

Delaware Health Information Network  
Statement of Cash Flows  
October 2014 to December 2014



<b>Cash at Beginning of Period</b>	\$4,684,471
<b>OPERATING ACTIVITIES</b>	
Net Income	\$502,390
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	(\$30,984)
Deferred Income	(\$422,715) <sup>1</sup>
Accounts Payable	(\$90,404)
<b>Net cash provided by Operating Activities</b>	<u>(\$41,713)</u>
<b>INVESTING ACTIVITIES</b>	
Furniture and Equipment	\$1,205
<b>Net cash provided by Investing Activities</b>	<u>\$1,205</u>
<b>Cash at End of Period</b>	<b>\$4,643,962</b>
Net Cash Increase For Period	(\$40,509)

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<sup>1</sup> Change in Deferred Income driven by \$1MM cash received during the quarter from Highmark/BCBSDE, income recognized monthly in 12 equal amounts. Change also driven by 2Q FY2015 data sender fee revenue received early from BayHealth.

Delaware Health Information Network  
Profit and Loss Statement  
FOR THE PERIOD ENDING DECEMBER 2014



\*Accrual Basis

	Quarter To Date Actuals	Quarter To Date Budget	Variance	Year To Date Actuals	Year To Date Budget	Variance	Full Year Budget
<b>Revenue</b>							
Data Senders	\$921,311	\$939,091	(\$17,780)	\$1,839,725	\$1,863,563	(\$23,837)	\$3,711,577
Payers	\$740,882	\$706,315	\$34,567	\$1,445,350	\$1,412,630	\$32,720	\$2,825,260
Grants	\$0	\$0	\$0	\$25,000	\$0	\$25,000	\$0
Providers	\$20,340	\$1,650	\$18,690	\$28,510	\$9,980	\$18,530	\$12,310
Contributions	\$250,000	\$250,000	\$0	\$500,000	\$500,000	\$0	\$1,000,000
Dept. of Public Health	\$27,519	\$30,500	(\$2,982)	\$58,037	\$61,000	(\$2,963)	\$182,000
Professional Services	\$7,965	\$0	\$7,965	\$14,959	\$0	\$14,959	\$0
Interest	\$1,428	\$600	\$828	\$2,316	\$1,200	\$1,116	\$2,400
<b>Total Revenue</b>	<b>\$1,969,445</b>	<b>\$1,928,156</b>	<b>\$41,289</b>	<b>\$3,913,896</b>	<b>\$3,848,373</b>	<b>\$65,524</b>	<b>\$7,733,547</b>
<b>Expenses</b>							
Personnel	\$533,949	\$554,159	\$20,211	\$1,070,820	\$1,134,039	\$63,219	\$2,433,471
Administration	\$79,525	\$74,793	(\$4,732)	\$173,097	\$144,435	(\$28,662)	\$333,702
Operations	\$296,316	\$328,112	\$31,797	\$593,518	\$656,224	\$62,706	\$1,312,448
Depreciation	\$1,205	\$1,205	\$0	\$2,209	\$2,410	\$201	\$4,819
Contractual (Non-Technical)	\$184,835	\$111,740	(\$73,095)	\$291,012	\$221,731	(\$69,281)	\$462,713
Marketing	\$28,879	\$38,750	\$9,872	\$61,989	\$77,500	\$15,511	\$125,000
Ongoing License & Maintenance	\$329,114	\$376,015	\$46,902	\$658,228	\$752,031	\$93,803	\$1,531,872
New Functions	\$11,233	\$420,900	\$409,668	\$74,378	\$461,300	\$386,923	\$1,396,125
New Functions Maintenance & License	\$2,000	\$5,000	\$3,000	\$58,150	\$50,000	(\$8,150)	\$130,003
<b>Total Expenses</b>	<b>\$1,467,054</b>	<b>\$1,910,675</b>	<b>\$443,620</b>	<b>\$2,983,400</b>	<b>\$3,499,669</b>	<b>\$516,269</b>	<b>\$7,730,153</b>
<b>Net Income</b>	<b>\$502,390</b>	<b>\$17,481</b>	<b>\$484,909</b>	<b>\$930,496</b>	<b>\$348,703</b>	<b>\$581,793</b>	<b>\$3,394</b>

**\*Explanation of Budget Categories\***

- ❖ Contributions - Highmark's \$1MM annual funding agreement stemming from the Delaware Insurance Commissioner's Affiliation Approval Conditions.
- ❖ Dept. of Public Health - \$122k in operational funding and one-time funding of \$60k for hospital newborn screening interfaces.
- ❖ 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
  - Planning contractors to support the State in connecting the DHIN to several State systems
  - DHIN Evaluation project development
- ❖ Ongoing License and Maintenance expenses are related to functions implemented in prior years.
- ❖ Marketing expenses are for provider outreach materials, consumer educational materials, 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\***

- ❖ Payer Income is above plan due higher Medicaid member enrollments, ultimately driven by the Affordable Care Act.
- ❖ Grant Income is above plan due to revenue related to CCHS' CMMI grant, which will fund normalizing data fields. Different healthcare stakeholders use different nomenclatures to represent the same value. Standardization harmonizes all of the results to a standard code set to allow a provider to understand the value of a given field. Normalization will also allow data to be analyzed on a larger scale. Total CMMI income is projected to be ~\$114k for the year.
- ❖ Personnel expenses are favorable to plan due to headcount being lower than plan and lower than budgeted health insurance related expenses.
- ❖ Administration expenses are unfavorable to plan due to earlier than expected due to Audit related expenses that were budgeted for January 2015.
- ❖ Operations expenses are lower than plan due to lower than expected data center hosting expenses from one of DHIN's technology vendors.
- ❖ Contractual expenses are higher than plan due to vendor payment for the Provider Scorecard Project, which will ultimately be reimbursed by the State.
- ❖ New Functions Expense is below plan due to negotiated reductions in new data sender data stage expense, a delay in implementing QPID and iSpecimen development work (driven by longer than planned governance approval), a delay in getting the contract signed for a patient engagement initiative, and a delay in timing in picking a vendor to assist DHIN in determining the value of its data.
- ❖ Ongoing License and Maintenance expenses are favorable to plan due to lower than expected FY2014 functionality maintenance expense from DHIN's technology vendors.

Delaware Health Information Network  
Balance Sheet  
As of December 31st, 2014



**ASSETS**

Restricted Cash	\$64,454
Unrestricted Cash	\$4,579,508
Restricted Accounts Receivable	\$499,516 <sup>1</sup>
Equipment - Restricted	\$4,073
Other Assets - Lease Deposit	<u>\$6,979</u>
<b>TOTAL ASSETS</b>	<u><u>\$5,154,529</u></u>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$40,954 <sup>2</sup>
Deferred Income	\$564,250 <sup>3</sup>
Board Restricted Net Assets	\$23,500 <sup>4</sup>
Unrestricted Net Assets	\$4,525,825
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$5,154,529</u></u>

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<sup>1</sup> Restricted Accounts Receivable includes receivables from DHIN's data senders for results delivery services performed.

<sup>2</sup> Accounts Payable is for monthly license and maintenance expenses for its Event Notification System.

<sup>3</sup> Deferred Income represents cash received, but income not yet recognized from:

- ❖ Highmark BCBSDE - Full year \$1MM contribution was received during 1Q2015. Income recognized monthly in 12 equal amounts.
- ❖ CCHS for CMMI related grant activities which had not yet been completed as of 12/31/2014, but were completed on 1/13/2015.

<sup>4</sup> Board Restricted Net Assets include expenses related to contracted/obligated work with EMR vendors to implement results delivery, immunization exchange, and CCD functionality in several DHIN Beta practices.