

**MINUTES OF THE MAY 15, 2013, 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 11:00 a.m. on May 15, 2013, at the State of Illinois HFS Building, 201 S Grand Ave East, Springfield IL 62763, with telephone conference call capability.

<u>Committee Members Present</u> Mr. Mark Neaman (by telephone) Dr. Bruce Wellman Dr. Cheryl Whitaker	<u>Other Board Members Present</u> Mr. David Holland Dr. William Kobler Dr. Nancy Newby Dr. Nicholas Panomitros Mr. Raul Recarey Ms. Laura Zaremba
<u>Committee Members Absent</u> HFS Director – Julie Hamos	<u>OHIT Staff Present</u> Mark Chudzinski; Sanjay Patel

Roll Call and Previous Meeting Minutes

Mr. Mark Chudzinski, Secretary to the Board, confirmed the presence of the Members of the Authority Board and others present in person and by telephone, and the ability of those participating by phone to hear clearly and participate. There were no objections expressed to the participation of Directors by electronic means.

Approval of Minutes

The minutes of the October 31, 2012 and March 5, 2013 meetings were approved.

Update on the ILHIE Business Model – Draft Pricing

Mr. Raul Recarey presented an update on the evolution since the last meeting of the Committee of his proposed ILHIE Business Model. Of particular importance is his recommendation that with respect to pricing for ILHIE services, the ILHIE consider adopting a “cost-plus” approach. The need for such a refinement to the Business Model is driven by several financial considerations and principles, including:

- Clearly define “when and how” ILHIE financial sustainability point is reached.
- Develop a pricing mechanism that is perfectly aligned with our existing cost structure.
- Have a modular pricing framework that can easily be adjusted over time as variables change.
- Maintain a cap on pricing to the very large health systems to create incentives for these market drivers to participate and push large-scale adoption.
- Develop a pricing structure that is implementable with existing RHIO pricing strategy.

Approved 7/17/2013

- Have a low yearly price to each provider to encourage and promote individual adoption.
- Have a mechanism to allow for a varied Medicaid contribution.

The Committee reviewed the assumptions in the business model presented. In the course of the discussion it was proposed that the Executive Director obtain feedback from potential ILHIE clients on the pricing proposal, and consider any resulting desirable refinements to the business model. The Committee's consideration of *Resolution Number 2013-06* regarding the implementation of the proposed pricing model, granting the Executive Director discretionary authority to prepare and offer commercial terms for the offering of ILHIE services to anticipated participants, was deferred.

Public Comment

There were no comments offered from the general public.

Adjournment

The meeting was adjourned at 11:30 a.m.

Minutes submitted by Mark Chudzinski