

July 24, 2023

Kristin McClure
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Kristin,

Thank you for including the VITL Team in the Vendor Cost Analysis efforts led by Mazars on behalf of the Agency of Human Services (AHS). Mazars was engaged by AHS to “provide an independent breakdown of costs and a cost benchmarking analysis of how the Vermont Health Information Exchange’s (VHIE) maintenance and operations (M&O) costs compare to other Health Information Exchanges or comparable services.” The VITL team appreciated the opportunity to provide our financial and operational information in support of the Mazars team’s work.

Based on their work, Mazars outlines four recommendations for areas we can explore for efficiencies:

1. *Develop a vendor management program to question current prices and either contain price increases or reduce the price at contract renewal.*
2. *Address the two areas of concern regarding direct interfaces and BluePath (sic) extracts from discussions and interviews through definitive plans.*
3. *Review the roles and responsibilities of the consultants and develop optimized use/hire of skilled contractors.*
4. *Develop a target organization chart with necessary technical skills, minimum indirect labor, and required versus enhanced service functions to optimize staff levels.*

Vermont’s approach to HIE—and therefore VITL’s role—are unique from other HIEs nationwide. Over a third of VITL’s portfolio is dedicated to development of new functionality and integration of new data. This reflects work envisioned in the State’s Health Information Exchange Strategic Plan, which documents our mutually defined strategy, to achieve goals such as increasing the functionalities offered by the VHIE, expanding the types of data available to participants, and exchanging more data with the Vermont Department of Health. As we have discussed, VITL’s development work are unique costs and services that fall outside the scope of traditional maintenance and operations costs of an HIE and are not discernable in a public 990. While the report includes the costs associated with this work, its assessment of value was limited to our maintenance and operation of the VHIE. Considering the full scope of VITL’s work and our commitment to the Strategic Plan will be important as we evaluate the report’s recommendations regarding cost-effectiveness.

VITL remains committed to the work of the Statewide Strategic Plan and we are appreciative for your continued support and close collaboration on advancing interoperability for better health outcomes in Vermont. While the final report did not provide us a strong basis of comparison for M&O cost and benchmarking, preparing for and participating in the discussions about VITL’s maintenance operations was a productive exercise in ensuring transparency and understanding of VITL’s work and costs.

I look forward to collaborating with you to incorporate these insights into our work. If you would like to discuss my comments, please do not hesitate to let me know.

Regards,

Beth Anderson

Beth Anderson
President & CEO