

Dear Governor Shumlin,

I am writing to express concern with the progress and management of the Health Systems Enterprise in Vermont.

My frustrations with administration of Vermont's health insurance exchange, Vermont Health Connect, are well known. Its extraordinary costs and inability to achieve full functionality are well-documented.

In fact, I have repeatedly suggested that Vermont move to a federal exchange, or a partnership exchange, to give Vermonters and small businesses access to a system that works; increase the number of affordable insurance choices; and reduce the fiscal strain on Vermont's ballooning Medicaid budget.

Now we have learned that you are negotiating with yet another IT vendor on another massive IT project, known as the Health Systems Enterprise project.

Like virtually every system in state government, there is no doubt that Vermont's aging eligibility system requires an upgrade. The current ACCESS system is more than 30 years old. It does not provide the efficiency, value, productivity or accountability we need to more efficiently and successfully protect the most vulnerable. There is no better example of the necessity of bringing state government into the 21<sup>st</sup> Century. But it has to be done right.

Failure to learn from previous mistakes will exacerbate existing challenges, such as increased costs, and continue to frustrate Vermonters who want to see state government move into the 21<sup>st</sup> Century.

It is also concerning that the vendor you are negotiating with, WiPro, a company based in India with much of their work outsourced to India, does not have a track record of success in building Integrated Eligibility systems. In fact, it's my understanding that they have only been awarded a contract in one other state -- Nebraska -- and the project has already been plagued with delays and problems. I am also troubled that WiPro's outsourcing, if it occurs on this project, could displace good Vermont jobs.

As you know, the House and Senate Institutions Committees were already reluctant to fund the Health Systems Enterprise Projects through the Capital Bill, as you proposed last session. I urge you to delay awarding this contract until you, at the very least, demonstrate to the full legislature clear project expectations and management protocols. This is far too important to become another example of why state government can't be trusted with IT projects.

Sincerely,

Phil Scott  
Lt. Governor