

Delaware Health Information Network
Statement of Cash Flows
April 2015 to June 2015



Cash at Beginning of Period	\$5,175,993
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OPERATING ACTIVITIES

Net Income	\$636,431
Adjustments to reconcile Net Income to net cash provided by operations:	

Accounts Receivable	(\$519,689) ¹
Deferred Income	(\$251,800) ²
Accounts Payable	(\$5,734)
Net cash provided by Operating Activities	<u>(\$140,792)</u>

INVESTING ACTIVITIES

Furniture and Equipment	\$1,205
Master Patient Index - block of 500k identities	\$11,778
Net cash provided by Investing Activities	<u>\$12,982</u>

Cash at End of Period	\$4,984,491
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Net Cash Increase For Period	(\$191,502)
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¹ Change in Accounts Receivable driven payments due from DHIN data senders for results delivery services and from payers for Per Member Per Month charges. All are short term in nature and are expected to be received in the near future.

² 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 this quarter's recognition of \$1,800 of interface maintenance that was received in the beginning of calendar year 2015.

Delaware Health Information Network
Profit and Loss Statement
FOR THE PERIOD ENDING JUNE 2015



*Accrual Basis

	Quarter To Date Actuals	Quarter To Date Budget	Variance	Year To Date Actuals	Year To Date Budget	Variance	Full Year Reforecast
Revenue							
Data Senders	\$979,650	\$924,166	\$55,484	\$3,765,040	\$3,708,575	\$56,465	\$3,708,575
Payers	\$850,886	\$725,580	\$125,306	\$3,044,716	\$2,904,607	\$140,109	\$2,904,607
Grants	\$25,000	\$0	\$25,000	\$114,250	\$95,750	\$18,500	\$95,750
Providers	\$14,751	\$14,076	\$675	\$48,287	\$58,882	(\$10,595)	\$58,882
Contributions	\$250,000	\$250,000	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Dept. of Public Health	\$29,018	\$34,945	(\$5,927)	\$116,073	\$122,000	(\$5,927)	\$122,000
Professional Services	\$175,605	\$129,840	\$45,765	\$211,991	\$159,571	\$52,420	\$159,571
Interest	\$2,621	\$1,275	\$1,346	\$5,292	\$4,866	\$426	\$4,866
Total Revenue	\$2,327,531	\$2,079,882	\$247,649	\$8,305,648	\$8,054,251	\$251,397	\$8,054,251
Expenses							
Personnel	\$691,802	\$747,328	\$55,526	\$2,296,718	\$2,376,909	\$80,191	\$2,376,909
Administration	\$108,495	\$91,654	(\$16,841)	\$378,041	\$403,609	\$25,567	\$403,609
Operations	\$297,203	\$297,204	\$2	\$1,187,923	\$1,187,925	\$2	\$1,187,925
Depreciation	\$12,982	\$1,205	(\$11,778)	\$16,597	\$4,819	(\$11,778)	\$4,819
Contractual (Non-Technical)	\$114,080	\$134,991	\$20,911	\$576,881	\$546,994	(\$29,887)	\$546,994
Marketing	\$25,093	\$46,505	\$21,413	\$127,521	\$125,000	(\$2,521)	\$125,000
Ongoing License & Maintenance	\$236,871	\$167,226	(\$69,645)	\$1,093,480	\$1,046,069	(\$47,412)	\$1,046,069
New Functions	\$202,575	\$823,500	\$620,925	\$437,463	\$1,282,775	\$845,313	\$1,282,775
New Functions Maintenance & License	\$2,000	\$57,820	\$55,820	\$62,150	\$118,970	\$56,820	\$118,970
Total Expenses	\$1,691,101	\$2,367,433	\$676,332	\$6,176,774	\$7,093,069	\$916,295	\$7,093,069
Net Income	\$636,431	(\$287,551)	\$923,982	\$2,128,874	\$961,182	\$1,167,693	\$961,182

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.
- ❖ Professional Services - Includes \$129k of State Innovation Model funding to develop a common Provider Scorecard.
- ❖ 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 is above plan due to Union hospital deciding to sent all of its' patient information to DHIN, as opposed to just Delaware patients.
- ❖ Payer Revenue is above plan due to the recognition of Highmark Marketplace member income beginning in January 2015, and higher Medicaid member enrollments, ultimately driven by the Affordable Care Act.
- ❖ Grant Revenue is higher than expected due to additional data normalization work performed in support of CCHS' CMMI grant.
- ❖ 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. In addition, the variance is driven by a partnership with Quality Health Systems/Health Integrity in providing access to the Community Health Record to DMMA and related vendor staff to monitor Medicaid Fraud.
- ❖ Personnel expenses are favorable to plan due to headcount being lower than plan and lower than budgeted health insurance related expenses.
- ❖ Administration expenses are favorable to plan due to a delay in implementing a HIE analysis research study conducted by Harvard University.

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❖ New Functions Expense is below plan due to a delay in signing up practices to send Continuity of Care Documents (CCD's) to the DHIN after each encounter. Variance also driven by a delay in testing Medicity's Notify product, which provides Event Notification services. Variance also driven by the amortization of MPI expenses over 5 years instead of recognizing the fully expense (\$235k) in the current year. In addition, contract delays have delayed the implementation of Clinical Gateway feeds to DHIN's payers that was budgeted in the fourth quarter. QPID/iSpecimen data infrastructure expense was also budgeted, with the first customer agreement occurring in July 2015 (Union Hospital). Lastly, DHIN had planned to integrate Peninsula Regional Medical Center (PRMC) in June, this has been delayed until the Fall of 2015.

❖ New Functions Maintenance & License expense due to a delay in implementing the aforementioned Payer Clinical Gateway feeds and connecting to PRMC.

Delaware Health Information Network
Balance Sheet
As of June 30th, 2015



ASSETS

Restricted Cash	\$333,822
Unrestricted Cash	\$4,650,668
Restricted Accounts Receivable	\$840,917 ¹
Equipment - Restricted	\$225,435
Other Assets - Lease Deposit	<u>\$6,979</u>
TOTAL ASSETS	<u><u>\$6,057,822</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$317,822 ²
Deferred Income	\$3,600
Board Restricted Net Assets	\$16,000 ⁴
Unrestricted Net Assets	\$5,720,400
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$6,057,822</u></u>

¹ Restricted Accounts Receivable includes payment due from a private payer for per member per month fees as well as receivables from DHIN's data senders for results delivery services performed.

² Accounts Payable represents payment due for the development of a clinical analytics platform, payment to Medicity for CCHS CMMI normalization work, and year-end performance incentives for DHIN staff.

³ 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.