To:	Kevin Mullin, Chair, Green Mountain Care Board
	Jessica Holmes, Board Member
	Robin Lunge, Board Member
	Tom Pelham, Board Member
	Thom Walsh, Board Member
	Susan J. Barrett, Executive Director
cc:	Jessica Mendizabal, Data Project Director
From:	Beth Anderson, President & CEO, VITL
Date:	February 15, 2022
Re:	VITL Quarterly Update

I appreciate the opportunity to provide VITL's Quarterly Update for your review. The attached presentation offers updates on much of our work and the quarterly metrics.

Before digging into the work, I'd like to update you about some changes we've made to the VITL Leadership Team. Carolyn Stone has agreed to move into a new position, where she will be responsible for the oversight of VITL's strategic project portfolio. Kristina Choquette, who returned last year to skillfully and successfully lead the MedicaSoft implementation, has agreed to join us permanently in the Director of Operations role. Finally, Jennifer Starling, previously our Data Architect, has been promoted to the role of Operations Manager. We are excited about these changes, and believe they put us in an even stronger position to achieve our goals.

Annual Report

VITL delivered our Annual Report in January, as required. The report shares stories of our accomplishments in 2021, and previews the work planned for the current year. You can access it at https://vitl.net/wp-content/uploads/2022/01/VITL_2021_Annual_Report.pdf.

CY22 Contract

Since our November update, we finalized our 2022 (CY22) contract with the Department of Vermont Health Access (DVHA). The final contract is consistent with the deliverables we outlined, which include:

- Designing and developing a robust reporting capability that allows for better, more timely access to Vermont Health Information Exchange (VHIE) data
- Launching a new VITLAccess clinical portal
- Developing patient-facing application programming interfaces (APIs) to offer individuals access to their health data, in alignment with federal interoperability goals
- Supporting the Vermont Department of Health Access' needs to provide patient data to meet new requirements from the Centers for Medicare and Medicaid Services (CMS)
- Upgrading the platform to the newest version of the FHIR data exchange standard
- Designing requirements for integrating AHS' social determinants of health data
- Continuing support of Vermont Department of Health's (VDH) needs, including integration of the VHIE and the Immunization Registry

Outcomes Based Certification
In November, we provided an update on the State's application for Outcomes Based Certification (OBC). We completed our demonstration to the Centers for Medicare and Medicaid Services (CMS) and were awaiting their findings. We received their feedback in January, and are actively working to address the two items that were identified for follow up:

- Accessibility Requirements (508 Compliance): CMS will require that the new clinical portal be compliant with federal accessibility requirements for information and communication technology covered by Section 508 of the Rehabilitation Act. There is an audit of the portal underway, and an audit report and workplan to achieve compliance will be prepared and submitted to CMS; and
- Disaster Recovery: CMS requested follow up on some of the disaster recovery materials that were provided, as well as current testing of some of the disaster recovery plans. We are working with our vendors to complete materials and tests.

Business Model & Demand
Work to develop a business model for our future is continuing. VITL is looking to identify new revenue sources. We will continue our conversations with the Agency of Human Services team to identify what foundational health information exchange services they will continue to fund in support of the Vermont health care community. From those conversations, we are identifying where there are gaps and opportunities for VITL to offer services that provide further value to our customers and enable us to develop a more diversified business model. Our goal is to develop a fee model that includes manageable investment by the organizations that use VHIE services, and that ultimately ensures VITL's sustainability to continue to serve Vermont clinicians and patients. We will continue to update you on this work as we develop the model.

In the near term, we are also working to find ways to address the high demand for interfaces, which is outpacing current contract funding. This is due in part to the unusual number of organizations in the process of implementing new electronic health records, which require new (replacement) interfaces to maintain the flow of data to the VHIE, and in part to continued need for new public health connections.

Quarterly Metrics
We have included our standard Quarterly Metrics, which represent a full calendar year of activity. VITLAccess use by VDH grew significantly in 2021; in 2021 permitted use by VDH expanded to include case investigation for reportable diseases beyond Covid. Queries of the VHIE through eHealth Exchange increased over the year, with a large increase late in 2021 due to UVMHN instituting planned querying for vaccination information. The volume of laboratory results and transcribed reports delivered remained strong.

Financials
The attached package includes a forecast for our Fiscal Year 2022 (FY22) performance relative to budget, as well as year to date financials through November 30, 2021.

FY22 Forecast
The VITL team developed an FY22 forecast, which represents our current estimate of financial performance through the end of the fiscal year relative to the budget that was approved by the

Green Mountain Care Board in June 2021. Overall, VITL is projecting revenue will be about $300K above budget, as a result of a previously unanticipated deliverable for Medicaid included in the CY22 contract that will be completed in the current fiscal year. Besides this addition, we do not anticipate any significant impacts to our performance. The team continues to plan our work, and there may be some shifts in expected receipts across FY22 and FY23.

Total expenses are forecast to increase $503K. The increase is due to costs associated with the Medicaid project and implementation of a new results delivery tool. In addition, the original FY22 Budget showed the Future Data Platform implementation as a capital expense. In conversations with our auditors, we've determined these costs should be expensed, and they will be included in the Software Costs line in our final financial statements. Overall, we forecast net assets at year end to be $31k, slightly below the budgeted net assets of $55k.

November FY 22 Year to Date Financials (Unaudited)
As we've previously shared, September was unique because of the large number of milestones that were scheduled to be completed by month end due to the expiration of Health Information Technology for Economic and Clinical Health (HITECH) program funds. Contract funding between October and December 2021 largely consisted of Maintenance & Operations, and also continuing support for public health connections.

Total revenue recognized for November was $992K, above budget by $280K. Year-to-date revenue through November 30 was $5,266K, $1,150K below budget. The difference was largely due to the deferred recognition of some of the payments received, which was not accounted for in the FY22 budget.

Total expenses for November were $622K, below budget by $210K.   The largest driver ($162K) of the gap is due to software implementation expenses for the new data platform that were recognized in earlier periods. Year to date expenses through November 30 were $4,098K, $653K below budget.   The majority of the gap consisted of Network, Software, and Outside Support Expenses related to the implementation of the new data platform.

Looking at the Balance Sheet, in November VITL received $4.6M for contract deliverables completed in September, bringing total cash to $8.8 million on November 30, this reflects 389 days cash on hand, and the amount easily covers current liabilities of $4M.

Thank you for the opportunity to present our work. Please let me know if you have any questions or feedback.