

Delaware Health Information Network
Statement of Cash Flows
June 1, 2012 to June 30, 2012



Cash at Beginning of Period \$2,788,697

OPERATING ACTIVITIES

Net Income \$167,568

Adjustments to reconcile Net Income to net cash provided by operations:

Accounts Receivable (\$243,981)

Deferred Income (\$249,738) ¹

Accounts Payable \$97,875

Net cash provided by Operating Activities (\$228,276)

Cash at End of Period **\$2,560,421**

Net Cash Increase For Period (\$228,276)

¹ Represents cash received from the State for Bond Appropriations - revenue not yet recognized.

Delaware Health Information Network
Profit and Loss Statement
FOR THE PERIOD ENDING JUNE 2012



*Accrual Basis

	<u>Month To Date Actuals</u>	<u>Month To Date Reforecast</u>	<u>Variance</u>	<u>Year To Date Actuals</u>	<u>Year To Date Reforecast</u>	<u>Variance</u>	<u>Full Year Reforecast</u>
Revenue							
State of Delaware (Bond)	\$249,738	\$249,742	(\$4)	\$2,996,900	\$2,996,900	\$0	\$2,996,900
Data Senders	\$68,513	\$2,134	\$66,379	\$1,784,929	\$1,789,680	(\$4,751)	\$1,789,680
Payers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$231,499	\$76,133	\$155,367	\$1,089,289	\$225,425	\$863,864	\$225,425
Providers	\$0	\$945	(\$945)	\$0	\$1,980	(\$1,980)	\$1,980
Interest	\$385	\$402	(\$17)	\$3,822	\$4,000	(\$178)	\$4,000
Total Revenue	\$550,135	\$329,355	\$220,780	\$5,874,939	\$5,017,985	\$856,955	\$5,017,985
Expenses							
Personnel	\$245,204	\$235,426	(\$9,778)	\$1,373,045	\$1,406,946	\$33,900	\$1,406,946
Administration	\$31,840	\$29,348	(\$2,492)	\$225,169	\$275,227	\$50,058	\$275,227
Operations	\$41,648	\$0	(\$41,648)	\$1,090,480	\$1,056,483	(\$33,997)	\$1,056,483
Contractual (Non-Technical)	\$9,950	\$107,055	\$97,105	\$855,475	\$964,699	\$109,224	\$964,699
Marketing	\$2,571	\$5,036	\$2,464	\$71,796	\$75,000	\$3,204	\$75,000
Ongoing License & Maintenance	\$0	\$0	\$0	\$1,046,042	\$1,049,748	\$3,706	\$1,049,748
New Functions	\$51,383	\$534,289	\$482,906	\$260,039	\$865,612	\$605,573	\$865,612
New Functions Maintenance & License	\$0	\$320,816	\$320,816	\$136,933	\$444,519	\$307,586	\$444,519
Total Expenses	\$382,597	\$1,231,970	\$849,373	\$5,058,979	\$6,138,234	\$1,079,254	\$6,138,234
Net Income	\$167,538	(\$902,615)	\$1,070,153	\$815,960	(\$1,120,249)	\$1,936,209	(\$1,120,249)

- ❖ Personnel expenses are for DHIN staff people-related items.
- ❖ Administration expenses are for non-people related overhead expenses (lease, computer support, supplies, etc.).
- ❖ Operations expenses consist of Data Center and Help Desk functions from DHIN's technology provider, Medicity.
- ❖ Contractual (Non-Technical) expenses are for:
 - Contract and Project Management from Medicity, DHIN's technology provider
 - DHIN Evaluation project development
 - Planning contractors to support the State in connecting the DHIN to several State systems
- ❖ Ongoing License and Maintenance expenses are related to functions implemented in prior years.
- ❖ Marketing expenses are for provider outreach materials, consumer educational materials, web page re-branding, and brand awareness.
- ❖ New Functions expenses include the implementation of new functions, new data types, EMR vendor interfaces, and new data senders.
- ❖ New Function Maintenance and License expenses are related to projects implemented in the current fiscal year.

Year To Date Key Variance Explanations

- ❖ Grant revenue is favorable to reforecast due to recognition of HIE Cooperative Agreement income - based on when expenses are incurred, as opposed to when the grant was awarded, in February 2010. \$248k was recognized in the Month of June and \$938k has been recognized year to date. This change was suggested by DHIN's auditors in June 2012, and thus was not incorporated into the Mid-Year Reforecast. DHIN has signed 6 new data senders in FY2012, an 86% increase from the beginning of the year.
- ❖ Contractual expenses are favorable to plan due to:
 - Delay by the State in hiring contractors to plan connectivity of state agencies and departments to DHIN - HIE Cooperative Agreement project.
 - Delay in implementing EMR vendors (vendor beta site implementation and QID implementation expenses - 11 vendors have signed contracts and are in queue for implementation).
- ❖ New functions and New Functions Maintenance and License expenses are favorable to plan due to the delay of implementing the following projects : Integrating A.I. duPont Hospital for Children with the DHIN (scheduled for August 2012), Creation of a statewide provider directory, Connecting the State's DPH with the DHIN to deliver lab results to the DHIN, Creation of a demonstration training environment for DHIN staff to use with its stakeholders (will be funded by Medicity for free in FY2013), Implementing EMR vendor integrations (as also noted in the Contractual line item), Inbound & Outbound CCD exchange with an EMR (Allscripts), Development of an interface and data stage for payer claims and eligibility files. Developing the ability to electronically order labs via EMR's to LabCorp and Quest , Developing the ability for DHIN users to query and populate the State's Immunization Registry. Milestones for several EMR implementations were completed as forecasted, which have 71 DHIN practices as customers. 48% of DHIN's EMR customers have the ability to receive results directly into their EMR. Kickoff for Tri-State Open MRI and Papastavros was completed and is scheduled for a Fall 2012 implementation. DIRECT connectivity was established for over 550 DHIN providers and is expected to increase as providers engage in sending immunization information to the State.

Delaware Health Information Network
Balance Sheet
As of June 30, 2012



ASSETS

Restricted Cash	\$228,228
Unrestricted Cash	\$2,332,193
Restricted Accounts Receivable	\$648,624 ¹
Other Assets - Lease Deposit	<u>\$6,979</u>
TOTAL ASSETS	<u><u>\$3,216,024</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$996,411 ²
Board Restricted Net Assets	\$276,228 ³
Unrestricted Net Assets	\$1,943,385
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$3,216,024</u></u>

¹ Restricted Accounts Receivable includes \$483k due via the State for AHRQ grant expenses incurred, but not yet reimbursed. Account also contains payments due from private data senders for services provided and receivables from ONC for payments related to HIE Cooperative Agreement expenses incurred.

² Accounts Payable is comprised of quarterly license and maintenance expenses due to Medicity, Medication history project expenses, funds owed to the State due to overpayment by the State to DHIN for HIE Cooperative Agreement expenses, and staff performance incentives.

³ Board Restricted Net Assets include expenses related to an upcoming LAN conversion for DHIN's office complex, upcoming audit work, and matching funds received from the State for HIE Cooperative Agreement projects.