

**MINUTES OF THE OCTOBER 16, 2012, 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 3:00 p.m. on October 16, 2012, 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 Street, Chicago, IL 60601.

<u>Committee Members Present</u> Mr. Mark Neaman Dr. Bruce Wellman (by telephone) Dr. Cheryl Whitaker (by telephone)	<u>OHIT Staff Present</u> ILHIE Executive Director – Raul Recarey; Mark Chudzinski; Sanjay Patel; Jeremy Kohn (Legal Intern)
<u>Committee Members Absent</u> HFS Director – Julie Hamos	

Call to Order and Roll Call

Mr. Chudzinski, Secretary of the Board, confirmed the presence of the Members of the Committee noted above, and that a quorum was present. The ability of Dr. Wellman and Dr. Whitaker to clearly participate by telephone was confirmed.

Approval of Minutes

The minutes of the meeting of the Committee of September 5, 2012 were approved with no corrections.

Report on Recent Financial Activity

Sanjay Patel, CFO, reported that the primary costs to the Authority are those related to personnel and fringe benefits, payments to InterSystems Corporation, and \$2 million for the White Space Grant Program to provide HIE services to underserved areas in Illinois.

Update on the ILHIE Project Plan and Business Model

Mr. Recarey discussed refinements to the ILHIE business model to make it sustainable in the long run. This involves pursuing discussions with InterSystems to create a pricing structure in which revenue categories are directly aligned with the ILHIE’s costs. Also, there must be greater certainty about the ILHIE’s costs, including the exact costs for onboarding and providing HIE services. As the ILHIE network grows and adds users over time, the cost of participating in it is expected to come down, and this fact is a key element in attracting future participants.

The previous two levels or phases of HIE services have now been refined into seven: (1) IHLIE Direct and Public Health Node (PHN) connectivity, which is a web-based push technology available even to those without an electronic medical record (EMR/EHR); (2) integration into an existing EMR/EHR; (3) Master Patient Index (EMPI) or notification services; (4) bi-directional query-retrieve mode, which allows documents to flow automatically without specifically being pushed, (5) HL7 Admissions-Discharge-Transfer (ADT) feed; (6) PHN and other repository services; and (7) “meaningful use” reporting and reimbursement capabilities. The pricing strategy will be in line with the phased roll-out of these services.

Mr. Recarey is preparing an HIE pricing approach to submit to the Committee for further discussion. The goal is to create a standardized approach with a limited number of categories, although each situation is unique and a one-size-fits-all approach may not be possible. Possible pricing structures discussed by Committee members throughout the meeting include: per-bed, per-hospital, per-organization (e.g. one multi-hospital system or integrated delivery network), per-patient under active care, or per-record managed by the organization. The pricing structure may also set a cap on what any one organization is required to pay into the exchange.

The Committee discussed payer participation in the ILHIE. One option is to use a payment methodology of \$1 per member per year. Forming such an agreement with Medicaid may serve as a springboard to bring other public and private payers into the system.

Projected Budget for FY13-17

Mr. Patel presented the ILHIE Authority’s projected budget. This version includes revenue line items for “integrated delivery networks” (which are hospital systems with a single connection to the ILHIE) and for certain state agencies that may benefit from using HIE services. On the expenses side, “Technical Services Costs” and “Risk Mitigation Fund” have been isolated from the other components of Operating Expenses. Also, the Authority staffing model remains under review, and more clarity on staff expenses will be required.

Mr. Chudzinski presented details of the proposed Risk Mitigation Fund, which would allow injured parties to make claims against the fund rather than suing the Authority in court, similar to the federal compensation fund for injuries caused by vaccines. Implementing the fund would require legislative approval at the state and possibly federal levels. A compensation fund could reduce the Authority’s costs in the area of E&O (errors and omissions) insurance.

Next Meeting

The Committee agreed to a conference call the week of October 29, in advance of the ILHIE Authority board meeting on November 14, to review and consider an ILHIE Pricing Sheet aligning the ILHIE’s revenue categories and service offerings.

Public Comment

There were no comments offered from the general public.

APPROVED 10/31/12

Adjournment

The meeting was adjourned at 3:43 p.m.

Minutes submitted by Jeremy J. Kohn, Legal Intern