To: Kevin Mullin, Chair, Green Mountain Care Board
Jessica Holmes, Board Member
Robin Lunge, Board Member
Tom Pelham, Board Member
Thom Walsh, Board Member
Susan J. Barrett, Executive Director

cc: Jessica Mendizabal, Data Project Director

From: Beth Anderson, President & CEO, VITL *BAA*

Date: May 24, 2022

Re: Fiscal Year 2023 Budget Submission

Thank you for the opportunity to submit VITL's proposed Fiscal Year 2023 (FY23) budget and supporting materials to the Green Mountain Care Board for your review. This memo provides an overview of our current year's work, the FY23 budget for we are requesting approval, and the basis for our assumptions. The budget being presented was approved by VITL's board of directors on May 24, 2022. This package is presented following the Budget Submission Requirements outlined in the Green Mountain Care Board's Annual Budget Guidance for Vermont Information Technology Leaders effective as of April 14, 2021.

We look forward to answering your questions.

## SECTION 1: ORGANIZATIONAL INFORMATION AND BUDGET NARRATIVE

### Section 1.1.A: Strategic Objectives, Opportunities, And Challenges

Our work in FY22 continued in support of our Strategic Framework and the State's Health Information Exchange Strategic Plan.

As we reported in November, in early FY22 the VITL board of directors and staff approved a Strategic Framework to define and align our work. The Framework consists of five Strategic Directions:

- Focus on Our Customers
- Tell Our Story
- Be the Go-To Partner for Exchanging Vermont's Health Information
- Build a Learning Organization
- Ensure Sustainability

The Framework also includes a foundational commitment to ensuring the privacy and security of patient data, and the appropriate access to that data.

VITL's FY22 accomplishments include:

- Working with the State's HIE Program Team and the Department of Vermont Health Access (DVHA), the Vermont Health Information Exchange (VHIE) received

certification as a module of the Vermont Medicaid Enterprise by the Centers for Medicare and Medicaid (CMS). This allows for ongoing funding of VHIE operations as a module of the Medicaid Enterprise and allows the state to request enhanced Federal Funding Participation (FFP) from CMS. We are one of just a few states that have achieved this certification.

- Continued support for the Vermont Department of Health (VDH):
    - As we have reported previously, VITL has been partnering with the team at VDH and the Agency of Digital Services (ADS) to help provide the data they needed for COVID response resource and capacity planning, infection tracking, case reporting, and required federal reporting. To date, we have developed connections to 33 new locations performing COVID testing, and over 140 new sites performing vaccinations. That data is all delivered to VDH to support their work.
    - We have found opportunities to partner beyond COVID related needs, and the teams continue to explore new opportunities to leverage the VHIE to support public health needs. We are currently working together to design a bi-directional link between the VHIE and the Immunization Registry to make more complete & accurate immunization records readily available for stakeholders.
- Continued implementation and enhancement of the Collaborative Services projects:
    - Successfully completed the load of historic patient data to the new platform.
    - Launched a new clinical portal, which offers a more user-friendly experience putting important data elements front and center and makes even more patient data available.
        - In the spring, the VITL team piloted the new clinical portal with a group of beta users, seeking feedback on portal configuration and ideas to drive the rollout.
        - In late winter, the team began the roll-out of the new clinical portal to all users – this rollout is actively underway and includes a series of communications and trainings to support all users through the transition. The transition should be complete in June.
    - In the fall, VITL completed work to demonstrate the ability to ingest a Medicaid claims file to the VHIE and provided data extracts that included combined clinical and claims data for an individual using the tools implemented in the collaborative services infrastructure.
    - Continued work to enhance the VHIE's reporting and analytic capabilities, to make data accessible to more stakeholders more efficiently.
    - The team continued work to plan for launch of a patient-facing Application Programming Interface (API) in the fall, which will enable patients to access their own data in the VHIE through their preferred app.
    - The team also continued planning for an upgrade of the platform to the most current release of the Fast Healthcare Interoperability Resources (FHIR) data standard.
- Began working with DVHA to provide the data they need to meet federal interoperability requirements by making patient data more accessible to patients.
- Completed a strategic planning process, as mentioned above.

- Ongoing collaboration with the Health Information Exchange (HIE) Steering Committee to continue advancing the approved State HIE Plan.
- Prepared a new patient education campaign to ensure Vermonters are aware of how their health data may be shared, and their choice related to making their data available to share. This campaign will kick off in June and will include new social media platforms with the goal of reaching more Vermonters.
- Continued efforts to maintain the security and availability of the VHIE. As part of the Outcomes Based Certification process, VITL staff worked with key VHIE platform vendors to perform tabletop Disaster Recovery testing and prepared a formal Systems Security Planning Policy.

The proposed FY23 budget was developed following conversations with the Department of Vermont Health Access (DVHA) about priorities for Calendar Year 2023 (CY23). As usual, the budget is based on our shared goals for the CY23 contract. However, that contract will not be reviewed and approved by CMS until the fall. The FY23 budget anticipates a small amount of development work, which is aligned with VDH priorities, and which will be funded through other sources.

The FY23 budget was developed in support of the following work in addition to the ongoing maintenance and operation of the VHIE:

- Continuing to enhance the VHIE platform and the capabilities available to our customers and stakeholders, including:
    - Developing plans, policies, and procedures for the launch of a public-facing application programming interface (API) that will enable patients to access their data from the VHIE using third party applications. In addition to work to make the API available, this effort involves significant infrastructure to ensure careful identification, authentication, and authorization to ensure appropriate data access. In addition, we'll prepare education materials to help patients understand how to securely access their data.
    - Completing design, proof of concept, and implementation of a more robust reporting capability, which allows for more agile, flexible reporting to meet the needs of our customers and stakeholders. This will include transitioning existing operational reporting to the new platform and will enable reporting of combined claims and clinical data.
    - Enhancing the clinical portal with a medication fill service and integrating with national networks.
    - Completing planning for and performing an upgrade of the MedicaSoft platform to the most current version of FHIR (Fast HealthCare Interoperability Resource).
- Better integrating with the Vermont Department of Health:
    - VDH and VITL teams will complete their design for an integration of the Immunization Registry with the VHIE, and will work to implement the new design, making immunization data more readily available to providers through the VHIE.
    - The teams will also work to develop a forward-looking strategic plan, to identify opportunities to leverage and enhance the VHIE to support public health needs.
    - Expanding collection of immunization and laboratory data on behalf of VDH.
    - Supporting VDH's work to evaluate race and ethnicity data discrepancies impacting their work.

- Continuing an evaluation of whether VHIE data can be used to support HEDIS reporting for Medicaid and possibly private payers.
- Continuing public education about how health data is shared through the VHIE, and the options available to each individual.

The CY23 DVHA contract will reflect a transition to funding maintenance and operations efforts, and a shift away from funding development efforts. As we shared last year, the sunset of the Health Information for Economic and Clinical Health (HITECH) program required the transition to other funding programs. Fortunately, other Centers for Medicare and Medicaid Services (CMS) mechanisms have been made available to support ongoing HIE operations. This transition introduces new cost allocations that are lower than previous levels.

An unfortunate outcome of the transition is that there is no longer funding available to pay for connections by providers to the VHIE to submit patient data (interfaces). There will also be a shift in design, development, and implementation projects going forward, as CMS funding is not available for provider side costs or outreach. To ensure that health care organizations can continue to develop connections to submit data to the VHIE and to ensure that VITL continues to deliver and expand services that provide value to health care organizations, VITL is working to finalize a revenue model that expands and diversifies funding available for our work. This model is likely to include charging fees for VHIE services and identifying new opportunities to deliver value to existing and new participants. We expect to report more about this in the coming months.

**Section 1.1.B: Key Work Streams**

1.1.b.i Strategic Initiatives

The Health Information Exchange Strategic Plan developed by DVHA and the Health Information Exchange Steering Committee serves as the foundation for VITL's annual contract with DVHA and our work plans for each year. VITL continues to follow the guidance from the HIE Strategic Plan that supports the 3 key goals of health information exchange in Vermont:

1. Create One Health Record for Every Person - Support optimal care delivery and coordination by ensuring access to complete and accurate health records.
2. Improve Health Care Operations - Enrich health care operations through data collection and analysis to support quality improvement and reporting.
3. Use Data to Enable Investment and Policy Decisions - Bolster the health system's ability to learn and improve by using accurate, comprehensive data to guide investment of time, labor and capital, and inform policy making and program development.

The deliverables that are included in VITL's annual contracts with DVHA, and outlined in Section 1.1.a above, are developed based on this strategic plan and ensure alignment with the priorities set out by the Health Information Exchange Steering Committee. Our team continues to lead or participate in the subcommittees focused on furthering the work and priorities of the Steering Committee.

Beyond the HIE Strategic Plan, VITL continues to explore opportunities to diversify our revenue sources and maintain a sustainable business model. This will include identifying potential opportunities for

delivering new services and solutions to health care organizations. To guide the identification and selection of new initiatives we will continue our efforts to build a robust program for engaging stakeholders. Asking questions and listening closely to our clients, partners, and funders will help us understand what they need, whether new offerings make sense, and if they are sustainable.

1.1.b.ii Summary of Revenue and Activities and Description of Work Streams

The following table provides a summary of FY23 budgeted revenue and activities according to the categories of the Office of the National Coordinator for HIT (ONC) HIE Conceptual IT Services Model.

| ONC HIE Conceptual IT Services Model Category | Total Proposed FY23 Revenue | Revenue Source(s) | Project Examples |
|---|---|---|---|
| Foundational Services, including:<br>• Identity Management<br>• Security<br>• Consent Policy & Management<br>• Provider Directories | $3,761,459 | State, OneCare Vermont (OCV) | • Maintenance & enhancement of the Collaborative Services infrastructure (MPI, Integration Engine, Terminology Services)<br>• Continued patient consent education & management<br>• Ensuring privacy and security of patient data<br>• Vermont does not maintain a provider directory |
| Exchange Services, including:<br>• Data Extraction and Aggregation<br>• Data Access<br>• Interoperability<br>• Data Quality<br>• Data Governance | $5,270,864 | State, OCV | • Maintenance and ongoing enhancements to the Clinical Data Repository (MedicaSoft), including upgrade to FHIR R4<br>• Launch of patient data FHIR API supports interoperability<br>• Enhancements to provider portal, including medication fill service and national exchange integration<br>• Support for VDH data |
| End-User Services, including:<br>• Reporting Services<br>• Analytics Services<br>• Care Coordination Tools<br>• Notification Services<br>• Consumer Tools<br>• Patient Attribution & Dashboards | $1,711,800 | State, OCV, event notification vendors, HISP users | • Expansion of the MedicaSoft platform to support more robust data extraction and reporting<br>• Results Delivery service for providers<br>• Event notification services and Route tool for hospital event notification and Direct Messaging services<br>• Support for the Blueprint for Health and Vermont Chronic Care Initiative |

The next table provides a summary of the key design and development project workstreams that will be active during Fiscal Year 2023.

| Workstream | Description | Total Contract Value CY21, CY22 & CY23 | Expected Revenue FY23 | Expense Drivers | Population Served/ Units of Service Provided | Metrics |
|---|---|---|---|---|---|---|
| Patient Data Access - Patient API | Design and implementation of interfaces (APIs) that will allow individuals to access their health record from third party applications to align with ONC and CMS Interoperability Rules | $729,125 | $613,100 | - VITL staff & contractors for design, testing, and documentation<br>- Vendor costs for annual licensing for authentication tools<br>- VITL staff creation of patient education materials and provision of customer service | All patients with data in the VHIE | -Uptime<br>-# data accesses |
| MedicaSoft platform enhancements | Upgrading the MedicaSoft Platform to the most current FHIR data standard to align with ONC and CMS Interoperability Rules | $760,424 | $661,399 | - VITL staff & contractor time for design, planning and testing | All patient data is included, and all participating healthcare organizations will benefit | -Successful testing |
| Supporting Medicaid Interoperability Needs | With the DVHA team, designing an interface to provide patient data to support DVHA's ability to meet interoperability requirements. | $300,000 | $300,000 | - Vendor costs for design and build<br>- VITL Staff for design, testing, and maintenance | All Medicaid patients | -Uptime<br>-Successful file delivery |

| | | | | | | |
|---|---|---|---|---|---|---|
| Opportunities to integrate the VHIE and Vermont Department of Health capabilities | - Design and begin implementation of a bi-directional interface for immunizations<br>-Work with the team at VDH to develop a strategy for additional opportunities to leverage the VHIE to support VDH operations. | $205,000 | $205,000 | - VITL Staff time for Design and testing<br>- Vendor costs for design and build | VDH, patients with data in the VHIE, health care organizations wanting to send or receive data from VDH | TBD |

**Section 1.1.C: Proposed FY23 Budget**

1.1.c.i Budget Development Process

During the FY23 budget process, VITL worked closely with the HIE Program Team at the Agency of Human Services (AHS) to develop work scope and funding which aligned with the State's priorities for expanding access to health data for Vermonters. Following discussions, our estimate for revenue of the CY23 contract reflected a shift from the design, development, and implementation (DDI) of the VHIE data platform to ongoing maintenance and operations (M&O) of the new VHIE Collaborative Services platform.

M&O costs in proposed CY23 contract have increased by $1.1 million to reflect additional costs to maintain the larger number of interfaces providing data to the VHIE, licensing for a results delivery solution to keep data flowing to providers, maintenance of the Patient API that will be implemented in the fall, ongoing costs for a medication fill service for the new portal, disaster recovery/incident response activities required as part of the new CMS certification, and to cover increased costs due to anticipated contract escalations.

The FY23 budget includes a modest estimate of funding for Public Health work that is supported by CDC and other grants.

Once the assumptions regarding funding had been settled, VITL leadership reviewed initial cost estimates to balance both magnitude and timing to arrive at budgeted expenses. Expenses have been estimated on a "bottoms-up" basis, meaning that VITL expenses were calculated at a detail level. Costs were also "time-phased" to provide a more accurate assessment of cash requirements.

1.1.c.ii Budget Assumptions and Risks

- VITL makes efforts to maintain a consistent work force, one that is not unduly affected by significant shifts in year-to-year work volume. Therefore, our estimate for labor force includes a modest increase in employee headcount, while using consulting and contracted labor to fill the gap between current staffing and expected labor needs to complete contracted project work.

- VITL is a lean organization. Loss of crucial talent could impact the delivery of contractual requirements particularly in this competitive hiring market. VITL continues to work to minimize potential impacts through cross-training of existing staff and contracting service providers for specific skills to backup critical skill areas.
- The FY23 proposed budget includes consultants with specific skill sets to help ensure our ability to deliver projects. Their availability could impact the delivery of contractual requirements, though we have been successful in securing the needed skills to date.
- This budget assumes approval of estimated cost allocations and the CY23 contract by CMS.

1.1.c.iii Anticipated Revenue from Not Yet Executed Agreements

VITL is working with a team from the State to enhance the VHIE data warehouse and integrate it with the new Medicaid Data Lake and Analytics and Reporting Solution, to enhance claims data, align that data with clinical records, and make the combined data available for Medicaid's analytics and reporting needs. This is part of a larger project being run by the State – the Medicaid Data Analytics and Warehouse Solution (MDWAS). VITL is currently preparing a response to a Scope of Work that was provided by the Medicaid team. Once final details of that work scope are agreed, we expect there will be a need to bring a budget amendment forward for review.

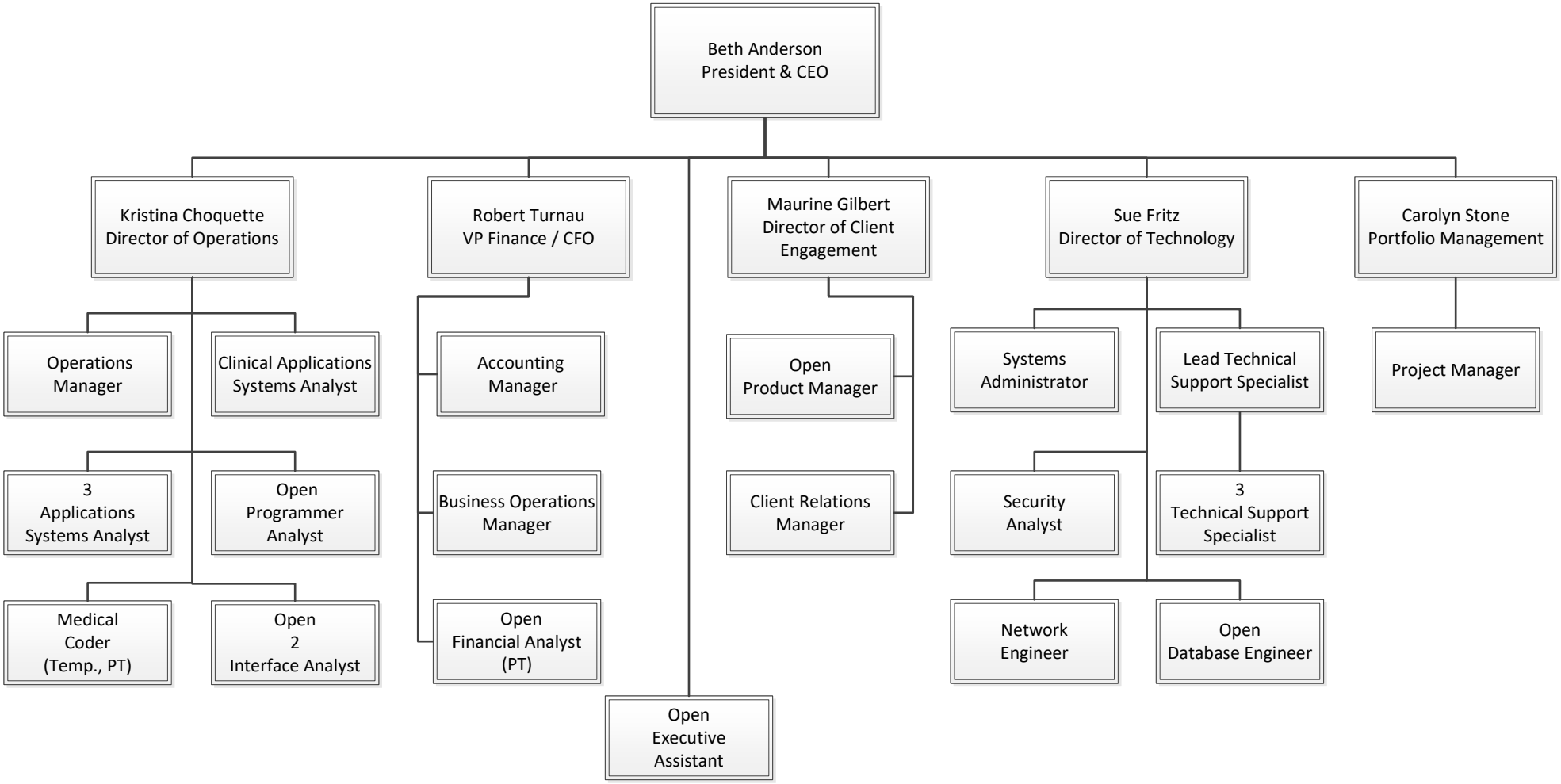
1.1.d Organizational Chart

This chart is included as an attachment to this memo.

1.1.e Acronyms/Glossary

This is included as the last section in the budget materials packet.

Additional sections outlined in the Budget Submission Guidelines are presented under separate cover, and include sections:

2. Proposed Budget, including a detailed narrative for the FY21 year-end projection and the proposed FY22 budget
3. Financial Data from Previous Fiscal Years, which includes are most recently filed 990 and our FY21 audit.
4. Contracts for work to be executed during the budget year
5. Presentation to GMCB, which includes our quarterly review materials

Organization Chart as of May 20, 2022