

Annual Budget Guidance for Vermont Information Technology Leaders

Effective **DATE**

Prepared by:

**GREEN MOUNTAIN CARE BOARD
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**DRAFT for Board Consideration
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INTRODUCTION

18 V.S.A. 9375(b)(2)(C) requires the Green Mountain Care Board (GMCB) to:

“Annually review and approve the budget, consistent with available funds, of the Vermont Information Technology Leaders, Inc. (VITL). This review shall take into account VITL's responsibilities pursuant to section 9352 of this title and the availability of funds needed to support those responsibilities.”

This document provides guidance to VITL to support this charge.

The GMCB will use the following principals to review VITL's budget:

1. Transparency: The review process will be transparent.
2. Public/Stakeholder Input: The review process will allow for stakeholder and public input.
3. Alignment with HIE Plan Goals: The Board will review VITL's budget in order to determine whether it reflects 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.
4. Alignment with VITL/DVHA Process:
 - The Board's review process will be structured and timed in order to assist the Department of Vermont Health Access (DVHA) and VITL in negotiating timely, effective agreements each year.
 - The process will 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.

PART A. BUDGET SUBMISSION REQUIREMENTS

Section 1: Organizational Information and Budget Narrative

1. Provide an executive summary of VITL's Proposed Fiscal Year (FY) Budget submission and activities. This should include sections on:
 - a. Strategic Objectives, Opportunities, and Challenges
 - i. Introduction and overview.
 - b. Key Work Streams
 - i. Provide updates on VITL's strategic initiatives as described in Current FY Budget submission and subsequent quarterly updates, to include projects named in the GMCB's Current FY Budget order, and any other major initiatives in development or implementation. Describe how the HIE Plan and market demands guide VITL's technology initiatives.
 - ii. Provide in a format specified by GMCB staff: (1) a summary of revenue and activities according to the categories of the Office of the National Coordinator for HIT (ONC) HIE Conceptual IT Services Model (foundational services; exchange services; end-user services); (2) a description of 3-5 streams of work with significant budget impact, including associated dollars across budget lines, and key metrics (for example, metrics reported in the quarterly updates).
 - c. Proposed FY Budget
 - i. Describe budget development process, including but not limited to, collaboration with Agency of Human Services/DVHA in developing revenue and expense estimates for the second half of the Proposed FY Budget and the next calendar year agreement between VITL and the State of Vermont.
 - ii. Include any high-level budget assumptions and risks.
 - iii. Describe any anticipated revenue from agreements not yet executed which is estimated in the proposed budget or not reflected in the proposed budget, including the estimated maximum of the next calendar year agreement between VITL and the State of Vermont, and any estimated or anticipated revenue from any other new or current public or private sources. Describe how this anticipated revenue might impact VITL's expenses or other aspects of the organization's budget.
 - d. Organizational Chart
 - e. Acronyms/Glossary

Section 2: Proposed Budget

1. Provide a copy of VITL's financial statements for the Proposed FY Budget in PDF format and in Excel format where noted below. Financial statements should include:
 - a. Statement of Activities (PDF and Excel file)
 - b. Balance Sheet (PDF and Excel file)
 - c. Cashflow
 - d. Indirect and Fringe by Year
 - e. Supporting Schedules, including: Proposed FY Budget Revenue Detail; Current FY Budget Revenue Detail; Personnel Cost Forecast; Fringe; Indirect Rate Calculation; and others as needed.

Section 3: Financial Data from Previous Fiscal Years

1. Provide a copy of most recent IRS Form 990 and any other IRS Form 990s not yet provided.
2. Provide a copy of most recent audited financial statements, and copies of audited financial statements for any prior fiscal years not yet provided.

Section 4: Contracts

1. Provide copies of all contracts VITL has executed with the State of Vermont or private entities for work to take place during Proposed FY Budget.

Section 5: Presentation to GMCB

1. At least one week prior to the planned budget presentation date, VITL will provide the GMCB with budget presentation materials to include: Overview of narrative and proposed budget; quarterly report (including core metrics).

PART B: REPORTING REQUIREMENTS

In addition to any reporting required under the Board's budget order, VITL shall submit the following reporting:

Section 1: Quarterly Reporting

1. VITL shall provide written updates in slide form within 45 days after the end of each fiscal quarter: by November 15, February 15, May 15, August 15. Written quarterly updates must include the following topics:
 - a. Highlights from key projects, including those named in Current FY Budget Order.
 - b. Quarterly metrics previously approved by the GMCB.
2. VITL shall present these quarterly updates to the GMCB at a public meeting when requested and at least twice per year (with VITL's annual budget presentation, outlined above in Part 1, Section 5, counting toward this total).

Section 2: Mid-Year Budget Update

1. If revenue or expenses have varied more than \$500,000 or 5% (whichever is greater) from the approved budget, VITL shall provide a mid-year budget forecast following the execution of its next agreement with the State of Vermont, no later than February 15. The mid-year budget forecast shall include copies of VITL's updated financial statements in PDF format and in Excel format where noted below. Financial statements must include, at a minimum:
 - a. Updated Narrative – Describe any changes from approved budget.
 - b. Statement of Activities (PDF and Excel file)
 - c. Balance Sheet (PDF and Excel file)
 - d. Cashflow
2. If revenue or expenses have varied less than \$500,000 or 5% (whichever is greater) from the approved budget, VITL shall provide a mid-year budget update including YTD financials.
3. If requested, VITL shall present the mid-year budget update at a public Board meeting.

SAMPLE FORMAT – Part A, Section 1.1.b.2 (Key Workstreams)

Table 1: Summary of VITL Revenue for the Proposed FY Budget by ONC HIE Conceptual IT Services Model Category
(See 2018-2019 Health Information Exchange Strategic Plan, pgs. 14-22)

ONC HIE Conceptual IT Services Model Category	Total Proposed FY Revenue	Revenue Source(s)	Project Examples
Foundational Services, including: <ul style="list-style-type: none"> • Identity Management • Security • Consent Policy & Management • Provider Directories 			
Exchange Services, including: <ul style="list-style-type: none"> • Data Extraction and Aggregation • Data Access • Interoperability • Data Quality • Data Governance 			
End-User Services, including: <ul style="list-style-type: none"> • Reporting Services • Analytics Services • Care Coordination Tools • Notification Services • Consumer Tools • Patient Attribution & Dashboards 			

SAMPLE FORMAT – Part A, Section 1.1.b.2 (Key Workstreams), Continued

Table 2: Summary of Key Work Streams for Proposed FY Budget

Briefly profile 3-5 streams of work with significant budget impact, including associated dollars across budget lines, and key metrics (for example, metrics reported in the quarterly updates)

Workstream	Description	Total Contract Value	Anticipated Revenue	Expense Drivers	Population Served/Units of Service Provided	Metrics	Notes
Project 1							
Project 2							
Project 3							
Project 4 (optional)							
Project 5 (optional)							