

Delaware Health Information Network
Statement of Cash Flows
March 1, 2012 to March 31, 2012



Cash at Beginning of Period **\$6,403,024**

OPERATING ACTIVITIES

Net Income	\$145,773
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	\$38,003
Deferred Income	(\$249,742) ¹
Accounts Payable	\$50,602
Net cash provided by Operating Activities	(\$15,363)
Cash at End of Period	\$6,387,661
Net Cash Increase For Period	(\$15,363)

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 MARCH 2012



*Accrual Basis

	Month To Date Actuals	Month To Date Reforecast	Variance	Year To Date Actuals	Year To Date Reforecast	Variance	Full Year Reforecast
Revenue							
State of Delaware (Bond)	\$249,742	\$249,742	\$0	\$2,247,678	\$2,247,675	\$3	\$2,996,900
Data Senders	\$19,240	\$1,906	\$17,334	\$1,582,308	\$1,572,599	\$9,708	\$1,789,680
Payers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants	\$59,745	\$9,000	\$50,745	\$114,600	\$75,668	\$38,933	\$225,425
Providers	\$0	\$45	(\$45)	\$0	\$45	(\$45)	\$1,980
Interest	\$441	\$402	\$39	\$2,785	\$2,794	(\$8)	\$4,000
Total Revenue	\$329,168	\$261,095	\$68,073	\$3,947,371	\$3,898,781	\$48,590	\$5,017,985
Expenses							
Personnel	\$111,623	\$133,742	\$22,120	\$910,178	\$904,035	(\$6,143)	\$1,406,946
Administration	\$17,053	\$39,848	\$22,796	\$144,068	\$182,202	\$38,133	\$275,227
Operations	\$0	\$0	\$0	\$794,553	\$794,553	(\$1)	\$1,056,483
Contractual (Non-Technical)	\$0	\$0	\$0	\$702,651	\$702,651	\$0	\$964,699
Marketing	\$2,719	\$5,299	\$2,579	\$55,400	\$59,367	\$3,967	\$75,000
Ongoing License & Maintenance	\$0	\$0	\$0	\$787,311	\$787,311	\$1	\$1,049,748
New Functions	\$52,000	\$174,650	\$122,650	\$201,873	\$325,023	\$123,150	\$865,612
New Functions Maintenance & License	\$0	\$75,103	\$75,103	\$48,600	\$123,703	\$75,103	\$444,519
Total Expenses	\$183,395	\$428,642	\$245,248	\$3,644,633	\$3,878,844	\$234,211	\$6,138,234
Net Income	\$145,773	(\$167,548)	\$313,321	\$302,737	\$19,936	\$282,801	(\$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
 - 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 Nanticoke Hospital and the implementation of grant with the State Division of Long Term Care and Resident Protection (DLTRCP) to train and install DHIN 45 State long term care facilities, completed 1 quarter ahead of schedule. In early April, DHIN signed a contract with Papastavros - not reflected in these figures.
- ❖ New functions expenses are favorable to plan due to the delay of implementing the following projects (Revised implementation dates are noted): Creation of a statewide provider directory - TBD, Inbound & Outbound CCD exchange with an EMR (Allscripts) - TBD. Development of an interface and data stage for payer claims and eligibility files - June 2012. Outbound Lab Orders to LabCorp and Quest - TBD. Milestones for several EMR implementations were completed as forecasted, including production of the NextGen interface, which has 7 DHIN practices as customers. In addition, kickoff for Tri-State Open MRI was completed and is schedule for an early July implementation.
- ❖ New functions maintenance and license expenditures are favorable to plan due to the delay of implementing the Medication History project, which allows users to access a patients prescription history. Contract discussions and Statement of Work finalization are in progress.

Delaware Health Information Network
Balance Sheet
As of March 31, 2012



ASSETS

Restricted Cash	\$2,179,222
Unrestricted Cash	\$32,668
Restricted Accounts Receivable	\$572,409 ^{1,2}
Restricted Assets	
Federal Appropriations - Restricted	<u>\$4,176,705</u> ³
Other Assets - Lease Deposit	<u>\$6,979</u>
TOTAL ASSETS	<u><u>\$6,967,983</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$698,033 ⁴
Encumbered Expenses	\$6,037,089 ⁵
Deferred Income	\$200,193 ⁶
Unrestricted Net Assets	\$32,668
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$6,967,983</u></u>

¹ 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.

² 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 private data senders and grant recipients, including DLTRCP for the completion of installing DHIN at 46 long term care facilities, one quarter ahead of schedule.

³ 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.
 - \$3,664,953 for the HIE Cooperative Agreement. A recent change by ONC has accelerated the expiration of these funds from February 7, 2014 to September 30, 2013.

⁴ Accounts Payable is primarily comprised of a delay in payment for quarterly license and maintenance costs to Medicity, delayed due to ongoing settlement of service level agreement/outage issues. Accrued expenses for projects completed during the January to March 2012 period are also included.

⁵ Encumbered Expenses represent available funding which has been assigned for specific uses to be completed at a future date.

⁶ Deferred Income represents FY2012 bond funding received to date from the State of Delaware, not yet recognized as income.