

Vermont Health Information Exchange (VHIE) Funding Structure

February 13, 2024

Health Information Technology Fund (Health IT-Fund) Overview

- [Latest annual report submitted in accordance with 32 V.S.A. §10301\(g\)](#)
- The Health IT-Fund was established as a special source of funding for medical health care information technology programs and initiatives, specifically, those described in the Vermont Health Information Technology/Exchange Plan (HIE Plan) including work performed by Vermont Information Technology Leaders (VITL) and State entities designed to promote and improve health care information technology.
- Act 144 of 2024, An act relating to administrative and policy changes to tax laws, amended the effective date of the Health IT-Fund sunset from July 1, 2025, to July 1, 2026. The extension of the Fund requires legislative intervention.

Health IT-Fund Overview Cont.

- The Health IT-Fund is supported using part of the health care claims tax. This tax is 0.999 of 1% of all health insurance claims paid by the health insurer for its Vermont members pursuant to [32 V.S.A. § 10402\(b\)](#).
- The Health IT-Fund receives 0.199 of 1% of the health care claims tax and is the source of funds for the state share of the VHIE funding structure.
- The General Fund receives 0.8 of 1% of the health care claims tax.

Centers for Medicaid and Medicaid Services (CMS) Outcomes-Based Certification (OBC)

- The Vermont Health Information Exchange (VHIE), operated by VITL, achieved its outcome-based certification in 2022 with the Centers for Medicare and Medicaid Services (CMS).
- Outcomes-based certification ensures continued federal funding for the Vermont Health Information Exchange, with CMS contributing to both design, development and implementation (DDI) work and maintenance and operations (M&O) work.
- Outcome-based certification metrics are reported quarterly to CMS and [are available on our website.](#)

VHIE Funding Structure

Medicaid Providers %	94.0%
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94% of providers participating in the VHIE provide services to Medicaid members.

DDI CMS Base Rate	90.0%
M&O CMS Base Rate	75.0%
VHIE DDI Federal Share	84.6%
VHIE DDI State Share	15.4%
SUM	100.0%
VHIE M&O Federal Share	70.5%
VHIE M&O State Share	29.5%
SUM	100.0%

DDI is Design, Development, and Implementation (building of systems)

M&O is Maintenance and Operations (supporting existing systems)

The Centers for Medicaid and Medicaid Services pay 84.6% of costs associated with DDI related to the VHIE and 70.5% of costs associated with M&O related to the VHIE.

The State uses the HIT-Fund to pay 15.4% of VHIE DDI costs and 29.5% of M&O costs.