

HEALTH INFORMATION TECHNOLOGY EXCHANGE OF CONNECTICUT

OPERATING PROCEDURES

Pursuant to
Section 19a-750 of the General Statutes

Adopted February 27, 2012

I. DEFINITIONS

Definitions of terms used in these Operating Procedures are as stated in the Authority's Bylaws or in Section 19a-750 of the General Statutes.

II. GENERAL PURPOSES

The general purposes of the Health Information Technology Exchange of Connecticut (the "Authority") shall be as prescribed in Section 19a-750 of the General Statutes.

III. GOVERNANCE

The Authority, a quasi-public authority of the State of Connecticut, shall be governed by a Board of Directors comprised of a number and appointed in a manner as prescribed in Section 19a-750 of the General Statutes. The affairs of the Board shall be conducted in accordance with applicable law, the Authority's Bylaws, and such policies with respect to corporate governance as may be adopted by the Board.

IV. ADMINISTRATION

The affairs of the Authority shall be administered in accordance with applicable law, the Bylaws, these Operating Procedures and other administrative policies as may be adopted by the Chief

Executive Officer in consultation with the Board. The Board shall appoint a Chief Executive Officer and such other officers as provided in the Bylaws. Under the direction of the Board, such officers shall conduct the business of the Authority and shall have such authority as is conferred by applicable law, the Bylaws, these Operating Procedures, and the Board. References in these Operating Procedures to approval by the Board shall mean and include approval by the Board or by any duly constituted committee thereof authorized to act on behalf of the Board pursuant to the Bylaws of the Authority.

V. ADOPTION OF ANNUAL OPERATING BUDGET

No later than sixty (60) days prior to the close of each fiscal year, the Chief Executive Officer shall cause to be prepared a proposed Annual Operating Budget for the forthcoming fiscal year. The proposed Annual Operating Budget shall be considered by the Board prior the close of the then current fiscal year, modified if deemed necessary, and adopted to be effective beginning the first day of the forthcoming fiscal year.

Any expenditure that exceeds the amount annually budgeted for a specific line item in the Annual Operating Budget by an amount greater than ten thousand dollars (\$10,000) shall require the approval of the Board.

VI. PERSONNEL POLICIES

All employees shall be exempt from the classified service and shall have all rights and benefits provided by applicable law. Grade classifications for each job title shall be established by the Chief Executive Officer, subject to Board approval.

Hiring & Promotions: The Chief Executive Officer shall establish a schedule of positions and total staffing levels for the Authority. The schedule of positions shall be approved by the Board and shall describe the signature authority, if any, of each position. The Chief Executive Officer, acting on behalf of the Board, may from time to time fill any position on such schedule of positions and within such total staffing levels, except as may otherwise be provided in the Bylaws of any applicable resolution of the Board. The creation of any new position shall require the separate approval of the Board.

Whenever possible, the Authority shall maintain an identifiable career path for each class of positions on the schedule of positions approved by the Board. If the Chief Executive Officer determines it to be appropriate, then a current employee's position may be reclassified to another position within said career path. New positions approved by the Board and existing positions that become available as a result of a current employee vacating such position shall be posted internally and, if the Chief Executive Officer determines it to be appropriate, then publicly advertised in a manner reasonably designed to reach a range of possible applicants. A current employee shall be eligible for reclassification or promotion to an existing or new position only if

such employee has at least six (6) months of service with the Authority and meets the minimum qualifications for such position.

Notwithstanding any other provision of this section or any employee handbook or other personnel policies of the Authority, the position of the Chief Executive Officer, the manner of the conduct of any search for qualified applicants for such position, and the terms and conditions of employment in such position, including matters of compensation, dismissal, and severance, shall be in the discretion and subject to the approval of the Board. Hiring and promotion shall in all cases be in accordance with an affirmative action plan adopted by the Board and applicable statutes.

Compensation and Benefits: The Board shall establish and may from time to time modify reasonable compensation plans and employee benefits programs and policies as the Board determines to be necessary or appropriate to attract and retain qualified employees and carry out the Authority's statutory mission, including:

1. a compensation plan, which shall consist of sufficient salary grades to provide such compensation rates as may be determined to be necessary or desirable for all job classifications within the Authority, and which may include an incentive compensation program for all jobs classifications;
2. an employee benefits program, which may include, but is not limited to, vacation days, holidays, sick days, group health, life, and disability insurance, tuition reimbursement,

length of service awards and other benefits, including eligibility criteria and benefit levels;

3. a performance evaluation system, which may be used to determine merit increases in salary and incentive compensation levels;
4. policies with respect to compensatory time, flex-time, and telecommuting;
5. policies with respect to severance pay and benefits;
6. policies with respect to business and travel reimbursement; and
7. other reasonable compensation and employee benefits programs and policies as the Board determines to be necessary and appropriate to attract and retain qualified employees.

The Chief Executive Officer shall be empowered to administer the Authority's compensation plan and employee benefit programs and policies as approved by the Board, and shall have the authority to approve performance evaluations, determine merit increases and incentive compensation payments, and carry out such other duties and responsibilities as appropriate within the overall salary and employee benefits administration plan, except that performance evaluations and determination of merit or other salary increases and bonus payments for the position of Chief Executive Officer shall be reserved to the Board or the committee of the Board with responsibility for matters of compensation. The Board shall review the Authority's

compensation plan and employee benefit programs as part of its annual review of the Authority's budget.

Dismissal: Employment with the Authority is at-will, which means that either the employee or the Authority may terminate the relationship at any time and for any reason, with or without cause. The Chief Executive Officer may impose any level of disciplinary action, including termination, based upon the severity of the offense requiring discipline and the employee's past work record. This in no way alters the at-will employment policy.

Coordination with and Administration by Connecticut Department of Public Health or other Third Parties: To the extent permitted by any contract for administrative support and services between the Authority and the Connecticut Department of Public Health or any other third party, personnel policies, compensation plans, and benefit programs and policies of the Authority may be coordinated and/or combined with, and administered by, the Connecticut Department of Public Health and/or such third parties, subject to appropriate cost sharing.

VII. PURCHASE, LEASE, ACQUISITION POLICY

FOR PERSONAL PROPERTY

The Authority, acting through the Chief Executive Officer or another duly authorized officer, shall have the authority to acquire, lease, purchase, own, manage, hold, and dispose of personal property, and to lease, convey, or deal in or enter into agreements with respect to such property, on any terms necessary or incidental to the carrying out of the purposes of the Authority.

Procurement Procedures: The Authority may acquire, lease or purchase personal property on a bid, negotiated, or open-market basis, including through a sole-source procurement or in such other manner as the Chief Executive Officer determines to be appropriate and in the best interests of the Authority in the circumstances, provided that in the case of any contract or agreement for the acquisition, lease or purchase of personal property requiring an expenditure by the Authority in excess of twenty-five thousand dollars (\$25,000), wherever possible bids or proposals shall be solicited from at least three (3) qualified parties, except that solicitation of proposals is not required, and the Chief Executive Officer may approve a contract, if the Authority can access and become a party to an existing contract of the State of Connecticut (including any of its agencies, quasi-public agencies or political subdivisions) or any other state or federal governmental entity, when the contract has been awarded on the basis of a competitive bidding or negotiation process. The requirements of this subsection shall not be applicable to transactions entered into by the Authority primarily for the purpose of providing financial assistance pursuant to Article X of these Operating Procedures. To the extent permitted by any contract for administrative support and services between the Authority and the Connecticut Department of Public Health, space, systems, supplies and other property, goods or services necessary for the business operations of the Authority may be provided by the Connecticut Department of Public Health, subject to appropriate cost sharing, and in such cases the procurement procedures of the Connecticut Department of Public Health shall apply thereto.

VIII. CONTRACTING FOR PROFESSIONAL SERVICES

The Authority, acting through the Chief Executive Officer or another duly authorized officer, shall have the authority to engage information technology and intellectual property vendors and consultants, accountants, attorneys, investment advisors and other consultants and professionals on any terms necessary or incidental to the carrying out of the purposes of the Authority. In the absence of a conflict of interest, such consultants and professionals may be those also providing services to the Connecticut Department of Public Health.

Procurement Procedures: Contracts for professional services shall be awarded by the Authority in such manner, including on the basis of a sole-source procurement, as the Board determines to be appropriate and in the best interests of the Authority in the circumstances, provided that (i) for such contracts requiring an expenditure by the Authority up to and including fifty thousand dollars (\$50,000) over a period of one fiscal year, the Chief Executive Officer has sole approval authority; (ii) for such contracts requiring an expenditure by the Authority over fifty thousand dollars (\$50,000) and up to and including one hundred thousand dollars (\$100,000) over a period of one fiscal year, the Chief Executive Officer, and either the Chairperson or Vice-Chair/Treasurer of the Board, must approve the expenditure; and (iii) for such contracts requiring an expenditure by the Authority of over one hundred thousand dollars (\$100,000), such contract shall, whenever possible, be awarded on the basis of a process of competitive bidding or negotiation where proposals are solicited from at least three (3) qualified parties, except that solicitation of proposals is not required, and the Chief Executive Officer may approve a contract, if the Authority can access and become a party to an existing contract of the State of Connecticut

(including any of its agencies, quasi-public agencies or political subdivisions) or any other state or federal governmental entity, when the contract has been awarded on the basis of a competitive bidding or negotiation process. To the extent permitted by any contract for administrative support and services between the Authority and the Connecticut Department of Public Health, professional services may also be provided by consultants and professionals selected by and under contract to the Connecticut Department of Public Health, subject to appropriate cost sharing. The provisions of Section 1-127 of the General Statutes shall apply to the engagement of auditors by the Authority.

IX. STATE CONTRACTING REQUIREMENTS

Any solicitation of bids or proposals by the Authority, and any award of a contract by the Authority, shall be subject to all state procurement and contracting requirements applicable to quasi-public agencies of the state, including without limitation the following to the extent applicable in the circumstances:

- Section 9-612 of the General Statutes, as amended, relating to campaign contributions by state contractors and their principals and related notices to state contractors and prospective state contractors;
- Section 4-252 of the General Statutes relating to affidavits as to gifts from contractors under certain large state contracts;
- Section 4a-81 of the General Statutes relating to affidavits with respect to consulting fees;

- Section 3-13l of the General Statutes relating to the prohibition of finder’s fees in connection with investment transactions;
- Section 3-13j of the General Statutes relating to the disclosure of third party fees attributable to investment services contracts;
- Section 4-61dd of the General Statutes relating to whistleblower protections; and
- Section 4a-60 and 4a-60a of the General Statutes relating to non-discrimination in state contracting and documentation of contractor adoption of a corporate policy supporting the non-discrimination agreements and warranties required by Sections 4a-60 and 40a-60a.

**X. FUNDING SOURCES AND PROCEDURES OF
GENERAL APPLICABILITY TO GRANT ASSISTANCE**

Funding sources include, but are not limited to:

Funding Sources:

- (i) Aid or contributions, including money, property, labor and other things of value;
- (ii) Any federal funds that can be used for the purposes specified in Section 19a-750 of the General Statutes;
- (iii) Fees and charges for services rendered by the Authority; and
- (iv) Earnings and interest derived from funds held by the Authority.

Procedures of General Applicability to Grant Assistance:

- (a) Pursuant to Section 19a-750(f) of the General Statutes, the Authority may make grants. Applications for grants from the Authority shall be made on a form prescribed by the Board. The Board shall review applications and decide whether to award a grant. The Board may consider, as a condition for awarding a grant, the potential grantee's financial participation and any other factors it deems relevant.
- (b) The Authority may assess reasonable fees on its financing activities to cover its reasonable costs and expenses, as determined by the Board.

XI. SURPLUS FUNDS

The Board shall use surplus funds to provide reserves for operations, indemnification obligations under Section 1-125 of the General Statutes and other contingencies, and to provide grants approved by the Board from time to time pursuant to Article X.

XII. PERIODIC REVIEW; AMENDMENT OF PROCEDURES

The Board, or a committee of the Board, may meet to review and discuss the matters addressed by these Procedures and, if deemed necessary, to make recommendations for amendment of these Procedures to the Board. Amendments to these Procedures shall be effective only upon adoption of such amendments by a two-thirds vote of the full membership of the Board.

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