Vermont Information Technology Leaders, Inc.
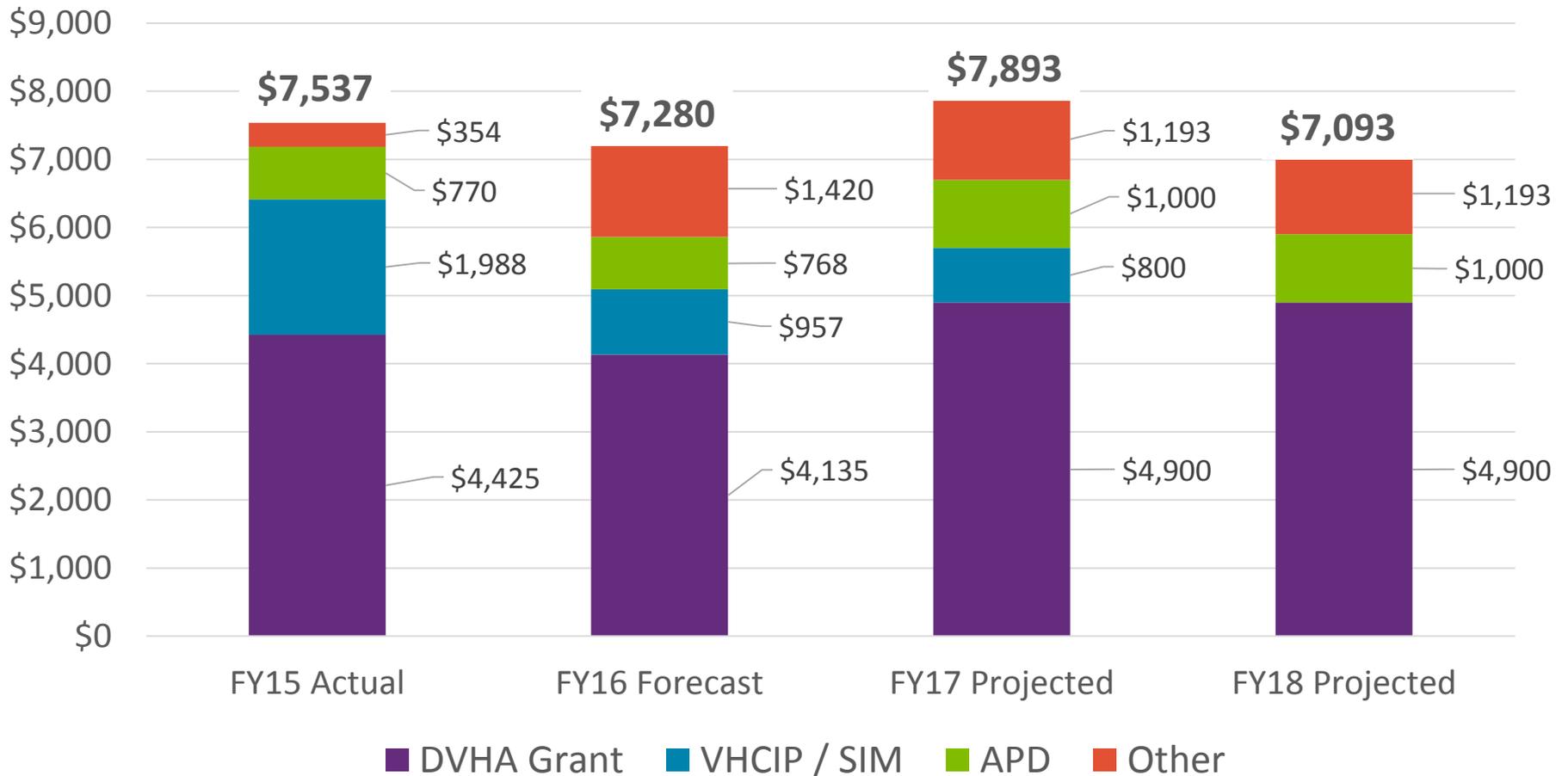
FY2017 Budget Review

March 17, 2016

Public Funding Sources and Uses

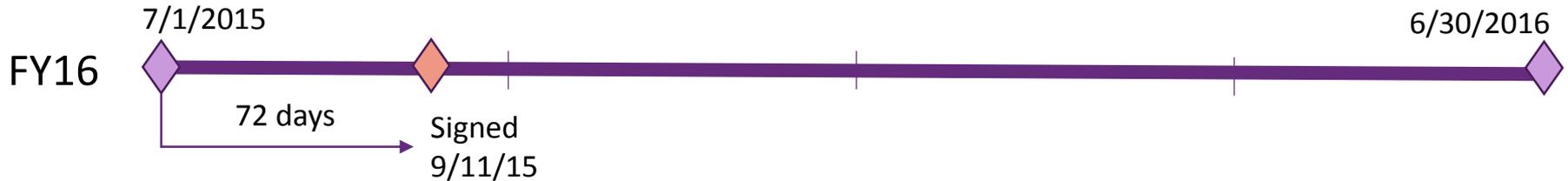| Funding Source	Use
DVHA	VHIE operation, maintenance and expansion (note, one-time development projects drive 20% - 40% ongoing maintenance)
VHCIP / SIM (one-time projects)	ACO development • Gap Analysis & Remediation • Gateways • Data Quality
APD (one-time projects)	Project-specific development • VITLAccess Onboarding • Data Quality • Single Sign-on • 42 CFR Part 2 • Cancer Registry • VPMS • Provider Health IT Survey

20-40%

20-40%

Revenue Sources

Revenue (000)

FY15 Actual: **$7,537**
- Other: $354
- APD: $770
- VHCIP / SIM: $1,988
- DVHA Grant: $4,425

FY16 Forecast: **$7,280**
- Other: $1,420
- APD: $768
- VHCIP / SIM: $957
- DVHA Grant: $4,135

FY17 Projected: **$7,893**
- Other: $1,193
- APD: $1,000
- VHCIP / SIM: $800
- DVHA Grant: $4,900

FY18 Projected: **$7,093**
- Other: $1,193
- APD: $1,000
- DVHA Grant: $4,900

Legend: DVHA Grant ■ VHCIP / SIM ■ APD ■ Other ■

Timeline

DVHA Grant

FY16

7/1/2015   6/30/2016

72 days   → Signed 9/11/15

APD Contract

FY16

7/1/2015   6/30/2016

130 Days
Retroactive to 10/1/15   Signed 2/8/16

SIM Grant

FY16

7/1/2014   Amendment 1 Signed 11/19/14   1/1/2015   Amendment 2 Signed 11/19/15

141 Days
Retroactive to 7/1/14

312 Days
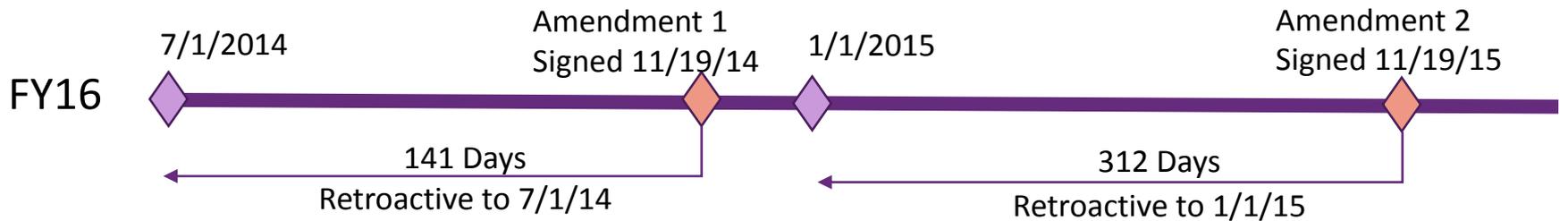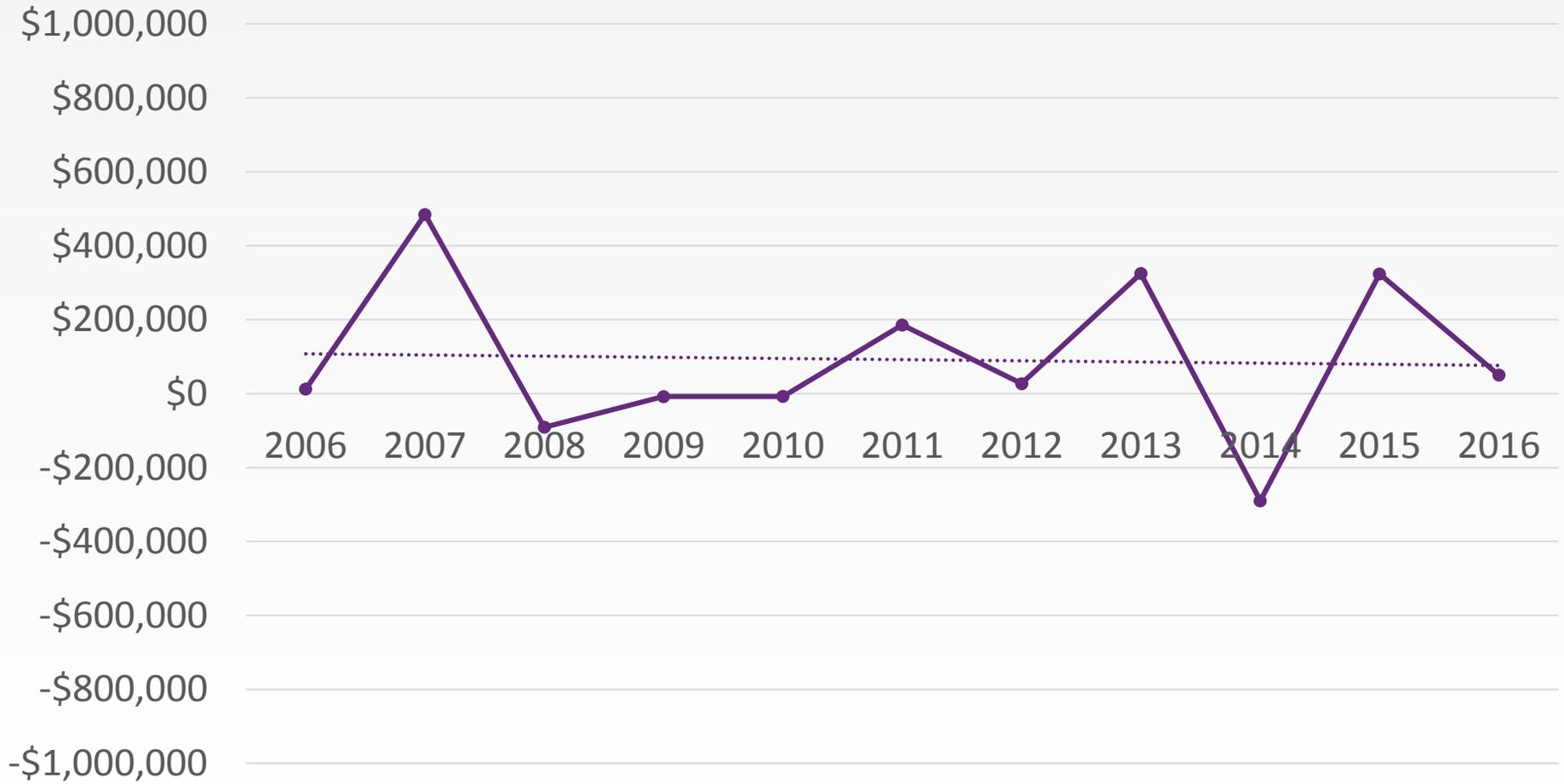Retroactive to 1/1/15

P&L Summary

VITL Historic Profit / Loss (Net Revenue)
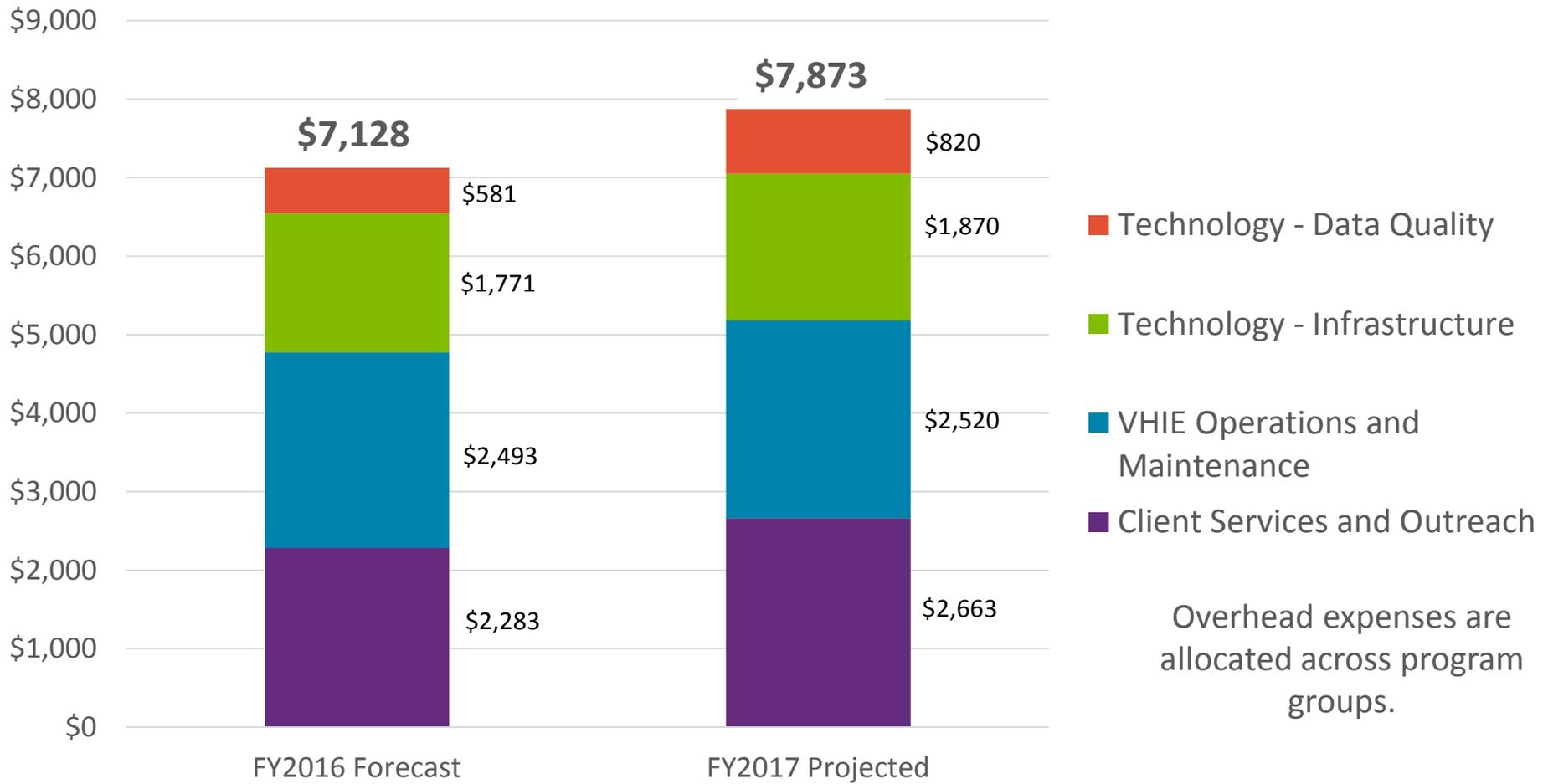
Major Activity Groupings

- VHIE Operations and Maintenance
  - 7.1 FTE's:
    - Interface specialists
    - Project management
  - Non-personnel:
    - HIE Vendor (Medicity)

- Client Services and Outreach
  - 13.5 FTE's:
    - Client services specialists
    - Client technical support
    - Education & Outreach
  - Non-personnel:
    - VITL Summit

- Technology - Infrastructure
  - 6 FTE's:
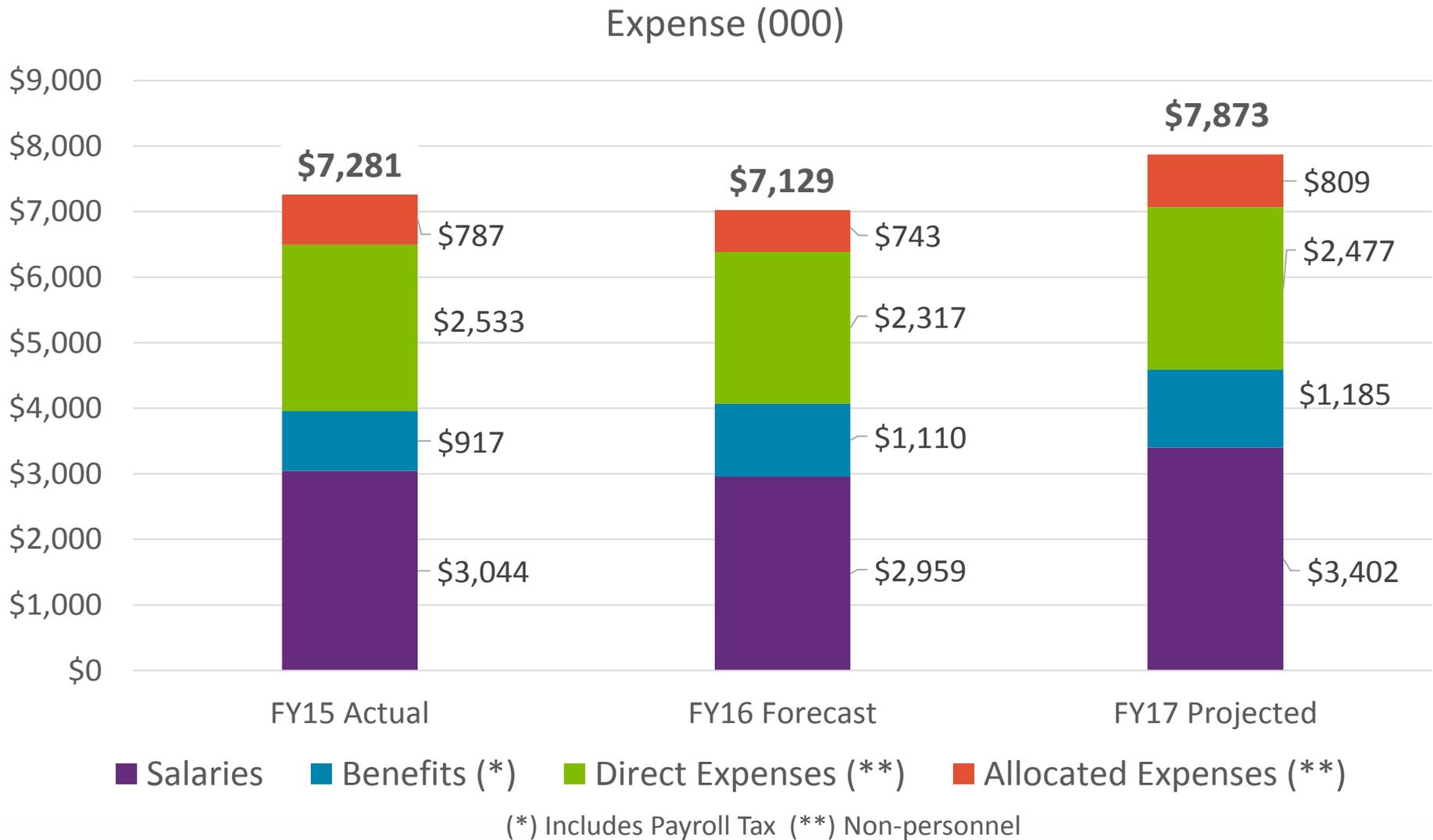   - Systems Administration
    - Security Analyst
    - Project management
  - Non-personnel:
    - Servers, storage, etc.
    - Software licenses

- Technology - Data Quality
  - 3 FTE's:
    - Data Analysts
    - Data Base Administrators
  - Non-personnel:
    - Data warehouse (SQL)
    - Interface engine (Rhapsody)
    - Data reporting / business intelligence (Tableau)

Overhead: 6 FTE's

Program Expense Comparison

Year to Year Expense Comparison (000)

Legend:
- Technology - Data Quality
- Technology - Infrastructure
- VHIE Operations and Maintenance
- Client Services and Outreach

Overhead expenses are allocated across program groups.

FY2016 Forecast: $7,128
- $581
- $1,771
- $2,493
- $2,283

FY2017 Projected: $7,873
- $820
- $1,870
- $2,520
- $2,663

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Expenses

Expense (000)

	FY15 Actual	FY16 Forecast	FY17 Projected
Total	**$7,281**	**$7,129**	**$7,873**
Allocated Expenses (**)	$787	$743	$809
Direct Expenses (**)	$2,533	$2,317	$2,477
Benefits (*)	$917	$1,110	$1,185
Salaries	$3,044	$2,959	$3,402

- Salaries
- Benefits (*)
- Direct Expenses (**)
- Allocated Expenses (**)

(*) Includes Payroll Tax (**) Non-personnel

VITL — VERMONT INFORMATION TECHNOLOGY LEADERS, INC.

FY17 Total Expense and Personnel Expense

FY17 Personnel Expense Breakdown (000)

Total Expense

Personnel Expense

$3,287, 42%

$4,586, 58%

$3,402, 43%

$928, 12%

$256, 3%

■ Non-personnel Expense ■ Salary ■ Benefits ■ Payroll Taxes
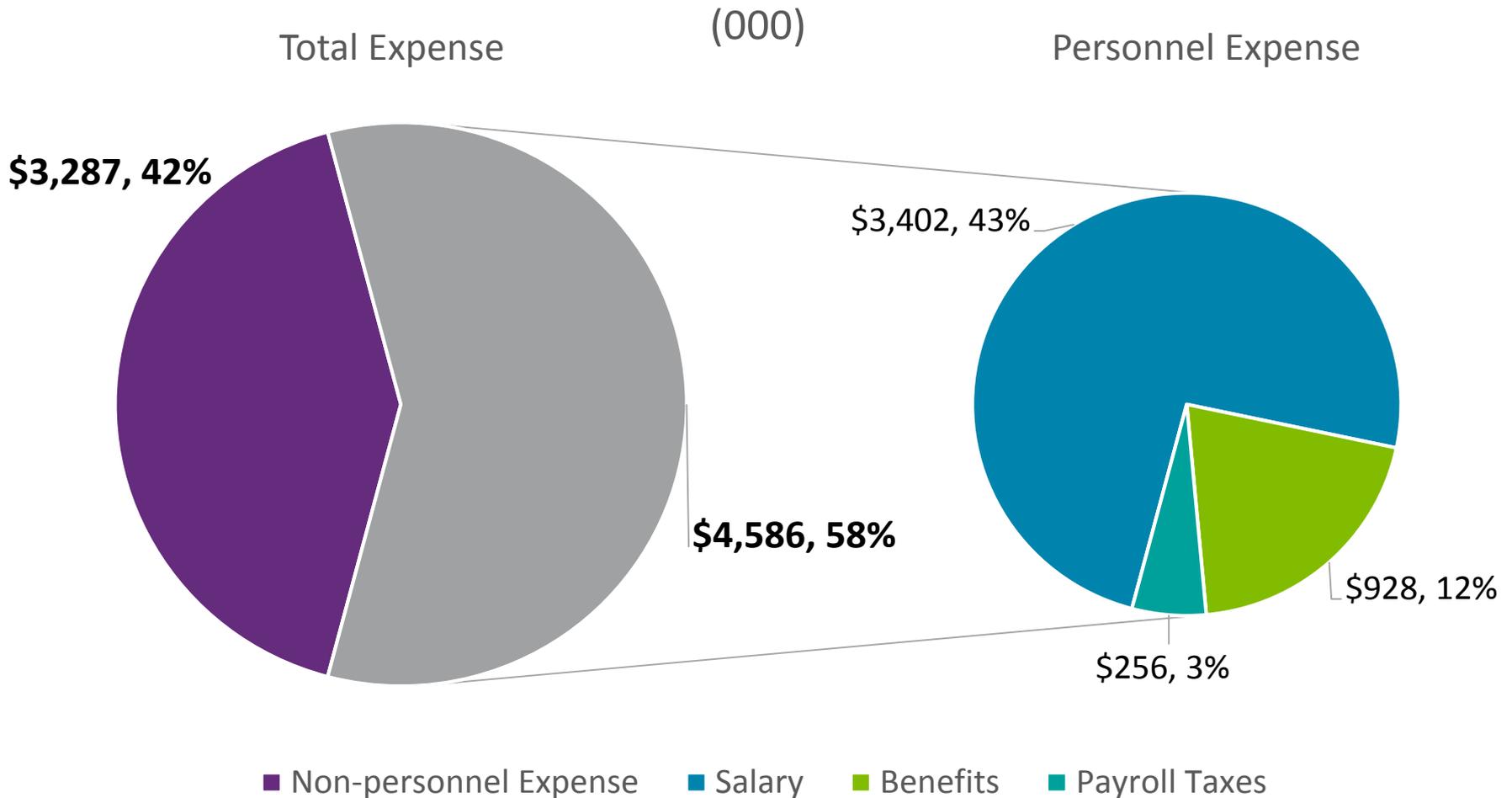
FY17 Total and Non-Personnel Expense

FY17 Non-personnel Expense Breakdown

Total Expense — Non-Personnel Expense

$4,586, 58%
$3,286, 42%

$428, 5%
$493, 6%
$354, 5%
$345, 4%
$301, 4%
$87, 1%
$82, 1%
$74, 1%
$62, 1%
$1,060, 14%
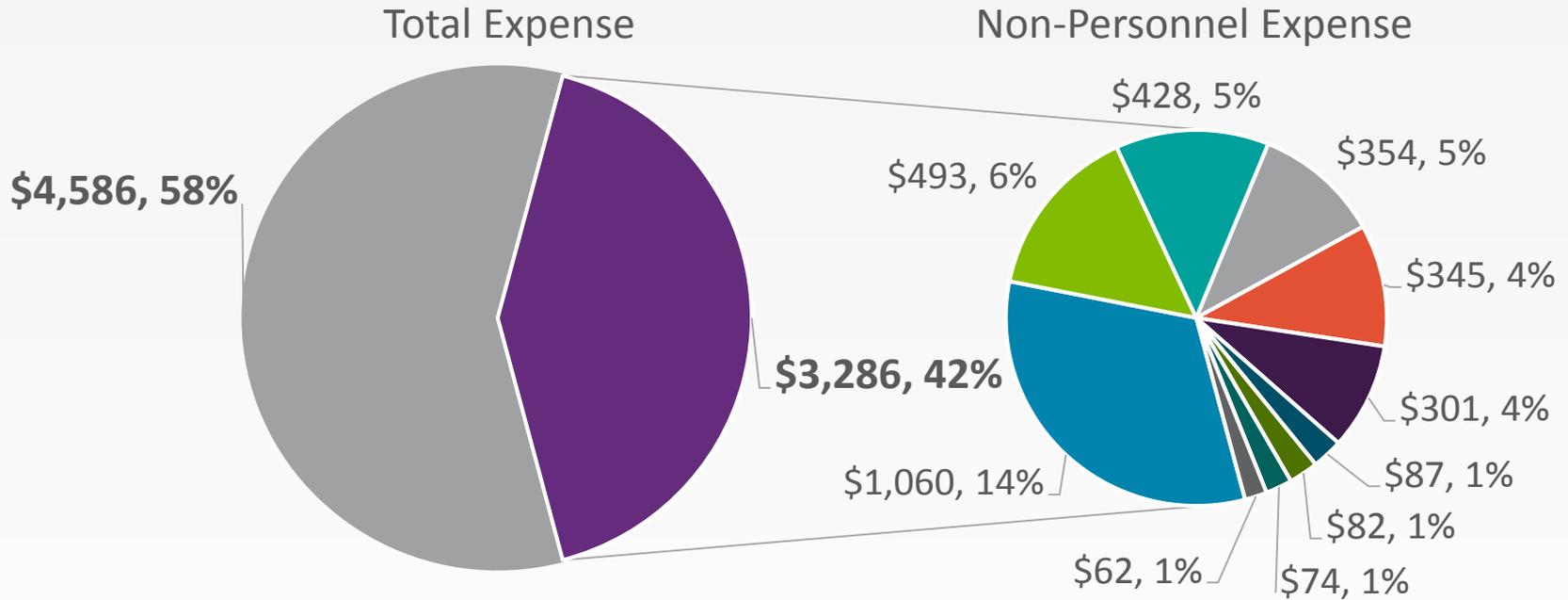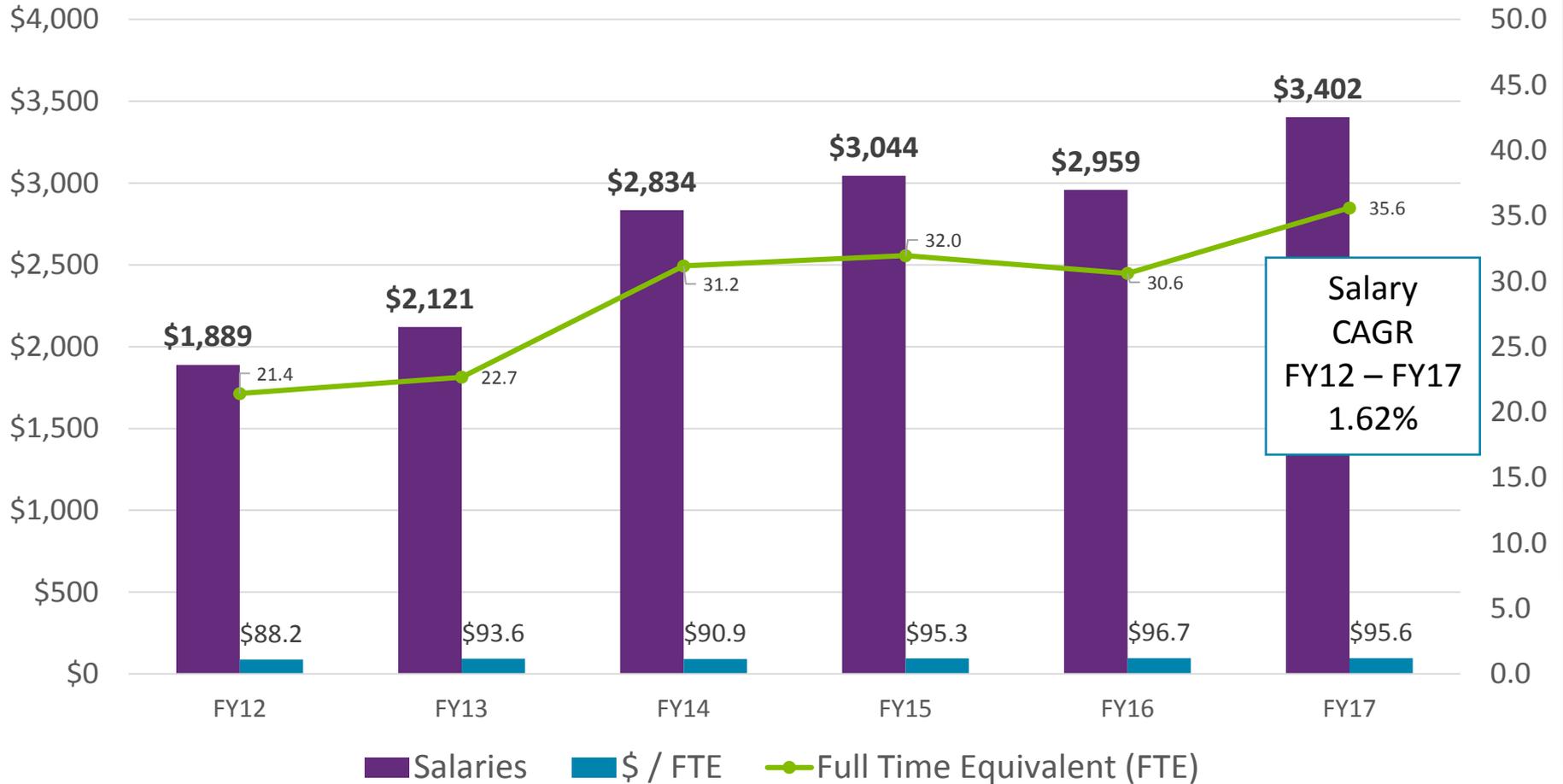
Legend:
- Personnel Expense
- Licenses/Cloud
- Consult, legal, acctg
- Ed+Outreach (3rd Party)
- Hardware/Hosting
- Security/services
- Occupancy
- Insurance
- Other
- Travel
- Telecomm

VERMONT INFORMATION TECHNOLOGY LEADERS, INC.

Year to Year FTE Comparison

Y-T-Y FTE Comparison ($ in 000)

Salary CAGR FY12 – FY17 1.62%

| | | Salaries | $ / FTE | Full Time Equivalent (FTE) |

Tactical Challenges

- Needs/requests to initiate or continue work without signed agreements.

- Delays in payment squeeze cash flow; complicate vendor relations.

- Evolving priorities from State and Federal funders.

- Backdated agreements present staffing and deliverable challenges.

Strategic Challenges

- Need for predictable multi-year funding.

- HIT Fund sunset on 6/30/2017. If not extended (represents 75% VITL revenue), a different mechanism will be required or VITL will need to initiate a fee for service structure.

- Anticipated VITL funding from SIM will end in 12/31/2016. These funds are required to support provider / provider organization health care reform initiatives.

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Timing

Activity	Schedule
Input solicitation	Ongoing
Projected budget amounts from DVHA	January, 2016
Projected budget amounts from SIM	March, 2016
VITL projects total costs • Iterative process to match funding sources with activities	January– April, 2016
GMCB review of all activities and budget GMCB approval of public portion of budget	February, 2016 April 1, 2016
Agreement(s) negotiated and drafted	February - April, 2016
Agreement finalized and routing at State	April 4, 2016
Signature	June 30, 2016

Questions?

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