

Delaware Health Information Network
Statement of Cash Flows
For the Period of July 2021 to September 2021



Cash at Beginning of Period	\$3,970,408
OPERATING ACTIVITIES	
Net Income	\$419,692
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	(\$1,357,000) ¹
Prepaid Expenses	\$2,154
Deferred Income	\$87,741
Accounts Payable	(\$684,414) ²
Net cash provided by Operating Activities	<u>(\$1,531,828)</u>
INVESTING ACTIVITIES	
Vanguard Investment	(\$11,521)
Hyper-V Server Replacement	\$616
Master Patient Indices	<u>\$2,708</u>
Net cash provided by Investing Activities	(\$8,196)
Cash at End of Period	\$2,430,898
Net Cash Increase For Period	(\$1,539,509)

¹ Change in Accounts Receivable driven by funds due for IAPD reimbursements, data senders, and payers for services performed.

² Change in Accounts Payable driven by expenses paid to DHIN's data management, HCCD project management vendors, and DHIN staff incentives for FY2021 activities.

Delaware Health Information Network
Profit and Loss Statement
FOR THE PERIOD ENDING September 2021



*Accrual Basis

	Quarter to Date Actuals	Quarter to Date Budget	Variance	Year To Date Actuals	Year To Date Budget	Variance	Full Year Budget
<u>Operating Revenue</u>							
<u>Core Services</u>							
Data Sender Bundle	\$1,330,777	\$1,334,151	(\$3,374)	\$1,330,777	\$1,334,151	(\$3,374)	\$5,336,597
Payer Bundle	\$875,099	\$875,044	\$55	\$875,099	\$875,044	\$55	\$3,392,701
Total Core Services	\$2,205,876	\$2,209,195	(\$3,319)	\$2,205,876	\$2,209,195	(\$3,319)	\$8,729,298
<u>Value Added Services</u>							
CHR - Viewing by Providers	\$30,317	\$34,858	(\$4,542)	\$30,317	\$34,858	(\$4,542)	\$131,758
Medication History Access	\$8,910	\$8,910	\$0	\$8,910	\$8,910	\$0	\$36,730
Encounter Notification Services	\$28,562	\$27,582	\$979	\$28,562	\$27,582	\$979	\$114,114
Image Viewing	\$3,742	\$3,742	\$0	\$3,742	\$3,742	\$0	\$14,970
CCD Exchange	\$1,200	\$1,000	\$200	\$1,200	\$1,000	\$200	\$4,367
Claims Database - Earned Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000
Professional Services	\$128,362	\$14,535	\$113,827	\$128,362	\$14,535	\$113,827	\$166,172
Total Value-Added Services	\$201,092	\$90,628	\$110,465	\$201,092	\$90,628	\$110,465	\$543,110
Total Operating Revenue	\$2,406,969	\$2,299,823	\$107,146	\$2,406,969	\$2,299,823	\$107,146	\$9,272,408
<u>Non Operating Revenue</u>							
Grant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Medicaid FFP (HCCD)	\$414,606	\$450,454	(\$35,849)	\$414,606	\$450,454	(\$35,849)	\$1,466,596
State Appropriation for HCCD	\$46,067	\$50,050	(\$3,983)	\$46,067	\$50,050	(\$3,983)	\$355,050
Investment Income	\$11,521	\$0	\$11,521	\$11,521	\$0	\$11,521	\$0
Interest	\$420	\$1,200	(\$780)	\$420	\$1,200	(\$780)	\$4,800
Total Non Operating Revenue	\$472,613	\$501,705	(\$29,091)	\$472,613	\$501,705	(\$29,091)	\$1,826,446
Total Revenue	\$2,879,582	\$2,801,528	\$78,054	\$2,879,582	\$2,801,528	\$78,054	\$11,098,853
<u>Expenses</u>							
Personnel	\$1,371,283	\$1,346,545	\$24,737	\$1,371,283	\$1,346,545	\$24,737	\$5,618,894
Administration	\$197,496	\$220,024	(\$22,528)	\$197,496	\$220,024	(\$22,528)	\$787,468
Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$3,324	\$3,324	\$0	\$3,324	\$3,324	\$0	\$9,481
Contractual (Non-Technical)	\$111,591	\$187,744	(\$76,153)	\$111,591	\$187,744	(\$76,153)	\$1,192,517
Marketing	\$27,386	\$37,500	(\$10,114)	\$27,386	\$37,500	(\$10,114)	\$150,000
Ongoing License & Maintenance	\$748,310	\$765,931	(\$17,622)	\$748,310	\$765,931	(\$17,622)	\$2,935,547
New Functions	\$500	\$500	\$0	\$500	\$500	\$0	\$426,315
New Functions Maintenance & License	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Technology Refresh	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$2,459,890	\$2,561,570	(\$101,679)	\$2,459,890	\$2,561,570	(\$101,679)	\$11,120,222
Net Income	\$419,692	\$239,958	\$179,734	\$419,692	\$239,958	\$179,734	(\$21,369)

Explanation of Budget Categories

- ❖ Data Sender Bundle Revenue represents electronic delivery of clinical results as well as 7 other services for DHIN's 31 data contributors.
- ❖ Payer Bundle Revenue represents funding from the various payers for access to the Community Health Record, Event Notification Services, and a Clinical Information Gateway feed - each of which allows for enhanced care management.
- ❖ CHR - Viewing by Providers allows provider access to DHIN Community Health Record.
- ❖ Encounter Notification Services comprises of revenue derived from Practices as well as Payers/ACO's who do not subscribe to the Payer Bundle.
- ❖ Claims Database - Earned Revenue is for revenue received from paying customers and does not include IAPD or State Appropriation Revenue.
- ❖ Medicaid FFP (HCCD) and the State Appropriation for HCCD line items provide a continuation of funding support for the HCCD from a CMS IAPD funding source in partnership with DMMA which provides a combination of 90%/10% funding through September 2022.
- ❖ Personnel expenditures are for DHIN people-related expenses. DHIN headcount will grow by 1 due with the hiring of a Network Operations team member to meet an aggressive work plan.
- ❖ Administration expenses are for non-people related overhead expenses (lease, ITIL training, computer support, supplies, etc.).
- ❖ Contractual expenses include HCCD project management and analytics expenses as well as contracted work to meet an aggressive work plan.
- ❖ Marketing expenditures are for new product promotion, ongoing website and social media marketing development, and consumer marketing campaigns.
- ❖ Ongoing License and Maintenance expenses are related to existing DHIN functionality, including the HCCD.
- ❖ New Functions expenses are for expansion of DHIN's connectivity to a national exchange network and development costs for a Consent Registry which will meet ONC Consent Management requirements for Mental Health and Substance Abuse data.

Year To Date Key Variance Explanations

- ❖ Professional Service Revenue is higher than planned due to accelerated timing of revenue in support of the COVID-19 contact tracing project. This was originally planned to be recognized in 3Q FY2021.
- ❖ State Medicaid FFP (HCCD) and State Appropriation for HCCD revenue are below plan due to lower than anticipated vendor HCCD analytics expenses, driven by greater capacity amongst DHIN staff.
- ❖ Administration expenses are lower than planned due to a delay in conducting DHIN people education and lower than expected travel and meal expenses.
- ❖ Contractual expenses are lower than planned due to lower HCCD analytic support from DHIN's principal project management contractor.

Delaware Health Information Network
Balance Sheet
As of September 30th, 2021



ASSETS

Restricted Cash	\$797,815
Unrestricted Cash	\$5,013,316 ¹
Restricted Accounts Receivable	\$2,417,443 ²
Prepaid Expenses - Restricted	\$198,318 ³
Equipment - Restricted	\$22,457
Other Assets	<u>\$6,979</u>
TOTAL ASSETS	<u><u>\$8,456,328</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$797,815 ⁴
Deferred Income	\$194,904 ⁵
Unrestricted Net Assets	\$7,463,609 ⁶
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$8,456,328</u></u>

¹ Includes \$3,380,747 of funds held in a Vanguard investment account, per April 2021 BOD approval. See Investment Income reporting section below.

² Restricted Accounts Receivable includes \$588k due from Payers, \$1.29MM owed from DHIN's data senders, \$106k due from DPH, and \$296k related to claims database IAPD reimbursements. All funds are expected to be collected.

³ Includes amounts paid up front according to contract terms, with expenses still to be recognized evenly over the course of the 12 month period including those for end of life orders registry services, cyber-security liability insurance, business liability insurance, and analytics software.

⁴ Accounts Payable includes incurred expenses for software licenses pending resolution of Service Level Agreement credits due, DHIN's data management and HCCD project management vendors. Payables also include amount due to various administrative and business vendors.

⁵ Deferred Income includes cash received from practice subscriptions whose revenue are amortized over the life of the subscription.

⁶ Equates to 299 days of operating expenses.