
**Report to
The Vermont Legislature**

Annual Report on the Receipts, Expenditures, and Balances in the Health IT-Fund

In Accordance with 32 V.S.A. § 10301(g): Health IT-Fund

Submitted to: Joint Fiscal Committee
Green Mountain Care Board

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Report Date: September 1, 2023

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BACKGROUND

In accordance with 32 V.S.A. §10301(g), an annual report on the receipts, expenditures, and balances of the Health Information Technology (Health IT)-Fund is required to be submitted to the Joint Fiscal Committee and the Green Mountain Care Board. The Health IT-Fund was established as a special source of funding for medical health care information technology programs and initiatives, specifically, those described in the Vermont Health Information Technology/Exchange Plan (HIE Plan). The Fund was established to be used for programs and initiatives sponsored by Vermont Information Technology Leaders (VITL) and State entities designed to promote and improve health care information technology. The Health IT-Fund supports the initiatives outlined in the HIE Plan aimed at using health data to bolster the health care system and health care programs.

The Health IT-Fund is supported by revenue collected from the health care claims tax. Revenue from the health care claims tax is paid by the health insurers on private health insurance claims, and the revenue collected from 0.199 of 1% of all health insurance claims is deposited into the General Fund, pursuant to 32 V.S.A. § 10402(b).¹ Act 78 of 2023, An act relating to making appropriations for the support of government, amended the effective date of the Health IT-Fund sunset from July 1, 2023 to July 1, 2025.² The extension of the Fund requires legislative intervention.

A year-by-year summary of the Fund's receipts, expenditures, and balances are provided in Table 1, with the balance at the end of state fiscal year 2023 at \$5,765,408.47.

¹ Sec. 73, Act 6 of 2019:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT006/ACT006%20As%20Enacted.pdf>

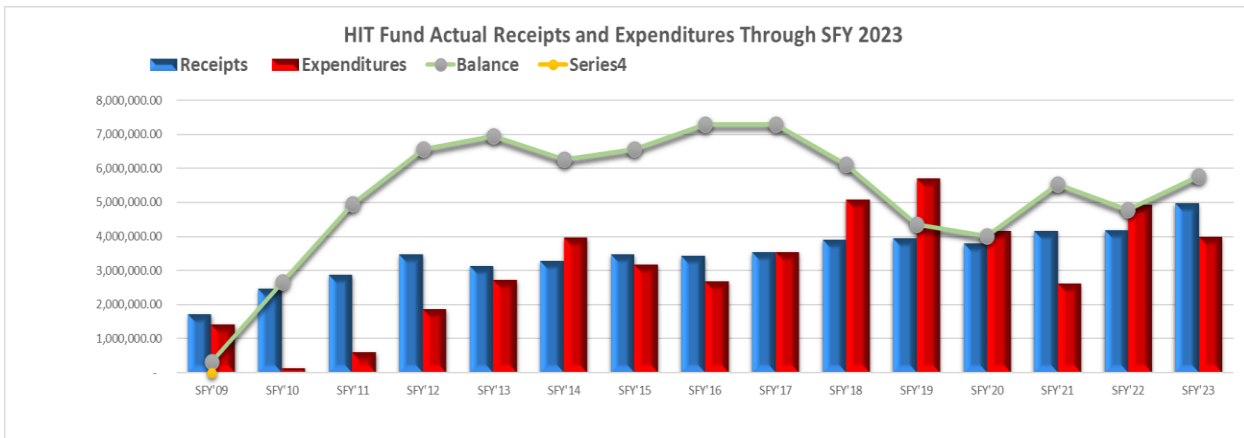
² Sec. E.306.1, Act 78 of 2023:

<https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT078/ACT078%20As%20Enacted.pdf>

Table 1. Health IT-Fund Receipts, Expenditures, and Balances Since SFY09

HIT Fund Balance Since SFY 2009			
SFY	Receipts	Expenditures	Balance
SFY'09	1,725,505.67	1,404,447.01	321,058.66
SFY'10	2,462,827.92	127,388.62	2,656,497.96
SFY'11	2,877,846.67	589,401.74	4,944,942.89
SFY'12	3,467,955.96	1,856,814.71	6,556,084.14
SFY'13	3,122,198.81	2,721,643.07	6,956,639.88
SFY'14	3,273,051.91	3,964,254.20	6,265,437.59
SFY'15	3,479,090.63	3,183,500.92	6,561,027.30
SFY'16	3,427,185.01	2,691,172.61	7,297,039.70
SFY'17	3,532,426.83	3,541,037.95	7,288,428.58
SFY'18	3,914,003.82	5,090,673.08	6,111,759.32
SFY'19	3,947,054.17	5,711,383.04	4,347,430.45
SFY'20	3,807,317.92	4,151,198.14	4,003,550.23
SFY'21	4,155,236.46	2,617,782.30	5,541,004.39
SFY'22	4,176,751.88	4,934,096.13	4,783,660.14
SFY'23	4,968,577.20	3,986,828.87	5,765,408.47
Total	52,337,030.86	46,571,622.39	
PROJECTED			
SFY'24	4,660,000.00	4,243,962.80	6,181,445.67

Figure 1. Health IT-Fund Receipts, Expenditures, and Balances through State Fiscal Year 2023



Prior to late 2021, the State leveraged the Health IT-Fund to match federal dollars through the federal HITECH Act, the State Innovation Model program, and the Medicaid Global Commitment Waiver, significantly increasing the impact of Fund revenues. The funding match rates ranged from 100% to less than 50% depending on the type of activity and who it

ultimately benefited. Some activities, such as those related to the State Innovation Model and the Electronic Health Record Incentive Payment program, were 100% federally funded.

With the sunset of the HITECH ACT and its associated funding on September 30, 2021, CMS allowed the states to continue maturing their HIEs through the Medicaid Enterprise Services funding arm. That funding was contingent on HIE systems certification which Vermont secured on May 11, 2022. Recent projects funded through the Health IT fund include helping providers implementing electronic health record systems (Medicaid Promoting Interoperability Program), enabling Vermont to comply with the 21st Century Cures Act interoperability requirements (FHIR) and establishing public health data connectivity and registries for immunization, cancer, and vital statistics.

EXAMPLES OF INITIATIVES FUNDED

The following are examples of major initiatives funded by the Health IT-Fund; Appendix I provides additional details.

The Medicaid Promoting Interoperability Program (formerly the Medicaid Electronic Health Record Incentive Program) – The HITECH Act funding supported activities incentivizing Medicaid providers for the acquisition and meaningful use of electronic health record technology. The requirements were designed to support evolving electronic health record (EHR) quality measures focused on interoperability and improving provider and patient access to health information. Eligible hospitals and professionals who satisfied the criteria (met federal requirements) could receive incentive payments. Eligible hospitals could receive a total of three years of payments, based on a calculated amount derived from their Cost Data Reports. Other eligible professionals could receive a maximum of six years of fixed payment amounts. The incentive payments themselves were 100% federally funded but were drawn down and distributed by the State. Program operations were supported by a 90/10 federal/state match rate. In SFY21, direct Promoting Interoperability Program (PIP) payments amounted to \$178,500. To date, this program has paid out \$64,406,330 to Vermont and New Hampshire Eligible Hospitals and Professionals, all of whom were registered Medicaid providers in Vermont. The Interoperability Program expired in late 2021. The state is currently initiating a similar state-run program for Home and Community Based Services (HCBS) providers that is eligible for federally matching funds.

For more information about these programs, please visit:

<https://healthdata.vermont.gov/ehrip> and <https://healthdata.vermont.gov/ehrip/vermonts-medicaid-data-aggregation-and-access-program-mdaap>.

Vermont Information Technology Leaders (VITL) Health Information Exchange (HIE) – 18 V.S.A. § 9352 designates VITL, a private non-profit corporation, as the exclusive operator of

Vermont's statewide Health Information Exchange (VHIE). The VHIE allows doctors, nurses, pharmacists, other health care providers to access and share a patient's health information electronically to improve the speed, quality, safety, and cost of patient care. This data is used for population health measurement and analysis by third parties such as OneCare Vermont and the Blueprint for Health. VITL's publicly funded work is contracted by the Department of Vermont Health Access, and its budget is reviewed annually by the Green Mountain Care Board. Following the completion of the Collaborative Services Project – a state-funded effort to update VHIE technologies to position the system as central to health data collection and exchange – VITL is more able to expand data services so organizations, including Vermont Medicaid, can better leverage their data to understand their population's health. It is expected that the Agency of Human Services will begin to leverage the VHIE system to support operations, including but not limited to, research and evaluation of delivery system reform efforts. See Appendix I for a listing of the contracts supported by the Health IT-Fund, including DVHA's contracts with VITL.

Vermont Department of Health – The Health IT-Fund supports public health initiatives at the Vermont Department of Health, specifically the public health registries such as the Immunization Registry, Cancer Registry and Birth & Death Registries, and in consulting services to further develop long-term strategy for health information technology within the Department. The Health-IT Fund provided needed match dollars for VITL's work supporting the Department of Health's COVID-19 response efforts. With the expiration of the HITECH Act in September of 2021, the State began to leverage Medicaid Systems funding and short-term grant funding to continue its important work of collecting and managing public health data.

Vermont Health Information Technology/Exchange Strategic Plan (HIE Plan)– The State's health information exchange investment strategy is guided by the statewide, strategic HIE Plan. In accordance with 18 V.S.A. § 9351, the Department of Vermont Health Access, in consultation with the Department's Health Information Exchange Steering Committee, develops and oversees execution of the HIE Plan. The Plan is revised annually and updated comprehensively every five years to provide a strategic vision for health data exchange systems in Vermont. The latest plan, as approved by the Green Mountain Care Board, is posted here: <https://healthdata.vermont.gov/content/vermont-health-information-exchange-program>.

APPENDIX I: HEALTH IT-FUND INITIATIVES BUDGETED FOR FY23

Grantees/ Contractors	FY23 Agreement Amounts	Summary
Vermont Information Technology Leaders (VITL)	\$6,271,376.00	Contract for core operations and management of Vermont’s Health Information Exchange (VHIE) and related products and services.
Vermont Information Technology Leaders (VITL)	\$4,677,299.00	Contract for VHIE development and expansion projects.
Briljent	\$250,000.00	Contract for designing a data governance framework to support a unified health data space (UHDS) and its expanded data types (integrating clinical, claims, public health, and social determinants of health), as well as proposing a strategy for integrating Vermont’s all-payer claims dataset (VHCURES) with the Vermont Health Information Exchange (VHIE).
Cathedral Square Corp. – Blueprint for Health	\$205,000.00	Grant to provide infrastructure and staffing for the Support and Services at Home (SASH) system as part of the Blueprint’s electronic health IT infrastructure.

APPENDIX II: ADDITIONAL CONSIDERATIONS

1. In accordance with 18 V.S.A. § 9351, DVHA, with support from the Health Information Exchange (HIE) Steering Committee, develops and maintains the statewide strategic health IT/exchange plan, the HIE Plan. The vision and tactical plans outlined in the HIE Plan guide DVHA’s use of HIT Fund investments. As of August 2023, the HIE Steering Committee is executing the HIE Plan and working to develop the 2023 plan update. The Green Mountain Care Board is responsible for reviewing the HIE Plan on an annual basis.

2. Health IT-Fund revenue is generated by a tax on private health insurance claims. As of the submission of this report, it appears that claims tax revenues are up compared with

previous years and therefore the balance of the Fund has increased. Programming which relies on this funding is affected by shifts in paid claims due to any variety of changes in the health care system.