

Delaware Health Information Network
Board of Directors

Wednesday, July 19, 2017
2:00 p.m. – 4:00 p.m.

Christiana Data Center
One Reads Way, New Castle, DE
Conference Room 400

Meeting Minutes

CALL TO ORDER:

Board Chair Randy Gaboriault called the meeting to order at 10:06 a.m.

April 19, 2017 & May 30, 2017 MEETING MINUTES:

Bill Kirk moved to accept the meeting minutes of both the April 19, 2017 and May 30, 2017 DHIN Board of Directors' meeting as presented. Laura Howard seconded the motion. Minutes were unanimously approved.

MANAGEMENT REPORTS:

Financial Report: Mike Sims

Statement of Cash Flow: DHIN's cash balance increased in the fourth quarter due to the \$600K payment to Medicity for 4th quarter expenses that was made in the 3rd quarter and receipt of \$682K of receivables from ONC from the 3rd quarter, as well as a quarter of amortization of the \$1M payment received from Highmark BCBSDE earlier in the year. DHIN incurred over \$600K in DMOST registry integration expenses, DHIN staff incentives, and Personal Health Record expenses which are payable. Mike noted that DHIN has \$7M in cash on hand, with an even higher amount of reserves.

Profit & Loss: DHIN ended FY2017 with over \$600K in positive net income; significant progress has been made in the grant spend down with only \$447K remaining. DHIN's operating revenue was right on target, and DHIN has forecasted to spend the grant funds by July. Mike noted that Professional Services is low due to Release 3 of the SIM Scorecard project not completing all anticipated work. Contractual expenses were lower than planned due to a delay with HSX (the Southeastern Pennsylvania HIE) in executing the ADT exchange contract and beginning the associated work. However, the contract has been signed and work is expected to be completed by the end of the grant. Other drivers of the expense variance included lower than planned analytics platform contracting expenses, a delay in the ONC-funded claims database environment assessment project, and a delay in Provider Survey expenses until July 2017. The variances in the Ongoing License and Maintenance and New Functions expense categories were driven by timing issues,

ACTION ITEM:

April 19, 2017 and May 30, 2017 Board of Directors meeting minutes were unanimously approved.

but with some savings. Personal Health Record expenses were higher than planned, driving the variance in New Functions and New Functional maintenance and license, but this will allow DHIN to exhaust its primary ONC grant. The environment will likely serve as DHIN's data home during the Technology Refresh, allowing DHIN to pay for a significant portion of its Technology Refresh related expenses with grant funding.

Balance Sheet: DHIN's balance sheet position remains strong. Mike referenced the Accounts Receivable balance and noted that DHIN is making significant process in its spending for its ONC grants and as a result has \$387K in Accounts Receivable from ONC. The remaining balances are due from Data Senders and Payers, which are all expected to be paid. DHIN has a significant year-end Accounts Payable balance, driven by incurred expenses for DMOST registry integration, expenses with the DHIN PHR, DHIN staff performance incentives, and Personal Health Record expenses. DHIN ended the quarter at \$7.8M in reserves, which will put us in a position to make significant technology infrastructure investments over the next twelve months, in addition to maintaining our current DHIN staff paid for by the ONC grant.

Status of FY17 Goals

Successfully execute grant outcomes/spend down

Grant Execution Financials

DHIN's Cooperative Agreement spend down has been slow due to upgrade issues, engaging both Behavioral Health and Long Term Post-Acute communities and the lower costs which we anticipated for implementing CCD exchange. ONC has been very satisfied with the overall progress and has continued to release funds.

Develop governance and technical specs in support of a claims database

At the January 2017 DHIN Board of Directors meeting, the DHIN by-laws were changed to address governance. Technical specs for file formats and frequency of submission have been developed. The Data Collection Regulation is out for public comment through July 2017; currently, no public comments have been received. FY18 work will include promulgation of a data access regulation and selection of platform and tools.

Achieve HITRUST security certification

DHIN received notice on June 12, 2017 that we have completed and passed HITRUST certification. DHIN is the first HIE to achieve HITRUST certification. The Board noted the importance of this accomplishment and commended management and staff.

Develop required provider scorecard v2 functionality and four releases

The fourth release of the Provider scorecard went to production in February 2017. DCHI is currently deliberating on the future path for the scorecard.

Execute Year 1 elements of strategic plan and technology refresh

Feedback from Frank Petrus, Gartner Sr. Managing Partner, on year 1 "All I can say is WOW! In one year, you have far surpassed what I would have expected possible."

Roadmap Tasks for FY17

New Hires

Director of Marketing, Integration Analyst and Clinical Informaticist have been hired. DHN is currently in the process of completing a job description for a Chief Innovation Officer.

Staff Development

100% of staff have certified in ITIL Foundations. The Board expressed its appreciation of this accomplishment.

Managers met off-site in early Feb to strategize implementation of ITIL principles in a small organization and multi-year staff development plan.

Segmented customer / stakeholder communications

- DHIN Summit on Dec 16; first pass at C-level communications
- Followed up with individual face-to-face meetings
- Met with Medical Society leadership
- Met w/ Governor Carney's transition team
- Meeting with population health and other business units of hospitals
- Meetings with key legislators, heads of state agencies

Committee Status Reports

Executive Committee

The Executive Committee met on June 23, 2017. Items of discussion were:

- Conflict of Interest Statement
- Recommended By-Law changes
- FY17 Goals
- Review of the proposed FY18 Goals

All of these will be presented for approval at the Annual Board of Directors Meeting in July 2017.

Conflict of Interest Statement: DHIN is obligated to ensure that members of the DHIN Board of Directors and Officers of the DHIN Board are operating free of conflicts of interest that may call into question the DHIN's tax-exempt status or otherwise be inconsistent with their fiduciary obligations to the DHIN. All DHIN Directors, Officers and Committee Members shall be required, upon their appointment and on an annual basis to sign a Conflict of Interest Statement.

Randy Gaboriault requested a motion for approval of the Conflict of Interest Statement to be signed by all DHIN Directors/Officers and Committee Members on an annual basis. Dr. Nathan Merriman motioned for the approval of the Conflict of Interest Statement. Dr. Jeffrey Hawtof seconded the motion. Motion was unanimously approved.

Recommended By-Law Changes

The Consumer Advisory Committee has not been active in several years. While the committee did serve its purpose during the formation of DHIN, we now receive consumer input through market research and focus groups.

ACTION ITEM: DHIN Board of Directors unanimously approved the Conflict of Interest Statement to be signed annually.

ACTION ITEM: DHIN Board of Directors unanimously approved the dissolving of the Consumer Advisory Committee.

Dr. Merriman moved to accept dissolving of the Consumer Advisory Committee with consumer input/feedback representation from other sources. Laura Howard seconded the motion. Dissolving of the Consumer Advisory Committee with consumer input from other resources was unanimously approved.

FY18 Proposed Goals

Financial:

- Total annualized FY17 technology costs will be reduced by at least 5% beginning in FY19 through contracting activities occurring in FY18
- Secure a contract with Highmark for services not required by the State

Customer:

- Develop a business pro forma to inform a Board of Directors go/no-go decision regarding implementation of the HCCD

Process:

Execute Year 2 of the Strategic Plan

- Implement ITIL/ITSM Framework tools and processes specific to the Strategy, Design, and Continuous Service Improvement stages of the ITSM life cycle
- Perform competitive market analysis
- Execute the technology refresh plan (A or B)

Normalize the clinical data per HL7 and CMS terminology standards

Learning:

- Each staff member will obtain at least one ITIL/ITSM certification at the intermediate level and at least 90% will achieve an intermediate level certification.

Dr. Jan Lee presented the FY18 goals for approval to the DHIN Board of Directors. Dr. Nathan Merriman motioned for approval as presented. Dr. Hawtof seconded the motion. DHIN's FY18 Goals were unanimously approved.

FY18 Roadmap

Technology Refresh Activities:

- Control the data: Implementing CDR in Amazon GovCloud incidental to patient portal
- Acquired historical data from Medicity
- Identity matching: IBM Initiate
- Results Delivery: Pilot "Mirth Results" has been completed and a contract has been executed
- CHR Replacement
- Med Hx, Image Sharing Replacement
- Clinical Gateway Replacement
- Implement HCCD

Finance Committee

The Finance Committee met by phone in April 2017 and in person on June 19, 2017. Items of discussion were the FY18 Budget Package to present at the Annual Board of Directors Meeting in July.

ACTION ITEM: Board of Directors approved DHIN's FY18 Goals.

FY18

Profit and Loss Statement: Mike Sims noted that FY18 will be an important transition year for DHIN, both operationally and financially. DHIN will end its \$3.3M in ONC grants in July 2017, marking the first time in several years' that DHIN will not be a direct grantee. However, DHIN will receive \$1.1M in indirect grant funding from DHCC in relation to the SIM grant in support of DHIN's Personal Health Record (PHR), Provider Scorecard, and Health Care Claims Database (HCCD) activities. SIM funding ends in January 2019. From FY13 to FY17, DHIN received an annual \$1M contribution from Highmark for its commercial book of business. DHIN has been working with Highmark over the last two years to secure operational funding for FY18 and beyond. Highmark has presented mutually agreeable use cases to DHIN for Event Notification System (ENS), Community Health Record (CHR) and Clinical Information feed products. DHIN continues to work with the Highmark management to obtain funding commitments. No funding from Highmark for its commercial book of business has been assumed in FY18. As a result, the net result to the total is a \$2.2M decrease from FY17 to FY18.

Profit & Loss: Mike Sims noted that the Personnel and Administration budget categories are increasing due to annualization of the DHIN's Board approved new hires from the previous year as well as new hires for FY18, including a Security/Privacy Officer who will maintain the privacy processes and infrastructure developed by DHIN's HITRUST certification in FY17.

DHIN also plans to move to a larger space in late FY18, and has planned for moving expenses in the Administration budget category, which drives the year-to-year increase. Mike explained that the large decrease in contractual expenses from year to year was driven by seven grant-funded contractors who supported DHIN during FY17.

Mike also noted, the sharp decrease in marketing expenses as DHIN decelerated its spending on its Consumer Branding, which was grant funded in FY17.

Lastly, Mike Sims noted the decrease in New Functions expenses and the increase in Technology Refresh expense category as DHIN evaluates its technology solutions. Mike noted that there are contractual expenses for the Health Care Claims Database initiative, which will be SIM funded.

Because of the decrease in revenue and an increase in projected expenses, DHIN is planning a net loss of \$3.6 million in FY18, which represents a worst-case scenario for both revenue and expenses.

Over the past few years, DHIN has built up strong cash reserves, which will allow it to absorb a potential loss in FY18. DHIN will end FY17 with just under \$8M in unrestricted net assets. Assuming the \$3.6M net income loss for the year, we will end FY18 with over \$4.0M in cash reserves, which satisfies the target of six months of operational funding and one year of investment funding.

Donna Goodman motioned to approve the FY18 budget as presented. James Collins seconded the motion. DHIN's FY18 Budget Package was unanimously approved.

ACTION ITEM: DHIN's Board of Directors unanimously approved the FY18 Budget Package.

Board Development Committee

Rich Heffron presented the slates of nominations: DHIN Officer Nominations: Chair: Randy Gaboriault; Vice Chair: Stephen Lawless; Treasurer: Donna Goodman; Secretary: Meredith Stewart-Tweedie. DHIN Executive Committee Nominations: A. Richard Heffron; Bill Kirk; James Collins.

Meredith Stewart-Tweedie motioned that the slates of nominations for both the DHIN Board Officers and the DHIN Executive Committee be approved for the next 90 days. Nominations for DHIN Board Officers and DHIN’s Executive Committee for the next 90 days were unanimously approved.

Delaware Health Claims Database Considerations

Dr. Lee requested a motion for the approval of a working group for the Data Access Regulation. The working group will meet to discuss/report the information to Freedman Consulting; Freedman will review all feedback and turn it into a draft regulation. By the end of September, we hope to have a final draft submitted for approval at the October Board of Directors Meeting. Once approved by DHIN’s Board, the regulation will be submitted to the state in mid-November for public comment.

Randy Gaboriault motioned for the approval of a Data Access Workgroup. The working group will include Dr. Stephen Lawless, Dr. Terri Steinberg, Meredith Stewart-Tweedie, Brenda Lakeman and Laura Howard. Dr. Hawtof moved to accept the Data Access Regulation Workgroup Committee as presented. Donna Goodman seconded the motion.

OTHER BUSINESS:

None

EXECUTIVE SESSION

At 3:45 p.m., Randy Gaboriault moved, pursuant to DE Code - Title 29, Chapter 100, §10004(b)(9), that the DHIN Board go into Executive Session to discuss end of fiscal year personnel matters. The motion was unanimously approved.

At 3:59 p.m., the DHIN Board of Directors voted to exit Executive Session.

Randy Gaboriault advised that the DHIN Board of Directors took action in the Executive Session on all FY17 personnel matters and approved all items recommended.

NEXT BOARD MEETING:

The next DHIN Board of Directors Meeting will be held on October 25, 2017 from 2:00 p.m. to 4:00 p.m. at DHIN, Dover, DE.

PUBLIC COMMENT:

No one from the public offered comments.

ADJOURN:

The meeting adjourned at 4:08 p.m.

ACTION ITEM: Board of Directors approved FY18 Slate of DHIN Officer Nominations and the Executive Committee nominations for a 90-day period.

ACTION ITEM: DHIN Board of Directors unanimously approved the start of a Data Access Working Group.

DHIN Board of Directors voted to go into Executive Session.

ACTION ITEM: All matters in the Executive Session were approved as recommended

Attendance

Board Members Present

James Collins
Randy Gaboriault
Donna Goodman
Dr. Jeffrey Hawtof
Rich Heffron
Laura Howard
Bill Kirk
Dr. Nathan Merriman
Dr. Terri Steinberg
Meredith Stewart-Tweedie

DHIN Staff Present

Dr. Jan Lee
Ali Charowsky
Randy Farmer
Mark Jacobs
Michael MacDonald
Garrett Murawski
Mike Sims

Board Members Absent

Kathleen Matt
Dr. Stephen Lawless
Steve Saville
Dr. Gary Siegelman

Guests Present

Monica Horton, Attorney General's Office
Tom Trezise