

To: Owen Foster, JD, Chair, Green Mountain Care Board
Jessica Holmes, PhD, Board Member
Robin Lunge, JD, MHCDS, Board Member
David Murman, MD, Board Member
Thom Walsh, PhD, MS, MSPT, Board Member
Susan J. Barrett, JD, Executive Director

cc: Jessica Mendizabal, Data Project Director

From: Beth Anderson, President & CEO, VITL

Date: February 10, 2023

Re: VITL Fiscal Year 2023 Budget Amendment

Attached you will find the materials that represent VITL's Amendment to our Fiscal Year 2023 (FY23) budget for your consideration. We are submitting this amendment to the Green Mountain Care Board for your review and approval as the change in revenues is slightly above the 5% threshold set in the VITL Budget Guidance developed by the Board in May 2021.

The amendment reflects changes to our forecast for FY23 relative to the budget that we presented to you in June 2023. The changes reflect:

- VITL's actual financial performance for the first months of the fiscal year;
- The half year contract extensions that was signed with DVHA in December and that covers our work for January 1 – June 30, 2023; and
- VITL's projections of activities to occur through the end of the fiscal year on June 30, 2023.

Overall, we project a change in net assets of \$75,020 after capital expenditures, \$1,315 higher than we anticipated in our June submission.

Forecast revenues are \$543k higher than our June submission. The significant revenue changes result from:

Increases in revenue due to:

- Shift of CY22 revenue recognition from FY22 to FY23: \$216k
- Expanded bidirectional immunization connection work to include more health care organizations: \$95k
- Work to support the aggregation of data from the Designated Agencies: \$380k
- Extended funding for Bi-State Primary Care Association's Vermont Rural Health Alliance, including data quality and quality improvement activities, through June 30: \$280k

Decreases in revenue due to:

- Maintenance and operations (M&O) less that originally budgeted: \$470k

Forecast expenses are \$541k higher than our June submission. The significant expense changes include:

Increases in expense due to:

- Increased use of outside support to complete projects and fill vacancies: \$320k

- Extended funding for Bi-State's Vermont Rural Health Alliance activities: \$280k
- Increased costs for recruiting & training: \$168
- Unfulfilled contract costs incurred in the prior fiscal year with revenue collected in the current year: \$93k

Decrease in expenses due to:

- Lower staffing than budgeted due to vacancies: \$230k
- Contingency decreased: \$30k

In addition to the budget amendment materials, we are also sending our financial statements for the fiscal year through November 2022 with an accompanying narrative. Finally, we're attaching our recently completed audit for fiscal year 2022.

We look forward to your questions and to discussing this updated budget at the Board's February 22nd meeting. VITL's Quarterly Report will be delivered on February 15th, as scheduled.