

M E M O R A N D U M

TO: Commission on Health Care Reform
Joint Fiscal Committee

CC: Susan Besio, Director, Office of Vermont Health Access
Robert Hofmann, Secretary, Agency of Human Services

FROM: Hunt Blair, Deputy Director for Health Care Reform

DATE: September 30, 2009

RE: Health IT Fund Update

Per 32 V.S.A. chapter 241 § 10301

(g) The secretary of administration or his or her designee shall submit an annual report on the receipts, expenditures, and balances in the health IT-fund to the joint fiscal committee at its September meeting and to the commission on health care reform by October 1. The report shall include information on the results of an annual independent study of the effectiveness of programs and initiatives funded through the health IT-fund, with reference to a baseline, benchmarks, and other measures for monitoring progress and including data on return on investments made.

It is our understanding that the Department of Information and Innovation has provided a report on the Health IT Fund receipts, expenditures, and balances reflecting the balance through August 15.

Secretary of the Agency of Administration Lunderville has designated responsibility for the overall coordination of Vermont's statewide health information technology planning to the Office of Vermont Health Access (OVHA), Division of Health Care Reform. per 18 V.S.A. chapter 219 § 9351. Going forward, OVHA will be managing the Fund and providing reporting effective October 1, 2009.

In addition to the financial reporting, the statute requires an annual independent evaluation of the use of funds. The state has engaged the services of expert consultants to conduct that study. However, the time frames under which the Fund was established (it did not begin collecting fees from the insurance carriers until October 1 last year) mean that a report due October 1 this year would of necessity be a partial year report. Moreover, the Fund did not disperse grants to the Vermont Information Technology Leaders (VITL, whose use of the funds is the object of the evaluation) until March, so that is an even more brief time frame for study. In addition, because of the management transitions at VITL, substantial changes in the operation have only been initiated in the last three months. As such, the Office of Vermont Health Access is requesting an extension until January 1, 2010 to submit this report. The additional time will allow us to complete a more thorough and informed evaluation of the data and performance.

We appreciate your consideration of this request.