The Honorable Tristram J. Coffin
United States Attorney for the District of Vermont
P.O. Box 570
Burlington, VT 05402-0570
Via Email & First Class Mail

Re: Request for Federal Investigation

Dear Mr. Coffin:

As minority leaders of the Vermont House and Senate we hereby formally request a federal investigation into whistleblower allegations alleging a fraudulent software demonstration on July 26, 2013 by CGI Technologies & Solutions, Inc. [hereinafter "CGI"] to Vermont officials charged with overseeing and monitoring the company's state contract. These allegations are described in a Newsweek article dated February 6, 2014.[1] Further concerns are supported by an anonymous letter, a copy of which is attached hereto.

According to Newsweek, quoting the whistleblower, CGI falsely proclaimed to demonstrate "live interface with the Federal Data Hub," a core component of the federal marketplace. Mark Larson, the state official in charge of Vermont Health Connect, proclaimed in Newsweek that he believed the software demonstration was real and that it "...involved sending and receiving information with the federal data hub and showed the eligibility determination of a hypothetical customer." The whistleblower, however, reported that "...the system was in no way operable during that demonstration."[2]

Allegations about the authenticity of this July software demonstration arose in September, 2013, when a former state auditor and certified fraud examiner published an article that questioned whether the software demonstration had misled state officials.[3] To our knowledge, Vermont Governor Peter Shumlin's administration has not investigated the alleged fraudulent demonstration.

CGI's contract, valued at more than eighty million dollars and paid for by federal taxpayer funds, was to construct a state health care Exchange ("Vermont Health Connect"). Almost five months after it was scheduled to be fully operational, Vermont Health Connect is still not working as promised. In fact, due to the system's problems, small businesses have been forced to sign up directly with insurance carriers instead of through the state Exchange. We have no idea when, or if, the Exchange will be fully operational.

We believe the unexplained and extensive delay, coupled with evidence suggesting the company in charge of designing the system may have duped Vermont officials into incorrectly thinking that the software system was working and on schedule, constitutes sufficient legal and factual predicate to begin a federal investigation. If true, such a fraud prevented state officials from performing proper contractual oversight, prevented corrective measures, and helped CGI retain its multi-million dollar contract with the state.

We thank you in advance for your anticipated cooperation and will await your reply.

Sincerely,

Rep. Don Turner
House Minority Leader

Sen. Joe Benning
Senate Minority Leader

ENC
Jcb

[1] http://mag.newsweek.com/2014/02/07vermont-obamacare-cgi-federal.html#.UvTJMtZO-J8.twitter
[2] http://www.sevendaystvt.com/vermont/quadrupling-down-did-newsweek-get-the-goods-on-vermont-health-connect/Content?oid=2297989.
[3] http://vtdigger.org/2013/09/29brock-wonderful-wizard-health-care-software/

January 22, 2014

To Vermont State Representative/Senator:

As a concerned citizen of Vermont, I write to share important facts and my informed opinions related to information systems implementations in the State of Vermont and, in particular, the recent Vermont Health Connect website project. I am a team member on this project. I write anonymously for fear of retribution if openly sharing these thoughts.

Attached you will facts and details. I ask that you carefully review these and search out other information to form your own opinions and to represent the people of Vermont in making decisions that best serve them.

Facts from the past and facts that are just now coming to light demonstrate the abilities of state government leaders to implement major information system projects. Please do not be distracted with any blame being placed on outside consultants. Blame is a means to distract others and point away from the true responsibility. The consultants report to state employee leaders and state leaders own responsibility for the project outcomes.

As I observed first hand, state leaders closely directed and controlled the consultants (as they should) and therefore are owners of the outcomes. Repeated IT project ineffectiveness led by state staff demonstrate weaknesses that are paramount in consideration of future projects planned.

I witnessed first-hand very large amounts of waste in federal and state monies and, as important, human efforts. The wasted human efforts were not confined to just state or consultant employees working on the project but by thousands of community groups, businesses and citizens earnestly cooperating with direction from the state.

As you will see in the attached, Vermont Health Connect is just the first in a state plan to expend millions more in multiple years on further IT projects. Please critically review the planned expenditures, the associated state leader capabilities, factual results of past projects, probability of success or waste and all the potential impacts on Vermont citizens.

I thank you in advance for your due diligence and in keeping the interests of Vermont citizens at the forefront.

Sincerely,
A Vermont Health Connect team member

Both VHC and IE (#'s 2 and 3) are highly dependent upon the HSEP (#1). Portions of #3 are potentially able to be accomplished in combination or in parallel with IE (#3), but in all cases, our priority is going to be to advance work on those systems tied to the 2014 deadlines. Clinical information systems (not yet detailed on the timeline) move along a different track and affect an expanded government population (external customers and users), but it will also leverage the HSEP and the MMIS (#'s 1 and 3) where it can.

This all goes back to our cumbersome but not complicated statement. Our leveraging and reuse of services, components, and solutions all impact decisions on timing, cost allocation, resources and staffing. We are creating a robust 21st century enterprise that will empower people and not just treat symptoms.

We are building a foundation of integrated HIT components that will meet our near-term needs to operate the insurance exchange, to implement payment reforms, and to have the capacity to operate long term as a fully-enabled information and payer system. We will simplify and align administrative systems – like eligibility and claims adjudication – by moving them into a shared infrastructure. We will bring together Medicaid, the Duals portion of Medicare, the Exchange plans, and whatever other payers we incent or regulate into participation, by operating a single, common, interoperable infrastructure. This transformative system will be able to learn from itself with data feedback loops as it evolves. We are building a single system that can be viewed and managed globally to direct how we deliver and pay for care, moving from volume to value, and rewarding alignment and efficiency.

As noted, this will happen in stages, as the health information and health insurance exchanges are built out to reach every health care provider and health care consumer in Vermont. We will address all Federal and State Legislative mandates and ensure that as policy choices are made, we will have a flexible, reusable, reconfigurable Enterprise system to support it. The Enterprise will have at its core - the person – the individual. The HSE will record, track, link and share all necessary data in an efficient, effective and secure manner providing the user with a positive, informative and meaningful experience.

Timeline

The Vermont HSE is a multi-year project where the vision of downstream impact on modernization of systems, delivery of services and full, automated integration of data will run through 2017. The Design, Development and Implementation (DDI) cost of these HSE efforts consist of a mixed blend of Federal and State funding with the State taking advantage of the A-87 Exception along with maximizing cost allocation amounts when feasible.

The table (Figure 3.4) below displays the anticipated timelines identifying the releases (R#) and dates of HSE Implementations along with identifying which programs will be affected and when they will be live on the new platform.

		2013	2014			2015		2016		2017	
		Oct. 1	Jan. 1	Jul. 1	Dec. 31	Jul. 1	Dec. 31	Jul. 1	Dec. 31	Jul. 1	Dec. 31
HSE Release #		R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
	VHC*	X	X	X							
	E&E*				X	X	X				
	MMIS*					X	X	X	X	X	
	SMHP*						X	X	X	X	

Figure 3.4

*Currently, there are/will be DDI efforts for these programs, this table only represents when these will be live on the new platform.
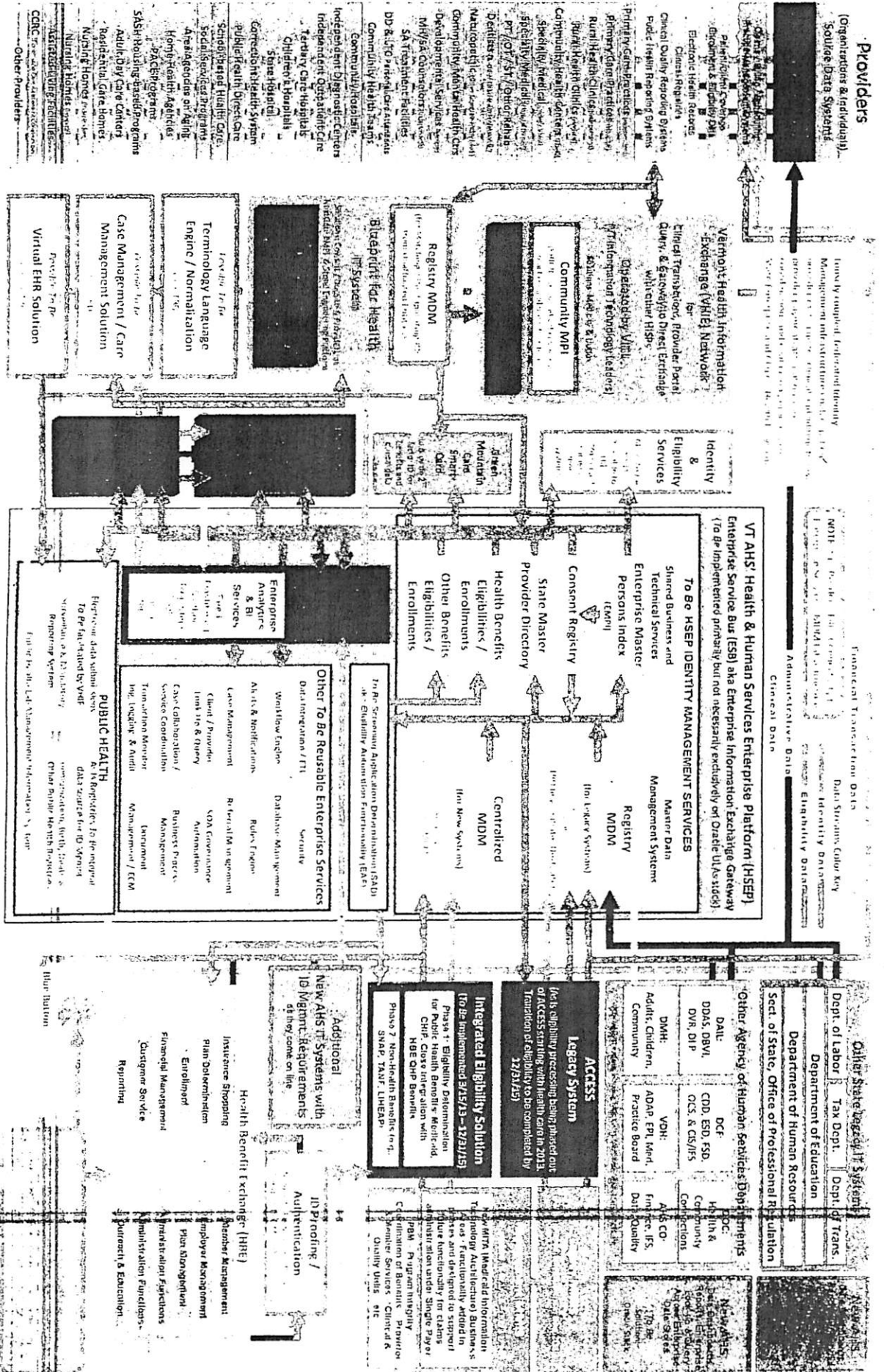
Providers
(Organizations & Individuals)
Source Data Systems

- Patient/Client Access
- Enrollment & Eligibility Coverage
- Broomed & Eligibility Data
- Electronic Health Records
- Clinical Quality Reporting Systems
- Public Health Reporting Systems
- Primary Care Practices
- Primary Care Providers
- Community Health Clinics (FQHC)
- Rural Health Clinics (RHC)
- Specialty/Medical Providers
- Pharmacy/Medical
- PT/OT/ST/Other Rehab
- Dentists & Oral Health providers
- Naturopathic/Complementary/Alt
- Community Mental Health Ctrs
- Developmental Services
- MH/SA Counselors/Providers
- SA Treatment Facilities
- DD & LTC Providers/Assessors
- Community Hospitals
- Independent Diagnostic Centers
- Independent Outpatient Care
- Tertiary Care Hospitals
- Children's Hospitals
- State Hospitals
- Correctional Health System
- Public Health Direct Care
- School-based Health Care
- Social Services Programs
- Area Agencies on Aging
- Home Health Agencies
- PACE Program
- SASH Housing-based Programs
- Adult Day Care Centers
- Residential Care Homes
- Nursing Homes
- Assisted Living Facilities
- CCRC
- Other Providers

Vermont Health Information Exchange (VHIE) Network
for
Clinical Transaction, Provider Portal, Query & Gateway/to Direct Exchange with other HISPs

Operated by Vital
(Maintenance of technology leaders)

Blueprint for Health
IIT Systems

- Registry MDM
- Community MPI

To Be Reusable Enterprise Services

- Virtual EHR Solution
- Case Management / Care Management Solution
- Terminology Language Engine / Normalization

Identity & Eligibility Services

VT AHS' Health & Human Services Enterprise Platform (HSEP)
Enterprise Service Bus (ESB) aka Enterprise Information Exchange Gateway
(To be implemented primarily but not necessarily exclusively on Oracle UI As stock)

To Be HSEP IDENTITY MANAGEMENT SERVICES

Shared Business and Technical Services
Enterprise Master Persons Index (EMPI)

- Consent Registry
- State Master Provider Directory
- Health Benefits Eligibilities / Enrollments
- Other Benefits Eligibilities / Enrollments

Master Data Management System
Registry MDM
Centralized MDM

Other To Be Reusable Enterprise Services

- Enterprise Analytics & BI Services

Data Management / FTL
- Workflow Engine
- Alerts & Notifications
- Case Management
- Client / Provider Look Up & Query
- Case Collaboration / Service Coordination
- Transaction Monitoring, Logging & Audit

- Rules Engine
- Database Management
- SOA Governance
- Business Process Management
- Document Management / ECM
- Security

PUBLIC HEALTH
& IT Registries

Other Agency of Human Services Departments

- Department of Human Resources
- Department of Education

Other State Legacy IT Systems

- Dept. of Labor
- Tax Dept.
- Dept. of Trans.
- Office of Professional Regulation
- Dept. of State

- DAIL: DDAS, DBVI, DVR, DIP
- DCF: CDD, ESD, FSD, OCS & CIS/IFS
- DMH: Adults, Children, Community
- VDH: ADAP, EPI, Med., Practice Board
- DOC: Health & Community Correction
- AHS CO: Finance, IFS, Data Quality

ACCESS Legacy System

Phase 1: Eligibility Determination for Public Health Benefits: Medicaid, CHIP, Close Integration with HBE QHP Benefits

Phase 2: Non-Health Benefits (e.g. SNAP, TANF, LIHEAP)

Integrated Eligibility Solution
(To Be Implemented 3/15/13 – 12/31/15)

Additional New AHS IT Systems with IB Mgmt. Requirements
as they come on line

Health Benefit Exchange (HBE)

- Insurance Shopping
- Plan Determination
- Enrollment
- Financial Management
- Customer Service Reporting

- Member Management
- Plan Determination
- Employer Management
- Plan Management
- Administrative Functions
- Administration & Education

ID Proofing / Authentication

Figure 3.3

FACTS	OPINIONS
Building a state based health insurance exchange qualifies as an extremely complex project. 1) A state health exchange is "new to the world", not been done before. So it is a first time innovation, a public experiment. 2) It is "messing with people's health" or at least how people qualify, select, purchase and eventually receive health services - assuming their enrollment and coverage occurs. 3) It has a hard deadline to finish because it is replacing existing markets of health care provision which are primarily based on calendar programs and practices. It is tied to federal law and fixed deadline dates. 4) It requires coordination among numerous state departments, contractors, consultants and IT personnel coming with varied perspectives and motivations. 5) It highly political with strong adherents and detractors. 6) It is highly public with billions in taxpayer dollars committed to it. 7) It is the signature legislation and a top priority of both President Obama and Governor Shumlin. 8) It is highly technical with reams of rules that are still being worked out - federal CMS and state department rules. These rules were not ideally in place prior to the start of the project but developed and issued intermittently throughout the project. So much of the project needed to planned and implemented based on unclear, nonexisting or draft regulations. 9) the exchange relies on a highly sophisticated information technology system that has never been created before, needs to be built and has never been tested before. 10) Finally, the State of Vermont has a well known track record for failure and mismanagement with recent IT project implementations. This is the starting point.	
IT project has been led by two 33 year olds from Boston - Lindsey Tucker and Justin Tease (check public Linked In profiles)	
LT has no previous experience being part of a major IT implementation	
LT has no previous experience or knowledge of common project management principles and techniques	
In 2011, LT was little known nor experienced (check Linked In profile). LT identified and brought onto project through connection with Anya Rader Wallach during their brief and simultaneous stints at Blue Cross of Mass.	
JT has both IT and Project Management experience, it's just limited and all from the wrong perpective. His short career has been as a consultant selling and consulting on IT projects - not buying and being responsible and living with the the project outcome. Very different perspectives and experience. He brought no experience being the in-house project leader and owner. Total work life was with Deloitte consulting - most as a business analyst as part of a larger team led by someone else.	
Vermont state department of innovation and information (DII) has a very public record of poor project management and IT project failures.	
JT coordinated with DII staff in vendor selection, procurement and oversight of VHC IT system design and implementation - i.e, inexperience joined with ineffectiveness.	
From mid-2012 through Nov. 2012, SoV pursued a sole source IT system procurement strategy with Oracle ending in irreconciable positions in late Nov. 2012.	

Because of past IT failures, SoV insisted on unusual contract terms that would put high or unlimited liability on Oracle. Montpelier personnel in procurement, contracts and DII could not strike a deal. Robin Lunge entered to try to broker the deal (though no known experience in this type of negotiation and facing the legal, procurement and management staff of one of the nation's largest for-profit businesses).	
So, in late November 2012, time was running out with less than 10 months to system go-live date of 10/1/13. Oracle and SoV did not contract and Governor Shumlin insisted that we find and have an IT vendor contract by 1/1/13.	
With time running out, SoV identified vendor being used by Federal government and Hawaii, CGI, met in mid-December, and agreed to tentative contract terms in late Dec.	In contracting and procurement, SoV had little or no leverage. They were in a desperate position and CGI knew it. Not only did LT, JT and Robin Lunge have no experience in IT contract negotiations, and DII had no good track record of such, SoV rushed to complete the project scope, contract pricing and terms...one could say this entailed high risks.
The IT project started in earnest in early 2013 with CGI contract signed in Feb. 2013. There was little time to effectively plan and organize the project.	
A commonly accepted (and common sense) project management practice and sequence is to: 1) define your system functional requirements (WHAT), 2) decide on project phases, milestone dates and completion timing (WHEN), 3) determine cost budget parameters (HOW MUCH), 4) seek multiple vendor bids, evaluate, choose finalists and negotitiate best package, 5) pick one and implement (WHO). In SoV Exchange project, they literally went in reverse order (WHO, HOW MUCH, WHEN, WHAT) and skipped step 4 altogether. This was a recipe for impending disaster.	Regarding WHEN, if you need it done sooner, the consultant can usually find a way to do it but charges more.
The WHAT, the functional requirements of the system to be developed, were then rushed to be developed and complete by late March so that CGI could then reassess the earlier cost agreed to and then add contract addendums with additional costs.	
Rushing to develop the functional requirements resulted in many being missed and later (July-Sept) identified as necessary Change Orders which CGI considered and resulted in numerous additional contract amendments and added costs.	
In late August, a special exercise occurred where all requirements planned for October 1 were considered and prioritized as to what absolutely had to go into October 1 release and what could be postponed and pushed into November, December, January or February. The project was so far behind that requirements needed to be abandoned and postponed because there was no hope they could be finished on time. This was not news because the project had been severly losing ground since June 2013. A large project tracking chart publicly posted on the office wall clearly indicated in "red" the many steps that had not been delivered. The "red" list grew substantially in August-Sept.	

Run-up to October 1 - a plan was established in July with system testing to occur and 10/1 system release. All testing and final corrections were to occur with system code frozen at 10 p.m. on September 27, 2013. Because of delays, system testing occurred only sporadically and was running far behind the project plan. With time running out, a partial run-through of the system occurred on Friday afternoon, Sept. 27. What was supposed to be multiple periods of time spent with different, various SoV personnel testing their own sections, instead turned into one long, joint session lasting the whole afternoon of Sept. 27 and into the evening. Numerous errors were identified and tracked and with just incomplete and partial testing, over 50 system errors were identified, a number considered severe errors. There was shock and worry. The SoV staff present were in agreement that the system should not go-live on Oct. 1. These concerns were explicitly shared with LT and JT and, instead, the code was not frozen at Friday 10 pm but CGI programmers worked the next three days to fix what they could and go-live Tuesday, Oct. 1 anyway.	
Now, the system is live and being tested by the public users (NOTE: this was written on October 15, 2013). Numerous errors are identified daily. Fixes are in progress but not all the errors have been identified because not all the system has been seen and tested. As people get to further and deeper layers of the system, more errors are identified. The VHC and CGI staff has been consumed with operation fixes and not able to sufficiently plan the remaining months and IT functions that need to be installed and tested. Not only were numerous critical functions earlier pushed to November and further, but now a similar exercise is occuring in mid-October to prioritize and push many IT functions further out.	This cycle has led me to conclude that the rollout is not only in severe jeopardy but there is a very high probability this will be a severe failure. Success is not defined as having a colorful appearance of a system but having all 100,000 Vermonters accurately enrolled on January 1, 2014. I believe there is a high likelihood that 1000's of intended Vermonters will not be enrolled and insured as of 1/1/14 and 1000's more will have errors in their enrollment and insurance.
The project scope includes offering 1) ACA required qualified insurance for Individual, 2) small employer required insurance (closed outside market), and 3) Federal Medicaid and State public health plans. The last two parts of the scope are unnecessary and not required by ACA. These last two should be considered for Act 171 waiver in order to focus attention on the new part, individuals who are uninsured or paying a high cost for coverage.	Outside of lacking experience, expertise and a track record of IT system implementation success, SoV legislators and politicians have expanded the VHC project far beyond the scope of what was required. This overreach will result shortly in major failures to deliver critical health insurance to 1000's of Vermonters, most being the poorest and most vulnerable of our population. The political overreach is a power grab toward the goal of a single payer system - using as many, one-time available federal dollars to build out a system that will eventually support a single payer system. The problem is that no one was pragmatic or experienced enough to fully recognize the risk in overreach. There has been an unbridled optimism and devotion to build out single payer at every available opportunity with the assumption that every thing will work out in the end. The IT system will hit a few bumps but will get ironed out before any citizen or business notices or is severly impacted. This naivete is driven by a blind drive toward political and policy objectives.

My conclusion is it may be too late and we are headed for disaster. Inexperienced people are steering the ship, we have hit an iceberg, there are not enough lifeboats nor a way to turn back. It may be possible to immediately try to dramatically reduce the scope of the project by somehow not implementing for Medicaid programs or not implementing for small businesses (the Individual mandate is the only federally required part). But this would not be an easy change of course, would take immediate consideration by political leadership and bold decision making. For much of 2013, Mark Larson and Robin Lunge were not actively involved in the VHC project. In August they increased their involvement substantially and now know the level of current problems. What they may not understand and should be assessing and planning for is what is now likely to occur in the next 2-3 months. There is a high likelihood this will result in severe negative impacts to Vermont citizens. Two things need to occur, and soon. 1) Mark or Gov. Shumlin need to honestly conclude that the IT project as planned cannot fully salvaged, and 2) make the bold decision to put the citizens' interest first and do now anything possible to minimize the negative impacts.	
The State of Vermont is third behind California and New York on most federal dollars allocated for their state exchange project. Check the numbers.	
One general comment and awareness, the VHC is owned by Lindsey Tucker. Not just in obvious organizational responsibility but her leadership style is to approve any and all decisions - all major issues and many minor. The resulting success or failure of the project is a direct result of her efforts and direction.	
Lindsey is hard working and intelligent. Her weaknesses are she is inexperienced and she does not naturally trust others. She is ambitious and is not open about her weaknesses. This results in shutting off any constructive criticism or honest evaluation. VHC has hired many intelligent and committed staff and consultants. But LT has not allowed their constructive input. She is not good at handling constructive conflict. And because of this, conflict situations are not in her control and may make her look bad. When you are inexperienced, public image is all you have - the appearance of looking like you know what you are doing. There are numerous examples of those who have offered --- honest assessment and concerns resulting in their employment termination (state staff and consultants). And the terminations have occurred suddenly and without warning to those affected. So in this atmosphere of fear of sudden termination, VHC employees and consultants "get along" in order to stay and remain employed.	

Major VHC system design limitation - all enrollments can only occur one way - through the web portal. The web portal was built with the eligibility rules "engine"and premium subsidy calculations. So if the web portal or web access is not working, no enrollments can occur. Most systems have some alternative or "back door" to come in to allow input. This could have been accomplished if the Oracle Siebel system had the rules engine attached to it. Then a State customer service person or case worker could do a direct enrollment through Seibel in addition to over the web portal. And paper applications could have been entered directly into Siebel. Now the VHC is solely reliant on the web portal as it is the only system on which to enter an enrollment. So when Gov. Shumlin says (as quoted in 10/22 Burlington Free Press article) "..worse comes to worse, we will resort to paper" this does not solve the problem of having to enter the information online into the broken web portal. Paper apps will still need to be keyed in through the web portal and, since all were overconfident that the website would work, there is no preparedness for Plan B, no workers, no alternative way to key data directly into Siebel system.	As days pass and enrollments are not occuring because of web portal or system problems, the volume of web portal entries in the remaining days of enrollment will dramatically increase and could overwhelm and freeze the system with no alternative way to get enrollment work done. Major major risk.
Publicly stated time to enter an individual enrollment was 25 minutes.	Testers and actual results show that it is actually 2 to 4 times more than this, 1 - 2 hours per individual enrollment. And for employer group enrollment, the one known case of employer enrollment occurred over two days with multiple hours and multiple people involved including CGI staff. With Medicaid enrollments and Catamount/VHAP program transitions in December, this will be added scope to occur in the coming weeks and months that will additional complexity and risk to the implementation.
With numerous planned parts of the system not working, state staff are implementing numerous manual processes for which there is not enough staff to adequately and accurately perform. And each of these workarounds is considered independently. So the sum total of all workaround effort is not being openly considered and the staff necessary is not being determined. It is clear that the ever growing list of unplanned and unexpected manual processes will overwhelm available staff.	The longer the system fixes do not occur, these unplanned manual processes and workarounds have and will swamp existing staff and system resulting in huge backlogs.
Many major IT projects, public and private, often experience implementation delays due to inadequate project planning or unforeseen obstacles. The may be delayed from the original go-live date for a month, a quarter or even years. The best managed or simplest projects hit the projected due dates on time. SoV had the uneviable position of an immovable date, a hard date. Can't push it out a quarter. This was known well in advance. In addition, SoV had the known weakness in IT project management from recent history. And SoV knew they had VHC project leaders (LT and JT) who were young and had very limited or no project management experience. Facing an immovable deadline, only top-notch project management from experienced and proven leaders would stand a chance at hitting the deadlines. And even they may have problems. Wanting to be successful, they would likely have concluded very early on to limit the scope so as to increase chance of success. An immovable deadline and poor/inexperience project leaders is another "recipe for disaster." Movable deadline + poor management = okay. Immovable deadline + great management = maybe okay. But Immovable deadline + poor management = almost certain poor outcome.	Major project implementation error - the personnel in charge of design, planning and implementation of the system are also now in charge of operations while the project roll-out still needs to continue. With the level of unaticipated operational problems existing now, these same people who are charged to complete the project system rollout are consumed with day-to-day operational problems and not focusing on all the items that are in the next system releases for November through December and all the required functions that were pushed out into those periods. By having the project people and operations people be substantively the same people, VHC now has the new problem - the only people who can do the required remaining work of tomorrow are focussed the unanticipated operational problems of today. This may have resulted from rosy, optimistic thinking or poor planning but again points to impending disaster.