FINANCE COMMITTEE AGENDA

Date: November 8, 2017
Time: 12:00 pm
Location: 125 Worth Street, Board Room

Call to Order — Bernard Rosen
Adoption of the September 13, 2017 Minutes

I. Senior Vice President's Report — PV Anantharam

II. Financial Reports Status
- Key Indicators — Krista Olson
- Cash Receipts and Disbursements — Michline Farag

III. Information Items
- Payor Mix — Krista Olson

Old Business — Bernard Rosen
New Business
Adjournment

MINUTES

Finance Committee **Meeting Date: September 13, 2017**

Board of Directors

The meeting of the Finance Committee of the Board of Directors was held on September 13, 2017 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Gordon Campbell
Stan Brezenoff
Helen Arteaga Landaverde
Barbara Lowe
Mark Page

OTHER ATTENDEES

J. DeGeorge, Analyst, Office of the State Comptroller
T. DeRubio, Analyst, OMB
M. Dolan, Senior Assistant Director, DC 37
M. Elias, Analyst, IBO
D. Goldberg, Politico
J. Merrill, Analyst, City Council
A. Mirdita, PAGNY
J. Watson, Analyst, Office of the State Comptroller

HHC STAFF

P. Albertson, Vice President, Supply Chain Services
P.V. Anantharam, Senior Vice President/CFO, Corporate Finance
E. Barlis, CFO, Jacobi
M. Brito, CFO, Post Acute Care
G. Calliste, CEO, Woodhull
A. Cohen, Vice President, Corporate Office
E. Cosme, CFO, AmbCare/Gotham
F. Covino, Senior Assistant Vice President, Corporate Budget
L. Dehart, Assistant Vice President, Corporate Reimbursement Services
M. Farag, Corporate Budget Director, Corporate Budget
M. Figueroa, CFO, Harlem
R. Fischer, CFO, Bellevue
W. Foley, Senior Vice President, Acute Care
G. Gulian, Senior Assistant Vice President, Acute Care
T. Green, CFO, Metropolitan
D. Guzman, CFO, Elmhurst
E. Guzman, Assistant Vice President, Corporate Finance
C. Hercules, Chief of Staff, Chairperson's Office

B. Ingraham-Roberts, Assistant Vice President, Government and Community Affairs
M. Katz, Assistant Vice President, Revenue Management
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Senior Director, Corporate Finance
R. Malone, CFO, Queens
N. Mar, Director, Reimbursement
K. Olson, Assistant Vice President, Corporate Budget
A. Pai, Chief of Staff to the SVP Finance/CFO, Corporate Finance
K. Park, CFO, Coney Island Hospital
S. Russo, Senior Vice President/General Counsel
S. Samis, Chief of Staff, President's Office
A. Saul, CFO, Kings County
E. Soiman, CFO, Woodhull
B. Stacey, CFO, Lincoln
D. Rahman, Central Office, OIA
J. Weinman, Corporate Comptroller, Corporate Finance

CALL TO ORDER **BERNARD ROSEN**

Mr. Gordon Campbell called the meeting to order at 11:18am as the prior meeting had run late, and Mr. Rosen was in transit to the Finance Committee meeting. Mr. Rosen joined the meeting at 11.26am. The minutes of the July 12, 2017 meeting were approved as submitted.

SENIOR VICE PRESIDENT'S REPORT **P.V. ANANTHARAM**

Mr. PV Anantharam began his report noting that in the two months since the last meeting, it has been a stable period with upcoming challenges. Health + Hospitals made inroads into its global FTE targets with an approximate 300 decrease in headcount since July, and is on track for the FY18 targets. Similarly, there has been a lot of work on revenue cycle, and Health + Hospitals is on track to meet those targets as well. There will be action items later in the meeting on procurement – OP-100 and supply chain work, as well as a presentation on short-term borrowing.

Health + Hospitals ended July with approximately $400 million with an increase in August. Earlier in the fiscal year, Health + Hospitals paid its obligations to the City, including Malpractice and Retiree Health, for total payments of approximately $234 million. This still left Health + Hospitals positive by about $470 million. Mr. Page asked what the positive meant, and Mr. Anantharam answered that even with all those payments, Health + Hospitals ended the month in a positive cash position. Mr. Page asked if the payments were for FY18, and Mr. Anantharam noted they were for FY17. With no further questions, the reporting was concluded.

KEY INDICATORS REPORT **KRISTA OLSON**

Ms. Krista Olson began reporting on FY17 utilization through June compared to the prior year. Starting with Acute Care Hospitals, ambulatory care visits are down by 4.9%. This remains a similar decline compared to last year, and consistent with the last report. These declines are across most facilities and across nearly all services – including the emergency department, primary care, behavior health, and most specialties.

Ms. Olson reported that inpatient discharges are down by 2.6%, and that the May report showed a decline of 2.5%. This has been stable in terms of the rate of decline. The average length of stay compares facilities against the system-wide average. Elmhurst and Kings County continues to show the largest variance greater than the average, of 7/10ths of a day. This is driven primarily by the discharge and transfer of a number of very long-staying patients out of the acute care setting into post-acute services as a coordinated effort to move them into a more appropriate and less expensive level of care.

Finally, case mix index is up by 3.39% against last year at this time. Gotham Diagnostic and Treatment Center visits continue to decline, with visits down 7.5% compared to this time last year, and the May report was similar at 7.4%. Renaissance remains particularly steep, but declines are also quite large at Belvis and Cumberland. Continuing their positive trend, Post-Acute Care services ended the year up by 2.7% with May similar at 2.8%, with the opening of new beds at Governeour and Coler/Carter. With no further questions, the reporting was concluded.

CASH RECEIPTS & DISBURSEMENTS REPORT **MICHLINE FARAG**

Ms. Michline Farag reported that FY17 closed with a global full-time equivalent (FTE) decline of 2,467 fiscal year in June 2017 compared to June 2016, exceeding the fiscal year-end target by 1,017. Since November 2015, there has been a decline of approximately 4,000 FTEs.

For FY17 through June, receipts were $12.3 million less than budgeted, which is a significant improvement of over $100 million since January, due to the revenue cycle initiatives implemented in the second half of the fiscal year. Disbursements are $10.2 million better than budget. For the comparison of FY17 actuals to FY16 actuals for the full fiscal year, the overall receipts in FY17 are $30.6 million lower than last year which is a less than 0.5% variance driven by the decrease of $143.7 million seen in the Grants/Tax levy line. The $143 million is comprised of two parts, a large Grant amount of $403 million that was received in FY17 for Care Restructuring Enhancement Pilot (CREP) and Value Based Payment Quality Improvement Program (VBP QIP), and that is offset by City Tax Levy advances across the fiscal years and one time City Subsidy in FY16.

Inpatient receipts are down $67.1 million versus last year due to 2.6% decline in discharges while outpatient receipts are up $95.2 million primarily due to increased risk pool distributions of $108 million. In terms of disbursements, Health + Hospitals is $236 million lower this fiscal year, $309 million of that is a payment made to the City in FY16 for FY14. This is offset by a $79.6 million increase in PS due to FY17 having an extra payroll of $92 million as well as collective bargaining received in FY17 offset by staffing reductions.

For FY17 actual receipts and disbursements against budget, starting with receipts, the variance against budget continues to decline. The receipts variance are down to $12.3 million due to the revenue cycle improvements previously noted. On the disbursements side, overall, Health + Hospitals is $10.2 million better than budgeted.

Mr. Page asked about the City collective bargaining for FY17, and whether it was a commitment made by the City in the last round of bargaining increases. Mr. Covino answered that it follows the pattern, approximately 10% funded by the City over a number of years. Mr. Page noted it was a real commitment that is in the budget, and is one kind of City payment that is a legitimate revenue ongoing. Mr. Page asked about the adjustments back and forth and how up-to-date Health + Hospitals is on City payments. Mr. Anantharam answered that the payments could be charted out, including obligations to the City and laid out by facility, and Mr. Campbell noted that would be helpful. With no further questions, the reporting was concluded.

PAYOR MIX REPORT **KRISTA OLSON**

Ms. Olson began reporting on the Fiscal Year 2017 year-end payor mix report. Compared to previous quarterly reports, the FY17 payor mix appears to have stabilized compared to FY16. Medicaid overall remains only slightly down compared with FY16 but shows the continued shift from Fee for Service to Managed Care. Medicare plans are up slightly.

The uninsured is up by 3/10ths of a percentage point. Earlier reports showed uninsured up by well over a percentage point, suggesting that efforts to focus on inpatient applications have been successful. Outpatient Adults are also down in Medicaid, again entirely in Fee for Service offset by an increase in Medicare. Otherwise the payor mix here is consistent with the prior year, and the uninsured percentage holds fairly constant.

Finally, outpatient pediatrics similarly shows a slight decline in Medicaid of 1.1 percentage points and uninsured by 6/10ths of a percentage point, offset by a positive increase in the commercial visits, both in Child Health Plus and non-Child Health Plus. Ms. Arteaga Landaverde asked if the figure of the uninsured children was due in part to the gap period. Ms. Olson answered that anecdotally that families may not provide information for insurance enrollment. Ms. Olson continued that confirmation would be provided, but thought that eligibility was through 18 years of age, and that the report covers through 19 years of age. With no further questions, the reporting was concluded.

SHORT TERM FINANCING **LINDA DEHART**

Ms. Linda Dehart provided a status report on short term capital financing. Through resolutions passed in July 2013, April 2015, and September 2015, the Board authorized equipment and other short term financing up to $120 million, with the goal of allowing the system to establish a flexible short term financing program with as needed access to capital funds from one or more banks over multiple years. There are two programs – one with JP Morgan Chase for up to $60 million worth of primarily equipment purchases that closed on July 9, 2015, after development of a secondary Health Care Reimbursement Revenue lien security, and a second with Citibank for up to $60 million worth of mostly routine renovation and IT projects closed on October 14, 2015.

The JP Morgan Chase loan had an initial drawdown of $10 million on July 9, 2015 with vouched funds of approximately $57.59 million. The average variable rate during the drawdown period to August 1, 2017 was 1.1687%. The final variable rate was set at 1.6270% prior to the fixed rate conversion. On August 1, 2017, the $60 million outstanding loan was converted to a fixed rate at 2.0880% with a final maturity date of July 1, 2022. The encumbrances as of August 14, were approximately $1 million more than the vouched funds and are working with Office of Facilities Development (OFD) to finish out the funding.

The Citibank loan was a three year revolving loan that was issued in October 2015 with approximately $10 million drawn. Vouched funds were approximately $40 million with a little over $48 million in encumbrances as of August 14, 2017. This variable rate revolving loan is indexed to Securities Industry and Financial Markets Association (SIFMA), with a maturity date of October 14, 2018. The average rate during the drawdown period was 1.2312%, and the rate has been inching up and is up to 1.57%. At the last report, it was shared that discussions had begun about a replacement loan. The Citibank replacement loan is projected to close in October 2017, and is to repay the outstanding $10 million loan and to retain $50 million for financing needs. The loan is split into two parts. One is a fixed rate loan, up to $30 million with a five year maturity and 1.89% indicative rate as of August 23, 2017 tied to five year MainStay Defined Term Municipal Opportunities Fund (MMD). The second is a variable rate loan up to $30 million with a five year maturity from drawdown, with a drawdown in $1 million or more tranches, and a 1.38% indicative rate as of August 23, 2017 tied to weekly SIFMA index.

Ms. Lowe asked if the loans were reflected in the budget, and Ms. Dehart confirmed the debt service was in the financial plan. Mr. Page asked if the loans were for equipment with less than a five year useful life. Ms. Dehart answered that it was typically for equipment and IT with an expected five to seven year life. Mr. Page asked if it was not used for anything shorter than five years. Ms. Dehart answered that that would be confirmed against the list. Mr. Page asked about the difference between vouched and encumbered, and whether the latter was above and beyond for what is vouched for. Ms. Dehart noted it was inclusive. Mr. Page asked if there was another $8 million above what has been vouched for with respect to the Citibank Loan, and asked about whether vouched amounts represented advance spending of Health + Hospitals cash against the

$120 million loan availability. Ms. Dehart confirmed yes. Mr. Page noted that Health + Hospitals was essentially reimbursing itself, and Ms. Dehart answered affirmatively. Mr. Rosen asked about the $120 million referenced on the first page, and whether the entire $120 million has been drawn down. Ms. Dehart noted that arrangements have been made for the entire amount to be draw down over time. In terms of amounts, there has been a drawdown of $60 million for the JP Morgan loan and $10 million for the Citibank loan, and at closing, there would be a net drawdown of $20 million for a total of $30 million for the Citibank loan. Mr. Page asked about the drawdown and confirmation that it was for expenditures already made so that Health + Hospitals would not end up with cash for capital versus interest earned in having money in the bank. Mr. Rosen asked if the loan programs were used by institutions. Ms. Dehart confirmed that it was and that there was a great demand on capital projects, equipment and IT, with a faster rate of spending than in the past. Mr. Anantharam noted that when the funds were borrowed, Health + Hospitals did not have as much access to City capital funds. Mr. Page noted that Health + Hospitals was not borrowing as much as it was spending, and Mr. Rosen noted that there was a need and the funds are being used. Mr. Page noted that it is holding aside City versus Health + Hospitals debt, and what entity should be borrowing and the structure of the debt. With no further questions, the reporting was concluded.

RESOLUTIONS

There were two resolutions for the members to hear – OP 100-05 and Huron Consulting.

OP 100-05

Mr. Paul Albertson and Mr. Jeremy Berman presented a resolution to adopt a Second Revised Statement of Board Policy for the Review and Authorization of Procurement Matters ("Second Revised Statement") by the Board of Directors (the "Board") of New York City Health and Hospitals Corporation (the "System") and directing the President of the System to prepare a revision of Operating Procedure 100-05 to implement such Statement of Policy. Mr. Rosen brought a motion to discuss, and it was seconded and approved.

Mr. Albertson reported that OP 100-05 had been discussed at the July Finance Committee, and that the resolution had been tabled to have the questions addressed for the re-discussion. Supply chain initiatives for the last few years have focused on centralized procurement in terms of standardized goods, supplies and equipment. New PeopleSoft technology has been implemented to facilitate inventory management, low units of measure, and move from "just in case" to "just in time" deliverables and quantities.

The current OP 100-05 was written to reflect the decentralized Health + Hospitals network model. The procedure has processes that are no longer accurate. Normally, the President with Senior Staff implements OP revisions. The difference with the existing operating procedure is that in 2013, the Board adopted a Procurement Policy Statement which essentially contains the entire OP 100-05. To enable the President to adopt a revised operating procedure, the Board is being asked to adopt a revised Policy Statement. The limitations of OP 100-05 are that is does not match the current state of fewer and larger contracts, does not satisfy the City Comptroller, requires President's Deviation for routine matters, does not allow for modern sourcing methods, and prolongs the contracting process.

Modernizing contracting and OP 100-05 facilitates uniform contracting, flexible contracting, and sensible contracting while applying due diligence standards for routine contracting, raising the Contract Review

Committee threshold from $100,000 to $1 million, and raising the Board threshold from $3 million to $5 million. Mr. Albertson noted that raising the thresholds was one of the issues raised at the last discussion and was being revisited at this discussion.

Mr. Albertson continued that the controls were reviewed and revised as to what was going to be implemented. These controls include a supply chain manual jointly approved by Supply Chain Services (SCS) and the Office of Legal Affairs (OLA) with detailed procedures, processes, and controls. Another control is a contract control sheet that is an auditable control for every contract detailing its procurement history, and requires SCS and OLA sign-off for each contract; no contract number can be assigned without this control sheet. There would be departmental audits which includes a review of every transaction between $100,000 and $1 million that is not procured by traditional methods by non-sourcing personnel. These audits would be summarized monthly and provided to the Internal Audits Office. Mr. Albertson noted that internal audits would be performed semi-annually and reported to the Audit Committee. Mr. Albertson reported that there also had been a meeting with Mr. Campbell, Mr. Brezenoff, and Mr. Rosen to discuss the increased controls with a revised policy. Mr. Campbell added that there would be a standardized report to the Board, with all new contracts, including vendor, contract value, and contract description, and that if there were any issues that would be built into the reports. Ms. Lowe asked if the contract values was an issue raised in the last discussion. Mr. Rosen confirmed it was, and Ms. Lowe also noted that an issue from the last discussion had been the Board coordination and time to review contract actions.

Mr. Rosen asked what the departmental audits were, at one time, for less than $100,000 or over $100,000 – what is being done now versus what would be done in the future. Mr. Albertson noted that there are two pieces. The operating procedure had been decentralized in the past with independent offices. The thresholds included up to $3 million at facilities before it had to go to the Board. When procurement was centralized, eight independent purchasing offices were closed to drive standardized agreements that would encompass all twenty-one facilities. Therefore, this revision is seeking to raise thresholds so that corporate Supply Chain can procure for the system. The controls include audits as part of the controls, including periodic audits that would be presented independently to the Audit Committee. Mr. Rosen asked what is being audited – contracts over $1 million, over $100,000, or all the contracts. Mr. Berman reported that Internal Audit could audit all the activities of Supply Chain procurement.

Mr. Albertson continued the presentation which had an overview of other New York area hospitals with their requirements for Board approval, including NYU for contracts more than $5 million, Northwell with no Board review and a review of contracts for more than $10 million with the President, Presbyterian with Board approval requires dependent on materiality, and Mt. Sinai requiring Board approval for large construction projects. Mr. Albertson concluded the presentation with the proposed revised Board procurement policy statement, “Only include those matters that must be reviewed by Board, Enables President to revise OP 100-05 to meet operational state.”

Mr. Campbell noted that the Board statement rightsizes the responsibilities of the Board vis-à-vis the management of these activities as to where they should be. Mr. Rosen asked about the changes to the proposed revised statement. Mr. Berman answered that it had been shortened without as much detail so as to not constrain the President and management to modify; the new statement has general policy goals about what comes before the Board. Mr. Rosen asked if a vote was being sought to adopt this statement, and that if this was adopted, it would go to the Board. Mr. Rosen asked what Health + Hospitals spends in procurement.

Mr. Albertson answered approximately $1.4 billion in expenses which includes all purchases. Mr. Rosen noted that the goal of this revision was to provide more flexibility. Mr. Albertson confirmed that it was, as well as to reflect centralized procurement and more flexibility with larger contracts to achieve savings. Mr. Berman noted that the roles of the network structure were obsolete. Mr. Rosen brought the motion to adopt, and a vote was done, with all in favor.

Huron Resolution

The second resolution focused on consulting services for supply chain operations. Mr. Albertson and Mr. Graham Gulian presented a resolution authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Huron Consulting Group Inc. ("Huron") to provide consulting services regarding the System's supply chain operations and other operations that impact Other than Personal Services ("OTPS") costs over an eighteen-month period which are estimated to yield estimated ongoing and recurrent annual savings in OTPS expenditures ranging from $69 Million to $162 Million, for an estimated total compensation to Huron, not to exceed $11.7 Million. Mr. Rosen advanced a motion to discuss, which was seconded, and affirmed.

Mr. Albertson provided an overview of the framework in which Health + Hospitals is engaged in a continuous, multi-year budget gap reduction process, is striving to appropriately transform itself to meet the changed and changing health care and reimbursement landscapes, and stay true to its mission. Foundational work includes investments in technology (PeopleSoft/ERP, EPIC Clinical and Financials), clinical services redesign and enhancing ambulatory care, revenue cycle standard work, and supply chain work.

Last year, Supply Chain saved $64 million and the line of sight for FY18 is $72 million. Even with that progress, Health + Hospitals identified the need to improve Supply Chain processes and reduce Other Than Personnel Spend (OTPS). An RFP was developed to select a partner to assess the savings opportunities against the $1.4 billion in spend and to identify sustainable long-term opportunities. Huron Consulting was chosen as the partner to conduct this assessment. During this assessment for the past month, Huron interviewed over 50 staff and analyzed over 150 data files.

Huron has identified substantial opportunities for savings over a period of time. There are savings opportunities in every category that could lead to one hundred projects – including a range of physician specialty items or medical/surgical supplies. There is a big opportunity in pharmacy revenue because of Health + Hospitals providing care to many of the disproportionate share of the population who can access medications at a reduced rate with savings from the 340B program. The additional opportunity is in specialty meds as it has grown and become more expensive. Huron is skilled in the development of programs and infrastructure, including staffing and IT models, to capture significant revenue.

The implementation strategy has both long-term objectives such as reducing care variation, accurately ordering sets, and improving vendor performance, as well as short-term objectives of negotiating contracts and improving governance structure. There is a big focus on pharmacy to enhance the 340B program and develop specialty pharmacy. There will also be standardization of supplies and services across the facilities. The work is projected to take eighteen months with a focus on purchased services and IT, support services and facilities, human resources purchased services, physician preference and clinical supplies, lab blood and test utilization, and care variation management. Mr. Albertson provided a summary of the complexity of the

initiative, implementation challenges, and confidence to reach the mid-point benefit by categories which also includes leveraging the current strengths and workforce of Health + Hospitals.

The projected financial opportunity is $138 million to $317 million over the next three years. Implementation would be across Health + Hospitals twenty-one entities with 42,000 consulting hours from Huron with approximately twenty dedicated on-site consultants. The fixed fee arrangement is based on achievement of milestones where consultant fees and out of pocket expenses will not exceed $11.7 million. The three-year cumulative return on investment is between 11.7:1 and 27.1:1. The engagement is projected to break even by month eight of implementation in terms of cumulative financial benefits exceeding total fees.

Mr. Campbell asked how the $11.7 million figure was set. Mr. Albertson answered it had been negotiated, with the starting figure being $59 million, with the work that would be provided, including staffing and timeline. Ms. Lowe asked if the work was built on the Epic platform. Mr. Albertson noted that there will be integration with Epic, with ties to the clinical and revenue systems, and PeopleSoft HR and Supply Chain. Ms. Lowe asked if the Epic roll-out would dominate the direction of the Supply Chain work. Mrs. Albertson answered that there would be integration planning, and that they would be working with Sal Russo and Pam Saechow. Ms. Arteaga Landaverde recollected that Huron had experience with Epic, and Mr. Albertson confirmed that Huron had experience with both Epic and PeopleSoft.

Mr. Page asked about the three-year line chart which has work starting now, and whether the effort ends at that timeframe or if it is ongoing. Mr. Albertson answered the savings would be sustained beyond that, and the chart is a snapshot of the work for the next few years with the Huron engagement. Mr. Campbell noted that it would be helpful to have discussions with other systems and how the work is maintained after Huron leaves and the laser focus is gone. Mr. Albertson answered there had been discussions about sustainability and noted that there are diminishing returns over time on renegotiations on contracts as pricing can only go so low and the utilization of supplies and whether they are being used appropriately. PeopleSoft technology will standardize purchasing levels and utilization. Supply Chain is also working with Chief Nursing Officer Kim Mendez on use of supplies and standardization across facilities, reflecting the shared governance previously discussed. Mr. Brezenoff noted that there are plateaus over time, but that there also must be safeguards over slippage in terms of no erosion of standardization and maintaining practice, including inventories.

Mr. Rosen asked if starting at $10.8 million in FY18 which carries over three years, so the second year has an increment of $47 million, with the third year increment being $11 million, with an assumption of no slippage with $69 million going into perpetuity. Mr. Albertson answered affirmatively with the $10 million repeating itself in the successive years. Mr. Rosen asked if the $10 million was low because the work is just getting started, and Mr. Albertson confirmed that. Ms. Lowe asked about implementation and the ins and outs of some entities not participating. Mr. Albertson answered that it does not represent what Health + Hospitals is already doing in Supply Chain, including the FY18 $72 million savings target.

Mr. Rosen asked about the annual savings opportunities on slide 4 and whether those were Health + Hospital estimates or Huron estimates. Mr. Albertson noted it was Huron's. Mr. Rosen asked about pharmacy revenue and whether it was to get people to use the pharmacy. Mr. Albertson noted yes, although it was a different model in the specialty pharmacy as there is a subset of very expensive meds that can be obtained at the 340B reduced price, where instead of the retail pharmacy being able to keep the difference, Health + Hospitals keeps the difference between what it costs at 340B pricing versus what a Managed Care or commercial plan pays. Mr. Albertson noted that there is an annual benefit to Health + Hospitals with a potential pool of 42,000

prescriptions that may have opportunity up to $100 million, and if 10% is captured that would be $10 million. Mr. Rosen asked about what Health + Hospitals was doing currently, and the $60 million is reflective of Health + Hospitals current initiatives. Mr. Albertson answered affirmatively and noted that the $60 million will spill over to next year as well. Mr. Campbell requested a progress report in the third quarter, utilizing the chart in slide 4, as well as in the fourth quarter. Mr. Rosen noted that, without Huron, Health + Hospitals would achieve $60 million on its efforts, and Mr. Albertson noted that it likely would be a bit more than that. Mr. Albertson also noted that Huron would be able to take Health + Hospitals further more quickly on certain initiatives due to their bandwidth and skill set. Mr. Rosen brought the motion to approve, and it was seconded and approved.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss the meeting was adjourned at 12:15 p.m.

KEY INDICATORS
FISCAL YEAR 2018 UTILIZATION AND GLOBAL FTEs

Year to Date
September 2017

	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX		GLOBAL FTEs	
	VISITS			DISCHARGES								
	FY 18	FY 17	VAR %	FY 18	FY 17	VAR %	ACTUAL	EXPECTED	FY 18	FY 17	Jun 17	Sep 17*
Acute												
Bellevue	142,426	143,593	-0.8%	5,506	5,547	-0.7%	5.6	5.0	1.2331	1.2405	5,497	5,446
Coney Island	79,862	84,983	-6.0%	3,334	3,459	-3.6%	6.5	4.8	0.9877	1.0124	3,038	2,988
Elmhurst	141,418	149,154	-5.2%	4,682	4,582	2.2%	5.8	4.6	0.9932	0.9930	4,182	4,136
Harlem	74,241	76,903	-3.5%	2,747	3,012	-8.8%	5.4	4.6	1.0313	0.9126	2,914	2,940
Jacobi	100,217	102,558	-2.3%	4,430	4,365	1.5%	5.0	5.2	1.0982	1.0587	3,969	3,867
Kings County	165,877	167,958	-1.2%	4,517	4,762	-5.1%	6.4	5.0	1.0570	1.0522	5,091	4,996
Lincoln	131,412	129,996	1.1%	5,084	5,434	-6.4%	4.4	4.6	0.9886	0.9289	3,994	3,993
Metropolitan	90,411	95,462	-5.3%	2,061	2,358	-12.6%	4.3	4.8	0.9817	0.9812	2,463	2,438
North Central Bronx	50,416	50,540	-0.2%	1,643	1,645	-0.1%	3.7	4.0	0.7248	0.6932	1,351	1,326
Queens	102,650	97,992	4.8%	3,167	3,244	-2.4%	4.3	4.3	0.8215	0.7752	2,795	2,802
Woodhull	102,042	117,597	-13.2%	2,503	2,590	-3.4%	5.2	4.8	0.9353	0.9215	2,853	2,802
Acute Total	**1,180,972**	**1,216,736**	**-2.9%**	**39,674**	**40,998**	**-3.2%**	**5.3**	**4.8**	**1.0184**	**0.9901**	38,146	37,735
Gotham	VISITS											
Belvis DTC	12,278	12,880	-4.7%								128	127
Cumberland DTC	15,791	16,174	-2.4%								200	199
East New York	17,817	19,720	-9.7%								207	203
Gouverneur DTC	48,932	58,509	-16.4%								448	441
Morrisania DTC	18,380	18,901	-2.8%								232	230
Renaissance	7,943	8,670	-8.4%								166	165
Gotham Total	**121,141**	**134,854**	**-10.2%**								1,381	1,363
Post Acute Care				DAYS								
Coler				66,231	67,229	-1.5%					1,077	1,028
Gouverneur SNF				20,831	20,250	2.9%					362	373
H.J. Carter				27,463	28,862	-4.8%					900	867
McKinney				28,558	27,983	2.1%					439	428
Seaview				27,329	27,710	-1.4%					532	518
Post Acute Care Total				**170,412**	**172,034**	**-0.9%**					3,310	3,214
Central Office											1,022	993
Care Management											398	419
Enterprise IT/Epic											1,157	1,211
GRAND TOTAL											**45,414**	**44,935**
Discharges/CMI-- All Acutes				**39,674**	**40,998**	**-3.2%**			**1.0184**	**0.9901**		
Visits -- All DTCs & Acutes	**1,302,113**	**1,351,590**	**-3.7%**									
Days-- All SNFs				**170,412**	**172,034**	**-0.9%**						

Utilization
Discharges: exclude psych and rehab
Visits: FY17 and FY18 utilization is based on date of service and includes open visits. Visit utilization includes Clinic, Emergency Department and Ambulatory Surgery.
LTC: SNF and Acute days

Average Length of Stay(LOS)
Previous LOS calculations excluded one-day stays and outliers. Expected length of stay was based on H+H system average adjusted for case-mix.
As of September 2017, Actual LOS includes all stays, regardless of length.
Calculation is as follows:
Actual: days divided by discharges; excludes psych and rehab
Expected: Expected Length of Stay based on New York City SPARCS data, using facility specific case-mix

All Payor CMI
Acute discharges are grouped using New York State APR-DRGs version 32

Global FTEs
*Actual Global FTEs have dropped by 2,902 since September 2016.
Global Full-Time Equivalents (FTEs) include HHC staff and overtime, hourly, temporary and affiliate FTEs. Enterprise IT includes consultants.
Care Management includes HHC Health & Home Care and the Health Home program.

NYC Health + Hospitals
Cash Receipts and Disbursements (CRD)
Fiscal Year 2018 vs Fiscal Year 2017 (in 000's)
TOTAL CORPORATION

	Fiscal Year To Date September 2017		
	actual 2018	**actual 2017**	**better / (worse)**
Cash Receipts			
Inpatient			
Medicaid Fee for Service	$ 168,998	$ 171,023	$ (2,025)
Medicaid Managed Care	205,955	185,785	20,170
Medicare	107,281	120,826	(13,545)
Medicare Managed Care	80,140	86,241	(6,101)
Other	66,116	60,957	5,159
Total Inpatient	$ 628,490	$ 624,832	$ 3,658
Outpatient			
Medicaid Fee for Service	$ 52,553	$ 23,948	$ 28,605
Medicaid Managed Care	84,093	89,453	(5,360)
Medicare	17,233	17,164	69
Medicare Managed Care	24,052	23,897	155
Other	41,904	38,263	3,641
Total Outpatient	$ 219,835	$ 192,725	$ 27,110
Risk Pools	24,406	117,577	(93,171)
Total Patient Care Receipts	$ 872,731	$ 935,133	$ (62,402)
All Other			
Pools	$ 57,467	$ 91,269	$ (33,802)
DSH / UPL	107,685	364,381	(256,696)
Grants, Intracity, Tax Levy	117,739	83,916	33,823
Appeals & Settlements	5,205	5,435	(230)
Misc / Capital Reimb	21,381	17,294	4,087
Total All Other	$ 309,477	$ 562,295	$ (252,818)
Total Cash Receipts	**$ 1,182,208**	**$ 1,497,428**	**$ (315,220)**
Cash Disbursements			
PS	$ 616,075	$ 717,383	$ 101,308
Fringe Benefits	317,135	250,429	(66,706)
OTPS	371,068	372,857	1,789
City Payments	136,682	-	(136,682)
Affiliation	283,679	273,422	(10,257)
HHC Bonds Debt	19,771	21,003	1,232
Total Cash Disbursements	**$ 1,744,410**	**$ 1,635,094**	**$ (109,316)**
Receipts over/(under) Disbursements	**$ (562,202)**	**$ (137,666)**	**$ (424,536)**

NYC Health + Hospitals
Actual vs Budget Report
Fiscal Year 2018 (in 000's)
TOTAL CORPORATION

	Fiscal Year To Date September 2017		
	actual 2018	**budget 2018**	**better / (worse)**
Cash Receipts			
Inpatient			
Medicaid Fee for Service	$ 168,998	$ 168,115	$ 883
Medicaid Managed Care	205,955	184,742	21,213
Medicare	107,281	119,018	(11,737)
Medicare Managed Care	80,140	83,740	(3,600)
Other	66,116	62,588	3,528
Total Inpatient	$ 628,490	$ 618,203	$ 10,287
Outpatient			
Medicaid Fee for Service	$ 52,553	$ 34,773	$ 17,780
Medicaid Managed Care	84,093	93,695	(9,602)
Medicare	17,233	19,576	(2,343)
Medicare Managed Care	24,052	25,152	(1,100)
Other	41,904	38,631	3,273
Total Outpatient	$ 219,835	$ 211,827	$ 8,008
Risk Pools	24,406	24,406	0
Total Patient Care Receipts	$ 872,731	$ 854,436	$ 18,295
All Other			
Pools	$ 57,467	$ 63,468	$ (6,001)
DSH / UPL	107,685	107,200	485
Grants, Intracity, Tax Levy	117,739	118,400	(661)
Appeals & Settlements	5,205	5,204	1
Misc / Capital Reimb	21,381	20,532	849
Total All Other	$ 309,477	$ 314,804	$ (5,327)
Total Cash Receipts	**$ 1,182,208**	**$ 1,169,240**	**$ 12,968**
Cash Disbursements			
PS	$ 616,075	$ 617,789	$ 1,714
Fringe Benefits	317,135	317,767	632
OTPS	371,068	362,370	(8,698)
City Payments	136,682	136,682	0
Affiliation	283,679	283,679	0
HHC Bonds Debt	19,771	19,851	80
Total Cash Disbursements	**$ 1,744,410**	**$ 1,738,139**	**$ (6,271)**
Receipts over/(under) Disbursements	**$ (562,202)**	**$ (568,899)**	**$ 6,697**

NEW YORK CITY HEALTH + HOSPITALS
INPATIENT PAYOR MIX
Fiscal Year 2018 1st Quarter Report

INPATIENT: Percentage of Total Discharges For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Corporate Total
Medicaid Total												
2018	**61.4**	**54.5**	**61.7**	**62.4**	**56.2**	**59.1**	**64.8**	**70.1**	**64.8**	**62.0**	**68.0**	**61.6**
2017	**57.4**	**54.4**	**61.7**	**61.7**	**56.0**	**60.7**	**66.9**	**70.3**	**63.8**	**64.3**	**68.9**	**61.7**
Medicaid												
2018	23.0	18.7	22.0	16.4	15.9	19.5	15.6	18.8	15.1	22.5	20.8	**19.3**
2017	21.4	20.1	20.5	17.7	14.5	20.6	17.8	21.7	15.6	27.3	19.1	**19.8**
Medicaid Plans												
2018	38.4	35.9	39.8	46.0	40.3	39.6	49.2	51.3	49.7	39.4	47.1	**42.4**
2017	36.0	34.3	41.2	44.0	41.4	40.1	49.1	48.6	48.2	37.0	49.8	**41.9**
Medicare Total												
2018	**17.4**	**35.1**	**21.4**	**22.4**	**23.9**	**20.8**	**24.2**	**19.1**	**18.6**	**24.7**	**21.9**	**22.5**
2017	**18.0**	**35.2**	**21.2**	**22.9**	**24.1**	**18.0**	**22.9**	**19.9**	**18.7**	**22.7**	**20.0**	**21.9**
Medicare												
2018	8.6	24.9	9.7	9.9	12.1	9.6	7.0	7.7	9.1	12.1	8.9	**10.7**
2017	9.3	25.5	10.3	9.1	12.4	8.7	7.9	8.9	9.1	10.2	10.2	**10.8**
Medicare Plans												
2018	8.8	10.2	11.7	12.5	11.7	11.1	17.2	11.4	9.4	12.6	13.0	**11.8**
2017	8.7	9.7	11.0	13.7	11.7	9.3	15.0	11.0	9.6	12.5	9.9	**11.1**
Commercial Total												
2018	**9.6**	**7.3**	**8.9**	**8.0**	**12.8**	**11.0**	**7.7**	**5.2**	**8.3**	**8.4**	**6.1**	**8.9**
2017	**9.8**	**7.6**	**8.4**	**9.1**	**11.9**	**12.7**	**7.8**	**4.9**	**8.2**	**9.7**	**6.6**	**9.1**
Other												
2018	**2.0**	**0.2**	**0.6**	**0.0**	**0.3**	**0.2**	**0.3**	**0.2**	**0.1**	**0.3**	**0.1**	**0.5**
2017	**5.5**	**0.1**	**1.4**	**0.1**	**0.3**	**0.2**	**0.2**	**0.1**	**0.2**	**0.3**	**0.1**	**1.1**
Uninsured												
2018	**9.5**	**2.9**	**7.4**	**7.2**	**6.8**	**9.0**	**2.9**	**5.4**	**8.1**	**4.7**	**4.0**	**6.5**
2017	**9.3**	**2.6**	**7.2**	**6.2**	**7.8**	**8.4**	**2.2**	**4.9**	**9.1**	**3.0**	**4.3**	**6.1**

FY18 (run date: 10/25/17)
FY17 (run date: 11/16/16)

Note: All numbers are percentages.

Medicaid Plans: Medicaid Managed Care
Medicare Plans: Medicare Advantage Plans
Commercial Plans: Commercial Insurance & Managed Care Plans, No-Fault, Worker's Comp and Blue Cross
Other: Federal, State, & City Agencies, Uniformed Services and Prisoners

NEW YORK CITY HEALTH + HOSPITALS
OUTPATIENT ADULT PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2018 1st Quarter Report

OUTPATIENT ADULT: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2018	**39.5**	**37.1**	**38.6**	**46.6**	**45.7**	**48.3**	**48.2**	**44.8**	**51.4**	**38.0**	**41.1**	**53.2**	**44.2**	**55.6**	**36.3**	**53.4**	**44.9**	**43.7**
2017	**38.0**	**36.6**	**37.4**	**47.5**	**46.4**	**45.8**	**46.3**	**44.7**	**50.7**	**37.4**	**42.1**	**51.0**	**46.9**	**52.2**	**34.6**	**52.0**	**43.7**	**42.5**
Medicaid																		
2018	5.5	8.0	6.1	7.0	6.9	8.9	8.3	8.2	5.9	8.1	3.6	3.9	5.1	6.9	4.8	5.0	5.1	**6.9**
2017	6.3	8.8	7.6	7.6	8.5	9.2	7.4	6.2	8.4	8.4	4.0	2.7	3.5	7.0	5.1	5.5	4.7	**7.1**
Medicaid Plans																		
2018	34.1	29.1	32.5	39.6	38.7	39.5	39.9	36.6	45.5	29.9	37.5	49.3	39.1	48.7	31.5	48.4	39.8	**36.8**
2017	31.7	27.8	29.8	39.9	37.9	36.6	39.0	38.5	42.3	29.0	38.1	48.3	43.3	45.2	29.5	46.5	38.9	**35.4**
Medicare Total																		
2018	**18.5**	**23.3**	**16.3**	**21.0**	**22.1**	**17.0**	**21.6**	**20.3**	**18.0**	**21.0**	**21.5**	**14.6**	**14.1**	**17.0**	**24.8**	**14.6**	**16.9**	**19.8**
2017	**19.7**	**20.5**	**16.0**	**21.5**	**20.0**	**15.9**	**22.4**	**21.1**	**16.6**	**20.3**	**20.2**	**15.8**	**12.9**	**18.0**	**24.9**	**14.9**	**18.7**	**19.4**
Medicare																		
2018	8.1	12.3	5.8	9.7	8.0	8.3	5.9	7.1	6.0	6.5	6.2	3.2	4.9	7.5	8.9	4.0	6.3	**7.4**
2017	8.7	11.2	6.5	9.5	8.3	7.8	6.5	8.0	6.1	7.2	6.6	3.6	4.8	7.9	9.3	4.3	7.4	**7.8**
Medicare Plans																		
2018	10.5	11.1	10.6	11.4	14.1	8.7	15.7	13.2	11.9	14.5	15.4	11.3	9.1	9.5	15.8	10.6	10.6	**12.3**
2017	11.0	9.3	9.5	12.0	11.8	8.1	15.9	13.1	10.5	13.1	13.6	12.2	8.1	10.1	15.7	10.6	11.3	**11.7**
Commercial																		
2018	**14.9**	**6.1**	**5.0**	**11.6**	**10.2**	**13.9**	**13.4**	**8.1**	**8.9**	**6.0**	**9.5**	**9.7**	**11.9**	**13.8**	**12.0**	**14.0**	**12.7**	**10.5**
2017	**12.6**	**8.4**	**6.0**	**11.8**	**11.2**	**15.1**	**14.0**	**7.5**	**10.5**	**7.3**	**9.5**	**9.6**	**13.9**	**15.2**	**12.5**	**12.2**	**13.2**	**11.0**
Other																		
2018	**1.7**	**0.4**	**1.6**	**0.6**	**1.6**	**0.3**	**0.8**	**0.2**	**0.8**	**0.3**	**0.5**	**0.0**	**0.2**	**0.1**	**1.0**	**0.0**	**0.1**	**0.8**
2017	**2.6**	**0.6**	**2.8**	**0.6**	**1.8**	**0.4**	**0.8**	**0.3**	**0.7**	**0.3**	**0.5**	**0.0**	**0.2**	**0.0**	**0.9**	**0.0**	**0.1**	**1.1**
Uninsured																		
2018	**25.4**	**33.0**	**38.4**	**20.2**	**20.4**	**20.4**	**15.9**	**26.5**	**20.9**	**34.7**	**27.3**	**22.5**	**29.6**	**13.4**	**25.9**	**17.9**	**25.3**	**25.3**
2017	**27.1**	**33.8**	**37.8**	**18.6**	**20.6**	**22.8**	**16.5**	**26.4**	**21.5**	**34.7**	**27.7**	**23.6**	**26.1**	**14.5**	**27.1**	**20.9**	**24.4**	**26.0**

FY18 (run date:10/25/17)
FY17 (run date:10/25/17)

Note: All numbers are percentages.
Adult visits defined by age of patient >=19 at time of visit.

Medicaid Plans: Medicaid Managed Care
Medicare Plans: Medicare Advantage Plans
Commercial Plans: Commercial Insurance & Managed Care Plans, No-Fault, Worker's Comp and Blue Cross
Other: Federal, State, & City Agencies, Uniformed Services and Prisoners

NEW YORK CITY HEALTH + HOSPITALS
OUTPATIENT PEDIATRIC PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2018 1st Quarter Report

OUTPATIENT PEDIATRIC: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2018	**82.1**	**82.5**	**82.2**	**84.1**	**76.4**	**72.2**	**86.1**	**89.6**	**78.2**	**71.4**	**81.4**	**88.3**	**79.0**	**80.1**	**81.5**	**85.5**	**81.0**	**80.6**
2017	**83.5**	**74.7**	**80.6**	**84.0**	**75.2**	**72.6**	**85.7**	**89.7**	**76.0**	**70.1**	**80.8**	**87.6**	**79.7**	**78.8**	**81.3**	**85.1**	**77.4**	**79.8**
Medicaid																		
2018	3.8	12.2	3.1	3.9	5.2	4.7	3.5	2.1	4.4	7.4	2.9	4.8	4.2	7.8	4.8	4.1	4.9	**4.6**
2017	4.0	10.4	3.8	4.8	6.7	5.6	3.2	2.4	7.3	7.8	4.2	3.1	4.5	5.1	7.1	3.9	4.2	**5.1**
Medicaid Plans																		
2018	78.3	70.3	79.1	80.2	71.2	67.5	82.6	87.5	73.7	64.0	78.6	83.5	74.8	72.3	76.7	81.5	76.1	**76.0**
2017	79.5	64.3	76.7	79.2	68.5	67.1	82.5	87.2	68.7	62.3	76.5	84.6	75.3	73.7	74.2	81.1	73.1	**74.7**
Commercial Total																		
2018	**13.8**	**11.8**	**9.9**	**11.2**	**16.3**	**17.5**	**11.0**	**6.5**	**16.8**	**18.2**	**12.0**	**9.0**	**11.5**	**14.2**	**15.0**	**10.0**	**13.1**	**13.1**
2017	**12.1**	**18.8**	**10.3**	**11.7**	**18.5**	**17.7**	**11.3**	**7.3**	**18.1**	**17.4**	**12.4**	**8.8**	**11.2**	**13.9**	**13.9**	**9.0**	**14.4**	**13.6**
Child Health Plus																		
2018	4.7	5.3	6.4	2.8	4.7	7.2	5.9	3.9	4.1	7.8	5.6	5.8	4.4	5.8	6.4	4.8	3.8	**5.5**
2017	4.6	5.8	5.9	3.6	4.1	6.1	6.3	4.0	3.4	5.6	4.7	5.0	4.6	5.2	5.3	3.9	3.6	**5.0**
Non-CHP Plans																		
2018	9.1	6.5	3.4	8.3	11.6	10.4	5.1	2.7	12.7	10.4	6.4	3.2	7.0	8.4	8.6	5.3	9.4	**7.6**
2017	7.6	13.0	4.3	8.1	14.4	11.6	5.0	3.3	14.7	11.8	7.7	3.8	6.5	8.8	8.6	5.1	10.8	**8.6**
Other																		
2018	**0.3**	**0.2**	**0.3**	**0.7**	**0.9**	**0.3**	**0.5**	**0.0**	**0.1**	**0.2**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.0**	**0.0**	**0.3**
2017	**0.2**	**0.5**	**0.4**	**0.2**	**0.6**	**0.3**	**0.4**	**0.0**	**0.2**	**0.3**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.2**
Uninsured Total																		
2018	**3.8**	**5.5**	**7.6**	**4.1**	**6.4**	**10.0**	**2.4**	**3.9**	**5.0**	**10.2**	**6.5**	**2.7**	**9.6**	**5.6**	**3.5**	**4.4**	**5.9**	**6.0**
2017	**4.2**	**6.0**	**8.8**	**4.1**	**5.7**	**9.4**	**2.5**	**3.0**	**5.7**	**12.3**	**6.8**	**3.5**	**9.1**	**7.2**	**4.8**	**5.9**	**8.2**	**6.4**

FY18 (run date10/25/17)
FY17 (run date10/25/17)

Note: All numbers are percentages.
Pediatric visits defined by age of patient <19 at time of visit.

Medicaid Plans: Medicaid Managed Care
Commercial: Commercial Insurance and Managed Care Plans, Child Health Plus No-Fault, Worker's Comp and Blue Cross
Other: Federal, State & City Agencies, Uniformed Services and Prisoners, and Medicare