

**Delaware Health Information Network
Meeting of the DHIN Board of Directors**

**Wednesday, July 25, 2018
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 Vice-Chair Dr. Stephen Lawless called the meeting to order at 2:00 p.m.

April 25, 2018 MEETING MINUTES:

Bill Kirk moved to accept the April 25, 2018 meeting minutes as presented. Dr. Hawtof seconded the motion. Minutes were unanimously approved.

COMMITTEE STATUS REPORTS:

Executive Committee:

The Executive Committee met on June, 2018, items discussed:

Finance Committee:

The Finance Committee met on April 12, 2018 to discuss the March 2018 Financial Package Review.

MANAGEMENT REPORTS:

Year End FY2018 Financial Package:

Statement of Cash Flows: DHIN's cash balance decreased in the fourth quarter primarily due to negative net income. There were offsetting swings in both Accounts Receivable and Prepaid Expenses. Accounts Payable consists of recently incurred expenses related to the System Conversion, the Claims Database project, and DHIN Staff Performance Expenses which will all be paid in early FY19. DHIN's cash balance in the bank stands at \$4.9M.

Profit & Loss:

DHIN posted a net income which was \$566K better than planned, largely due to identified expense opportunities and timing of planned system conversion expenses. Mike Sims noted that Core Services revenue is overall on target, but DHIN has lost \$140K in revenue due to a delay in signing a contract with AmeriHealth Caritas for use of DHIN's services, which ultimately begin in May. DHIN began these discussions with AmeriHealth as soon as the new MCO announcement was made, but progress was slow in getting the contract finalized. This loss was partially offset by higher than expected Medicaid enrollment resulting in higher PMPM revenue from the Medicaid MCO's. The remainder of the loss fully offset by an unplanned favorable variance in billing to one of DHIN's data senders for Results Delivery due to higher than budgeted volumes. Indirect Grant revenue ended ahead of plan due to

ACTION ITEM: April 25, 2018 meeting minutes were unanimously approved.

Claims database revenue to reimburse DHIN for Freedman expenses, and SIM activity revenue to reimburse DHIN for DHIN staff time and effort. The DHIN staff revenue represents a net gain for DHIN. A request was made to change the term "Indirect Grant Income" to "Sub-grant Income". Overall, DHIN's revenue was \$103K higher than planned.

On the expense side, DHIN had savings in the Personnel side due to vacancies. DHIN's decision not to move to another location provided savings against planned expenses in the Administration line item. In the Contractual line, we had some FY18 timing variances due to a delay in receiving the Competitive Market Analysis. In Ongoing License and Maintenance, there are savings due to lower than planned Provider Scorecard usage billings from our vendor. The Provider Scorecard was decommissioned in its previous form at the end of June.

Lastly, the Technology Refresh expense line while on target financially has had some ins and outs due to the change in technology vendors and timing that Jan later discussed.

Balance Sheet

DHIN's balance sheet position remains strong, with \$4.9M in the bank that was discussed previously as well as an additional \$900K in Accounts Receivable for various Payer and Data Sender and State payments, which are all expected to be collected. This is offset by \$1.2M in accounts payable related to system conversion, claims database, and DHIN staff Performance incentive expenses. DHIN's unrestricted Net Assets as of June 30th stands at a little under \$4.8M, which equates to 222 days of operating expenses, placing DHIN in strong position going into FY19.

STATUS OF FY18 GOALS:

FINANCIALS:

Total annualized technology costs will be reduced by at least 5% beginning in FY19 through contracting activities occurring in FY18. In addition, securing new revenue-generating contracts(s) with an annualized value of at least \$175K: DHIN's estimated net savings in FY19 through our Technology Fresh is approximately \$1.6M. In addition, new revenue with an estimated value of \$279K from Cigna, Envera, Avero Diagnostics, MedHX, Legal Shield, Atlantic General Hospital and Provider Fees.

CUSTOMER:

Develop a business pro forma to inform a Board of Directors go/no-go decision regarding implementation of the HCCD: At the April 25, 2018, Board of Directors Meeting, members approved implementation pending a State funding commitment.

- \$470,430 in SIM AY4 funds has been unrestricted
- Another ~\$1M in SIM carryover funds is expected
- SB236 earmarks \$2M for implementation of HCCD; expands required reporting to all DE lives covered (barring ERISA exclusions)
- SB 227 (Primary Care bill) requires universal reporting of claims to DHIN HCCD; requires use of this data to evaluate effectiveness of measures introduced in SB 227 to strengthen primary care
- Contract executed with MedicaSoft – implementation has begun

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: ITIL process owners have been assigned, key inputs, outputs, CSFs and KPIs have been identified and process maps have been created and signed off by all DHIN managers.

Perform competitive market analysis: Competitive market analysis is under way; expect completion by 6/30/2018. Competitive market analysis summary received; detailed report to follow

Tech refresh Plan B – RFP and vendor selection in FY18; partial implementation in FY18 and complete in FY19.

All historical data has been ingested into the NXT Platform, terminology services applied and data is indexed.

Executing the Technology Refresh:

- All 10+ years of historical data migrated to AWS cloud
- Clinical Gateway replaced (Audacious Inquiry)
- Medication History – keeping current vendor – HCS
- Image Sharing – keeping current vendor – Vital
- HISP – extending with Medicity

Mirth Results Implementation: Mirth results work is required with 30 different EHRs representing 2,068 result feeds; 256 practices and 1,447 providers. Currently, 88% are in production; 4% are production ready; and additional work has begun on 8%.

Community Health Record:

DHIN selected MEDfx as vendor late in September 2017; work proved to be challenging in numerous ways. By March 2018, MEDfx admitted they were six weeks behind and could not meet our required completion date of June 30, 2018.

DHIN planned to use Mirth Results as a temporary CHR in order to avoid a contract extension with Medicity. However, Medicity offered us an extension under unexpectedly favorable terms; with concurrence from the Executive Committee:

- DHIN terminated the contract with MEDfx
- Contracted with Audacious Inquiry
- Accepted contract extension with Medicity for CHR

DHIN is anticipating a go-live for the New CHR in March 2019.

LEARNING:

Each staff member will take at least one ITIL/ITSM course at the intermediate level and at least 90% will achieve an intermediate level certification:

Twenty-seven staff members are currently trained and certified in one ITIL/ITSM course at the intermediate level.

Committee Status Reports

FY2019 Budget:

Profit & Loss:

This budget was approved by the Executive Committee in late June, before the State budget was passed. The budget does not include any revenue \$2MM OMB apportioned funding from the state related to the claims database. In addition, the budget only includes a limited amount (\$161K) of offsetting revenue and expenses from recently unrestricted amount of \$470K of SIM funding, and also an additional \$1.1M of SIM HIT funding which DHIN and DHCC are working to get unrestricted in time for completion and payment by the end of the SIM grant in January 2019. DHIN expects that these initiatives will provide DHIN with a net income benefit, but the exact amount of that benefit is still unknown. At the very least, DHIN will recover its vendor expenses plus appropriate time and materials expenses for DHIN staff efforts related to the SIM and Claims Database projects.

Mike noted that a key component of DHIN's revenue assumptions is the implementation of DHIN's service catalogue, which includes formalized product bundles and pricing for the data senders, payers, and for the first time, ambulatory practices – which will now be charged for access to the DHIN Community Health Record (the CHR). DHIN will provide discounts to those practices who contribute CCD's to the CHR and will also begin charging for ancillary services such as Event Notification Services and DHIN's PHR service. DHIN is forecasting \$196K in revenue from the practices.

Data Sender revenue is increasing year over year due to significantly increased volumes to DHIN. This is occurring even while DHIN has decreased its per unit rates (for a second time) to its data senders. A new service bundle has been introduced which provides 8 services for data senders to receive benefit. For the Community Health Record / Payers, Mike noted that a new service bundle has been introduced which provides 3 services for payers to receive benefit.

DHIN has not assumed any funding from Highmark for its private/commercial book of business which DHIN received \$1MM annually over a period of five years. DHIN is still working with Highmark to secure funding for this book of business.

In Personnel expense category, budgeted headcount is expected to grow by 1 full-time employee to 32 full-time employees in FY19. Marketing monies were repurposed to Personnel to hire a Consumer Applications and Marketing Coordinator to increase control and flexibility of DHIN's web presence. We anticipate the possibility of doing the same sort of arrangement for the Legal Services budget as well. We have a significant line item in our budget for legal services and it may make operational and financial sense to have our counsel be in-house. We currently have two open positions and have had some vacancy throughout the year and had some new hires in FY18, so there is significant full year expense annualization implications. In the Administration category, expenses are decreasing due to the removal of planned moving expenses compared to FY18. The Technology Refresh category is scheduled to decrease from year to year, due to decreased system conversion expenses. DHIN's budget shows a \$1.9M improvement in Net Income compared to the FY18 actual performance and a large part of the net income loss is due to system conversion expenses; the budget does not include revenue from the aforementioned \$470K, \$1.1M or \$2.M buckets.

Balance Sheet

With these assumptions in place, DHIN will end FY2019 with \$3.4 million in unrestricted net assets, which equates to 155 days of operational funding. During the May 25, 2018 Executive Committee Meeting, permission was given for DHIN to go down to no lower than 150 days of operational funding by the end of FY19, and to get back our benchmark of 180 days of operational funding in FY20. As is customary, DHIN has assumed the least amount of revenue and the greatest amount of expenses in our budget and are diligently working to achieve our funding targets. The end of year balance sheet projection does not include any impact of the aforementioned \$470K, \$1.1M or \$2.0M funding streams.

Rich Heffron motioned for the FY19 Budget to be approved. Steve Saville seconded the motion. DHIN’s FY19 Budget was unanimously approved.

ACTION ITEM: DHIN’s FY19 Budget was unanimously approved.

FY19 Goals:

Financial: Introduce pricing structure that incentivizes sending us data

Customer: Complete all phases of the technical refresh for both the Community Health Record and Mirth Results

Process: Implement the Health Care Claims Database (assuming we receive a financial commitment from the State)

Learning: At least 30% of DHIN employees will become ITIL certified at the intermediate level in a least one additional course and will produce process maps, RACI charts, CSFs and KPIs for at least 70% in the defined ITIL processes

Dr. Lee presented a motion to approve the FY19 DHIN Goals. Brenda Lakeman motioned for the DHIN FY19 Goals to be approved. Donna Goodman seconded the motion. DHIN’s FY19 Goals were unanimously approved.

ACTION ITEM: DHIN’s FY19 Goals were unanimously approved.

Other Business:

Donna Goodman presented a motion to approve the nomination of Barry Dahllof, Jr. | Vice President, Enterprise Contracting & Payor Relations, Christiana Care Hospital, as a member of the Finance Committee. Dr. Hawtof accepted the nomination; Dr. Kahlon seconded the motion. Motion for new finance member Barry Dahllof, Jr. was unanimously approved.

ACTION ITEM: Nomination of Barry Dahllof to the Finance Committee was unanimously approved.

Dr. Lee presented a motion to approve the nomination of Jill Hutt, VP/Director of Member Services Greater Philadelphia Business Coalition on Health, as a member of the HCCD Committee. Brenda Lakeman approved the nomination; Steve Saville seconded the motion. Motion for Jill Hutt as an HCCD committee member was unanimously approved.

ACTION ITEM: Nomination of Jill Hutt to the HCCD Committee was unanimously approved.

Executive Session: [Pursuant to DE Code – Title 29, Chapter 100, §10004 (b)(9)]

At 3:58 p.m., Dr. Lawless 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.

ACTION ITEM: FY18 Fiscal and Personnel Matters unanimously approved.

At 4:10 p.m., the DHIN Board of Directors voted to exit Executive Session. Dr. Lawless advised that the DHIN Board of Directors took action in the Executive Session on all FY18 personnel matters and approved all items recommended.

PUBLIC COMMENT:

No one from the public offered comments.

NEXT BOARD MEETING:

The next DHIN Board of Directors Meeting will be held on October 24, 2018 from 2:00 p.m. to 4:00 p.m. at the DHIN Office.

ADJOURN:

The meeting adjourned at 4:12 p.m.

Attendance:

Board Members Present

James Collins
Steven Constantine
Donna Goodman
Randeep Kahlon
Jeffrey Hawtof
Rich Heffron
Jonathan Kauffman
Bill Kirk
Brenda Lakeman
Dr. Stephen Lawless
Kathleen Matt
Nathan Merriman
Stephen Saville
Meredith Stewart-Tweedie

Phone

Troy McDaniel
Remy Richman

DHIN Staff Present

Dr. Jan Lee
Ali Charowsky
Stacey Schiller
Mike Sims

Guests Present

Julie Fedele
Faith Rentz
Scott Perkins
