

Delaware Health Information Network  
Statement of Cash Flows  
December 1, 2011 to December 31, 2011



**Cash at Beginning of Period** **\$5,795,632**

**OPERATING ACTIVITIES**

Net Income (\$9,031)

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

    Accounts Receivable \$9,736 <sup>1</sup>

    Deferred Income \$750,258 <sup>2</sup>

    Accounts Payable (\$48,572)

**Net cash provided by Operating Activities** **\$702,391**

**Cash at End of Period** **\$6,498,024**

Net Cash Increase For Period \$702,391

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<sup>1</sup> Represents net data sender payments recognized, but not received, in December 2011. Previous months receivables were received in December 2011, offsetting receivables incurred in December 2011.

<sup>2</sup> Represents cash received from the State for Bond Appropriations - revenue not yet recognized. \$1 million was received in December 2011.

Delaware Health Information Network  
Profit and Loss Statement  
FOR THE PERIOD ENDING DECEMBER 2011



\*Accrual Basis

	Month To Date Actuals	Month To Date Budget	Variance	Year To Date Actuals	Year To Date Budget	Variance	Full Year Budget
<b>Revenue</b>							
State of Delaware (Bond)	\$249,742	\$249,742	\$0	\$1,498,452	\$1,498,452	\$0	\$2,996,900
Data Senders	\$36,570	\$0	\$36,570	\$1,237,303	\$1,033,300	\$204,003	\$1,476,143
Payers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Providers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$377	\$0	\$377	\$1,587	\$0	\$1,587	\$0
<b>Total Revenue</b>	<b>\$286,689</b>	<b>\$249,742</b>	<b>\$36,947</b>	<b>\$2,737,342</b>	<b>\$2,531,752</b>	<b>\$205,590</b>	<b>\$4,473,043</b>
<b>Expenses</b>							
Personnel	\$118,367	\$139,569	\$21,202	\$562,972	\$837,412	\$274,441	\$1,674,825
Administration	\$33,195	\$25,041	(\$8,153)	\$96,970	\$180,477	\$83,507	\$330,724
Operations	\$8,761	\$0	(\$8,761)	\$532,623	\$480,756	(\$51,867)	\$961,512
Contractual (Non-Technical)	\$7,996	\$41,521	\$33,525	\$597,658	\$876,704	\$279,046	\$1,301,925
Marketing	\$8,428	\$4,667	(\$3,761)	\$42,810	\$47,000	\$4,190	\$75,000
Ongoing License & Maintenance	\$0	\$0	\$0	\$524,874	\$537,374	\$12,501	\$1,074,748
New Functions	\$70,373	\$799,029	\$728,657	\$147,123	\$1,337,504	\$1,190,381	\$2,266,410
New Functions Maintenance & License	\$48,600	\$223,377	\$174,777	\$48,600	\$501,977	\$453,377	\$868,277
<b>Total Expenses</b>	<b>\$295,719</b>	<b>\$1,233,203</b>	<b>\$937,484</b>	<b>\$2,553,629</b>	<b>\$4,799,204</b>	<b>\$2,245,575</b>	<b>\$8,553,420</b>
<b>Net Income</b>	<b>(\$9,031)</b>	<b>(\$983,461)</b>	<b>\$974,431</b>	<b>\$183,712</b>	<b>(\$2,267,452)</b>	<b>\$2,451,164</b>	<b>(\$4,080,378)</b>

- ❖ 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
  - EMR Integration work from a subcontract with Quality Insights of Delaware
  - 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\***

- ❖ Income is favorable to plan due to the signing of Nemours (A.I. DuPont) hospital and the successful implementation of grant with the State Division of Long Term Care and Resident Protection (DLTRCP) to train and install DHIN 46 State long term care facilities.
- ❖ Personnel and Administration expenses are favorable to plan due to open positions throughout the year. As of 12/31/2011, DHIN was fully staffed.
- ❖ Contractual expenses are favorable to plan due to:
  - Delay 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 - 9 vendors have signed contracts and are in queue for implementation).
- ❖ New functions expenses are favorable to plan due to the delay of implementing the following projects (Revised fiscal quarter implementation dates are noted): Creation of a statewide provider directory - Q4, - Delivery of Immunization information from an EMR to DPH - Q4, CCD Exchange Gateway - Q4, Lab Requisition Printing - TBD, Outbound Lab Orders to LabCorp and Quest - TBD, PACS interfaces for Beebe & CCHS - TBD, Connecting a small radiology facility to DHIN - 3Q, Small data sender data stage set up - 3Q, Making patient medication history available to users - TBD, LOINC code implementation - TBD, Delivery of specific member results to Payers - 4Q, LAB orders portal (out of scope), Scheduled Order Entry for Radiology Orders - Out of Scope. Delivery of employee drug test results to DLTRCP - 3Q. Inbound & Outbound CCD exchange with an EMR (Allscripts) - Q4. Integration with various EMR's - Q3 & Q4. Medication Reconciliation Interface - TBD. Creation of a demonstration training environment at Medicity - FY2013. Connectivity to Nanticoke Hospital - TBD. Connecting DHIN to a Personal Health Record to allow consumers to view their information from DHIN in their Personal Health Record. Adding DHIN data sender information with Medication History data - TBD. The data center move project was completed as scheduled in 1Q. This project is a requirement for the upgrade to software version 5.5.1 which was planned for September and occurred in early January. The 5.5.1 platform serves as the foundation for many of the projects in this year's plan.
- ❖ New functions maintenance and license expenditures are favorable to plan due to the delay of implementing the following projects: Lab Requisition Printing, Outbound Lab Orders to LabCorp and Quest - Timing TBD. Scheduled Order Entry for Radiology tests - TBD.

Delaware Health Information Network  
Balance Sheet  
As of December 31, 2011



**ASSETS**

Restricted Cash	\$2,099,496
Unrestricted Cash	\$32,668
Restricted Accounts Receivable	\$438,889 <sup>1,2</sup>
Restricted Assets	
Federal Appropriations - Restricted	<u>\$4,365,860</u> <sup>3</sup>
Other Assets - Lease Deposit	<u>\$6,979</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$6,943,892</u></u></b>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$43,740
Encumbered Expenses	\$5,918,064 <sup>4</sup>
Deferred Income	\$949,419 <sup>5</sup>
Unrestricted Net Assets	\$32,668
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$6,943,892</u></u></b>

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<sup>1</sup> The State of Delaware transferred \$900,000 of funding to DHIN in June 2011. This was for available State and Private funding and for interest earned to date. DHIN believes an additional \$248,079 is due from the State, based on appropriated funds given and less all invoices submitted to date.

<sup>2</sup> Restricted Accounts Receivable includes the \$248,079 due from the State from FY2011, referenced in Footnote 1. The remainder of the balance is for payment due from a private data sender and a grant recipient.

<sup>3</sup> Federal Appropriations is comprised of two funding sources:

- \$511,752 from the Agency of Healthcare Research and Quality. These funds had an expiration date of September 29, 2011. DHIN has incurred these remaining expenses and is currently obtaining reimbursement from AHRQ.

- \$3,854,108 for the HIE Cooperative Agreement. These funds expire on February 7, 2014.

<sup>4</sup> Encumbered Expenses represent available funding which has been assigned for specific uses to be completed at a future date.

<sup>5</sup> Deferred Income represents FY2012 bond funding received to date from the State of Delaware, not yet recognized as income.