

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

**FY2023 VERMONT INFORMATION TECHNOLOGY LEADERS (VITL)
BUDGET ORDER**

In re: Vermont Information Technology)
Leaders (VITL) FY2023 Budget)
_____)

INTRODUCTION

On June 8, 2022, Vermont Information Technology Leaders (VITL) presented its Fiscal Year 2023 (FY2023) budget to the Green Mountain Care Board (GMCB or Board). VITL’s budget anticipates \$10,753,124 in revenue that will come from contracts with the State of Vermont and other sources and expenses totaling \$10,639,418.

On June 22, 2022, the Board unanimously voted to approve VITL’s FY2023 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.¹ 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, set out in the VITL Budget Guidance approved on April 14, 2021:

- **Transparency**: The review process will be transparent.

¹ 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).

- Public/Stakeholder Input: The review process will allow for stakeholder and public input.
- 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://gmcbboard.vermont.gov/document/vitl-budget-guidance> (VITL Budget Guidance).

REVIEW PROCESS

The VITL FY2023 budget review process occurred between May and June 2022. 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 24, 2022. Members of VITL’s senior management presented the proposed budget at a public GMCB meeting on June 8, 2022. Following VITL’s presentation, the Board held a special public comment period from June 8 to June 17, 2022. On June 22, 2022, following a staff recommendation, the Board voted to approve VITL’s FY2023 budget.²

FINDINGS

1. On May 24, 2022, VITL submitted a budget proposal according to Board specifications which included the following sections:
 - Section 1: Organizational Information and Budget Narrative
 - Section 2: Proposed FY2023 Budget
 - Section 3: Financial Data from Previous Fiscal Years
 - Section 4: Contracts

Additionally, the following section was submitted on June 1, 2022, as required:

- Section 5: Presentation to GMCB

2. VITL’s FY2023 budget request includes \$10,753,124 in revenue.

² Presentation materials are available at <https://gmcbboard.vermont.gov/board/meeting-information/2022-meetings>.

- *Revenue from State Contracts:* VITL's FY2023 budget includes \$10,167,931 in funding from DVHA and the Vermont Department of Health. This is a decrease in State funding of \$617,700 from VITL's approved FY2022 budget, approved in June 2021.
 - *Revenue from Non-State Contracts:* VITL's FY2023 budget includes \$585,193 in revenue from contracts with private sector entities, including health care organizations. This is a decrease of \$283,541 from the approved FY2022 budget.
3. VITL's FY2023 budget request includes \$10,639,418 in expenses.
 - Labor-Related Expenses including Fringe (\$3,748,512) is VITL's largest expense, representing 35% of total expenses.
 - Software Server/Maintenance (\$3,308,573) is the second largest expense line, representing 31% of total expenses.
 - Outside Support (Consulting/Contract Labor) (\$2,107,200) is VITL's third largest expense, representing 20% of total expenses.
 4. VITL's CY2022 contract with DVHA continues to support initiatives for better long-term alignment of HIE partners, including VITL, DVHA, OneCare Vermont, the Blueprint for Health, and others.
 5. VITL's CY2022 contract with DVHA overlaps with the FY2023 budget for the period of July-December 2022; the CY2023 VITL-DVHA contract will overlap with the latter half of VITL's FY2023.
 6. VITL is developing a revenue model to ensure a sustainable funding structure that includes expanded and diversified revenue sources, potentially including charging fees for VHIE services.
 7. VITL presented its FY2023 budget request to the GMCB at a public meeting held June 8, 2022. One member of the public provided comment at this meeting related to VITL's FY2023 budget request.
 8. Though the GMCB accepts public comment at any time, the GMCB held a special public comment period regarding VITL's FY2023 budget from June 8-June 17, 2022. No written public comments were submitted.
 9. The GMCB discussed and approved VITL's FY2023 budget at a public meeting held June 22, 2022. One member of the public provided comment at this meeting related to VITL's FY2023 budget request.

Filed: July 8, 2022

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: cara.kreis@vermont.gov)