



VITL FY2019 Budget Review

Staff Recommendation

Sarah Kinsler, Health Policy Advisor
Agatha Kessler, Health Policy Director
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GMCB Oversight of VITL

- **Review and approve VITL budget and core activities.**
 - Under 18 V.S.A. § 9352(c)(1), VITL is “designated... to operate the exclusive statewide health information exchange network.” Each year, the Secretary of Administration (or its designee the Department of Vermont Health Access/DVHA) funds this work by “enter[ing] into procurement grant agreements with VITL” after the Board “approves VITL’s core activities and budget.” The Board’s oversight is intended to provide strategic guidance and policy parameters within which the Administration, through DVHA, operationalizes that relationship.
 - **Act 54 of 2015:** Requires Board oversight of VITL’s budget and core activities: **“Annually review the budget and all activities of VITL and approve the budget, consistent with available funds, and the core activities associated with public funding.”** GMCB first reviewed and approved VITL’s budget in 2016.
 - H. 901, currently in the Senate, removes VITL’s core activities from the Board’s review.

Budget Review Criteria

The Board has in the past adopted [specific principles](#) to assess VITL's budgets. In light of the HTS report, transitions at VITL, and pending legislation that would eliminate GMCB's review of "core activities," staff has suggested that the Board adapt those criteria to assess VITL's budget, focusing on Transparency, Alignment with HIE Goals, and Stakeholder Recommendation:

- 1. The review process will be transparent and will incorporate public input. Transparency will be measured by compliance with budget guidance and overall transparency of the budget process. A 10-day public comment period will be open following the budget presentation to allow for public input.*
- 2. The Board will review VITL's budget and core activities in order to determine whether they reflect a strategy and priorities consistent with the State's health care reform goals and the Health Information Technology (HIT) Plan. The Board will not direct the technical details of VITL's work or the details of VITL's contractual relationship with the State. In lieu of a current HIE Plan (due from DVHA in October 2018), assess Alignment based on recommendations included in the HTS report. The DVHA contracts were developed using the HTS report as a baseline. Once we receive copies of the contract, GMCB staff will review the contents and determine whether the recommendations in the HTS report are adequately addressed.*
- 3. The Board's review process must be structured and timed in order to assist the Department of Vermont Health Access (DVHA) and VITL in negotiating timely, effective grant agreements each year.*
- 4. The process must result in Board decisions that are sufficiently clear to enable VITL to do its work and DVHA to support that work without requiring repeated clarification or intervention by the Board.*

Budget Review Criteria

1. *The review process will be transparent and will incorporate public input.* Transparency will be measured by compliance with budget guidance and overall transparency of the budget process. A 10-day public comment period will be open following the budget presentation to allow for public input.
 - VITL has complied with budget guidance.
 - Public comment period will be open through Wednesday, 5/23.

Budget Review Criteria

2. *The Board will review VITL's budget and core activities in order to determine whether they reflect a strategy and priorities consistent with the State's health care reform goals and the Health Information Technology (HIT) Plan. The Board will not direct the technical details of VITL's work or the details of VITL's contractual relationship with the State.* In lieu of a current HIE Plan (due from DVHA in October 2018), assess Alignment based on recommendations included in the HTS report. The DVHA contracts were developed using the HTS report as a baseline. Once we receive copies of the contract, GMCB staff will review the contents and determine whether the recommendations in the HTS report are adequately addressed.
- VITL's contracts with DVHA are purposely aligned with the recommendations from the Act 73 HTS report. Section 1, Appendix A maps contract components to HTS recommendations.
 - DVHA and the HIE Steering Committee are working to develop an HIE Plan, due to the Board in October 2018, to support future budget reviews.

Budget Review Criteria

3. *The Board's review process must be structured and timed in order to assist the Department of Vermont Health Access (DVHA) and VITL in negotiating timely, effective grant agreements each year.*
- In consultation with DVHA and VITL, the Board elected to perform its budget review in May this year; contract negotiations were completed in late April and will not take effect until July 1.

Budget Review Criteria

4. *The process must result in Board decisions that are sufficiently clear to enable VITL to do its work and DVHA to support that work without requiring repeated clarification or intervention by the Board.*
- The Board will ensure that written decisions stemming from this budget review are sufficiently clear.

Staff Recommendation

- Staff recommend **approving the VITL budget as presented**, with the caveat that VITL and DVHA will return to the Board in late 2018 to present their January-June 2019 budget once negotiations with DVHA for the CY 2019 contract are completed.