

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: Vermont Information Technology )  
Leaders (VITL) FY2022 Budget )  
\_\_\_\_\_ )

**FY2022 VERMONT INFORMATION TECHNOLOGY LEADERS  
BUDGET ORDER**

INTRODUCTION

On June 9, 2021, Vermont Information Technology Leaders (VITL) presented its Fiscal Year 2022 (FY2022) budget to the Green Mountain Care Board (GMCB or Board). VITL’s budget anticipates nearly \$11.7 million in revenue that will come from contracts with the State of Vermont and other sources and expenses totaling nearly \$11.2 million.

On June 23, 2021, the Board unanimously voted to approve VITL’s FY2022 budget for the reasons set forth below.

LEGAL FRAMEWORK

VITL operates Vermont’s statewide health information exchange network (VHIE) – a critical component of Vermont’s Health Information Technology Plan (HIT Plan or HIE Plan). 18 V.S.A. § 9352(c)(1); *see also* 18 V.S.A. § 9351. The Vermont Legislature has tasked the Board with oversight of VITL’s annual budget.<sup>1</sup> Specifically, the Board must:

[a]nnually 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.

18 V.S.A. § 9375(b)(2)(C); *see also* 18 V.S.A. § 9352(c)(1). VITL’s budget has been subject to the Board’s review since FY2017.

The Board’s review of VITL’s budget is governed by four principles, which are set out in the VITL Budget Guidance approved on April 14, 2021:

- Transparency: The review process will be transparent.
- Public/Stakeholder Input: The review process will allow for stakeholder and public input.

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<sup>1</sup> In its 2015 session, the Vermont Legislature charged the Board with oversight of VITL’s budget *and* its core activities. 2015 Sess., No. 54. The Legislature amended the statute in 2018, limiting the Board’s oversight of VITL to reviewing and approving VITL’s annual budget. *See* 2018 Sess., No. 187 (effective May 28, 2018).

- 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.
- 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.

See GMCB Website: VITL Budget Guidance, available at <https://gmcboard.vermont.gov/document/vitl-budget-guidance> (VITL Budget Guidance).

### REVIEW PROCESS

The VITL FY2022 budget review process occurred between May and June 2021. This timing was selected in consultation with DHVA and VITL to ensure that the Board’s vote would occur prior to the start of VITL’s fiscal year, which begins on July 1.

The GMCB approved annual guidance for VITL’s budget submission on April 14, 2021. VITL submitted its proposed budget on May 25 and 26, 2021. Members of VITL’s senior management presented the proposed budget at a public GMCB meeting on June 9, 2021. Following VITL’s presentation, the Board held a special public comment period from June 9 to June 18, 2021. On June 23, 2021, following a staff recommendation, the Board voted to approve VITL’s FY2022 budget.<sup>2</sup>

### FINDINGS

1. On May 25-26, 2021, VITL submitted a budget proposal according to Board specifications which included the following sections:
  - Section 1: Organizational Information and Budget Narrative
  - Section 2: Proposed FY2022 Budget
  - Section 3: Financial Data from Previous Fiscal Years
  - Section 4: Contracts

Additionally, the following section was submitted on June 2, 2021, as required:

  - Section 5: Presentation to GMCB
2. VITL’s FY2022 budget request includes \$11,654,366 in revenue.
  - Revenue from State Contracts: VITL’s FY2022 budget includes \$10.6 million in funding from DVHA, an increase in State funding of \$2.8 million from VITL’s

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<sup>2</sup> Presentation materials are available at <https://gmcboard.vermont.gov/board/meeting-information/2021-meetings>.

approved FY2021 budget, approved in June 2020. This reflects significant shifts in scope between VITL's CY2020, CY2021, and CY2022 contracts with DVHA.

- *Revenue from Non-State Contracts*: VITL's FY2022 budget includes \$1.3 million in revenue from contracts with private sector entities, including health care organizations. This is an increase of \$300,000 from the approved FY2021 budget.
  - *Negative Revenue Line*: VITL's FY2022 budget request includes a \$212,000 negative revenue line (roughly < 2% of total revenue) in case of lost revenue, to ensure the organization is able to address challenges related to COVID-19 or other unplanned circumstances.
3. VITL's FY2022 budget request includes \$11,167,570 in expenses.
    - Labor-related expenses, including fringe, is VITL's largest expense category (\$3.7 million), representing 33% of total expenses. This figure reflects an increase of \$70,000 in temporary labor costs.
    - Consulting/contract labor is VITL's second largest expense category (\$2.5 million), representing 22% of total expenses. This is also the expense line with the largest dollar amount change from the approved FY2021 budget (approximately a \$0.6 million increase), reflecting consulting costs shifted from FY2021 to FY2022.
    - Software server/maintenance is VITL's the third largest expense category (\$2.1 million), representing 19% of total expenses.
    - VITL's FY2021 budget request also includes a \$100,000 contingency line in expenses to ensure the organization is able to address challenges related to COVID-19 or other unplanned circumstances.
  4. VITL's CY2021 contract with DVHA supports initiatives for better long-term alignment of HIE partners, including VITL, DVHA, OneCare Vermont, the Blueprint for Health, and others.
  5. VITL's CY2021 contract with DVHA overlaps with the FY2022 budget for the period of July-December 2021; the CY2022 VITL-DVHA contract will overlap with the latter half of VITL's FY2022.
  6. VITL presented its FY2022 budget request to the GMCB at a public meeting held June 9, 2021. Two members of the public provided comment at this meeting related to VITL's FY2022 budget request.
  7. Though the GMCB accepts public comment at any time, the GMCB held a special public comment period regarding VITL's FY2022 budget from June 9-June 18, 2021. No written public comments were submitted.

### **CONCLUSIONS**

The Board reviewed VITL's FY2022 budget request in accordance with statutory requirements, the Board's approved VITL Budget Guidance, and the four enumerated review principles. The Board's review process was transparent and incorporated public comment. The Board reviewed VITL's budget to ensure it reflects a strategy and priorities consistent with the

State’s health care reform goals and the Health Information Technology (HIT) Plan. The Board’s review did not direct the technical details of VITL’s work or the details of its contractual relationship with the State. The Board’s review process did not interfere with VITL and DVHA’s ability to negotiate timely, effective contracts and grants. *See Review Process, supra; Findings, ¶¶ 6-7.*

**ORDER**

Based on the foregoing findings and conclusions, the Board approves the Vermont Information Technology Leaders FY2022 budget request, subject to the following conditions.

- A. VITL will comply with quarterly reporting requirements as described in the Board’s Annual VITL Budget Guidance. In addition to topics and metrics described in guidance, quarterly reporting should include updates on:
  - a. VITL’s work to design a future financial model that includes charging fees to users of its services;
  - b. VITL’s strategic planning process, including a sustainability model profiling the desired level of unrestricted net assets;
  - c. Work to pilot integration of claims and clinical data in the VHIE; and
  - d. Continued work on consent, in particular for sensitive data types.
  
- B. VITL will comply with mid-year budget update requirements as described in the Board’s Annual Budget Guidance.

**SO ORDERED.**

Dated: July 9, 2021  
Montpelier, Vermont

s/ Kevin Mullin, Chair )  
)  
s/ Jessica Holmes )  
)  
s/ Robin Lunge )  
)  
s/ Tom Pelham )  
)  
s/ Maureen Usifer )

GREEN MOUNTAIN  
CARE BOARD  
OF VERMONT

Filed: July 9, 2021

Attest: s/ Jean Stetter  
Green Mountain Care Board  
Administrative Services Director

*NOTICE TO READERS: This document is subject to revision of technical errors. Readers are requested to notify the Board (by email, telephone, or in writing) of any apparent errors, so that any necessary corrections may be made. (Email address: [Janeen.Morrison@vermont.gov](mailto:Janeen.Morrison@vermont.gov))*