

**ADDENDUM NUMBER ONE
TO
MEMORANDUM OF AGREEMENT
BETWEEN
THE DEPARTMENT OF SOCIAL SERVICES
AND
THE CONNECTICUT HEALTH INSURANCE THE EXCHANGE**

WHEREAS, the Connecticut Health Insurance Exchange d/b/a/ Access Health CT (hereinafter "Exchange") established under Connecticut Public Act No. 11-53 and the Connecticut Department of Social Services (hereinafter "DSS") entered into a Memorandum of Agreement (hereinafter the "MOA") effective February 1, 2013, to describe the coordination of their efforts to implement the requirements of the Affordable Care Act and establish a state-operated HIX; and

WHEREAS, Section III of the MOA contemplated that changes in the provision of the MOA would be added by an addendum to be signed by both parties. Any such addenda shall include the tasks and responsibilities of each party and the associated costs; and

WHEREAS, the MOA anticipated that the parties would need to develop a process for allocation of costs between the parties, including a system for claiming, charge backs, securing and management of grant funds and financial transfers between the parties;

WHEREAS, the parties have begun to incur expenses and wish to establish specific procedures for billing and reimbursement;

NOW THEREFORE, for and in consideration of the promises to each other as set forth below, the parties mutually agree to the following terms and conditions.

1. This first Addendum (hereinafter "Addendum One") is entered into pursuant to Section III of the original MOA.
2. The following terms and conditions shall be added under Section I. b. v. Cost allocation, of the original MOA:

a. Budget

For the purposes of charge backs, expenditures and making the other party financially whole, DSS and the Exchange shall adhere to the budget attached to the CMS approval of the Expedited Advance Planning and Implementation Document (EAPD) entitled Connecticut Department of Social Services (DSS) Integrated Eligibility Management System as detailed in the letter from CMS dated September 19th, 2012 and made part of this agreement. The approval allows for enhanced Medicaid funding for activities contemplated under this MOA. Approved revisions to the EAPD and EAPD budgets will be mutually agreed to by the Parties and may serve as the operational authority for spending and payment activities while MOA revisions are in process. Fiscal management from either Party may draft change orders to facilitate necessary financial changes to this agreement in accordance with the approved EAPD and EAPD budgets. All change orders will be captured in subsequent amendments.

b. Payments

Payments for services covered under this agreement shall be made as follows:

- a) This is an integrated project that supports both Connecticut's Health Insurance Exchange d/b/a, Access Health CT and the State's Medicaid and CHIP programs. Accordingly, the DDI costs must be allocated proportionately among these programs. Through the evaluation of grant period operating costs, it too has been determined that these are shared costs that support both the Exchange and Medicaid/CHIP programs and therefore costs must be allocated proportionately among these programs. Allocation concepts used for the DDI and grant period operating costs have included:
 - a. Estimates of the User Populations,
 - b. Identification of System Functions and Function Points, and
 - c. Allocating Function Points to Programs.
- b) The allocation methodology outlined above is consistent with what has been previously communicated to CMS and CCIIO for the DDI and grant period operating costs. It should be noted, however, that while the methodology noted above produced values for the DDI that the parties have agreed to, the values for operating costs as of the date of this MOA are under discussion and will be finalized as soon as practicable. The discussion is focusing on actual percentage splits that will vary based on actual utilization incurred by each party to this MOA to appropriately allocate expense and revenue to product offerings as required by Generally Accepted Accounting Principles, (GAAP).
- c) Payments to DSS from the Exchange for costs of DSS staff, fringe, and travel related to DDI shall be made quarterly based on actual expenditures upon presentation of an invoice from DSS to the Exchange. The invoice will show the total salary, fringe and other costs and the allocation of these costs to the Exchange (71.47%) and DSS (28.53%). The Exchange will be billed 71.47% of the total,
- d) Payments for all DDI Exchange costs allocated to DSS under this agreement shall be billed by the Exchange to DSS upon presentation of an invoice including a line item accounting of goods and services approved under the EAPD budget referenced in Section 2 and as approved by CMS and CCIIO. The invoice will show the total cost and also show the allocation of these costs to the Exchange (71.47%) and DSS (28.53%). DSS will be billed 28.53% of the total.
- e) DSS shall reimburse the Exchange for all costs incurred under the contract it holds with Stanley Stewart, held on DSS' behalf.

c. Reporting

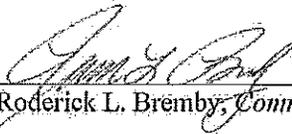
Reporting necessary to facilitate federal claims for services provided under the Exchange as part of the approved EAPD will be provided by the Exchange to DSS. The format of reports will be developed mutually in accordance with federal requirements.

This amendment shall be effective from the date of the last signature on this Addendum through the term of the MOA, which may be renewable by mutual agreement of the parties.

All other terms of the original MOA not specifically amended herein, shall remain in full force and effect.

Connecticut Department of Social Services

Date



Roderick L. Bremby, *Commissioner*

6/18/2013

**Connecticut Health Information Exchange
d/b/a/ Access Health CT**

Date



Kevin J. Coughlin, *Chief Executive Officer*

6/20/13