

## MEMORANDUM

**TO:** Rep. Catherine Toll, Chair, House Committee on Appropriations  
Rep. William J. Lippert Jr., Chair, House Committee on Health Care  
Rep. Janet Ancel, Chair, House Committee on Ways and Means  
Rep. Stephen Carr, Chair, House Committee on Energy and Technology  
Sen. Jane Kitchel, Chair, Senate Committee on Appropriations  
Sen. Claire Ayer, Chair, Senate Committee on Health and Welfare  
Sen. Ann Cummings, Chair, Senate Committee on Finance  
Rep. Janet Ancel, Co-Chair, Health Reform Oversight Committee  
Joint Information Technology Oversight Committee  
Kevin Mullin, Chair, Green Mountain Care Board (GMCB)

**FROM:** Michael Costa, Deputy Commissioner, Department of Vermont Health Access (DVHA)  
Michael Smith, Vermont Information Technology Leaders (VITL)

**DATE:** July 1, 2018

**RE:** Second Progress Update on Health Information Exchange/Health-IT (Act 187)

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### ***Act 187, a Continuation of Act 73 Health-IT Evaluation Report***

Act 187 of 2018, *An act relating to health information technology and health information exchange* provides a framework for the State and VITL to implement the recommendations from the Health-IT Evaluation Report required by Act 73 of 2017. This progress update is being submitted per the requirements of Act 187 to keep the legislature and the Green Mountain Care Board (GMCB) apprised of progress made toward enhancing VITL's business and technical operations and improving Health Information Exchange (HIE) planning, management and oversight, as guided by the Evaluation Report. Progress reports are due to the legislature and GMCB bi-monthly, beginning in May and ending in January of 2019. Additionally, a work plan was due at the beginning of May. The State and VITL submitted the first progress report and work plan to the legislature and the GMCB on May 1<sup>st</sup> - this document contains updates to both.

### ***Making Progress, November 2017 - May 2018***

As noted in the May 1 update, DVHA and VITL began addressing the recommendations from the Evaluation Report even before the Report was released. For instance, in November, the State began addressing the lack of governance and strategic plan through the establishment of the HIE Steering Committee, a group dedicated to developing the State's HIT Plan. Per Act 187, the HIT Plan will be delivered to the GMCB for review and approval by November 1, 2018, and then updated annually thereafter.

Enlisting a third-party evaluator of DVHA and VITL's progress is also a requirement of Act 187. HealthTech Solutions, the authors of the Act 73 Evaluation Report, have been contracted by the State to continue their work and evaluate progress made in implementing the recommendations from their Report. HealthTech Solutions will be assessing DVHA and VITL's work from May - October and will deliver a final report to the legislature and the GMCB by mid-October.

After a review of the work plan and progress report submitted on May 1, HealthTech Solutions concluded that activities are moving forward in a satisfactory manner. Additionally, all additional requests for information or documentation are included in the updated work plan below or were submitted to HealthTech Solutions directly.

### ***Making Progress, May - June 2018: Improving the HIE to meet Vermont's clinical data exchange needs***

The Evaluation Report provided recommended actions that the State and its partners should undertake to ensure that Vermont's HIE is meeting the data exchange needs of the health care system. As an example, the Report notes that, "As the primary source of VHIE funding, the state should direct that state funds be used to improve core services and tie contractual payments to specific deliverables and timelines." To address this recommendation, DVHA and VITL contracts have been extended to cover July - December 2018, and now include new goals, incentives for reaching those goals, and an even greater focus on the "basic" or core functions of an HIE.

Improvements are already evident; for example, the percentage of Vermonters who have consented to having their data personally identifiable through the provider portal VITLAccess has improved to 34.5% as of the end of May 2018 (previously reported at 19.5%). Contracting for calendar year 2019 will commence in the fall, once VITL has had an opportunity to make additional progress toward implementing the recommendations from the Evaluation Report.

### ***Future Progress: Continuing to strengthen operations at VITL and plan for contingencies***

In the coming months, it is essential that VITL continue its work to strengthen operations to fully support the State's HIE needs. VITL and DVHA continue to make progress, and the following are notable activities executed since the last progress report was submitted.

- a) The Evaluation Report pointed to the need for a performance/operational audit of VITL to determine the effectiveness of internal financial controls, management policies and practices. As an output of the audit, remediation steps will be included in the State's future contracts with VITL. To conduct this audit, in May VITL selected KPMG who will deliver a final audit report in September 2018.
- b) In the Evaluation Report, the evaluator called for VITL to examine its Board structure and membership to include "more actual users (or potential users) of the VHIE, such as people who are directly providing patient care or care management, or performing data analytics and public health." In May, the VITL Board approved a process to re-examine and update the Board membership criteria, bylaws, and committees. Additionally, through Act 187, the legislature and Governor gave VITL the flexibility to staff the VITL Board to best represent the stakeholder community and health reform programs in Vermont. HTS also recommended establishment of an audit committee, which was recently voted on and approved by the VITL Board.

Though progress is being made, it is important that the State is prepared with "plan B" in case DVHA and VITL do not meet the expectations set forth in the Evaluation Report. To that end, through Act 187, the legislature has required that the State and VITL develop a contingency plan. Through a competitive bid process, the State selected Capitol Health Associates to develop the contingency plan, leveraging their historical and technical expertise and partnerships with consulting and legal firms who can lend pertinent expertise to the planning process. The outcome of the contingency plan process will be available in September 2018.

Below please find the DVHA/VITL work plan with updates as of July 1, 2018.

Note: The JFO suggested that these updates include dashboards, which DVHA and VITL agree would be a beneficial addition to the progress reports. Dashboards will be presented to the JFO and included in the September progress report.

# **DVHA/VITL Work Plan**

**2018-2019**

*Updated as of July 1, 2018*

Goal: Implement an effective HIE governance model

Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Establish an effective across-the-board Governance Committee	Establish the HIE Steering Committee administratively attached to and supported by the Department of Vermont Health Access	<u>DVHA</u> VITL OneCare Vermont Blue Cross Blue Shield of VT Blueprint for Health Vermont Care Network Department of Health Agency of Digital Services	November 2017	November 2017	<i>Complete.</i> DVHA established an HIE Steering Committee in November of 2018.	<i>No change - Complete.</i>
Create temporary and permanent subcommittees to support the Governance Committee's work	In the HIT Plan, define the HIE/HIT Governance Model, including ongoing and ad-hoc subcommittees.	<u>HIE Steering Committee</u>	May 2018	November 2018	<i>In progress.</i> The HIT Plan will be delivered to the GMCB by November 1, 2018.	<i>In progress.</i> The HIE Steering Committee continues to work towards the development of an HIT plan, which will include a proposed governance model for future HIE oversight and management. The HIE Steering Committee is scheduled to focus on this topic in August 2018.
	Establish Subcommittees to draft a data governance policy, oversee HIT plan updates, provide recommendations on the consent policy, and address other timely needs	<u>HIE Steering Committee</u>	November 2018	March 2019	<i>In progress.</i> The HIT Plan will contain a proposed governance model.	<i>In progress.</i> The governance model will include proposed subcommittees that will focus on specific areas identified in the Evaluation Report, and potentially, other priority areas as identified by the HIE Steering Committee. The consent policy will be addressed through a working group, as directed by the legislature through Act 187 of 2018. It is also expected that a formal subcommittee will address this topic of consent on a longer-term basis.

**Goal: Develop and manage to a strong HIE strategic plan**

Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
The Governance Committee will develop a new HIT Plan that is performance-based and traceable to state strategy. The State will commit to follow and meet the HIT Plan goals and objectives.	Establish a stakeholder engagement process for the HIT Plan development	<u>HIE Steering Committee</u>	May 2018	November 2018	<i>In progress.</i> The HIE Steering Committee intends to leverage existing provider and consumer advisory groups outside of the Steering Committee membership's expertise to obtain direct feedback on the HIE Plan. Future stakeholder engagement strategies will be included in the HIE Plan.	<i>In progress.</i> DVHA is working with the GMCB to schedule time with the Primary Care Advisory Group to review the HIT Plan. It is likely that this meeting will occur in September, and Advisory Group members will be provided with materials to review before the meeting. VITL is resurrecting its Provider Advisory committee which may also be a feedback mechanism for the HIT Plan.
	In the HIT Plan, establish a more formal process of setting funding and prioritizing projects based on efficient and effective use of public and private resources and define accountability standards to ensure program transparency. Complete an inventory of existing and projected funds to help guide priorities.	<u>HIE Steering Committee</u>	June 2018	November 2018	<i>In progress.</i> The HIT Plan is currently in development and will be delivered to the GMCB no later than November 1, 2018.	<i>In progress.</i> The HIE Steering Committee continues to develop an HIT Plan that addresses the recommendations from the Evaluation Report and charts a path forward for the State.
	In the HIT Plan, clearly define the roles and relationships among the major HIT/HIE organizations and initiatives (e.g., Blueprint for Health, OneCare Vermont – All-Payer Model, VITL, CMS 1115 Waiver)	<u>HIE Steering Committee</u>	June 2018	November 2018	See above.	See above.
	In the HIT Plan, include mechanisms that require ongoing review, evaluation, and continuous improvement of HIT/HIE initiatives and outreach/education plans.	<u>HIE Steering Committee</u>	June 2018	November 2018	See above.	See above.

Goal: Ensure the VHIE is well-governed and compliant with federal and state regulations

Objective	Activity	<b>Accountable Party &amp; Stakeholders</b>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Establish an Advisory Committee to Oversee VITL's Progress	Establish a workgroup to guide VITL's short-term transition and support planning.	<b><u>VITL Board Chair and select Board members</u></b> DVHA VITL Executives	December 2017	ongoing	<i>Ongoing.</i> This group has convened at least every other week since December via phone and in-person meetings. The group developed a work plan to guide work which is included in the Appendix.	<i>Ongoing.</i> The group continues to meet, but meeting schedules have changed to better compliment other collaborative engagements and align with the dates established in Act 187.
	Develop and execute a short-term strategic plan for VITL to set the organization on a course toward addressing the recommendations outline in the evaluation report.	<b><u>VITL</u></b>	January 2018	January 2018	<i>Complete.</i> The short-term strategic plan is represented in the work plan noted above.	<i>No change - Complete.</i>
Appropriately staff the VHIE operator	Fill the vacant CEO position.	<b><u>VITL Board of Directors</u></b>	January 2018	February 2018	<i>Complete.</i> On February 16, 2018, Michael Smith agreed to accept VITL's CEO position.	<i>No change - Complete.</i>
	Assess VITL's organizational construct and fill vacancies, when deemed necessary.	<b><u>VITL</u></b>	January 2018	March 2018	<i>Complete.</i> Organizational needs were assessed, and necessary hiring was completed.	<i>Complete.</i> VITL provided the evaluator (HealthTech Solutions) with an organizational chart, per their request. A strategic plan was also requested, which will be provided once complete (see activity below related to VITL strategic planning).

**Goal: Ensure the VHIE is well-governed and compliant with federal and state regulations**

Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Ensure that VITL is compliant with financial and operational regulations and standards as it operates the Vermont's HIE infrastructure	Enlist a third-party to conduct a performance and operational audit to determine effectiveness of internal financial controls, management policies, and practices.	<u>VITL</u>	April 2018	September 2018	<i>In progress.</i> An RFP for this work was released in March 2018. VITL will endeavor to select a vendor and place under contract ASAP, and no later than July 2018 for a September 2018 completion.	<i>In progress.</i> Contractor has been selected (KPMG) and project is underway.
	Evaluate whether the contract relationship with VITL ensures that Federal Uniform Guidance §200.330 and Vermont's Agency of Administration Bulletin 5 are complied with.	<u>DVHA</u>	May 2018	June 2018	<i>Not started.</i>	<i>Complete.</i> Uniform Guidance and Bulletin 5 pertain to grants. Since the state has shifted all VITL agreements to contracts, this guidance no longer applies.
	Establish an Audit Committee on the HIE Board of Directors to ensure compliance with findings from recent audits and guidance provided in the Act 73 Evaluation Report.	<u>VITL Board of Directors</u>	September 2018	September 2018	<i>Not started.</i>	<i>In progress.</i> The VITL Board voted in May to formally establish an Audit Committee. The committee will be staffed in September at the VITL Annual Board Meeting.

**Goal: Ensure the VHIE is well-governed and compliant with federal and state regulations**

Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Increase Transparency through Improved Public Reporting on the VHIE	Provide the HIE Steering Committee and the VT Legislature with an annual report to include the status of projects funded through the federal HITECH Act and the State's HIT Fund and financial reporting reflective of HIE best practice.	<u>VITL</u>	January (annual)	January (annual)	<i>2018 - Complete.</i> VITL provided an annual report to the Vermont Legislature in January of 2018. The report provided a more transparent view into VITL's finances.	<i>Complete for 2018.</i> The 2019 Annual Report to be developed and submitted before next January deadline.
	Review all VHIE policies on an annual basis, and publicly post all policies, Board meeting agendas, minutes, and handouts on its website, and ensure that the most current version of policies are posted. A report of this review shall be provided by VITL to the HIE Steering Committee.	<u>VITL</u>	January 2018	July 2018	<i>In progress.</i> VITL posts policies, and Board meeting agendas and minutes currently are on the VITL website.	<i>In progress.</i> Annual review of all VITL policies is underway. Financial policies will be reviewed through the performance and operational audit to be performed by KPMG.
	Publicly report to the GMCB on VITL core functions and budget.	<u>VITL</u>	May (annual)	May (annual)	<i>In progress.</i> On May 9, 2018, VITL will present their core functions and budget to the GMCB. They will join DVHA in presenting this work plan and providing an update on progress to date. VITL provided reporting documentation to the GMCB staff in late April.	<i>Complete for 2018.</i> VITL presented their core functions and proposed budget to the GMCB on May 9, 2018. The GMCB subsequently approved the budget. Presentation materials were provided to HealthTech Solutions for review and evaluation. Act 187 amends GMCB oversight to approval of VITL's budget, not its core activities.

**Goal: Ensure that the VHIE operator is focused and delivers upon its core mission**

Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Use the State's contracts with VITL to transparently tie program goals to HIE financial investments	Extend VITL's SFY18 contracts with the state through the first half of SFY19 to allow time for the completion of the HIT Plan, which will further define the role of the VHIE and include goals that will tie directly to future contract deliverables.	<u>DVHA</u> VITL	March 2018	December 2018	<i>In progress.</i> The SFY18 contracts between DVHA and VITL are being amended to extend the contract period through December 2018, and to include deliverables that better demonstrate progress toward improving the VHIE's core functions. See the Contract Matrix in the Appendix for more detail.	<i>Complete.</i> The contracts between VITL and DVHA have been executed, thereby extending the contract period through December 2018. See the Contract Matrix in the Appendix for more detail.
	Enhance DVHA's contracts with VITL to include delivery-based payment conditions tied to improving core services, quantifying levels of improvement, and the execution of corrective action plans associated with financial, security and technology assessments.	<u>DVHA</u> VITL	September 2019	December 2019	<i>Not started.</i> Contracts will be developed to align with the HIT Plan and support continued progress on deliverables included in the SFY19 6-month extension period.	<i>Not started.</i> In September 2018, VITL and DVHA will begin to discuss future agreements, assuming that VITL continues to successfully address the recommendations from the Evaluation Report. The State intends to shift contract periods from SFY to calendar year to better align with the State's All-Payer Model agreement with OneCare Vermont. This better positions HIE activities to support the health reform efforts outlined in the ACO contract.

**Goal: Ensure that the VHIE operator is focused and delivers upon its core mission**

Objective	Activity	<b>Accountable Party &amp; Stakeholders</b>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Develop a VHIE strategic plan that is reflective of customers' needs and the strategy outlined in the HIT Plan	Develop a VHIE strategic plan that defines the services VITL provides and includes a sustainability plan and technological approaches to meeting the goals outlined in the State's HIT Plan and addressing the technical issues identified in the Evaluation Report. Deliver the Plan to the GMCB and the HIE Steering Committee.	<b>VITL</b> DVHA Provider community OneCare Vermont Blue Cross Blue Shield of VT Blueprint for Health Vermont Care Network Department of Health Agency of Digital Services	April 2018	March 2019	<i>In progress.</i> Plan development – Spring - ongoing  <b>Future:</b> January – incorporate into annual report  January – February- present to GMCB and HIE Steering Committee	<i>In progress.</i> Plan development - VITL is engaged in a strategic planning process with its Board, which is underway with progress continuing. VITL has completed its technical review and has engaged with the HIE Steering Committee, HTS evaluators, and GMCB (through the May 9th FY19 Budget presentation). The technology plan is designed to support data quality, data availability and use, patient matching and consent, and data security and privacy.
Address the issues with VHIE core functions identified in the Act 73 Evaluation Report	Develop and implement mechanisms to increase the number of Vermonters who consent to have their data viewable in the VHIE.  <i>Goal - 35% by 12/31/18</i>	<b>VITL</b> DVHA Provider Community VHIE Clients	January 2018	ongoing	See the Contract Matrix in the Appendix for more detail and contract period goals.	<i>In progress.</i> Patient consent currently over 34%. VITL is in discussion with one hospital to engage in a project to provide patient consent electronically, thereby reducing provider and staff burden to manually update consent in the VHIE. See the Contract Matrix in the Appendix for more detail and contract period goals.
	For the patients who have already provided consent, expend resources to match the patients with their records.  <i>Goal - 40% reduction in duplicate records by 12/31/18</i>	<b>VITL</b> DVHA	May 2018	ongoing	See the Contract Matrix in the Appendix for more detail and contract period goals.	<i>In progress.</i> A new tool has been developed to reduce the duplicates within the VHIE. VITL is currently testing the tool to begin using in July. Additional improvements have been implemented to strengthen matching and avoid degradation of matched records in the VHIE. See the Contract Matrix in the Appendix for more detail and contract period goals.

Goal: Ensure that the VHIE operator is focused and delivers upon its core mission						
Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Address the issues with VHIE core functions identified in the Act 73 Evaluation Report	Implement easier ways to access and use the data in the VHIE that do not burden providers and facilitate healthcare reform measures.  <i>Goal - Enable provider access to VHIE data directly within a hospital EHR by 12/31/18</i>	<u>VITL</u> DVHA	May 2018	ongoing	See the Contract Matrix in the Appendix for more detail and contract period goals.	<i>In progress.</i> VITL is actively engaged with two hospitals to enable direct access to VHIE data from within the EHR. See the Contract Matrix in the Appendix for more detail and contract period goals.
	Improve the quality of the data in the VHIE by making sure that records are accurate and complete.  <i>Goal - Implement terminology services tools into production by 12/31/18</i>	<u>VITL</u> DVHA	July 2018	ongoing	See the Contract Matrix in the Appendix for more detail and contract period goals.	<i>In progress.</i> VITL began a technical and architecture review to advance the use of terminology services within the VHIE production environment. See the Contract Matrix in the Appendix for more detail and contract period goals.
	Inform the assessment of the VHIE technical structure by completing the State's Architectural Assessment.	<u>Agency of Digital Services</u> DVHA VITL	May 2018	September 2018	See the Contract Matrix in the Appendix for more detail and contract period goals.	<i>In progress.</i> The Agency of Digital Services is currently working to complete the existing assessment and provide DVHA with recommended action steps (draft will be delivered in July). VITL will review the assessment before it is made final. See the Contract Matrix in the Appendix for more detail and contract period goals.

**Goal: Make VHIE operations accountable to all customers, including the state**

Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Create an HIE Board of Directors consisting of a mix of stakeholders including subject matter experts and users to serve Vermont's HIE needs	Develop new membership criteria for Board service focused on users or potential users of core services (providers) and on stakeholders in health care reform who utilize the VHIE for population health management. Suggested criteria will be provided to the State for review through the HIE Steering Committee.	<u>VITL Board of Directors</u>	May 2018	September 2018	<i>In progress.</i> Legislative change under consideration in H.901.	<i>In progress.</i> VITL Board approved a process to re-examine and update the Board membership criteria, bylaws, and committees at the May Board meeting. Through Act 187, the legislature and Governor provided flexibility in staffing the VITL Board.
	Craft and execute a plan for recruiting new memberships and fully restructuring VITL Board.	<u>VITL Board of Directors</u>	September 2018	March 2019	<i>Not started.</i>	<i>Not started.</i>
	Fill State's role on the VITL Board.	<u>AHS</u> VITL Board of Directors	December 2018	March 2019	<i>Not started.</i>	<i>Complete.</i> State representation on the VITL Board is no longer in statute. This requirement was removed through Act 187.

Goal: Demonstrate progress in implementing the recommendations from the Act 73 Evaluation Report and plan for contingencies						
Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Provide the General Assembly and the GMCB with reports on progress made in implementing the recommendations from the Act 73 Evaluation Report	Provide bi-monthly progress reports that demonstrate progress made in execution of this work plan and quantifiable progress made in meeting Vermont's HIE needs.	<u>DVHA &amp; VITL</u>	April 2018	On or before May 1, July 1, September 1, and November 1, 2018 and January 1, 2019	<i>In progress.</i> The May 1 progress report was submitted in the form of a memo and this work plan.	<i>In progress.</i> The July 1 progress report was submitted in the form of a memo and an updated work plan and contracts matrix.
Develop a Contingency Plan should DVHA and VITL prove unable to act on the recommendations from the evaluation report	Procure services from a third-party to develop a contingency plan to align with the details of H.901 including an assessment of data and property ownership interests.	<u>DVHA &amp; VITL</u>	April 2018	September 2018	<i>In progress.</i> In April, an RFP was posted and a vendor was selected. The contract with the third-party is currently under review by CMS, a prerequisite to securing federal funding for this work. The contingency plan will be delivered to the General Assembly and the GMCB no later than September 1, 2018.	<i>In progress.</i> Capitol Health Associates (CHA) were selected through a complete bid process to deliver an HIE Contingency Plan to the State no later than September 1, 2018. The contract between DVHA and CHA was executed in mid-May and CHA held a project kick-off meeting with VITL and DVHA in early June. VITL is actively engaged in supporting the contingency work.

Goal: Demonstrate progress in implementing the recommendations from the Act 73 Evaluation Report and plan for contingencies						
Objective	Activity	<u>Accountable Party &amp; Stakeholders</u>	Start Date	End Date	Status as of May 1, 2018	Status as of July 1, 2018
Execute a third-party analysis of progress	Enlist the support of HealthTech Solutions to conduct an evaluation of progress made in addressing the issues identified in the Act 73 Evaluation Report.	<u>HealthTech Solutions</u> DVHA (contract manager) VITL	May 2018	November 2018	<i>In progress.</i> HealthTech will deliver a report on their evaluation no later than October 15, 2018. DVHA and VITL will present all progress reports, the work plan, and other related details directly to HealthTech to support their work in evaluating progress made toward implementing the recommendations in their initial evaluation report.	<i>In progress.</i> See previous status update. HealthTech issued a progress report in June reporting that satisfactory progress has been achieved by DVHA and VITL in addressing the recommendations in the initial evaluation report. VITL and DVHA will present the next progress report to HealthTech in mid-July.
Provide recommendations to inform future HIE and consent policy legislation and activity	Provide the legislative committees named in H.901 with recommendations on Vermont's consent policy and improving interoperability of electronic health record systems.	<u>DVHA</u> <u>VITL</u> Office of the Health Care Advocate	August 2018	January 2019	<i>Not started.</i>	<i>In progress.</i> DVHA has begun internal planning for legislative reporting.  <i>Note: H.901 was signed by the Governor on May 28, 2018. The bill is now included in Act 187 of 2018.</i>

