

**MINUTES OF THE NOVEMBER 2, 2011, MEETING  
OF THE BUDGET & FINANCE COMMITTEE  
OF THE GOVERNING BOARD OF THE  
ILLINOIS HEALTH INFORMATION EXCHANGE AUTHORITY**

The Budget and Finance Committee (“Committee”) of the Board of Directors (the “Board”) of the Illinois Health Information Exchange Authority (“Authority”), pursuant to notice duly given, held a meeting at 10:00 a.m. on November 2, 2011, at the offices of the Office of Health Information Technology (“OHIT”), State of Illinois James R. Thompson Center, 100 W. Randolph, Suite 2-201, 100 W. Randolph St., Chicago, IL 60601.

<u>Committee Members Present:</u> 1. Mr. Mark Neaman (by telephone) 2. Dr. Bruce Wellman (by telephone) 3. Dr. Cheryl Whitaker 4. HFS – Director Julie Hamos	<u>OHIT Staff Present:</u> Laura Zaremba; Mark Chudzinski; David Fagus; Michael Flanigan; Ivan Handler; Mary McGinnis
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*Call to Order and Roll Call*

Mr. Chudzinski, Secretary of the Board, confirmed the presence of the Members of the Committee noted above. The ability of Mr. Neaman and Dr. Wellman to clearly participate by telephone was confirmed, and no objection was expressed to their participation in this manner.

*Approval of Minutes*

The minutes of the meetings of the Committee of July 27, 2011 were approved.

*Treasurer’s Report*

Mr. Fagus reported that as of November 2, 2011, OHIT had no major expenditures since the July 27, 2011 Committee meeting; OHIT had spent the majority of its grant resources on payroll and benefits. It was noted that an updated official report on OHIT’s expenditures under its Federal ARRA grant will be available in approximately two weeks.

*ILHIE Implementation & Business Plan*

Mr. Fagus provided a set of profit and loss documents (P&L) regarding the estimated overall cost for development of the core services of the state-level Health Information Exchange (ILHIE).

Mr. Fagus presented a 5-year draft budget projection for ILHIE, with the caution that this second draft was still in a preliminary stage. Mr. Fagus cautioned that these were initial discussions with the vendor, and that the cost estimates of the build out of the ILHIE core services were based on user utilization assumptions. A more precise model would be based on actual consumption metrics. Mr. Fagus noted that this model reflects the utilization of users from large and small entities based on the number of physicians or administrators consuming core services bandwidth. Ms. Zaremba suggested that ILHIE could apply different charges to various types of users.

In the ensuing discussion, Mr. Handler noted the internal workings of the ILHIE core services, and further explained that the certain operating costs of the ILHIE are currently unknown.

Mr. Fagus provided estimates of the cost to ILHIE per user under the currently proposed contract with InterSystems Corporation. It was noted that if the providers participate as planned, the cost of additional users to subscribe to the ILHIE will decrease over the long run. Mr. Fagus provided a growth model regarding how ILHIE will grow over the next five years.

In the Committee's discussion, it was suggested that OHIT needs to count the entity users of the ILHIE system separate from the number of physicians within an entity. It was requested that the OHIT staff give more thought to alternative fee structures to charge a variety of users, and to the cost of future staff positions within the ILHIE. It was also suggested that the Committee should provide further guidance for the development of alternative revenue models for the ILHIE.

**Next Meeting:** November 16, 2011 at 10:00 a.m.

*Public Comment*

There were no comments offered from the general public.

*Adjournment*

The meeting was adjourned at 11:35 a.m.

Minutes submitted by:  
Mark Chudzinski, Secretary