



Office of the Lieutenant Governor

The State House
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Phil Scott, Lieutenant Governor

October 1, 2015

Governor Peter Shumlin
109 State Street
Montpelier, VT 05633

Dear Governor Shumlin,

I am writing to express concern with the proposed Integrated Eligibility Project, as reported in recent articles.

As you are aware, my frustrations with the rollout and administration of Vermont's health insurance exchange, Vermont Health Connect -- 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 and is more affordable in terms of future maintenance costs.

Now we have learned that you are negotiating, and possibly signing a contract with yet another IT vendor on another massive IT project, known as the Integrated Eligibility Project, at a potential total cost of about \$100 million.

Like most systems in state government, there is no doubt Vermont's aging eligibility system requires an upgrade. The current ACCESS system is more than 30 years old. It doesn't 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 21st Century. But, it has to be done right.

Failure to learn from previous mistakes will exacerbate existing challenges and continue to frustrate Vermonters who want to see state government become more effective, efficient, and able to live within its means.

It is also concerning 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. To that point, it's my understanding 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 prevent job opportunities for Vermonters.

As you know, the House and Senate Institutions Committees last session expressed many concerns about funding the Health Systems Enterprise projects through the Capital Bill, and eventually substantially reduced the amount you proposed. In fact, Rep. Alice Emmons was quoted as saying: "We don't want to leave federal dollars on the table, but we want to know we're buying a system that will work and not come back in four years and say, we made a big \$32 million mistake of taxpayer dollars." (Vermont Digger, February 22, 2015) In addition, the full Legislature approved the creation of the Special Committee on the Utilization of Information Technology in Government in Act 58, tasking them with analyzing how the state negotiates, implements and oversees IT projects, and whether best practices are currently being utilized.

With all of these concerns in mind, I urge you to delay moving forward with this contract until you have consulted with the Special Committee on the Utilization of Information Technology in Government and demonstrated to the Legislature clear project management improvements, protocols and milestones. This is far too important to the budget and the Vermonters who rely on these services to become another mismanaged IT project.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Scott", with a stylized flourish at the end.

Phil Scott
Lt. Governor

CC:

Senate President Pro Tempore John Campbell

House Speaker Shap Smith

Rep. Alice Emmons, chair, House Committee on Corrections and Institutions

Sen. Peg Flory, chair, Senate Committee on Institutions

Rep. Mitzi Johnson, chair, House Committee on Appropriations

Sen. Jane Kitchel, chair, Senate Committee on Appropriations