To:	Owen Foster, Chair, Green Mountain Care Board
	Jessica Holmes, Board Member
	Robin Lunge, Board Member
	David Murman, 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 10, 2023
Re:	Fiscal Year 2024 Budget Submission

Thank you for the opportunity to submit VITL's proposed Fiscal Year 2024 (FY24) 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 FY24 budget for which we are requesting approval, and the basis for our assumptions. The budget being presented was approved by VITL's board of directors on May 10, 2023. 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 appreciate and look forward to your questions.

SECTION 1: ORGANIZATIONAL INFORMATION AND BUDGET NARRATIVE

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

<u>FY23 Activities</u>
In FY23, VITL's work and accomplishments in support of those goals include:

- Implementing the ability for health care organizations to directly query Vermont Department of Health's Immunization Registry (IMR) from within their EHR through the VHIE.
    - In partnership with VDH, VITL is participating in the Association of State and Tribal Health Organizations (ASTHO) learning community supporting IMR-HIE partnerships.
- Enhancing our security program to align to National Institute of Standards and Technology (NIST) 800-53 standards, with security controls being validated under a System Security Planning (SSP) process.
- Beginning work with the Designated Agencies to integrate and secure substance use disorder ("Part 2") data in the VHIE.
- Working with the Vermont Department of Health to evaluate the availability and quality of race, ethnicity, and language data in the VHIE, and identifying opportunities to improve the collection of data elements related to race, ethnicity, sexual orientation, and gender identity.

- Upgrading the clinical data repository to the most current version of the FHIR standard (R4).
- Further tuning our new reporting platform and transitioning reports to that platform.
- Planning for the development and launch of application programming interfaces (APIs) that will allow greater data access and interoperability.
- Continuing to partner with the Vermont Department of Health (VDH) to provide data in support of their work:
  - Expanding access to the VITLAccess provider portal to additional programs across VDH.
  - Continuing to deliver COVID-related reporting.
- Ongoing collaboration with the Health Information Exchange (HIE) Steering Committee to continue advancing the approved State HIE Plan.
- Delivering a new, social media-based, patient education campaign to reach new audiences and ensure Vermonters are aware of how their health data may be shared, and their choice related to making their data available to share.

FY24 Budget

The proposed Fiscal Year 2024 (FY24) budget was developed following conversations with our partners at the Agency of Human Services (AHS) about the contract and priorities for the coming year. A draft contract has been submitted to CMS for their approval, and we expect to sign the final contract by June 30.

An important note is that beginning with this budget our contract with DVHA will match the VITL and State fiscal years, which begin July 1. Traditionally, our contract with DVHA has been a calendar year contract (Jan – Dec), which did not align to either VITL or the State's fiscal year (July-June). As a result, our previous budgets were based upon 6 months of a known contract and 6 months of a projected contract. However, this FY24 budget is based on a contract draft that aligns with the budget year.

The FY24 budget was developed based on the following design, development, and implementation 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 application programming interfaces (API) based on modern interoperability standards set by the Centers for Medicare and Medicaid (CMS) and the Office of the National Coordinator of Health IT (ONC) that will enable greater access to patient data from the VHIE. In addition to work to make the APIs available, this effort involves significant infrastructure to ensure careful authentication, authorization, and controls to ensure appropriate data access.
  - Continuing to leverage our new reporting platform to deliver meaningful data for patient care and health management.
  - Enhancing the clinical portal with a medication fill service.
- Continuing our work with the Vermont Department of Health:
  - Continuing the evaluation of race, ethnicity, language, sexual orientation, and gender identity data discrepancies in health care data and identifying opportunities to improve

the capture and consistency of this data with health care organizations to better support care and public health programs.

- o VDH and VITL teams will continue their work with health care organizations across Vermont to enable them to query VDH's Immunization Registry directly from their EHRs through the VHIE, making immunization data more readily available to providers at the point of care. The capability will be enhanced to include forecasting information in addition to immunization history data.
- o 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.
- o Identifying, collecting, and delivering additional laboratory data to support VDH's required reporting beyond Covid and Mpox results.
- Expanding the data available in the VHIE:
  - o Increasing the number of data interfaces we create to enable even more health care data to flow into and out of the VHIE.
  - o Integrating Social Determinants of Health Data from the Vermont Chronic Care Initiative.
  - o Continuing our work with the State and the Designated Agencies to integrate, protect, and appropriately share data about individuals receiving substance use disorder care ("42 CFR Part 2 data"). This work will be aligned with HHS's final rule update anticipated for the fall.
  - o Supporting the State's rollout of the Medicaid Data Aggregation & Access Program to provide support to new provider types (e.g., long term care) seeking to participate with and submit data to the VHIE.
- Continuing public education about how health data is shared through the VHIE, and the options available to each individual.

Section 1.1.B: FY24 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 four 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. Better Health Outcomes (NEW) – Promote health and wellness for individuals and communities.
3. Improve Health Care Operations - Enrich health care operations through data collection and analysis to support quality improvement and reporting with the goal to reduce health care costs and provide insight to improve the delivery and experience of care.
4. 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 contract 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 participate in or lead 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 work includes 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 FY24 budgeted revenue and activities according to the categories of the Office of the National Coordinator for HIT (ONC) HIE Conceptual IT Services Model. Please note revenues reflect FY24 contract revenue, deferred revenues, and other revenue sources.

ONC HIE Conceptual IT Services Model Category	Total Proposed FY24 Revenue	Revenue Source(s)	Project Examples
Foundational Services, including: • Identity Management • Security • Consent Policy & Management	$3,523,370	FY24 State Contract, OneCare Vermont (OCV)	• Maintenance & enhancement of the Collaborative Services infrastructure (MPI, Integration Engine, Terminology Services) • Continued patient consent education & management • Ensuring privacy and security of patient data
Exchange Services, including: • Data Extraction and Aggregation • Data Access • Interoperability • Data Quality • Data Governance	$5,137,586	FY 24 State Contract, Deferred Revenue, OCV	• Maintenance and ongoing enhancements to the Clinical Data Repository (MedicaSoft) • Creation of an API infrastructure to support data access and interoperability • Enhancements to provider portal, including medication fill service • Support for VDH, including immunization query and expanded lab reporting • Expanding data types in the VHIE, including Part 2 data and social determinants of health

End-User Services, including: • Reporting Services • Analytics Services • Care Coordination Tools • Notification Services • Consumer Tools • Patient Attribution & Dashboards	$2,549,708	FY24 State Contract, Deferred, OCV, event notification vendors, HISP users	• Enhancements to reporting platform • Results Delivery service for providers • Event notification services and Route tool for hospital event notification and Direct Messaging services • 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 2024, and the associated FY24 Contract funding available for the projects.

Workstream	Description	Expected Revenue FY24 Contract	Expense Drivers	Population Served/ Units of Service Provided	Metrics
Data access through FHIR APIs	Design and implementation of application programming interfaces (APIs) that align to ONC standards and will allow for greater interoperability and access to patient data	$500,000 (+deferred revenue)	- VITL staff & contractors for design, testing, and documentation - Costs for procurement, build and launch of required infrastructure - Vendor costs for annual licensing for required software and infrastructure	All patients with data in the VHIE; Health Care Organizations seeking to exchange data with the VHIE using new FHIR capabilities	-# Connections -# data accesses - Volume of data exchanged
Developing interfaces to integrate new data	Design, implementation, and testing of new connections to collect data into the VHIE, or deliver results from the VHIE	$1,125,000 (potential for additional)	- VITL staff and contractors	Organizations seeking to begin/expand exchanging data with the VHIE; All patients with data in the VHIE	- # Interfaces Developed - Data Types collected - Volume of data exchanged

Expanding partnership with and support for Vermont Department of Health	Work includes connecting health care organizations to the immunization registry, collecting reportable lab data, and race, ethnicity and SOGI data evaluation	$516,000	- VITL staff and contractors - Consulting by standards subject matter experts	All Vermonters; VDH public health efforts; health care organizations seeking immunization data; health care organizations required to report lab data	- # Orgs Connected - # Messages Exchanged - # Data Queries

In addition, the FY24 contract includes funding to support Bi-State/VRHA programs in support of Federally Qualified Health Centers of $353,000.

It is important to note that the FY24 contract allows for the potential for additional projects, which are not included in VITL's FY24 Proposed Budget because it is not known whether/when these projects will be initiated.

Section 1.1.C: Proposed FY24 Budget

1.1.c.i Budget Development Process

During the FY24 budget process, VITL worked closely with Health Data Officer and the HIE Program Team at the Agency of Human Services (AHS) to develop work scope and funding that align with the State's priorities for expanding access to health data for Vermonters. With the shift in the contract year, our work was more compressed than usual. Once the assumptions regarding funding were agreed, the VITL team developed cost estimates for projects based upon the information we were able to discuss with the State team. 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 an assessment of cash requirements.

1.1.c.ii Budget Assumptions and Risks

- This budget assumes approval of estimated cost allocations and the FY24 contract by the Centers for Medicare and Medicaid Services (CMS).
- VITL seeks to maintain a consistent work force, one that is not unduly affected by significant shifts in year-to-year work volume. Our estimate for staffing includes an increase of one staff position in technology, while using consulting and contracted labor to fill the gap between current staffing and expected labor needs to complete contracted project work and/or provide skills that are not needed on an ongoing basis.
- The 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.

- VITL is a lean organization and loss of 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. While we have had open positions this last year, we have made progress in hiring for open positions this spring. The labor market remains tight and there has been significant upward pressure on salaries as remote work has become more accessible.
- We are negotiating contract terms for the new year with OneCare Vermont and Bamboo Health. The budgeted revenue includes our best estimates of what those contracts will include for FY24.

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

As mentioned above, there is work in the FY24 DVHA contract that is not included in our proposed budget as the project timing and/or work scope are not fully defined. Those projects include:

- Up to 125 additional interfaces for MDAAP $1.1m
- Support Medicaid Reporting & Analytics $578k
- Task Order for new needs $100k

If any of these projects are initiated, VITL will submit an amended budget based upon the parameters specified in the GMCB budget guidance document.

1.1.c.iv Reinvestment of Funds

The FY24 proposed budget anticipates setting aside $650,000 of VITL's balance sheet assets (surplus from prior fiscal years) to allow for the design and implementation of a new message archive. A message archive contains the complete, original records we receive from heath care organizations – not de-duped, translated, curated, or tuned – and a history of how they are processed. These records are critical to support operational reporting, and for researching and resolving data issues, in addition to serving as a clean backup of all data. VITL's current message archive is on legacy hardware and software that has reached end of life and must be replaced. The initial plan was to move this directly to the cloud ("lift and shift"). However more careful evaluation and planning identified risks to that approach, and the team strongly believes that building a new archive, with more modern cloud technologies, will result in a more reliable, effective solution that supports current and anticipated needs. The use of money to create this reserve is shown "below the line" in our FY23 year-end forecast.

You may recall that with the FY23 budget, VITL included using up to $175,000 of assets to support efforts to improve operation and efficiency of our integration engine, Rhapsody. That work began in FY23 with workflow mapping and process improvement, with the associated work in Rhapsody slated for FY24.

1.1.d Organizational Chart

This chart is included in the budget materials packet.

1.1.e Acronyms/Glossary

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

1.1.f Data Flow Diagram

A data flow diagram, which illustrates how data is received to and shared by the VHIE is attached for reference.

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

1. Proposed Budget packet, includes FY23 year-end projection and the proposed FY24 budget
2. Financial Data from Previous Fiscal Years, which includes our most recently filed 990 and FY22 audit
3. Contracts for work to be executed during the budget year
4. Presentation to GMCB, which includes an overview of the proposed budget packet and our quarterly review materials

VITL's mission is to securely aggregate, standardize, and share the data needed to improve the effectiveness of health care for Vermonters.

VITL's vision is to be a leader in collaboratively delivering actionable data that leads to better health.

VHIE Data Flow