

Delaware Health Information Network
Statement of Cash Flows
April 2014 to June 2014



Cash at Beginning of Period	\$3,377,969
OPERATING ACTIVITIES	
Net Income	(\$171,018)
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	\$287,824
Deferred Income	(\$185,750) ¹
Accounts Payable	\$114,207
Net cash provided by Operating Activities	<u>\$45,263</u>
INVESTING ACTIVITIES	
Furniture and Equipment	<u>\$1,205</u>
Net cash provided by Investing Activities	<u>\$1,205</u>
Cash at End of Period	\$3,424,437
Net Cash Increase For Period	\$46,468

¹ Represents revenue recognized during the quarter, offsetting cash previously received. Highmark/BCBSDE - \$250,000. This is offset by a \$64,250 received from CCHS for a CMMI grant whose work has not yet been completed.

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



*Accrual Basis

	Quarter To Date Actuals	Quarter To Date Reforecast	Variance	Year To Date Actuals	Year To Date Reforecast	Variance	Full Year Reforecast
Revenue							
Data Senders	\$612,736	\$740,474	(\$127,738)	\$2,912,198	\$3,038,884	(\$126,686)	\$3,038,884
Payers	\$707,079	\$707,876	(\$797)	\$2,840,483	\$2,839,984	\$499	\$2,839,984
Contributions	\$250,000	\$250,000	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Grants	(\$64,250)	\$0	(\$64,250)	\$1,804,870	\$1,861,145	(\$56,275)	\$1,861,145
Providers	\$6,880	\$330	\$6,550	\$18,612	\$10,310	\$8,302	\$10,310
Professional Services	\$3,040	\$0	\$3,040	\$62,651	\$12,284	\$50,367	\$12,284
Interest	\$1,028	\$600	\$428	\$3,521	\$2,625	\$896	\$2,625
Total Revenue	\$1,516,513	\$1,699,280	(\$182,767)	\$8,642,336	\$8,765,233	(\$122,896)	\$8,765,233
Expenses							
Personnel	\$654,006	\$656,599	\$2,593	\$2,043,040	\$2,071,718	\$28,678	\$2,071,718
Administration	\$77,027	\$66,711	(\$10,316)	\$282,157	\$293,025	\$10,867	\$293,025
Operations	\$280,412	\$289,570	\$9,158	\$1,110,334	\$1,118,788	\$8,454	\$1,118,788
Depreciation	\$1,205	\$1,205	\$0	\$4,819	\$5,006	\$187	\$5,006
Contractual (Non-Technical)	\$152,393	\$179,933	\$27,541	\$1,402,249	\$1,528,835	\$126,587	\$1,528,835
Marketing	\$29,054	\$32,456	\$3,402	\$90,542	\$100,000	\$9,458	\$100,000
Ongoing License & Maintenance	\$282,036	\$289,298	\$7,262	\$1,081,827	\$1,118,518	\$36,691	\$1,118,518
New Functions	\$161,871	\$139,660	(\$22,211)	\$1,254,717	\$1,457,458	\$202,741	\$1,457,458
New Functions Maintenance & License	\$49,529	\$79,489	\$29,960	\$346,845	\$359,805	\$12,960	\$359,805
Total Expenses	\$1,687,531	\$1,734,920	\$47,389	\$7,616,529	\$8,053,152	\$436,623	\$8,053,152
Net Income	(\$171,018)	(\$35,640)	(\$135,378)	\$1,025,807	\$712,081	\$313,726	\$712,081

Explanation of Budget Categories

- ❖ Contributions - Highmark's \$1MM annual funding agreement stemming from the Delaware Insurance Commissioner's Affiliation Approval Conditions.
- ❖ 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

- ❖ Data Sender Revenue - DHIN provided \$231k of services in FY2014 to a given data sender, but the data sender has notified DHIN that it would only pay \$88k. DHIN has written off \$143k of revenue as a result of the notification. DHIN is continuing pursuit of payment in full.
- ❖ Grant Revenue is below projections due a delay in completing the second half of phase one of the CCHS CMMI grant, which is expected to be completed by calendar year-end 2014.
- ❖ Professional Services revenue is ahead of forecast due to the early completion of work for a CDC Immunization grant sponsored by the State. This is incremental revenue for DHIN.
- ❖ Personnel and Administration expenses are favorable to plan due to headcount being lower than plan through April 2014.
- ❖ Contractual expenses are below plan due to the cancellation in implementing internal project management software and lower than expected legal and various project RFP expenses.
- ❖ New Functions expenses are favorable to plan due to:
 - A delay in implementing the ability to add state immunization registry information to DHIN's Community Health Record when a Continuity of Care Document (CCD) extract is created.
 - The ability for consumers to receive DHIN information via the iTriage application. This project has been postponed indefinitely, pending another solution.
 - Savings in completing integration work (via the Mirth integration engine) in-house versus using an external vendor.
 - A delay in implementing connectivity to eHealthexchange, the nation's HIE to HIE network connectivity protocol. DHIN will have the ability to engage in this functionality when it upgrades to Medicity software version 7.2 later in calendar year 2014.

Delaware Health Information Network
Balance Sheet
As of June 30th, 2014



ASSETS

Restricted Cash	\$265,685
Unrestricted Cash	\$3,158,738
Restricted Accounts Receivable	\$332,683 ¹
Equipment - Restricted	\$6,482
Other Assets - Lease Deposit	<u>\$6,979</u>
TOTAL ASSETS	<u><u>\$3,770,567</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$242,185 ²
Deferred Income	\$64,250 ³
Board Restricted Net Assets	\$23,500 ⁴
Unrestricted Net Assets	\$3,440,632
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$3,770,567</u></u>

¹ Restricted Accounts Receivable includes \$88k is from a data sender who has not made a payment yet in FY2014. DHIN provided \$231k of services in FY2014, but the data sender notified DHIN that it would only pay \$88k. DHIN has written off \$143k of revenue as a result of the notification. DHIN is continuing pursuit of payment in full. Remaining receivables (short term in nature and are expected to be collected) are from DHIN's data senders for results delivery services performed and also from one Payer for June 2014 Event Notification Services performed.

² Accounts Payable is comprised of:

- ❖ Outstanding payable to vendor for services contracted but not performed. DHIN has contacted the vendor to determine if remaining contracted amount will be invoiced to DHIN.
- ❖ Performance incentives for DHIN staff.
- ❖ Reimbursement to a hospital for an imaging server in support of PACS viewing capability.
- ❖ Accrued expenses for work completed in June FY2014, to be paid in July 2014.

³ Represents cash received from CCHS for CMMI related grant activities which have not yet been completed.

⁴ 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.