; invoices shall reconcile any net difference between actual and estimate expenses from the previous quarter. Monthly invoices for Project Operations will be generated for January 2014 through May 2014. The invoice for period ending June 30, 2014, will document the expenses incurred in June 2014, and will show the net difference from the first payment. Reimbursement from Grantee to the State will be made for the amount by which the actual expenses for SFY 2014 less than the first payment. June 2014 expenses should be estimated and, if less than the first payment, reimbursement from Grantee to the State based on this estimate should be made before the end of the grant period (June 30, 2014). Any adjustments based on this estimate will be made when the invoice of actual expenses is processed following the end of the grant period.

All quarterly invoices will be accompanied by a report of project deliverables where applicable and all amounts invoiced will be supported by the corresponding identification of actual personnel and other costs incurred.

All project activities identified in the Project Operations list above will be reimbursed based on one of two methodologies: Milestones and Deliverables Methodology and Incentives Methodology

i. Incentive Project Operations

1. Milestones and Deliverables Methodology: Many of these projects will have progress indicated by identified milestones and deliverables. For those projects, software purchases should be identified as a milestone deliverable so that reimbursement for such purchases can be made in a timely manner. Grantee shall retain proof of purchase records for the duration of the grant period and make records available at the State’s request. Personnel costs associated with these projects should be invoiced following successful realization of the project deliverables. Grantee will account for project expenses with sufficient detail to associate expenses with deliverables. The State will reduce reimbursement for deliverables by 5% for each 30 day period by which the deliverable is late. Grantee may request a revised deliverable schedule on a case by case basis and the State will give fair consideration to the circumstances of the request. If the request is accepted by the State, and the deliverable is completed by the newly accepted date, the reimbursement will not be reduced.

Note: This table lists only budgeted work items for which progress can be tracked as milestones and/or as productive progress with multiple units of work. The budget tied to deliverables represents the budgeted personnel cost for Grantee staff budgeted to these work items. Other budgeted costs, including purchases or contracted services, can be invoiced as they occur.

The following projects will be reimbursed based on the Milestones and Deliverables Methodology. These projects are identified here with associated deliverables and due dates.

Project/Demonstration Name	Deliverables				Budget Amount tied to deliverables
	Quarter 1 Ends 9/30/2013	Quarter 2 Ends 12/31/2013	Quarter 3 Ends 3/31/2014	Quarter 4 Ends 6/30/2014	
B.1 Patient consent					\$175,459
B.2.2 Provide Primary Care services in support of Meaningful Use Stage 2 (MU2) Attestations	Preparation; training tools; Outreach and education	10 MU2 attestations	15 MU2 attestations	25 MU2 attestations	\$42,440
B.2.3 Provide Specialty Care services in support of Meaningful Use Stages 1 and 2 attestations	Preparation; training tools; Outreach and education	Enroll 10 providers 10 MU1 or 2 attestations	Enroll 30 providers; 20 MU1 or 2 attestations	Enroll 40 providers; 30 MU1 or 2 attestations	\$84,880
B.2.4 Provide Full Continuum Provider	Preparation; training tools;	Enroll 10 providers;	Enroll 15 providers;	Enroll 25 providers;	\$42,440

services in support of VHIE connectivity and Meaningful Use Requirements	Outreach and education	5 MU1 or 2 attestations	15 MU1 or 2 attestations	20 MU1 or 2 attestations	
B.3.1 Implement an Event Notification System		Proof of Concept		2 site pilot capability demonstrated	\$55,896
B.3.2 Conduct a review of the portal market		Report completed			\$37,263
B.3.3 Connect Grantee to another HIE, in another State		Network connection to HIXNY established		CCDs from HIXNY are demonstrated; Discharge Summaries to HIXNY are demonstrated	\$37,263
B.3.4 Implement specialized interface tools to extract additional data elements		Complete proof of concept.		Implement 2 additional interfaces.	\$37,263
C.1.2 Select and implement Grantee infrastructure hosting vendor	Select hosting vendor	Purchase software	Hire staff		\$111,789
C.1.3 Implement software toolkit for MPI management – support manual identification of duplicates	Costs and effort are not yet established for this project. Details to be provided through the change management process.				
C1.4 Purchase and implement the Grantee interface engine	Complete the software purchase.				\$37,263
C.2.1 Install Mediprise for operational and clinical ad hoc data reporting		Complete the installation			
D.1 Terminology Services: analyze tools available, purchase and develop an implementation plan		Analyze tools available;	Perform vendor selection	Develop an implementation plan for FY2015	
D.2 Purchase and implement data analytical tools and develop a scoring model for ADT messages	Purchase (90% budget amount)	Implement (5% budget amount)	Develop scoring methodology (5% budget amount)		
D.3 Implement a		Determine		Implement if	

connection to the Social Security Agency, if feasible		feasibility		feasible	
J.1 Deliver additional hospital interfaces – IZ; CCD; Lab; orders	Identify targets, categories, and timeframes for implementation. 18 potential interfaces are identified.	3 interfaces	5 interfaces	10 interfaces	\$305,088
J.3 Develop “standard” orders interface so that each hospital is using the same interface to receive an order	Develop plan and contracting process for consultant	Engage consultant and document statement of work	Document milestone progress with consultant engagement	Deliver 1 instance of a standard orders interface	\$30,509
J.4 Deliver 4 new hospital reportable lab interfaces (ELR) to VDH through the VHIE	Schedule to be developed through project planning with VDH			4 interfaces	\$61,018
J.5 Deliver at least 1 new interface to each of 4 Home Health Agencies	Develop plan and delivery schedule			4 interfaces	\$61,018
J.6 Deliver at least 1 new interface to each of 4 Designated Agencies	Develop plan and delivery schedule	1 interface		2 interfaces	\$30,509
J.7 Deliver at least 1 new interface to at least 10 Specialist practices	Develop plan and delivery schedule	2 interfaces	3 interfaces	5 interfaces	\$61,018
J.8 Implement/continue provider incentive program	Develop plan and payment criteria. Awards are made upon completion of all milestones			\$250,000 annual budget	0
J.10 Implement EHR-EHR CCD exchange	Develop plan and delivery schedule			Execute plan and complete exchange.	\$61,018
				Total Deliverable Based Personnel Costs	\$1,102,374

*Indicates that the milestones for these deliverables are completed by Q2 FY14 and that the total amount for these deliverables has been paid in full. No further payment for these deliverables will be invoiced past the FY14 Q2 Invoice.

2. Incentives Methodology: Certain activities that reflect ongoing work throughout the term of the grant agreement will be reimbursed based on incentive formulae designed to reflect the rate of successful completion of the targeted activity. There are two specific categories of activity that are identified for incentive payments: HSA Team activity in support of Data Quality Sprints and HIE Connectivity activity. Tables to be used in determining the incentive payments are inserted in each of these projects' descriptions below. Minimum payments are established, as are maximum caps on the amount of potential incentives. In many cases the success of the activity is dependent on participation by provider organizations and other vendors. Conditions for reimbursement exceptions based on events or circumstances beyond Grantee's control are described for each project below.

The following two projects will be reimbursed based on the Incentives Methodology. These projects are identified below with associated expected rates of performance. An incentive table is included for each project.

A. Provide Data Quality Improvement Services

The Grantee shall form Sprint Field Teams, in partnership with Covisint, Blueprint, and practice representatives, to address identified clinical and business data quality issues to conform to the State data quality objectives. The Grantee will provide data quality education to practices, including: two webinars, FAQ reference document, and data readiness assessments. The Grantee shall train practices on EHR usage and data collection to support State's clinical and business quality data measures. In SFY14, complete twenty-five (25) Sprint data quality improvement initiatives (pre or post go-Live) as deemed appropriate by Sprint Field Teams and in support of shared responsibilities.

Expected rate of completions is: three (3) in Quarter 1; five (5) in Quarter 2; seven (7) in Quarter 3; and ten (10) in Quarter 4. Associated expenses will be reimbursed in full in both Quarter 1 and Quarter 2, recognizing startup efforts, but incentive payments beyond 100% are possible for performance results as listed in the table below. In Quarter 3, a minimum of 90% of associated expenses will be reimbursed, and in Quarter 4, a minimum of 80% of associated expenses will be reimbursed. Incentive payments in all quarters are capped at an additional 20% of associated expenses.

The budgeted personnel amount identified with this activity is \$56,587. Per discussion in Attachment A, Section I of this agreement, Grantee will fund this work during the first two quarters from a Federal REC grant awarded to Grantee by ONC. The State will pay for incentive payments above the base amount during these two quarters, to a maximum of 20% each quarter (\$5,658 total for the two quarters). The maximum potential positive variance (i.e., incentive payment) across the year would be 20% of this amount, or \$11,317. The maximum potential negative variance for underperformance is \$4,244. The total maximum amount associated with this category of work is \$67,904, of which the State's maximum portion is \$39,610.

Table A: Schedule of incentive payments for Data Quality Improvement Services

		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Goal	Total Payment	Goal	Total Payment	Goal	Total Payment	Goal	Total Payment
REC Team Data Quality Work	Baseline Funding (Guaranteed)	No. of sites	100% Federally Funded(See Note 2) \$14,147	No. of sites	100% Federally Funded (See Note 2) \$14,147	No. of sites	90% anticipated SIM Grant funding; will require an amendment to this agreement (See Note 3) \$12,732	No. of sites	80% anticipated SIM Grant funding; will require an amendment to this agreement (See Note 3) \$11,317
	Performance payment based on data quality attestation by providers	3	105% \$14,854	4	105% \$14,854	4	95% \$13,439	4	85% \$12,025
		4	110% \$15,561	5	110% \$15,561	6	100% \$14,147	6	90% \$12,732
		5	115% \$16,269	6	115% \$16,269	7	105% \$14,854	8	95% \$13,439
		7	120% \$16,976	8	120% \$16,976	8	110% \$15,561	9	100% \$14,147
						10	115% \$16,269	10	105% \$14,854
						12	120% \$16,976	12	110% \$15,561
								14	115% \$16,269
								16	120% \$16,976

²Per discussion in Attachment A, Section I of this agreement, Grantee will fund this work during the first two quarters from a Federal REC grant awarded to Grantee by ONC. State will pay for incentive payments above the base amount during these two quarters, to a maximum of 20% each quarter (\$5,658 total for the two quarters).

³Per discussion in Attachment A, Section H of this agreement, work activity identified for quarters 3 and 4 (January 1, 2014 – June 30, 2014) are federally funded by the State Innovation Models grant. SIM grant funding.

B. Deliver new interfaces

Deliver 75 new net interfaces to Health Care Organizations (separate from Hospital interfaces which are described in the table of deliverables above) to include ADT, Laboratory, Radiology, CCD and Immunization Registry.

Expected rate of completions is: 9 in Quarter 1; 15 in Quarter 2; 21 in Quarter 3; and 30 in Quarter 4. 100% of associated expenses will be reimbursed in Quarter 1 and Quarter 2, recognizing startup efforts, but incentive payments beyond 100% are possible for performance results as listed in the table below. In Quarter 3 a minimum of 90% of associated expenses will be reimbursed and in Quarter 4 a minimum of 80% of associated expenses will be reimbursed. Incentive payments in all quarters are capped at an additional 20% of associated expenses.

The budgeted personnel amount identified with this activity is \$427,123. The maximum potential positive variance (i.e., incentive payment) across the year would be 20% of this amount, or \$85,425. The maximum potential negative variance for underperformance is \$32,034. The maximum amount associated with this category of work is \$512,548.

Table B: Schedule of incentive payments for New Interfaces Completions

		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		Goal	Total Payment	Goal	Total Payment	Goal	Total Payment	Goal	Total Payment
Connectivity Work	Baseline Funding (Guaranteed)	No. of interfaces	100% State Contract \$106,781	No. of interfaces	100% State Contract \$106,781	No. of interfaces	90% State Contract \$96,103	No. of interfaces	80% State Contract \$85,425
	Performance payment based on the number of interfaces transmitting data into the VHIE (or ready to transmit)	9	105% \$112,120	12	105% \$112,120	12	95% \$101,442	18	85% \$90,764
		12	110% \$117,459	15	110% \$117,459	18	100% \$106,781	21	90% \$96,103
		15	115% \$122,798	18	115% \$122,798	21	105% \$112,120	24	95% \$101,442
		20	120% \$128,137	24	120% \$128,137	24	110% \$117,459	27	100% \$106,781
						30	115% \$122,798	30	105% \$112,120
						36	120% \$128,137	36	110% \$117,459
								42	115% \$122,798
								48	120% \$128,137

Each quarter the Executive Management team will meet to review the progress of work as it relates to the expectations identified in the Grant Agreement. Reasonable adjustments to project plans, priorities, deliverables and resource allocations may be recommended through the Executive Management Team for approval by the State. Adjustments to State funding to reflect changes in work can also be made. These meetings should occur no more than ten (10) business days before the end of a quarter. See Section E. (Management and Governance) of Attachment A for a full description of this process.

A final expenditure report is due no later than 90 days after the end of this grant agreement, unless an extension is granted by the State of Vermont, and will be reconciled to actual costs incurred for the grant term (07/01/13 – 06/30/14), and will include the impact of the Grantee performance incentive plan. Any

overpayment of expenses will be returned to the State no later than October 15, 2014 unless approved to support another project/deliverables, or re-purposed for other budget items in the Grant.

For situations in which a penalty may be assessed, such assessment shall not be made to the extent that the failure can be attributed to:

- Unforeseeable catastrophic events experienced at the Grantee's local and corporate facilities; or
- Unforeseeable catastrophic events experienced by State which has a material effect on the Grantee; or
- Complying with any directions of the State or its employees regarding changes to Scope of Work; or
- Inability to meet the requirements of the Grant for reasons beyond the control of Grantee, the HCO, or the State; or
- Quarterly adjustments resulting from the Sprint Projects protocol described in Section E of the Statement of Work.

Payments to the Grantee under this grant agreement shall not exceed \$6,085,315 in funding from State.

All work pertaining to the State Innovation Model (SIM) grant should be submitted to the State on a separate invoice.

Invoices and quarterly expenditure reports shall be signed by an authorized representative of Grantee and submitted to:

Business Office
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 05498-2087

This amendment consists of 17 pages. Except as modified by this amendment and any previous amendments, all provisions of this grant, (#03410-256-14) dated July 1, 2013 shall remain unchanged and in full force and effect.

STATE OF VERMONT
DEPARTMENT OF VERMONT HEALTH ACCESS

GRANTEE
VERMONT INFORMATION TECHNOLOGY LEADERS

MARK LARSON, COMMISSIONER DATE
312 Hurricane Lane, Suite 201
Williston, VT 05495-2087
Phone: 802-879-5901
Email: Mark.Larson@state.vt.us

JOHN EVANS, PRESIDENT AND CEO DATE
144 Main Street
Montpelier, VT 05602
Phone: 802-223-4100
Email: JEvans@vitl.net