

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: Review of Vermont Information     )  
      Technology Leaders' FY2018        )  
      Budget and Core Activities         )  
\_\_\_\_\_)

**ORDER APPROVING VERMONT INFORMATION TECHNOLOGY  
LEADERS' FY2018 BUDET AND CORE ACTIVITIES**

Introduction

Under 18 V.S.A. § 9352, Vermont Information Technology Leaders (VITL), a Vermont nonprofit corporation, is responsible for operating the Vermont Health Information Exchange (VHIE). The Green Mountain Care Board (the Board) is charged with approving VITL's budget and core activities associated with public funding. Specifically, the Board is required to:

[a]nnually review the budget and all activities of VITL and approve the budget, consistent with available funds, and the core activities associated with public funding, which shall include establishing the interconnectivity of electronic medical records held by health care professionals and the storage, management, and exchange of data received from such health care professionals, for the purpose of improving the quality of and efficiently providing health care to Vermonters.

18 V.S.A. § 9375(a)(2)(C).

The Board has adopted the following principles to guide its review:

1. The review process will be transparent and will incorporate 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.
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.

Green Mountain Care Board, Vermont Information Technology Leaders (VITL) Oversight, at <http://gmcboard.vermont.gov/hit/vitl-oversight>.

At the Board's March 30, 2017 meeting, John Evans, VITL's President and CEO, and Robert Turnau, VITL's Vice President and CFO, asked the Board to approve a proposed FY2018 budget for VITL of \$6,033,000.00, which would fund a "steady state" set of core activities focused on maintaining existing infrastructure and services. VITL FY2018 Budget Review (March 30, 2017), available at <http://gmcboard.vermont.gov/sites/gmcb/files/files/meetings/presentations/GMCB%20Budget%20Presentation%20-%2003-30-2017%20Final.pdf>. Mr. Evans explained what basic activities he expected would be included in VITL's FY2018 scope of work, although the details were still being negotiated with DVHA. Mr. Turnau then explained the methodology VITL used to build its FY2018 budget, the assumptions underlying the budget, and the different categories of expense driving the budget. *Id.*

VITL and DVHA subsequently notified the Board that VITL's total public funding for FY2018 would be \$5,445,000.00 and the services performed by VITL would be slightly more limited than described at the March 30, 2017 meeting. On April 13, 2017, following a brief presentation by Mr. Turnau, the Board approved a FY2018 budget for VITL of \$5,445,000.00, which will fund the steady state set of core activities described by VITL and DVHA. The rationale for the Board's decision is set forth below.

### Discussion

As the entity responsible for operating the VHIE, VITL plays a critical role in Vermont's health care reform efforts. To help ensure VITL's financial sustainability and accountability to Vermonters, the Vermont Legislature in 2015 charged the Board with annually reviewing its budget and core activities associated with public funding. VITL's FY2018 budget is the second budget subject to the Board's review.

Mr. Turnau testified that VITL began developing its budget by working with DVHA to define what steady state functions would look like in FY2018. Once these functions were identified, they were then broken down into functional areas, each with its own defined scope of work. Next, VITL analyzed what technological infrastructure it would need to complete the work and estimated labor and non-labor expenses to build up its overall budget.

Largely because of the unavailability of funding from the State Innovations Model (SIM) grant, VITL's scope of work for FY2018 is more limited than in previous years. *See id.* This decrease in funding was anticipated. Order Approving Vermont Information Technology Leaders' 2017 Budget and Core Activities, available at [http://gmcboard.vermont.gov/sites/gmcb/files/files/resources/reports/VITL\\_FY2017\\_Order.pdf](http://gmcboard.vermont.gov/sites/gmcb/files/files/resources/reports/VITL_FY2017_Order.pdf) (noting that a significant overall revenue decrease was expected for FY2018 as a result of the end of the SIM grant). While the scope of work being funded is more limited due to fewer federal dollars, the FY2018 budget will allow VITL to support the core components of the VHIE. Funding for VITLAccess, a web-based portal that allows providers to access up-to-date information on their patients, will be capped at \$210,000.00. This level of funding will enable VITL to maintain the service and complete ongoing onboarding activities, but will not allow for significant expansion of the service.

With respect to connectivity, the FY2018 budget will fund 85 new or replacement interfaces, significantly less than in previous years. For this reason, Mr. Evans testified that the Board should not expect to see large increases in aggregation of data in the VHIE. Moreover, the budget will not fund any new network-to-network connections, such as connecting the VHIE to Maine’s HIE.

The FY2018 budget will fund the maintenance, but not the expansion, of VITL’s existing health data management infrastructure. This health data management infrastructure collects and transforms information in the VHIE into a format and structure that is useful for population-based analytics and also aggregates data feeds to power the statewide clinical event notification system.

The FY2018 budget does not include funding for VITL’s annual summit or for provider outreach activities.

Instead of a grant from DVHA, VITL’s public funding in FY2018 will be spread across two performance-based contracts, one primarily supported by federal HITECH funds, and the other primarily supported by state funds from the HIT Fund. DVHA has actively worked with the Centers for Medicare & Medicaid Services to ensure the State is maximizing all federal funding opportunities. VITL and DVHA expect the contracts to be effective July 1, 2017, so that VITL can count on a stable, uninterrupted revenue stream for the year.

Despite the decrease in federal funds to support VITL’s work, VITL has developed a FY2018 budget that the Board finds is responsible and transparent. The budget maintains VITL’s core operations in support of the State’s health care policy goals. The Board commends both VITL and DVHA for doing the difficult work of defining the scope of VITL’s work for the upcoming year within available funding.

Order

Based on the foregoing, the Board APPROVES the Vermont Information Technology Leaders’ FY2018 Budget and Core Activities, effective April 13, 2016.

**SO ORDERED.**

Dated: May 12, 2017 at Montpelier, Vermont.

s/ _____	)	GREEN MOUNTAIN
	)	CARE BOARD
s/ _____	)	OF VERMONT
	)	
s/ _____	)	