

**MINUTES OF THE SEPTEMBER 5, 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 10:00 a.m. on September 5, 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> Dr. Bruce Wellman (by telephone) Mr. Mark Neaman (by telephone) HFS Director – Julie Hamos (by telephone)	<u>OHIT Staff Present</u> Laura Zaremba; Mark Chudzinski; Sanjay Patel; Ivan Handler; Giannina Alonso (Legal Intern)  ILHE Executive Director – Raul Recarey (by telephone) Dr. David Stumpf
<u>Committee Members Absent</u> Dr. Cheryl Whitaker	

*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 Dr. Wellman, Mr. Neaman, and Ms. Hamos to clearly participate by telephone was confirmed.

*Approval of Minutes*

The minutes of the meeting of the Committee of January 5, 2012, and May 30, 2012 were approved with no corrections.

*Report on Recent Financial Activity*

Sanjay Patel, CFO, reported that the majority of the Federal funds would be allocated to ILHIE infrastructure and implementation. In addition, Mr. Patel informed the Committee of the expenditures for OHIT staffing.

*ILHIE Business Plan Presentation*

Laura Zaremba gave a brief introduction to the services, value, and benefits of ILHIE. This introduction stemmed around ILHIE serving as a transport network to secure effective and efficient exchange of health information in compliance with state and federal standards, laws, and regulations.

Mr. Patel presented a business/sustainability model for the ILHIE and its governing body for the ILHIE Authority. The model includes a five-year pro-forma (from SFY13 through SFY17) of ILHIE Authority operational revenues and expenditures. The model also includes a conservative, low-end estimated approach regarding anticipated ILHIE user connectivity and initial customer pricing. In developing this model, OHIT has reviewed other state HIE programs, along with leveraging subject matter expertise available thru the technology partner (Intersystems Corporation). The model includes ILHIE's primary sources of revenue, and accounts for business and technical costs associated with operating the ILHIE. Lastly, the model identifies the revenue (i.e. target market) categories of anticipated subscribers/users of ILHE services.

*Revised ILHIE Authority Projected Budget for FY13-14*

Mr. Patel presented for the Committee's consideration a revised projected budget for the ILHIE Authority. The report presented an Authority expense outlay for a five (5) fiscal year period, beginning on July 1, 2012, and ending on June 30, 2017. The report specifically detailed ILHIE revenue, which included Federal foundational funding, State Medicaid funding, and user fees from ILHIE Technical Services. This revenue/funding was matched with ILHIE technical service costs, which included costs for ILHIE Direct Messaging, ILHIE core technical services, ILHIE on-boarding, ILHIE Annual Improvement Account, and ILHIE Risk Mitigation Account. Along with technical costs, the revised budget report accounted for ILHIE Authority salaries and other expenses.

The projected budget report accounted for Federal foundational grant funding through January 2014. At that time, as the ILHIE Authority retains a staff to address business operations, the ILHIE Authority will need to execute a business plan (currently being researched and developed) to ensure adequate business revenues are available to meet daily operational needs. In addition to personnel and other operational expenditures, the ILHIE Authority – based on the number of users connected to the ILHIE – will incur costs for providing services to Health Information Exchange (HIE) connected users. Thus, the Authority will need to identify and pursue sources of revenue including business development efforts, as well as additional public and private sources of funding to ensure operational and technical expenditures are adequately addressed.

This revised budget is intended to serve as a draft model, which is expected to undergo further refinement with the Committee and the ILHIE Executive Director. OHIT will revise the ILHIE Authority 5-year pro-forma budget and related business model in preparation for the next Budget & Finance Committee meeting.

*Public Comment*

There were no comments offered from the general public.

*Adjournment*

The meeting was adjourned at 11:39 a.m.

Minutes submitted by: Giannina Alonso, Legal Intern