
**Report to
The Vermont Legislature**

**Annual Report on the Receipts, Expenditures, and Balances
in the Health IT-Fund**

In Accordance with 32 V.S.A. §10301(g): Health IT-Fund

**Submitted to: Joint Fiscal Committee
Green Mountain Care Board**

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BACKGROUND

In accordance with 32 V.S.A. §10301(g), an annual report on the receipts, expenditures, and balances of the Health Information Technology (Health IT)-Fund is required to be submitted to the Joint Fiscal Committee and the Green Mountain Care Board. The Health IT-Fund was established as a special fund to be a source of funding for medical health care information technology programs and initiatives, such as those described in the Vermont Health Information Technology/Exchange (HIT/HIE) Plan. The Fund was established to be used for programs and initiatives sponsored by VITL and State entities designed to promote and improve health care information technology, including:

- (1) a program to provide electronic health information systems and practice management systems for health care and human service practitioners in Vermont;
- (2) financial support for VITL to build and operate the health information exchange network;
- (3) implementation of the Blueprint for Health information technology initiatives, related public and mental health initiatives, and the advanced medical home and community care team project; and
- (4) consulting services for installation, integration, and clinical process re-engineering relating to the utilization of health-care information technology such as electronic health records.'

The Health IT-Fund generally supports electronic health systems, the health information exchange network (operated by Vermont Information Technology Leaders [VITL]), and the Blueprint for Health and like initiatives in their use of information technology. The Health IT-Fund is supported by revenue collected from the health care claims tax. Revenue from the health care claims tax is paid by the health insurers on private health insurance claims, and the revenue collected from 0.199 of 1% of all health insurance claims is deposited into the Health IT-Fund pursuant to 32 V.S.A. § 10402(b)(1), effective until July 1, 2019. Effective July 1, 2019, revenue paid and collected through the health care claims tax, pursuant to 32 V.S.A. § 10402(b), will be deposited into the General Fund.¹ Act 71 of 2019, An act relating to changes that affect the revenue of the State, amended the effective date of the Health IT-Fund sunset from July 1, 2019 to July 1, 2021.

¹ See Sec. 73 of Act 6 of 2019:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT006/ACT006%20As%20Enacted.pdf>



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RECEIPTS, EXPENDITURES, AND BALANCES

A year-by-year summary of the Fund’s receipts, expenditures, and balances are provided below (Table 1), with the Fund balance at the end of state fiscal year 2019 at \$4,347,430.45. It is important to note the increases in expenditures for state fiscal years 2018 and 2019; these increases are due, primarily, to two factors:

- 1) Act 85 of 2017, Sec. D.106, authorized the Agency of Human Services to expend \$2,000,000 of the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2018, transferred \$500,000 from the Health IT-Fund to the General Fund (reserved in the General Fund Balance Reserve, also known as the Rainy Day Reserve, established in 32 V.S.A. § 308c) and allowed for an additional expenditure of \$2,000,000 from the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2019 and;
- 2) An expiration of a portion of the Global Commitment waiver that allowed Vermont to gain matching federal funds for specific health IT activities.

Table 1. Health IT-Fund Receipts, Expenditures, and Balances Since SFY09

HIT FUND BALANCES SINCE SFY09			
SFY	Receipts	Expenditures	Balances
SFY09	1,725,505.67	1,404,447.01	321,058.66
SFY10	2,462,827.92	127,388.62	2,656,497.96
SFY11	2,877,846.67	589,401.74	4,944,942.89
SFY12	3,467,955.96	1,856,814.71	6,556,084.14
SFY13	3,122,198.81	2,721,643.07	6,956,639.88
SFY14	3,273,051.91	3,964,254.20	6,265,437.59
SFY15	3,479,090.63	3,183,500.92	6,561,027.30
SFY16	3,427,185.01	2,691,172.61	7,297,039.70
SFY17	3,532,426.83	3,541,037.95	7,288,428.58
SFY18	3,914,003.82	5,090,673.08	6,111,759.32
SFY19	3,947,054.17	5,711,383.04	4,347,430.45
Total	35,229,147.40	30,881,716.95	

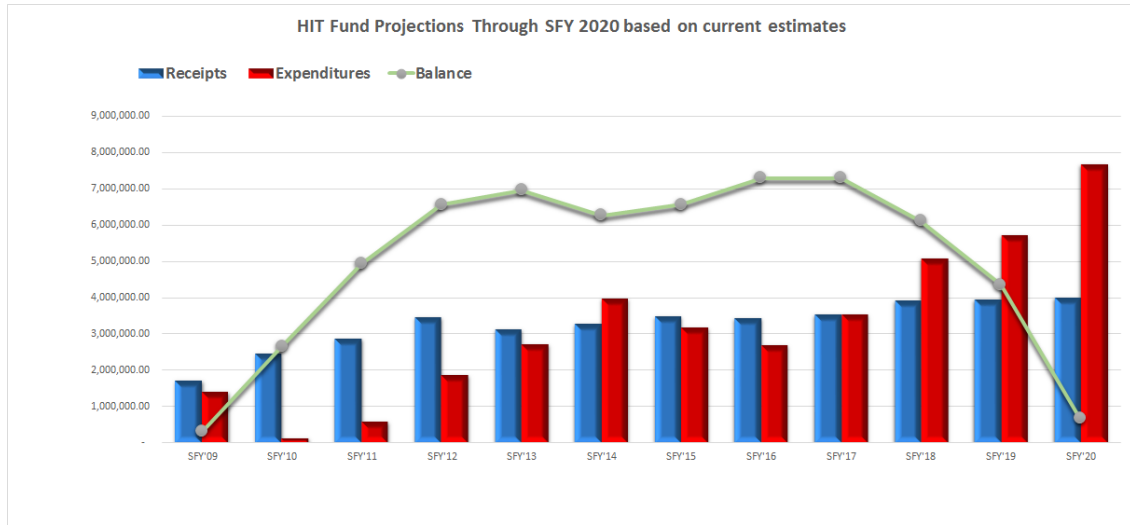
Table 2. Health IT-Fund Projected Receipts, Expenditures, and Balance for SFY20

HIT FUND PROJECTED EXPENDITURES FOR SFY20			
SFY	Receipts	Expenditures	Balance
SFY20	4,000,000.00	7,676,067.00	671,363.45



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Figure 1. Health IT-Fund Receipts, Expenditures, and Balances and Projections through State Fiscal Year 2020, Based on Current Estimates



The State has leveraged the Health IT-Fund to match federal dollars through the federal HITECH Act, the State Innovation Model, and the Medicaid Global Commitment Waiver and significantly increased the impact of the Fund. The funding match rates range from 90% to less than 50% depending on the type of activity and who it ultimately benefits. Some activities, such as those related to the State Innovation Model and the Electronic Health Record Incentive Payment program, were 100% federally funded. Federal HITECH Act funding will expire in September 2021. The HITECH Act has allowed Vermont to accelerate health IT work through incentivizing the purchase of electronic health records, funding VITL for Health Information Exchange operations, and by enhancing technical infrastructure used by the Blueprint and the Department of Health. The Centers for Medicare and Medicaid Services (CMS) have indicated commitment to continuing their sponsorship of health IT/exchange efforts at the state level and recently released new guidance on how to leverage the Medicaid Enterprise Services (formerly, MMIS) funding stream to do so. The Department anticipates that CMS will continually release guidance and rules around how this funding can be used, which will likely impact the projects the State pursues.

EXAMPLES OF INITIATIVES FUNDED

The following are examples of major initiatives funded by the Health IT-Fund; Appendix I provides further details.

The Medicaid Promoting Interoperability Program (formerly the Medicaid Electronic Health Record Incentive Program) –The HITECH Act funding supports activities of incentivizing Medicaid providers for the acquisition and meaningful use of electronic health record technology. The requirements are designed to support evolving electronic health record (EHR) quality measures focused on interoperability and improving provider and patient access to health information. Eligible hospitals and professionals who satisfy the criteria for attestation (meaning that they have met federal requirements) can receive incentive payments. Eligible hospitals may receive a total of three years of payments, based on a calculated amount derived from their Cost Data Reports. Eligible professionals may receive a maximum of six years of fixed payment amounts. The Vermont Medicaid Promoting Interoperability Program is supported by 90/10 funding from CMS, with the Health IT-Fund covering the 10% match for State program software, personnel, and operations. The incentive payments themselves are 100% federally funded but are drawn down and distributed by the State. In SFY19, these direct payments amounted to **\$1,782,161**. To date, this program has paid out approximately \$57,200,000 to Vermont and New Hampshire hospitals and professional providers, all of whom are registered Medicaid providers in Vermont. For more information about this program, visit: <http://healthdata.vermont.gov/ehrip>.

Vermont Information Technology Leaders (VITL) Health Information Exchange (HIE) – 18 V.S.A. § 9352 designates VITL, a private non-profit corporation, to exclusively operate the statewide Health Information Exchange (VHIE) for Vermont. The VHIE enables the exchange of clinical data from electronic health record systems. This data is used to support providers at the point of care and for population health measurement and analysis by third parties such as OneCare Vermont and the Blueprint for Health. Based on VITL’s legislative authority and partnership status with the State, their funding is reviewed and renewed on an annual basis by DVHA as well as reviewed and approved by the Green Mountain Care Board. See Appendix I for a listing of the contracts supported by the Health IT-Fund, including DVHA’s contracts with VITL.

Vermont Department of Health – The Health IT-Fund continues to support public health initiatives at the Vermont Department of Health, mainly in supporting public health registries such as the Immunization Registry, Cancer Registry and Birth & Death Registries, and in consulting services to further develop long-term strategy for health IT within the department. Projects include the development of an Electronic Laboratory Management System Web Portal, a forecasting solution for the Vermont Immunization Registry, and consulting services to advise on health informatics strategy for the Department of Health and beyond.



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APPENDIX I: HEALTH IT-FUND INITIATIVES BUDGETED FOR FY19

Grantees/ Contractors	FY19 Agreement Amounts	% of Agreement funded by the HIT Fund	Summary
Vermont Information Technology Leaders (VITL)	\$2,436,545.00	50%	Contract for core operations and management of Vermont's Health Information Exchange (VHIE) and related products and services.
Vermont Information Technology Leaders (VITL)	\$2,390,000.00	10%	Contract for VHIE development and expansion projects. This contract leveraged HITECH Act dollars.
Bi-State Primary Care Association	\$279,999.70	50%	Grant to provide health information technology data analysis, quality improvement, data quality, and project management support to Vermont Federally Qualified Health Centers.
Onpoint Health Data – Blueprint for Health	\$1,078,750.00	83%	Contract for analysis and reporting regarding healthcare spending, healthcare utilization, healthcare quality measurement, and healthcare outcomes (healthcare analytic services) for the Blueprint for Health program.
Cathedral Square Corp. – Blueprint for Health	\$205,000.00	83%	Grant to provide infrastructure and staffing for the Support and Services at Home (SASH) system as part of the Blueprint's electronic health IT infrastructure.
Capital Health Associates – Blueprint for Health	\$968,731.38	83%	Contract that provides data quality project management and consulting services to the currently ongoing statewide end-to-end data quality and transmission initiatives (Blueprint "Sprint"). Also supports on-going operations and maintenance of the VCR.
OneCare Vermont	\$3,250,000.00	10%	Federally matched funds included in DVHA's contract with OneCare Vermont used to support the development and roll-out of the Care Navigator care coordination platform.
Stone Environmental	\$45,000.00	83%	Contract for operations of a system used to validate criteria for designation as a Blueprint for Health provider.



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APPENDIX II: SUPPLEMENTAL INFORMATION FOR CONSIDERATION

1. In accordance with 18 V.S.A. § 9351, DVHA, with support from the Health Information Exchange Steering Committee, is developing the 2019-2020 statewide strategic health IT/exchange plan. The 2019-2020 plan, which will be submitted to the GMCB for review and approval by November 1, will include a 3-5-year technical investment strategy. The State, in collaboration with its partners, is committed to aligning investments with the statewide strategic plan.

2. Act 53 of 2019 changes Vermont's current opt-in consent policy to an opt-out policy, effective March 1, 2020. An opt-out consent policy more closely aligns with nationwide best practice. DVHA, in partnership with the HIE Steering Committee, is working on the development of an implementation plan for the policy. The State has made significant progress in the development of this plan, and a report was provided to the House Committee on Health Care, Senate Committee on Health and Welfare, and Health Reform Oversight Committee on 8/1/2019 and presented to the Green Mountain Care Board on 8/7/2019. The [progress report on the stakeholder engagement process and consent policy implementation strategy](#) highlights significant workstreams and provides high-level implementation plan details.



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