

TIMELINE

October-November, 2013—Security breach, includes personal information.

<http://www.csoonline.com/article/2134194/network-security/vermont-discloses-data-breach-on-healthcare-exchange-website.html>

March 3, 2014—Online payment function “works” after months of issues.

<http://digital.vpr.net/post/online-payment-finally-comes-vermont-health-connect#stream/0>

March 10, 2014—Another security breach comes into public light. <http://digital.vpr.net/post/state-says-personal-data-safe-after-breach-involving-vermont-health-connect#stream/0>

May 28, 2014—Mark Larson says the state has renegotiated CGI contract, sets July 2 target date to have the website fully functional. 10,000 consumers blocked from making online changes, CGI promises to fix this by June 8. CGI fined \$5 million for delays. <http://digital.vpr.net/post/vermont-health-connect-be-fully-functional-early-july-maybe#stream/0>

June 3, 2014 - Vermont enters contract with Optum to help improve Vermont Health Connect

June 13, 2014—State reaches milestone of spending \$72 million on VHC. CGI misses June 8 online COC (change of circumstance) deadline. VHC unable to offer coverage renewals as well.

<http://vtdigger.org/2014/06/13/72-million-spent-vermont-health-connect-date/>

July, 2014 - Vermont signs \$400,000 contract with Jonathan Gruber to study single-payer health care model

July 23, 2014— (Now Fmr) Rep. Mike Fisher says “everything is on the table” in terms of fixing VHC when the Legislature returns in January. COC backlog reaches 14,000. Lawrence Miller says that Aug 1 deadline to eliminate backlog “would likely be missed”. VHC hires David Martini as operations manager.

<http://vtdigger.org/2014/07/23/problems-vermont-health-connect-crisis-stage-lawmaker-says/>

<http://vtdigger.org/2014/07/23/vermont-health-connect-shakes-practices-adds-personnel/>

July 24, 2014 - \$31 million revenue downgrade

August 4, 2014 - Vermont ends Vermont Health Connect contract with CGI, makes Optum lead contractor. President Obama ended CGI’s contract in January, 2014. State has paid CGI \$57 million and will pay an additional \$9.7 million for CGI’s services.

<http://www.burlingtonfreepress.com/story/news/local/2014/08/04/state-will-replace-cgi-health-exchange-vendor/13578921/>

August 8, 2014—Lawrence Miller acknowledges billing problems (not receiving invoices and a subcontractor’s failure to process bills that went out in July).

<http://www.burlingtonfreepress.com/story/news/2014/08/08/billing-problems-plague-vermont-health-connect/13814019/>

August 11, 2014 – Agency of Human Services Secretary Doug Racine fired

August 25, 2014—Doug Hoffer announces plan to audit VHC. <http://vtdigger.org/2014/08/25/state-auditor-plans-performance-audit-vermont-health-connect/>

September 3, 2014—State hires Robert Skowronski to guide the IT components of VHC. <http://vtdigger.org/2014/09/03/state-hires-director-vermont-health-connect/>

September 16, 2014 – VHC taken offline for fixes. COC backlog reduced from 14,000 to 2,500. Miller says he expects COC backlog to be eliminated by late September or early October. VHC fails to meet federal checklist of security requirements.

<http://www.burlingtonfreepress.com/story/news/local/2014/09/16/vt-health-connect-website-shut-repairs/15713227/>

<http://vtdigger.org/2014/09/18/failure-meet-federal-security-checklist-led-vermont-health-connect-shutdown/>

November 19, 2014—CGI continues to provide hosting services for exchange. <http://vtdigger.org/2014/11/19/lessons-learned-vermont-health-connect-lead-oversight-changes-next-major-project/>

November 25, 2014 – State downgrades Gruber contract to \$280,000

-Gruber retained \$200,000 he'd submitted invoices for (\$160,000 had already been paid to him, would collect another \$40,000), and \$80,000 for the research assistants, which investigation turned out there was only one

November, 2014 – Sen. Benning and Rep. Olsen request investigation into Gruber contract

December, 2014—VHC memo implies insurance renewals remain to be a problem, COC backlog remains in the thousands, VHC exceeds \$100 million in costs, and costs are likely to further exceed estimates. VHC extends deadline for January coverage.

<http://vtdigger.org/2014/12/11/vermont-health-connect-experiencing-errors-cost-increases/>

<http://vtdigger.org/2014/12/16/vermont-health-connect-extends-deadline-january-coverage/>

December 17, 2014 – Governor scraps single-payer initiative (this was one month before he was set to deliver the financing plan)

December, 2014 – Governor releases Gruber report to support single-payer decision

January 8, 2015 – Legislature elects Governor Peter Shumlin

January 15, 2015 – Gov. Peter Shumlin proposes budget built on a roughly \$94 million shortfall

January 20, 2015 – Mark Larson, Commissioner of DVHA, resigns

<http://www.burlingtonfreepress.com/story/news/politics/2015/01/20/larson-resigns-vermont-health-connect/22058551/>

January 21, 2015 - \$18 million revenue downgrade

January 22, 2015—VHC to cost \$9.7 million more in FY15 than originally expected due to change vendors and labor intensive processes. Miller says automated COC process should be completed by April.

<http://vtdigger.org/2015/01/22/state-seeks-3-5-million-vermont-health-connect/>

February 9, 2015—Steve Costantino takes over as commissioner of DVHA

<http://governor.vermont.gov/node/2212>

February 24, 2015 – Auditor Hoffer turns Gruber billing investigation over to Attorney General Sorrell

March 9, 2015—Shumlin administration and Lawrence Miller say it will be another 2 months before automated COC system is in place (target moved from April to late May). COC backlog is at 7,200. Proposed VHC costs reach \$200 million—just for implementation...not including maintenance and operational costs. \$126 million spent so far. Operating costs are at \$51.8 million annually.

<http://digital.vpr.net/post/vermont-health-connect-wont-be-fully-functional-until-end-may>

<http://vtdigger.org/2015/03/09/vermont-health-connect-costs-hit-200-million/>

<http://www.wcax.com/story/28357437/cost-of-vt-health-connect-keeps-rising>

<http://www.sevendaysvt.com/OffMessage/archives/2015/03/10/millions-mount-in-spending-on-vermont-health-connect>

March 15, 2015—BCBS pressures the state to reconcile \$3 - \$5 million in unpaid premiums due to reconciliation errors arising from VHC failures. <http://vtdigger.wpengine.com/2015/04/15/blue-cross-could-bill-state-for-millions-in-unpaid-premiums/>

March 20, 2015 – Gov. Shumlin imposes two deadlines on Optum for Vermont Health Connect, or State will explore federal exchange. End of May deadline is for the automated COC process to be ready. Early October deadline is for automated renewal process to be ready. If these deadlines aren't met, Shumlin will deliver lawmakers a plan in November to transition to federally supported state based model.

<http://vtdigger.org/2015/03/20/shumlin-sets-deadlines-contingencies-for-vermont-health-connect/>

April 16, 2015—Doug Hoffer issues report on VHC. Says there is no guarantee the state can implement a fully functioning exchange. Payment/premium processing system is a mess: Benaisance is holding as much as \$5 million in Vermonters' premiums that have not been processed...payments that are off by as little as a dollar are held in limbo until the customer pays in full. This information isn't being fully passed along to the insurers. Benaisance has been paid \$580,000 for services that have not been rendered (for processing small business payments). *"Miller says he learned first from Hoffer's audit that the state has paid the processing firm Benaisance more than \$500,000 for making sure small businesses' premium*

payments went from the state-run exchange to the carriers to whom those payments are due. The problem is that the state long ago made the decision to have businesses bypass Vermont Health Connect altogether, and enroll directly with insurers, so there aren't any small business payments to process." The state has no specific plans for implementing the small business portion of the exchange. Security weaknesses remain.

<http://vtdigger.org/2015/04/16/auditors-report-no-guarantee-state-can-complete-vermont-health-connect/>

<http://www.sevendaysvt.com/OffMessage/archives/2015/04/16/hoffer-issues-tough-report-on-vermont-health-connect>

<http://digital.vpr.net/post/audit-vermont-health-connect-shows-system-has-critical-shortcomings#stream/0>

May 16, 2015 - Vermont Legislature adjourns

May 31, 2015—Shumlin claims success on “change of circumstance”. Yet, the automated COC function is only available to VHC staff, and members of the public won't be able to make their own changes until (likely) October 1. COC backlog is back to over 10,000. <http://vtdigger.wpengine.com/2015/04/15/blue-cross-could-bill-state-for-millions-in-unpaid-premiums/>

June 1, 2015 - VHC and Gov. Shumlin announce “change of circumstance” function deadline is met

June 8, 2015 - Gov. Shumlin announces he won't be seeking reelection

June 16, 2015—BCBS seeks more than \$500,000 for services that were retroactively terminated by VHC.

<http://vtdigger.org/2015/06/16/breaking-blue-cross-seeks-more-than-500000-for-services-provided-to-patients-cut-by-vermont-health-connect/>

July 27, 2015 - Vermont Health Connect Oversight report released. JFO says that the state could be on the hook for up to \$2.7 million more for VHC. COC backlog is at 6,300.

<http://vtdigger.org/2015/07/28/state-on-hook-for-up-to-2-7-million-more-for-health-exchange/>

August 11, 2015 - State announces VHC “change of circumstance” is functioning well and they are “cautiously optimistic” about October deadline

August 11-13, 2015—COC backlog is at 4,500, Shumlin claims progress.

<http://www.sevendaysvt.com/OffMessage/archives/2015/08/11/shumlin-reports-progress-on-vermont-health-connect-fixes>

August 13, 2015 - State announces settlement with Blue Cross/Blue Shield: \$1.6M for billing discrepancies

August 16, 2015 - State announces cost of VHC workers was \$800K/month (total \$4M) November - March

October 1, 2015 — Shumlin says Optum has met deadline for automated renewal process. COC backlog “cleared” except for fewer than 200 complicated cases. Shumlin says moving to a federally-supported, state-based marketplace will cost at least \$24.5 million in transition costs.

<http://vtdigger.org/2015/10/01/vermont-health-connect-meets-deadline-shumlin-says/>

October 15, 2015 — BCBS says billing issues persist with VHC. COC backlog is down to 40.

<http://vtdigger.org/2015/10/15/insurers-say-billing-issues-persist-with-vermont-health-connect/>

November 1, 2015—Shumlin expects fully automated exchange site to be active and should work for 2016 open enrollment. Also, administration says it would cost \$76 - \$112 million to move to the federal exchange.

<http://www.timesargus.com/article/20151101/NEWS03/151109959>

<http://www.burlingtonfreepress.com/story/news/2015/11/02/shumlin-admin-wants-stick-vt-health-connect/75058736/>

November 6, 2015 — Exeter (subcontractor) goes out of business.

<http://vtdigger.org/2015/11/06/company-working-on-vermont-health-connect-portal-closes-down/>

November 19, 2015—Auditor Doug Hoffer supplemental report says there are major problems in VHC procurement process (Hal Cohen acknowledges this). Security weaknesses persist. New software system implemented by now-bankrupt Exeter has known defects. Reconciliations between the exchange, insurance companies, and Benaissance have still not been automated. Medicaid renewals are not fully automated. Billing process doesn't comply with Medicaid rules. <http://vtdigger.org/2015/11/19/auditor-health-exchange-didnt-have-contracts-on-nov-6/>

November 19, 2015—External audit by Virginia firm finds VHC out of federal compliance, issues an adverse opinion. <http://digital.vpr.net/post/outside-audit-finds-vermont-health-connect-out-federal-compliance>

January 20, 2016— COC backlog rises to 3,000. This is partially due to the delayed implementation of a technical fix that was originally due in December but was put on hold because Exeter went out of business. <http://www.wcax.com/story/31016141/vermont-health-connect-faces-another-backlog-after-system-upgrade>

January 24, 2016--VHC costs for implementation and maintenance cost \$302.3 million—the most expensive item on the DII list <http://vtdigger.org/2016/01/24/volunteer-panel-vermont-should-embrace-shrink-it-projects/>

January 24, 2016—VHC is “going backward”. Lawrence Miller says there are so many errors that VHC had to turn off the automated COC function. Trinka Kerr of Vermont Legal Aid says VHC is going backward. COC backlog rises to 4,000. 1,400 individuals were not able to renew their plans through VHC. BCBS is reiterating its request from October to have the administration commission an independent technical

review of VHC. <http://vtdigger.org/2016/01/24/vermont-health-connect-is-going-backward-stakeholders-say/>

February 1, 2016—COC backlog previously reported at 4,000 is actually at 5,700. Benaissance is holding about \$5.9 million (as of Dec 31) worth of payments in limbo. *“If the vendor, Benaissance, does not receive the full payment of a customer’s account balance, it doesn’t send the money to the insurance company. If the vendor receives an overpayment, it holds onto the extra money.”*
<http://vtdigger.org/2016/02/01/health-connect-backlog-larger-than-previously-reported/>

February 3, 2016 – State of Vermont (AHS) withdraws RFP for Integrated Eligibility
<http://bgs.vermont.gov/sites/bgs/files/pdfs/purchasing/IE%20Update.pdf>