AGENDA

MEDICAL AND PROFESSIONAL AFFAIRS/ INFORMATION TECHNOLOGY COMMITTEE

Meeting Date: July 19, 2012
Time: 10:00 AM
Location: 125 Worth Street, Room 532

BOARD OF DIRECTORS

CALL TO ORDER — **DR. STOCKER**

ADOPTION OF MINUTES
-June 14, 2012

CHIEF MEDICAL OFFICER REPORT — **DR. WILSON**

CHIEF INFORMATION OFFICER REPORT — **MR. ROBLES**

ACTION ITEM:

1. Resolution authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute a contract with Atlantic Dialysis Management Services LLC ("Atlantic") to provide dialysis technical services to HHC patients in the following facilities: Coney Island Hospital, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical and Mental Health Center, Metropolitan Hospital Center, North Central Bronx Hospital, Queens Hospital Center, and Woodhull Medical and Mental Health Center. The contract shall be for a period of five years with one, four-year option to renew exercisable solely by the Corporation, in an amount not to exceed $84 million for the entire term of nine years.
AND
Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.
— **DR. WILSON/ MS. JOHNSTON**

INFORMATIONAL ITEMS:

1. Patient Safety Update — **MS. JACOBS**

2. MetroPlus Health Plan Inc. — **DR. SAPERSTEIN**

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

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NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

MINUTES

MEDICAL AND PROFESSIONAL AFFAIRS/ INFORMATION TECHNOLOGY COMMITTEE BOARD OF DIRECTORS

Meeting Date: June 14, 2012

ATTENDEES

COMMITTEE MEMBERS:

Michael A. Stocker, MD, Chairman
Tony D. Martin (Acting President)
Josephine Bolus, RN
Vincent Calamia, MD
Christina L. Jenkins, MD
Amanda Parsons, MD (representing Thomas A. Farley, MD)

HHC CENTRAL OFFICE STAFF:

Donna Benjamin, Restructuring Project Manager
Deborah Cates, Chief of Staff, Board Affairs
Louis Capponi, MD, Chief Medical Informatics Officer
Nelson Conde, Senior Director, Professional Services & Affiliations
Paul Contino, Chief Technology Officer
Juliet Gaengan, Senior Director, Clinical Affairs
Evelyn Hernandez, Director, Media Relations
Caroline Jacobs, Senior Vice President, Safety & Human Development
Lauren Johnston, Senior Assistant Vice President/Chief Nursing Officer, Patient Centered Care
Michael Keil, Director, IT Service Management Office
Mei Kong, Assistant Vice President, Patient Safety
Robert Kurtz, MD, Senior Clinical Advisor to Chief Medical Officer
JoAnn Liburd, Senior Director, Accreditation & Regulatory Services
Patricia Lockhart, Secretary to the Corporation
Tamiru Mammo, Chief of Staff, Office of the President
Glenn Manjorin, IT Disaster Recovery/Business Continuity
Ana Marengo, Senior Vice President, Communications & Marketing
Antonio D. Martin, Executive Vice President/Corporate Chief Operating Officer
Kathleen McGrath, Senior Director, Communications & Marketing
Susan Meehan, Assistant Vice President, Medical & Professional Affairs
Bert Robles, Senior Vice President, Information Technology/Corporate Chief Information Officer
Salvatore Russo, General Counsel, Legal Affairs
David Stevens, MD, Senior Director, Health Care Improvement
Joyce Wale, Senior Assistant Vice President, Behavioral Health
Ross Wilson, MD, Senior Vice President/Corporate Chief Medical Officer, Medical & Professional Affairs
Marlene Zurack, Chief Financial Officer

FACILITY STAFF:

Steven Alexander, Chief Operating Officer, Bellevue Hospital Center
Machelle Allen, Interim Medical Director, Bellevue Hospital Center
Abha Agrawal, MD, Medical Director, Kings County Hospital Center
Julian John, Chief Financial Officer, Kings County Hospital Center
George Proctor, Senior Vice President, Central & Northern Brooklyn Network
Arnold Saperstein, Executive Director, MetroPlus Health Plan, Inc.
Arthur Wagner, Senior Vice President, Southern Brooklyn/SI Network
William Walsh, Senior Vice President, North Bronx Healthcare Network
Roslyn Weinstein, Acting Executive Director, Kings County Hospital Center
Reba Williams, MD, Medical Director, Renaissance Health Care Network Diagnostic & Treatment Center

OTHERS PRESENT:

Melissa Dubowski, Analyst, Office of Management and Budget
Scott Hill, Account Executive, QuadraMed Corp.
Richard McIntyre, Key Account Executive, Siemens
Megan Meagher, Analyst, Office of Management and Budget
Tamara Robinson, Contract Administrator, CIR/SEIU
Ian Taylor, MD, PhD, Dean, State University of New York/Health Science Center at Brooklyn and Officer-in-Charge, SUNY Downstate Medical Center

**MEDICAL AND PROFESSIONAL AFFAIRS/
INFORMATION TECHNOLOGY COMMITTEE
Thursday, June 14, 2012**

Michael A. Stocker, MD, Chairman of the Board, called the meeting to order at 10:34 A.M. The minutes of the May 24, 2012 Medical & Professional Affairs/IT Committee meeting were adopted.

CHIEF MEDICAL OFFICER REPORT:

Ross Wilson, MD, Senior Vice President/Corporate Chief Medical Officer reported on the following initiatives:

1. Annual Behavioral Health Planning Event

On Thursday, June 7, 2012, the Office of Behavioral Health held its Annual Planning Event entitled *Innovate and Collaborate: Planning for Managed Behavioral Healthcare.* During the program three Facility performance awards were given to Harlem Hospital Center for their improvement in HHC Behavioral Health (BH) key indicators, North Central Bronx Hospital for their performing the highest in a set of psychiatric inpatient core measures and Queens Hospital Center for best in overall performance with the BH key indicators. The event had over 185 participants including executive, administrative, and clinical staff and leaders. President Aviles set the stage for the need to plan for the changing healthcare environment which will include enrolling those with mental and substance use conditions into managed care. The range of speakers began from a macro level with drilling down into the provider and consumer changes in the care delivery system needed. The afternoon included an interactive discussion using the audience participation system so that all participants voices could be heard in designing our strategy in addressing managed care readiness. Written proceedings are available and all the presentations are on the Office of Behavioral Health website through the Intranet.

2. Radiology

Following discussions at the Quality Assurance Committee of the Board, the Chiefs of Radiology have been working together with Central Office staff to implement a policy to provide attending level, final read (interpretation) of CT scans for all patients within 30 minutes, 24 hours per day, 7 days per week. In addition, the attending that reads the study must be available for consultation with the treating physician should further discussion of the study be necessary. This will spread to include non-routine chest x-ray (CXR) and magnetic resonance imaging (MRI). Coverage on nights, weekends and holidays may be provided by the active members of the department currently on the medical staff or through the contracted services of an outside vendor, or re-rostering of current Affiliate staff. Currently 8 hospitals have available real time, final reads and the remaining expect to have real time interpretations in the next two to three months.

3. Clinical Council Chairs

On Monday, June 4th the Chairmen and Chairwomen of the clinical councils met to review the strategic directions of HHC and discuss how their councils could contribute. Mr. Aviles opened the meeting with a summary of current challenges and opportunities. The response was a very positive one, with agreement to help lead the quality and cost improvements of the triple aim.

4. NYS Department of Health (NYSDOH) Award

The Patient Safety Center of the NYSDOH awarded to HHC a grant covering the services of the internationally recognized experts in medication safety – The Institute for Safe Medication Practices (ISMP). That award will cover a conference to take place July 10th at Metropolitan Hospital and will be attended by Directors of Pharmacy, Medical Directors and Chief Nursing Officers, Directors of Quality and Risk Managers. The speakers from ISMP will share their experience and expertise based on their national database of events with attendees, focusing on some of the most common medications associated with errors and adverse outcomes such as anticoagulants and narcotic analgesics. In addition, they will return on three additional days to each HHC Network for an on-site discussion of issues of greatest interest to the attendees. One area of particular focus of the ISMP faculty will be to review and comment on the Root Cause Analysis process for medication errors at each network.

5. NYS Hospital-Medical Home (H-MH) Demonstration Program Award

HHC will be submitting an enterprise-wide application for the New York State Department of Health Hospital-Medical Home (H-MH) Demonstration Program**.** The H-MH Demonstration Program will make up to $250 million available over the next three years to NYS teaching hospitals to support transition of their outpatient training sites to Patient-Centered Medical Home (PCMH). An initial July 2, 2012 application submission is followed by award notifications in August 2012. Successful applicants will then be required to submit a work-plan describing selected residency training enhancements, care integration initiatives, inpatient safety projects and performance measures. If successful, HHC is estimated to receive approximately $28 million of the $102 million to be disbursed in the first year of the demonstration, based on a formula derived from Medicaid volume and number of primary care residents receiving training at our facilities. Continued funding will be dependent upon meeting certain milestones, including achieving Level 2 or 3 NCQA PCMH re-certification by December 2013.

METROPLUS HEALTH PLAN, INC.

Dr. Arnold Saperstein, Executive Director, MetroPlus Health Plan, Inc. presented to the Committee.
Dr. Saperstein informed the Committee that the total plan enrollment as of May 25, 2012 was 433,003. Breakdown of plan enrollment by line of business is as follows:

Medicaid	364,979
Child Health Plus	16,704
Family Health Plus	36,792
MetroPlus Gold	3,096
Partnership in Care (HIV/SNP)	5,778
Medicare	5,654

Dr. Saperstein informed the Committee that 5,788 members were added to the plan this month. This gain represents MetroPlus' largest addition of members for a one month period in 2012. Their largest growth was in Medicaid. Dr. Saperstein also provided the Committee with reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans. This month, MetroPlus added 224 new enrollees in Medicare, with the largest growth in our Advantage (Dual- Eligible) product.

The New York State Department of Health (SDOH) released utilization data for the Managed Care Pharmacy Carve-In that became effective on October 1, 2011. The data, a comparison of the three months before the carve-in and the most current three months post implementation, reveal that statewide, utilization is up and costs are down. MetroPlus' cost in the three months prior to the implementation was $76.80 per member per month (PMPM). MetroPlus' costs for the first three months of 2012 were $59.75 PMPM. Due to these declines in cost, seen also by other plans, the State's actuary, Mercer, has recommended significant decreases to the Pharmacy capitation. Essentially, the MRT cost savings has been realized for this benefit. In response to Dr. Amanda Parsons' question, Dr. Saperstein responded that MetroPlus initially thought their generic utilization rate would be 72% but it is currently at 80%. Dr. Parson stated that branded combination pills often get switched to, two generic pills, as cost savings, which then could potentially increase the number of prescriptions per patient, thus decreasing the overall cost of treatment, but could have a potentially lower medication adherence rate – she inquired as to whether MetroPlus has a system in place to address these issues. Dr. Saperstein stated that yes, some of the combination pills cost $3.00 per pill, while separate ingredients may only cost 30 cents per pill. Insurance providers will consider whether it is really worth 10 times the cost to ensure a patient is taking one pill versus two pills –CVS Care Mark has a system in which they ensure that the combo drug, broken down to two, is prescribed and dispensed to patients – step one – on an adherence perspective, they are certain programs to see whether they are filling on a monthly basis and they are filling it every month – whether the patient (s) are taking it is another matter to monitor. Dr. Saperstein further stated that when a combo drug is off formulary and preauthorization is required, providers can go on-line to demonstrate that they have followed the 'step therapy program', and if the off-formulary or combo medication is the best for the patient and documented/demonstrated as current therapy, it will be approved, and not need pre-authorization forward for patients once approved. Prior authorization for patient medications is burdensome to providers currently but CVS Care Mark assures their newer on-line system will shorten this time effort.

The SDOH has provided a draft of the Phase 1 pharmacy rate change analysis. The total rate change for Medicaid in NYC was -7.1%. The total rate change for FHP in NYC was -11.5%. The release of this data solidifies our initial analysis which found that MetroPlus will receive approximately 3 million dollars less in pharmacy revenue per month, retroactive to April 1, 2012.

The 2013 Medicare bids were due to CMS on June 4, 2012. Cost savings allowed us to add benefits in our Medicare Advantage (Dual), Select (Dual) and Platinum (Straight Medicare) lines of business. We were able to reduce co-payments and deductibles and include some value added benefits such as an over-the-counter non-prescription benefit card and a gym membership at NYC Parks & Recreation sites.

Unfortunately, MetroPlus' historical utilization especially in pharmaceuticals was very high in our Medicare HIV/PIC Special Needs Plan (SNP). In addition, CMS reduced their risk intensity and their rates were dramatically reduced. Changes to the HIV SNP product were made to account for this reduction and include an increase in co-payments and reduction in some benefits. These changes affect the 300 members in their HIV/PIC SNP and may make this product more difficult to market and add membership in 2013.

As Dr. Saperstein reported earlier this year, as of July 2, 2012, all Medicaid managed care plans will be required to cover dental services for their enrollees. The MetroPlus dental implementation is going well. MetroPlus has contracted with Healthplex to administer dental benefits for all their MetroPlus Medicaid and Medicaid SNP members. Also as of July 2, 2012, MetroPlus Family Health Plus, Child Health Plus, and Medicare Advantage members will have management of their dental benefits transition from DentaQuest to Healthplex.

Also part of Dr. Saperstein's report earlier this year, mandatory enrollment for Managed Long Term Care begins on July 2, 2012. The MetroPlus application is complete and they are eagerly awaiting the SDOH's response. MetroPlus has learned that the SDOH is moving slowly in awarding these new licenses but they are prepared to offer services as soon as their license is effective.

MetroPlus is also in the process of meeting with all network and facility leadership in regards to their strategic initiatives to grow the Medicare product. Dr. Saperstein will continue to keep the Committee updated on their progress.

ACTION ITMES:

1. Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an Affiliation Agreement with the State University of New York/Health Science Center at Brooklyn ("SUNY/HSCB") for the provision of General Care and Behavioral Health Services at Kings County Hospital Center ("KCHC") for a period of one year, commencing July 1, 2012 and terminating on June 30, 2013, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement;
   AND
   Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

Presenting to the Committee was George Proctor, Senior Vice President, and Julian John, Chief Financial Officer, Central & Northern Brooklyn Network and Roslyn Weinstein, Acting Executive Director, Kings County Hospital Center; and Ian Taylor, MD, PhD, Dean, State University of New York/Health Science Center at Brooklyn and Officer- in-Charge, SUNY Downstate Medical Center.

This resolution requests a one year extension based on the terms and conditions approved by the Board in June 2009. All quality and safety measures remain the same, the contract is based on value based performance and services provided under this agreement and are limited to certain services such as radiology, emergency department, and psychiatry.

Affiliate reimbursement will be cost-based, subject to line item reconciliation and all changes to budget must be approved by the facility and Central Office as per policy. Payments are subject to adjustment due to new initiatives for expanded programs or services, elimination or downsizing of programs, services or other reductions, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement. Estimated cost for the one-year extension for FY 2013 is $18,932,602.

The resolution was moved for the full Board of Directors consideration.

2. Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an extension to the Affiliation Agreements with the Physician Affiliate Group of New York, P.C. ("PAGNY") for the provision of General Care and Behavioral Health Services at Lincoln Medical and Mental Health Center ("Lincoln"), Morrisania Diagnostic and Treatment Center ("Morrisania"), Segundo Ruiz Belvis Diagnostic and Treatment Center ("Belvis"), Jacobi Medical Center ("JMC"), North Central Bronx Hospital ("NCB"), Harlem

Hospital Center ("Harlem"), Renaissance Health Care Network Diagnostic and Treatment Center ("Renaissance") and Coney Island Hospital ("CIH") for a period of three months, commencing July 1, 2012 and terminating on September 30, 2012 with a funded option for another three months commencing October 1, 2012 and terminating on December 31, 2012, to provide the parties adequate time to conclude negotiations for a new agreement;
AND
Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

Presenting to the Committee was Marlene Zurack, Chief Financial Officer. Typically Affiliation contracts are for three year terms and this resolution pertains to a series of contracts. This is a newer Affiliation contract which was developed to serve a very important HHC strategic purpose which has been formed over the past year and half, out of many older agreements that had to be evolved into the PAGNY relationship. Many of the terms of contracts that the PAGNY succeeds went from 18 months to 10 months which is a short time frame to link all contracts together. This resolution seeks an extension of the existing PAGNY contract for a period of three months, commencing July 1, 2012 and terminating on September 30, 2012 with a funded option for another three months commencing October 1, 2012 and terminating on December 31, 2012, to provide the parties adequate time to conclude negotiations for a new agreement.

Other important terms and conditions include: Affiliate reimbursement will be cost-based, not to exceed departmental spending limits; all changes to budget must be approved by the Joint Oversight Committee (JOC) at the facility and Central Office approval as per policy; the Corporation retains the right to bill all patients and third-party payers for services rendered, except that the Affiliate will continue to bill for its direct patient care activities (Part B) through the Faculty Practice Plan at Lincoln Medical and Mental Health Center; Jacobi Medical Center (for outpatient Medicaid services only), North Central Bronx Hospital (for outpatient Medicaid services only), Harlem Hospital Center and Coney Island Hospital. Payments are subject to adjustment due to new initiatives for expanded programs or services, elimination or downsizing of programs, services or other reductions, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement. The proposed contract costs for FY 2013 three month and six month funded options are outlined in the below table.

Facility	Contract Budget 3 Month	Contract Budget 6 Months	Contract Budget Annualized
Lincoln Medical and Mental Health Center	$20,040,862	$40,081,725	$80,163,449
Morrisania Diagnostic and Treatment Center	$569,648	$1,139,296	$2,278,592
Segundo Ruiz Belvis Diagnostic and Treatment Center	$148,645	$297,289	$594,578
Jacobi Medical Center	$24,149,322	$48,298,644	$96,597,287
North Central Bronx Hospital	$8,987,180	$17,974,360	$35,948,720
Harlem Hospital Center	$16,623,568	$33,247,137	$66,494,273
Renaissance Health Care Network Diagnostic and	$864,599	$1,729,199	$3,458,397

Treatment Center			
Coney Island Hospital	$16,206,561	$32,413,123	$64,826,246
Total*	**$87,590,385**	**$175,180,771**	**$350,361,542**

The Board previously approved an affiliation agreement in June 2011 for PAGNY at Metropolitan Hospital Center that included a six-month extension until December 31, 2012 at an annual rate of $55,381,355.

The resolution was moved for the full Board of Directors consideration.

INFORMATION ITEM:

Presenting to the Committee was Michael Keil, Director, IT Service Management Office and Glenn Manjorin, IT Disaster Recovery/Business Continuity. They informed the Committee that the foundation for a Business Continuity program is comprised of several components as outlined below:

- Establishing a Disaster Recovery (DR) testing methodology to apply repeatable procedures throughout all IT infrastructure.
- Identifying and preparing for the threats and vulnerabilities at our facilities. Availability Risk Analysis (ARA).
- Understanding the Operationally Critical Business processes and the IT resources required. Business Impact Analysis (BIA).
- Establishing a DR recovery prioritization chart with Recovery Time Objectives (RTO) & Recovery Point Objectives (RPO).
- Conducting periodic tests to ensure the quality of the program meets the needs of the organization.

Availability Risk Assessment (ARA) reviews were completed HHC's 11 acute care facilities and its two data centers in October 2011. ARAs are an on-site physical review of each facility with a focus of determining potential points of failure, identifying external threats due to forces of nature, mankind, etc, and identifying local Infrastructure threats, highways, rail etc. Results of the ARAs identified 248 risks at the 11 hospitals and two data centers: seven (7) risks required capital investment - work is in progress to quantify the costs and prioritization of projects will follow; of the 241 remaining risks, 56% are \completed to date (134), 36% are to be completed by the end of calendar year 2012 (87), and 8% are to be completed by the end of calendar year 2013 (20). All mitigation plans in place have been identified.

A business impact analysis (BIA) was conducted of HHC's various business process flow (s). The BIA utilized industry standards and SunGard comparative value model in which we identified and surveyed SMEs from each process. A sampling approach representative and diverse to represent HHC process environment was used with a 41% participation rate. The survey was developed and reviewed within a workshop approach jointly by HHC and SunGard. The "return to operations" (RTO) was determined by several factors including financial impact and current mitigation factors resulting in a minimized exposure. The goals of the BIA process shows impacts over time on HHC clinical and administrative processes, process recovery priorities, and technology recovery needs. They provided the Committee with a slide that demonstrated the businesses processes and the related hospital functions that were analyzed.

The distribution of time-critical applications shows 30.5% of the applications with an under 24 hour RTO; Original preliminary findings stated 44% which was higher than the norm. These final findings are more in line with industry standards. Tier One applications that need to RTO in less than four hours include: Bed Tracking – Teletrac; Whiteboard; Allscripts Sunrise Record Manager (SRM); HMED; QCPR; Cisco Call Manager / Telephone Systems; Ensemble; Openlink; Unity Patient Management & Scheduling; and Webterm. The Tier Two applications that need to RTO between four hours and 24 hours include examples such as: ACU Manager; Picis (Ingenix); Canopy; 3M Health Data Management (HDM); MedRec Resources

Dictation System; TalkStation (TalkTech); Voice Recognition; Groupwise Email; Quest Interface; PACS – AGFA IMPAX; PACS – SECTRA; and OPUS ISM Pharmacy Management System.

The findings of the BIA were: seventeen key business processes were identified for sampling; received a survey response rate of 41%; over 100 Interviews held with multiple individuals/groups; 49 hospital departments were represented; 131 systems/applications clearly identified for RTO/RPO; and 80 applications were discovered that were not in the EITS management purview.

Next steps for the Business Continuity Program's Disaster Recovery (DR) Program includes: solicitation has been awarded to AVALUTION for the Enterprise Wide IT/BCP Program which is a consulting firm that will analyze data from the ARA and BIA projects; present to ARA prioritized plan to the HHC Capital Committee; Business Impact Analysis (BIA) - complete the recovery prioritization chart and validate recovery time & recovery point objectives through testing and make changes; continued testing on QuadraMed expanding to more interfaces, multiple domains, etc.; and continued DR planning with iCIS planning team for new EMR.

There being no further business the meeting adjourned at 11:25 A.M.

Bert Robles
Senior Vice President, Information Technology Services
Report to the M&PA/IT Committee to the Board
Thursday, July 19, 2012 – 10:00 AM

Thank you and good morning. I would like to provide the Committee with the following updates:

1. **EITS is a Finalist in the "Where to Work: Best Hospital IT Departments" Survey:**

I am pleased to report that HHC EITS is a finalist in the "Where to Work: Best Hospital IT Departments" survey sponsored by ***Healthcare IT News***. The objective of the survey is to identify the top 25 hospital IT departments across the country that are the most desirable places to work – and the unique qualities that make them so.

Of the 277 nominated hospitals, EITS is one of the 125 IT departments that have qualified for one of the top 25 spots.

In order to qualify, 52% or 440 EITS staff completed a 67-question online survey. EITS staff graded their department across seven (7) categories: day-to-day work, IT team, management, hospital leadership, workplace culture, training and development and compensation.

All of the finalists will receive a benchmarking report showing how well they ranked in different areas as compared to their competition. The top 25 hospital IT departments will be profiled in an October 2012 special report distributed by ***Healthcare IT News*** in print and also published on-line. I'll keep the committee posted on how EITS does.

2. **Enterprise Single Sign-On (eSSO) and Self-Service Password Reset (SSPR) Project:**

The EITS Corporate Applications team is working to complete deployment of Oracle's Enterprise Single Sign-On (eSSO) and Self-Service Password Reset (SSPR) tool.

Estimated completion for all of HHC staff to have eSSO / SSPR deployed on their workstations is on target for December 2012.

Presently eSSO / SSPR pilots are underway at all HHC Networks. Pilots generally start with local IT staff and then are pushed to designated users throughout the facility. These tools have been fully deployed at the Enterprise Service Desk. Corporate Applications regularly meet with ESD staff to provide follow-up regarding questions or issues encountered with user support.

There are a total number of 505 pilot users and as of July 6th there are over 2300 active users for these tools. Currently, there are 83 Core Applications on Single Sign On – with many more being requested to be built today.

Corporate Applications estimates that once fully deployed, eSSO/SSPR will save HHC about $3,558,000/year.

3. Update on Windows 7 Encryption and Back-Up:

In April 2012 Enterprise Information Technology Services initiated a project to upgrade all desktop and laptop computers across the Corporation to Windows 7 and Office 2010. To ensure the workforce is familiar with the new features associated with this upgrade we are conducting a 90-minute mandatory orientation class which highlights the differences between Windows XP and Windows 7 and Office 2003 and Office 2010 prior to users getting upgraded. As of July 13, 2012 we have upgraded approximately 8,600 out of 33,000 desktop and trained approximately 11,300 out of 44,000 employees. Percentage wise this 25% of our desktop and employees trained within 3 months of this project. We are on target to finish this project on or before June 2013.

In an effort to ensure **HIPAA compliance** and to **protect sensitive data** including ePHI from unauthorized access resulting from a **loss or theft** of a desktop, laptop, or any other removable media device, Enterprise IT Services also initiated an enterprise encryption project in conjunction with the Windows 7 project. To date we have encrypted over 9,000 workforce computing devices and have also standardize encryption on any removable media device. We also anticipate this project being completed by the 2nd quarter of 2013 which will significantly improve our security posture and lower or risk of any sensitive or protected health information failing into the wrong hands.

4. Status of Enterprise Encryption of System Back-Ups:

As mandated by Operating Procedure 250-16 and 19, the corporation backup policy includes a requirement that we encrypt backups for all systems containing electronic Protected Health Information (ePHI) and confidential information that are sent to off-site storage in event of disaster.

At the present time, we are encrypting 862 out of 888 (business and clinical) systems which means 96% of electronic patient health information and confidential files are secured. For the remaining 4% (26 systems), there are a series of issues stemming from old technology and applications which do not support encryption to the Food and Drug Administration regulated software and hardware. FDA regulated equipment will not allow non-approved software to be installed unless it is first tested and approved by the FDA which can be a lengthy process. We are currently working with non-compliant vendors to explore different options, such as application version upgrades and architectural changes to their application, which will allow us to incorporate the backup of those systems into our Enterprise Backup Environment.

5. Update on Networking Infrastructure Refresh Program :

In February 2011 the Board of Directors approved a capital spend of $25.3 million for a network infrastructure refresh program. This funding was to be used to upgrade and maintain the first phase of a five (5) year network infrastructure refresh program to assist the Corporation in accommodating application growth, increasing bandwidth for faster application response times and maintaining stability.

This program is essential in order to support new initiatives and technologies such as a new EMR, Meaningful Use, Business Intelligence, Soarian, Picture Archiving and Communication System (PACs) and Data Center Consolidation to name a few.

To date, Infrastructure and Operations has encumbered purchase orders totaling $20.5 million and is on track to spend the remaining balance by end of Calendar Year 2012.

EITS will be requesting additional funding from the Board of Directors for Phase II of the Network Refresh Program and has estimated that it will cost $40-45m.

One hindering factor to the progress to this program has been the readiness of the environmental requirements at the facilities (power and cooling). These physical and environmental dependencies have slowed down the program's pace.

6. PC Refresh Program Update:

In December 2011, the Board of Directors approved $8.8 m in a PC Refresh Program. The Board requested that we provide an update as to the status of this program. To date, EITS has spent $ 5.2 million in PC purchases for the facilities.

7. Storage Refresh Program Update:

Also, in December 2011, the Board of Directors approved $6.0 million for a Storage Refresh Program and requested that we provide an update To date, a total of $1.0 m has been encumbered.

8. EMR Negotiations Update :

I wanted to update the committee on the status of selecting a new EMR vendor for HHC. We are currently in negotiations with two (2) vendor finalists. I expect to bring the new EMR contract to the August 1st Contract Review Committee and to both the September M&PA/IT Committee and the full Board meetings.

This completes my report to the Committee today. Thank you.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Atlantic Dialysis Management Services LLC ("Atlantic") to provide dialysis technical services to HHC patients in the following facilities: Coney Island Hospital, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical and Mental Health Center, Metropolitan Hospital Center, North Central Bronx Hospital, Queens Hospital Center, and Woodhull Medical and Mental Health Center. The contract shall be for a period of five years with one, four-year option to renew exercisable solely by the Corporation, in an amount not to exceed $83 million for the entire term of nine years.

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.

WHEREAS, the Corporation seeks to enter into a contract to provide all nursing services, supplies, equipment and maintenance of equipment required for the provision of dialysis technical services and

WHEREAS, a Negotiated Acquisition ("NA") was issued on October 3, 2011 in accordance with the Corporation's operating procedures; and

WHEREAS, the selection committee evaluated the proposal using criteria specified in the NA, and the committee recommended that Atlantic Dialysis Management Services, LLC be awarded the contract; and

WHEREAS, Atlantic Dialysis Management Services, LLC is a company that provides management services to affiliated companies licensed under Article 28 of the Public Health Law but Atlantic Management Dialysis Services LLC is not itself licensed under Article 28 of the Public Health Law; and

WHEREAS, to perform under the proposed contract the company engaged must be either licensed under Article 28 of the Public Health Law or be a medical professional corporation; and

WHEREAS, Atlantic Dialysis Management Services LLC will assign the proposed contract to an entity or entities licensed under Article 28 of the New York Public Health Law or another entity legally entitled to engage doctors, nurses and other medical professionals provided that such entity(ies) are affiliates of the Licensee and that

the Corporation receives satisfactory assurances that the financial strength of the Licensee will continue to stand behind the Licensee's performance under the license agreement; and

WHEREAS, facilities will monitor contract quality measures to ensure quality of patient care; and

WHEREAS, the savings, over the life of the contract, are projected to exceed $146 million; and

WHEREAS, the overall responsibility for monitoring the contract shall be under the Senior Vice President/Corporate Chief Medical Officer, Division of Medical & Professional Affairs.

Now, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to negotiate and execute a contract with the Atlantic Dialysis Management Services LLC to provide dialysis technical services to HHC patients in the following facilities: Coney Island Hospital, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical and Mental Health Center, Metropolitan Hospital Center, North Central Bronx Hospital, Queens Hospital Center, and Woodhull Medical and Mental Health Center. The contract shall be for a period of five years with one, four-year option to renew exercisable solely by the Corporation, in an amount not to exceed $83 million for the entire term of nine years.

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.

Executive Summary
Proposed Contract with Atlantic Dialysis Management Services, LLC

We are proposing to enter into a contract with Atlantic Dialysis Management Services, LLC (ADMS) to provide all nursing services, supplies, equipment and maintenance of equipment required for the provision of dialysis services in the following facilities: Coney Island Hospital, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical and Mental Health Center, Metropolitan Hospital Center, North Central Bronx Hospital, Queens Hospital Center, and Woodhull Medical and Mental Health Center. Currently Bellevue Hospital Center and Elmhurst Hospital Center have active dialysis contracts. Upon expiration a thorough review will be conducted which may lead to them being added to the contract

A Negotiated Acquisition ("NA") was issued on October 3, 2011, in accordance with the Corporation's operating procedures and the submitted proposal was evaluated by a selection committee and rated using criteria specified in the NA. The selection committee recommended that Atlantic Dialysis Management Services, LLC be awarded the contract. ADMS will assign the proposed contract to an entity or entities licensed under Article 28 of the New York Public Health Law or another entity legally entitled to engage doctors, nurses and other medical professionals provided that such entity(ies) are affiliates of ADMS and that the Corporation receives satisfactory assurances that the financial strength of ADMS will continue to stand behind the assigned entity(ies).

The contract shall be for a period of five years with one, four-year option to renew exercisable solely by the Corporation, in an amount not to exceed $83 million for the entire term of nine years. In addition, the resolution requests authorization for the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.

These funds will be utilized to provide payment to the vendor for the acute dialysis treatments and for those HHC patients requiring chronic dialysis who are not eligible for any form of insurance. New patients requiring dialysis will be accepted to ADMS' program upon discharge from acute care, regardless of their ability to pay. HHC will reimburse the vendor for those patients who are found to not be eligible for any insurance after all efforts have been exhausted.

The vendor will assume all costs of the provision of dialysis services. The vendor will purchase existing capital equipment at its current depreciated value and will provide and maintain all equipment needed for patient care. The savings over the life of the contract, inclusive of the costs listed above, are projected to exceed $146 million.

When a facility's medical staff determines that urgent or emergency treatment is required, ADMS will provide such treatment within agreed upon response parameters. The vendor will be responsible for all regulatory and quality standards as required by CMS and will provide data regularly to the Corporation for quality and performance improvement.

Currently Newtown Dialysis d/b/a/ Broadway Dialysis (owned by principals of ADMS) has a license agreement with Elmhurst Hospital Center and provides chronic dialysis services. This agreement was originally signed in 2005 and most recently renewed in 2010. Elmhurst Hospital Center and Newtown Dialysis are satisfied with their arrangement.

Dialysis Outsourcing Financial Analysis

Conclusion: Over a nine year period, the corporation would incur costs of up to $83 million to provide contracted dialysis services to chronic and acute patients at Coney Island, Harlem, Jacobi, Kings County, Lincoln, Metropolitan, North Central Bronx, Queens and Woodhull Hospitals. Over the same period, the Corporation would realize combined cost savings and rental income of $230 million for total net savings of $147 million. In addition to contracting out existing services, the proposal includes the creation of a new chronic service at North Central Bronx Hospital to serve referrals from the North Bronx Network.

Assumptions

A cost-benefit analysis for contracting out dialysis services at nine HHC hospitals was conducted using Institutional Cost Report (ICR) data for HHC Fiscal Year 2010, which is the most recently completed ICR. Total costs at the nine facilities were $47.9 million, of which $14.4 million are fixed costs that the facilities would continue to bear. The facilities' FY 2010 revenue for outpatient dialysis, adjusted to reflect a recent increase in Medicaid rates, was $9.6 million, resulting in a Total Net Cost of $38.3 million, and Net Variable Costs of $23.9 million, without considering revenue associated with inpatient treatments.

Payment for inpatient dialysis treatments is included in the per case DRG reimbursement rates; therefore in this analysis there is no revenue loss associated with contracting out inpatient dialysis services. There is however, an additional cost to pay a vendor to provide the inpatient treatments. Contract costs for inpatient treatments are estimated using rates negotiated with the vendor.

Acute Treatment Type	Year 1 Rate	Est. Percentage of Workload
Routine	$412.50	72%
Bedside	$434.50	18%
Off Hours	$467.50	10%
Average Blended Rate	$421.96	

In addition, in order to ensure continuing access to care for all patients, the analysis assumes that HHC will pay the vendor to provide outpatient treatments to patients who cannot be enrolled in any insurance program. As a worst case scenario, the outpatient "uninsurable" population is estimated at 15 percent of patients. Vendor payments for outpatient treatments are estimated using a flat rate of $235.00 negotiated with the vendor.

Projected Vendor Payments *(current dollars)*

Service		Treatments	Total Cost
Inpatient Total		16,335	$6.9 million
Outpatient	Current Chronic Services	43,267	
	Projected North Bronx	7,488	
	Total Outpatient	50,755	
Outpatient Uninsured (15%)		7,613	$1.9 million
Total			$8.8 million

Rates will be inflated annually by the inflation trend factor applied to NYS Medicaid rates. For this analysis the trend factor is very conservatively assumed to be 3% per year.

HHC savings will be offset by retaining staff currently employed to provide dialysis services at the nine facilities until they attrit out or are redeployed to existing vacancies. The nine facilities employ a total of 146 FTES. Approximately 20 percent are in Tech titles – the titles primarily used by most vendors – and the balance are predominately nurses. The vendor is projected to hire 50 percent of the Techs and 5 percent of the nurses and other staff during each implementation phase. Those staff not hired by the vendor are assumed to attrit out over the three years following implementation at their facility.

Title	Current FTEs	Projected Vendor Hires	Attrition/ Redeployment
Tech	31.5	14.0	17.5
Nurse	96.0	5.0	91.0
Other	18.5	0.0	18.5
Total	146.0	19.0	127.0

It is anticipated that the vendor will lease space for outpatient dialysis services at each of the four facilities currently offering chronic dialysis and at NCB for the new North Bronx Chronic Service. Projected rental income is based on a market rate appraisal and negotiations with the vendor.

(current dollars) Facility	Square Footage	Market Rate Rent	Total Rental Income
Metropolitan	5,015	$50.00	$0.3 million
KCHC	9,500	$54.00	$0.5 million
Lincoln	5,998	$40.00	$0.2 million
Harlem	9,260	$50.00	$0.5 million
NCB	7,000	$40.00	$0.3 million
Total			$1.7 million

* All costs and revenues, excluding rental income, are assumed to inflate by 3% per year.

** This analysis does not include any income associated with the potential lease or sale of existing HHC dialysis equipment to the vendor or any other party.

Central Office Finance, June 27, 2012

(financial analysis narrative & assumptions 6-27-12.docx, dialysis analysis summary by fy 6-27 -12.xlsx)

Dialysis Outsourcing Contract
(with rental income)

Source: Central Office Finance
June 27, 2012

Current (FY10 ICR) Cost	
Total Cost	47,922,939
Collections	(9,612,249)
Net Loss	38,310,690
Fixed Cost	(14,367,094)
Net Variable Costs	**23,943,596**

= FY 10 Potential Savings
(assume 3% annual cost inflation)

Contract Costs (Estimated at Negotiated Rate)	
Inpatient Acute Services	6,892,671
Outpatient Chronic Services *(assumes 15% uninsurable population)*	1,857,754
Total Annual Contract Cost (All Facilities) *(assume 3% Medicaid Trend Factor)*	**8,750,424**

Fiscal Year	**1 FY 13**	**2 FY 14**	**3 FY 15**	**4 FY 16**	**5 FY 17**	**6 FY 18**	**7 FY 19**	**8 FY 20**	**9 FY 21**	**Total FY13-FY21**
Total Contract Costs**	**3,826,234**	**8,008,331**	**9,283,325**	**9,561,825**	**9,848,680**	**10,144,140**	**10,448,464**	**10,761,918**	**11,084,776**	**82,967,694**
Savings										
Dialysis Costs Savings	9,432,533	23,212,496	27,757,190	28,589,906	29,447,603	30,331,031	31,240,962	32,178,191	33,143,537	245,333,451
Dialysis Space Rental Income Potential	379,958	1,158,003	1,746,670	1,746,670	1,746,670	1,746,670	1,746,670	1,746,670	1,746,670	13,764,652
Staff Redeployment Costs	(4,652,884)	(10,849,280)	(8,957,949)	(4,101,743)	(579,460)	0	0	0	0	(29,141,315)
Total Savings	**5,159,608**	**13,521,220**	**20,545,912**	**26,234,833**	**30,614,813**	**32,077,701**	**32,987,632**	**33,924,861**	**34,890,207**	**229,956,788**
Net Contract Savings	**1,333,374**	**5,512,890**	**11,262,586**	**16,673,008**	**20,766,133**	**21,933,561**	**22,539,168**	**23,162,943**	**23,805,431**	**146,989,094**

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title:	Enterprise-wide dialysis services
Project Title & Number:	Enterprise-wide dialysis services
Project Location:	346 Broadway, Room 1136, New York, NY 10003
Requesting Dept:	Division of Medical and Professional Affairs, Office of Patient Centered Care

Successful Respondent:	Atlantic Dialysis Management Services, LLC
Contract Amount:	Not to exceed $83 million for the entire term of nine years. In addition, the resolution requests authorization for the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.
Contract Term:	Five years with one, four-year option to renew exercisable solely by the Corporation

Number of Respondents: (If sole source, explain in Background section)	One
Range of Proposals:	Cost per acute treatment from $412.50 – $467.50 Cost per chronic treatment is $235.00
Minority Business Enterprise Invited:	**X Yes** If no, please explain:_____
Funding Source:	**X General Care** _ Capital _ Grant: Explain _____ _ Other: Explain _____
Method of Payment:	_ Lump Sum _ Per Diem _ Time and Rate **X Other** Deliverables
EEO Analysis:	Approved
Compliance with HHC's McBride Principles?	**X Yes** _ No
Vendex Clearance	**X Yes** _ No _ N/A ___Pending

(required for contracts In the amount of $50,000 or more awarded pursuant to an RFP or as a sole source, or $100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

Background *(include description and history of problem; previous attempts, if any, to solve it; and how this contract will solve it):*

The cost for dialysis incurred annually across the Corporation far exceed the revenue collected. Equipment is beyond its expected life use and water treatment systems need to be replaced. There are currently no funds available for required capital improvements. Fixed staffing costs and overhead prevent this from improving. CMS regulations are increasingly stringent and voluminous. The vendor has the required expertise and experience to achieve and exceed the standards, to provide the state of the art equipment, cost effective supply chain management, excellent patient outcomes and access to all regardless of their ability to pay.

Atlantic Dialysis Management Services, LLC (ADMS) will provide all personnel services, supplies, equipment and maintenance of equipment, required for the provision of chronic and acute dialysis services in the following facilities: Harlem Hospital Center, Lincoln Medical and Mental Health Center, Metropolitan Hospital Center, Kings County Hospital Center, North Central Bronx Hospital and acute dialysis services for: Coney Island Hospital, Jacobi Medical Center, Queens Hospital Center, and Woodhull Medical and Mental Health Center. Currently Bellevue and Elmhurst have active dialysis contracts. Upon expiration a thorough review will be conducted which may lead to them being added to this contract These services will be available seven (7) days a week, twenty-four (24) hours a day, 365 days a year. Such Dialysis services shall include hemodialysis, and may include continuous renal replacement therapy (CRRT) and continuous cycling peritoneal therapy (CCPD). ADMS will enter into a license agreement with the Corporation for chronic services performed within an HHC facility. The license agreement will require ADMS to pay the market rate rent to the Corporation for the use of the space. The rent charged will meet all Stark Safe Harbor requirements.

When the Facility's medical staff determines that urgent or emergency treatment is required during regular operating hours, ADMS will provide such treatment within two (2) hours of notification of the Facility's request, including travel and set-up time. For non-urgent cases presenting during regular operating hours, ADMS shall provide treatment within six (6) hours of the Facility's request, including travel and set-up time.

New Patients requiring dialysis will be accepted to ADMS' program upon discharge from acute care, regardless of their ability to pay. HHC will reimburse the vendor for those patients who are found to not be eligible for any insurance after all efforts have been exhausted.

Contract Review Committee

Was the proposed contract presented at the Contract Review Committee (CRC)? (include date):

Yes, February 29, 2012 CRC Approval

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC? If so, please indicate how the proposed contract differs since presentation to the CRC:

Timetable has been adjusted from all sites starting simultaneously to a phased in process across the sites in concert and cooperation with the vendor and the NYSDOH Certificate of Need process.

Overall hospitals included in contract has been increased, and expansion of chronic dialysis capacity was added.

Selection Process *(attach list of selection committee members, list of firms responding to RFP, list of firms considered, describe here the process used to select the proposed contractor, the selection criteria, and the justification for the selection):*

Committee Members:

Chairperson
Lauren Johnston Senior Assistant Vice President, Office of Patient Centered Care
Members

Gary Briefel, MD	Director of Nephrology, KCHC
Dona Green	Senior Assistant Vice President, Corporate Planning
Jeremy Berman	Senior Council, Legal Affairs
Joseph Quinones	AVP, Contract Administration & Control
Linda Dehart	AVP, Debt Finance/Corp Reimbursement Services
Mikey Bocachica	Deputy CFO, Lincoln
Steven Alexander	Chief Operating Officer, Bellevue
Eve Borzon	Chief Operating Officer, Woodhull
Elizabeth Smith Ware	A.D.N, Lincoln

List of Firms Responding to the NA:

Atlantic Dialysis Management Services, LLC

List of Firms Evaluated:

Atlantic Dialysis Management Services, LLC

Firm Selected:

Atlantic Dialysis Management Services, LLC

Describe the process used to select the proposed contractor, the selection criteria, and the justification for the selection:

In order to solicit the appropriate vendors the Negotiated Acquisition (NA) process was utilized. There was an evaluation and the vendor met all qualifications of the solicitation. Due diligence was done and negotiation team was successful in negotiating the proposed contract.

Costs/Benefits:

Why can't the work be performed by Corporation staff:

The costs incurred annually across the Corporation are not covered by the revenue collected. Equipment is beyond its expected life use and water treatment systems need to be replaced. Fixed staffing costs and overhead prevent this from improving. CMS regulations are stringent and voluminous. The vendor has the required expertise and experience to achieve and exceed the standards.

Will the contract produce artistic/creative/intellectual property? Who will own It? Will a copyright be obtained? Will it be marketable? Did the presence of such property and ownership thereof enter into contract price negotiations?

N/A

Contract monitoring (include which Senior Vice President is responsible):

Ross Wilson, MD - Senior Vice President/Corporate Chief Medical Officer, Division of Medical and Professional Affairs

Lauren Johnston, FACHE – Senior Assistant Vice President, Office of Patient Centered Care

Equal Employment Opportunity Analysis *(include outreach efforts to MBE/WBE's, selection process, comparison of vendor/contractor EEO profile to EEO criteria. Indicate areas of under-representation and plan/timetable to address problem areas):*

Received By E.E.O. January 23, 2012
Date

Analysis Completed By E.E.O February 24, 2012 — Manasses C. Williams
Date — *Name*

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc
125 Worth Street, Suite 401, New York, NY 10013 Tel: 212-788-3380 Fax: 212-788-3689

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO
manasses.williams@nychhc.org

TO: Beth R. Brooks, MS, Asst. Director
Office of Patient Centered Care

FROM: Manasses C. Williams

DATE: February 24, 2012

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **Atlantic Dialysis Management Services, LLC (ADMS)**, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

[ ] Minority Business Enterprise [ ] Woman Business Enterprise [X] Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____ Project: Enterprise Dialysis Services

Submitted by: Office of Patient Centered Care

EEO STATUS:

1. [X] Approved

2. [ ] Approved with follow-up review and monitoring

3. [ ] Not approved

COMMENTS:

MCW:srf

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
125 Worth Street, Room 527, New York, NY 10013 Tel: 212-788-3300 Fax: 212-267-6905
nyc.gov/hhc

Office of Legal Affairs

MEMORANDUM

To: **Lauren Johnston**
Medical & Professional Affairs

From: **Karen Rosen** KR
Assistant Director

Date: **June 15, 2012**

Subject: **VENDEX Approval**

For your information, on June 15, 2012 VENDEX approval was granted by the Office of Legal Affairs for the following company:

Atlantic Dialysis Management Services.

cc: Norman M. Dion, Esq.

Atlantic Dialysis Management Services, LLC

Key Personnel

J. Ganesh Bhat, M.D.
Dr. Bhat received his M.B.B.S. and M.D. degrees from University of Mysore in India. He completed a Residency in Internal Medicine at Government Wenlock Hospital, Mangalore, India, Kasturba Medical College Hospital, Manipal, India and Methodist Hospital in Brooklyn. He completed his fellowship training in nephrology at NYU Medical Center. He was awarded a post doctoral fellowship for two years by New York State Kidney Disease Institute to continue research at NYU Medical Center. Dr. Bhat is a diplomate of American Board of Internal Medicine and Nephrology. He has earned numerous honors and awards most notably, the Government of India's Ministry of Health Merit Scholarship.

Dr. Bhat has been affiliated with most major medical and educational institutions in the New York area for over three decades. He has been intimately involved with post graduate medical education and has served on the panels of several training programs in the area. His past faculty appointments included NYU School of Medicine and State University of New Health Sciences Center in Stonybrook. Currently he holds faculty appointment at Albert Einstein School of Medicine. He has held various administrative and leadership positions in different hospitals in New York including interim Chairman of Medicine and Medical Director at North Shore University Hospital at Forest Hills. He has an avid interest in research and has published numerous papers in the fields of kidney diseases. He is considered an expert on health care economics in general and End Stage Renal Disease (ESRD) program in particular and has been sought after speaker on this issue nationwide.

Dr. Bhat is co-founder of Atlantic Dialysis Management Services, a New York based dialysis chain providing high quality dialysis services to patients with ESRD. He is currently serving as director on Kidney Care Council, a Washington D.C. based industry group working with the government to improve quality of care for patients on dialysis. Dr. Bhat was appointed as Chancellor of Xavier University School of Medicine in Oranjestad, Aruba in 2008. He is also a trustee of the Xavier University Foundation in Aruba.

In recognition of his long and dedicated service to the people of New York State, Governor David Paterson appointed him to prestigious New York State Public Health Council in 2010. His appointment was confirmed by the State Senate and he served on the Establishment Committee and Health Personnel Committee of the Public Health Council. He was re-appointed by Governor Paterson to the newly formed New York State Public Health and Health Planning Council for a full six year term to expire in 2016. Dr. Bhat

Nirmal K. Mattoo, M.D.
Dr. Mattoo received his M.D. degree from the University of Delhi, India in 1968. He completed his residency training in internal medicine at Queens General Hospital (LIJ division) and completed his fellowship in nephrology at Elmhurst Hospital Center in Queens, New York. Dr. Mattoo is certified by the American Board of Internal Medicine and Nephrology.

Dr. Mattoo is co-founder of Atlantic Dialysis Management Services, a New York based dialysis chain providing high quality dialysis services to patients with ESRD. He is the former Chief Executive Officer and Chief Medical Director of Wyckoff Heights Medical Center in Brooklyn, New York. Prior to that leadership position, he has served as Chief of Nephrology and President of the Medical Staff. Dr. Mattoo is published in nephrology and has been an active teacher in the Hospital's residency programs. Dr.

Mattoo is a founding partner in Mattoo and Bhat Medical Associates, PC, one of the largest group practices in New York City devoted exclusively to nephrology practice.

Dr. Mattoo is deeply involved in the Indian community in the U.S. He has been president of the American Association of Indians in America. In 1998, he co-edited Ananya, a collection of essays on Indian culture and contributions published on the 50th Anniversary of Indian Independence. The book was critically well-received and widely distributed throughout the country. Dr. Mattoo is also President of the Center for India Studies at SUNY Stonybrook in Long Island.

Edward Dowling
Edward "Buzz" Dowling former president and continued advisor to Atlantic Dialysis Management Services, LLC. Mr. Dowling has held a number of key, senior level positions within New York State such as the Deputy Director and Associate Director at the Division of Health Planning, Deputy Director at the NYS Health Planning Commission, and Assistant Commissioner at the NYS Department of Social Services.

William D. Cundiff
Bill joined the ADMS family in 2008 as its Vice President of External Relations and Regulatory Affairs with responsibilities in areas of compliance and the performance of corporate, legal, and regulatory compliance services related to the ADMS development of facilities; business development to undertake the identification, valuation and initial due diligence process of potential acquisition targets and joint venture partners. In addition, he maintains full strategic responsibility for organizational development and responsible for counseling the executive and senior management groups on all aspects of the ADMS business including sales, marketing, employment law, business development, drafting, negotiating and reviewing contracts and providing counsel where appropriate.

Starting in the mid 1990s, Bill has held positions as President and/or Chief Operating Officer in a series of medical schools located the Netherland-Antilles, England and West Africa. Prior to that, Bill spent a number of years with Fortune 100 companies such as the DeVry Corporation, Time Warner/HBO and Capital Cities/ABC. Possessing a law degree from the Touro College Law Center, Bill also holds a Masters in Business Administration in Finance and Analysis and Bachelor's degrees in both Accounting and Computer Science.

Proposal for:
Atlantic Dialysis Management Services to provide Dialysis Services for HHC

Medical & Professional Affairs Committee

July 19, 2012

The Context

- Ongoing financial threats to HHC budget
- Although dialysis is an important clinical service for our patients, we currently are losing $24m* annually providing the service
- Also, we are currently unable to provide outpatient dialysis services to all patients who need the service
- Capital needs for current facilities continue to increase

* Based on FY2010 actual costs

Ensuring Access

Vendor to provide:

- Dialysis treatment for all ambulatory patients, regardless of insurance status
- a fully licensed and compliant site within our facilities, with HHC nephrologist as Medical Director
- 24 hour, 7 day per week acute dialysis service for inpatients

Maintaining Quality

- For inpatients and outpatients health care will continue to be managed by HHC physicians, and their dialysis supervised by our nephrologists
- Care will be provided in a manner that meets or exceeds all required standards
- ADMS has been successfully providing dialysis services at Elmhurst Hospital Center for 6 years
- 80% of US hospitals have elected to outsource their dialysis services
- Internally and externally reported indicators will be monitored and publically available

Financial Projections

9 year forecast

Total Projected Contract Cost

Acute dialysis fee for service payments	$65m
Chronic patients ineligible for any insurance*	$18m
Total Projected Contract Cost	**$83m**

Total Projected Savings

Dialysis cost avoided	$245m
Rental income from licensed space	$14m
HHC staff costs over 5 years**	($29m)
Total contract cost (per above)	($83m)
Total Projected Savings	**$147m**

* includes a provision for payment to vendor for up to 15%

** assumes 127 FTEs to be attrited over 5 years

License for Chronic Dialysis

- Licensed space in which to provide
  - Article 28 process to be followed
- Vendor to build new units
- Current equipment to be replaced by vendor, including water systems as needed

Annual License fees:

Facility	sq ft	cost per sq ft
KCHC	8970	$54.00
MHC	5015	$50.00
HHC	9260	$50.00
LMMHC*	5998	$40.00
NCB*	6825	$40.00

•*LMMHC and NCB sites are shell space which will be built out by the vendor
•KCHC is most efficiently developed and built. Other sites require further modifications to increase efficiency and productivity

Resolution

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Atlantic Dialysis Management Services LLC ("Atlantic") to provide dialysis technical services to HHC patients

Patient Safety Update FY'12

Caroline M. Jacobs, MPH, MS.Ed.

M&PA IT Committee

Thursday, July 18, 2012

Targeted Efforts FY 12

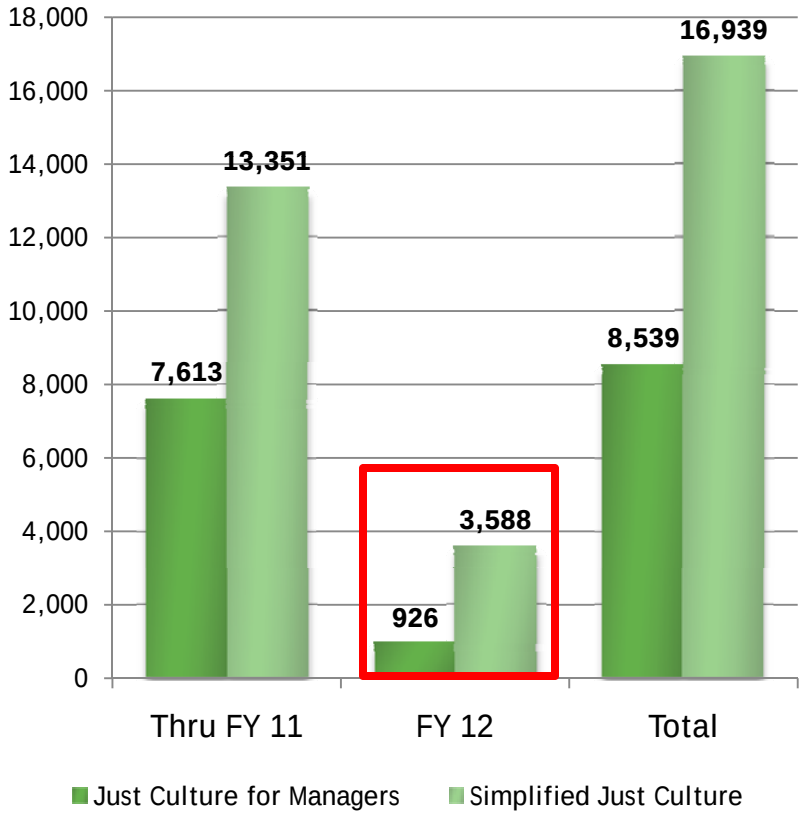
- Enterprise-wide strategic priorities
  - Workforce development – TeamSTEPPS™ and The Just Culture
  - Infection prevention and reduction
- Medication safety
- Assessment of staff perceptions of safety culture
- New Health and Human Services (HHS) Initiative
  - The Partnership for Patients
- Snapshot of other activities

Workforce Development Strategic Priority

Educate and Train Staff in Two Critical Programs

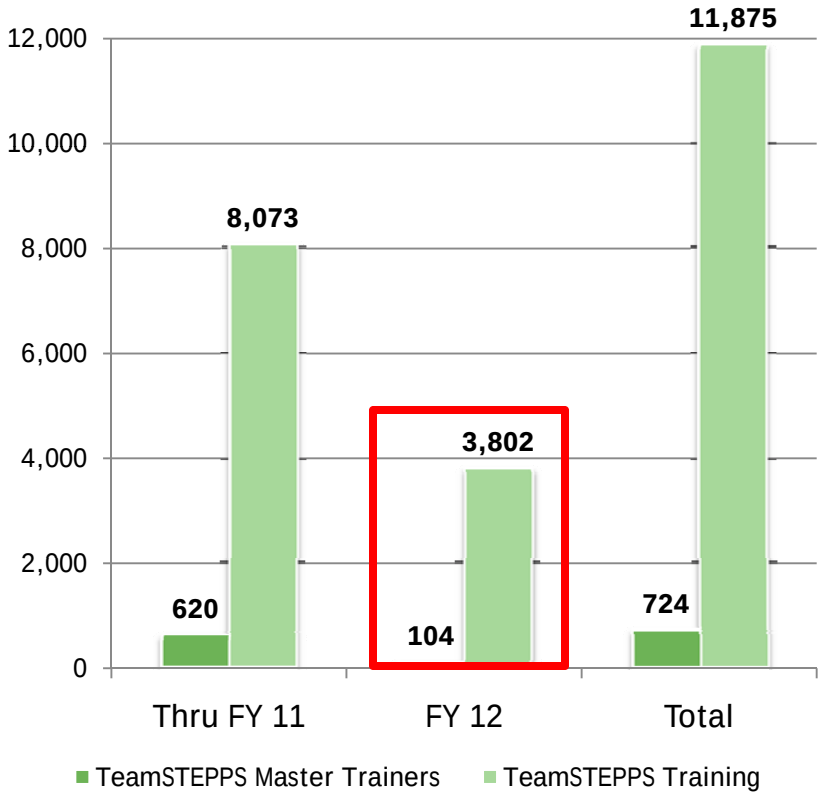
Just Culture Engagement

FY 12 Target = 1,000 Employees



TeamSTEPPS Engagement

FY 12 Target = 2,000 Employees



Infection Prevention and Reduction

- FY 2012 Strategic Priorities
  - Reduce rate of healthcare acquired infections by 15%
  - Specific focus on central line associated blood stream infections (CLABSIs) and catheter associated urinary tract infections (CAUTIs)

- Re-launch of a "Journey to Zero" healthcare acquired infections campaign by Division of Medical and Professional Affairs

- Can we use tools such as TeamSTEPPS to support HHC's "Journey to Zero" infections and other hospital acquired conditions and enable sustainment?

Lincoln Medical and Mental Health Center

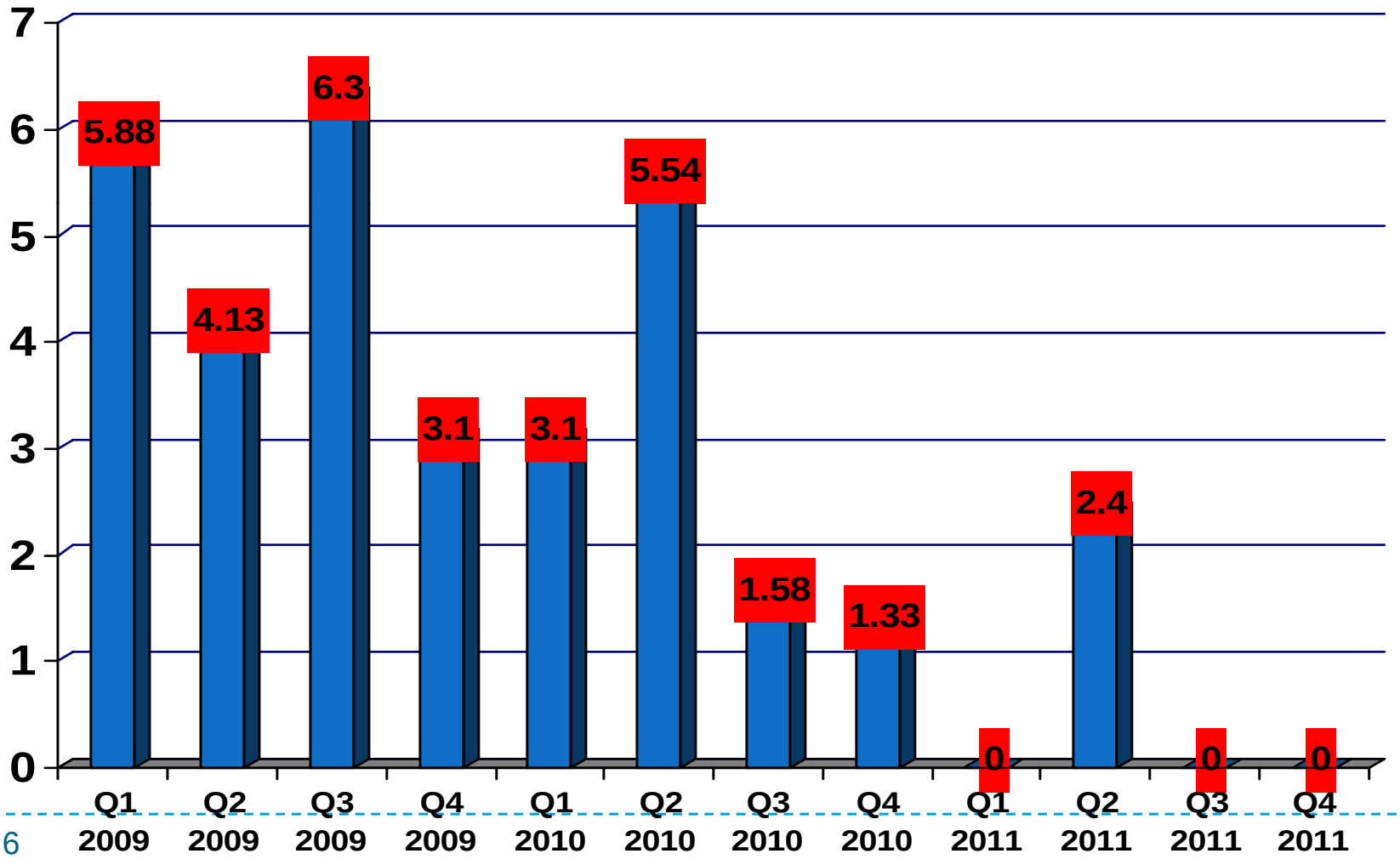
Embedding TeamSTEPPS with Clinical/Programmatic Work

- Reduction in CAUTIs
  - 40% between 2009 - 2010
  - 80% between 2010 - 2011
  - Overall 98% between 2009 – 2011

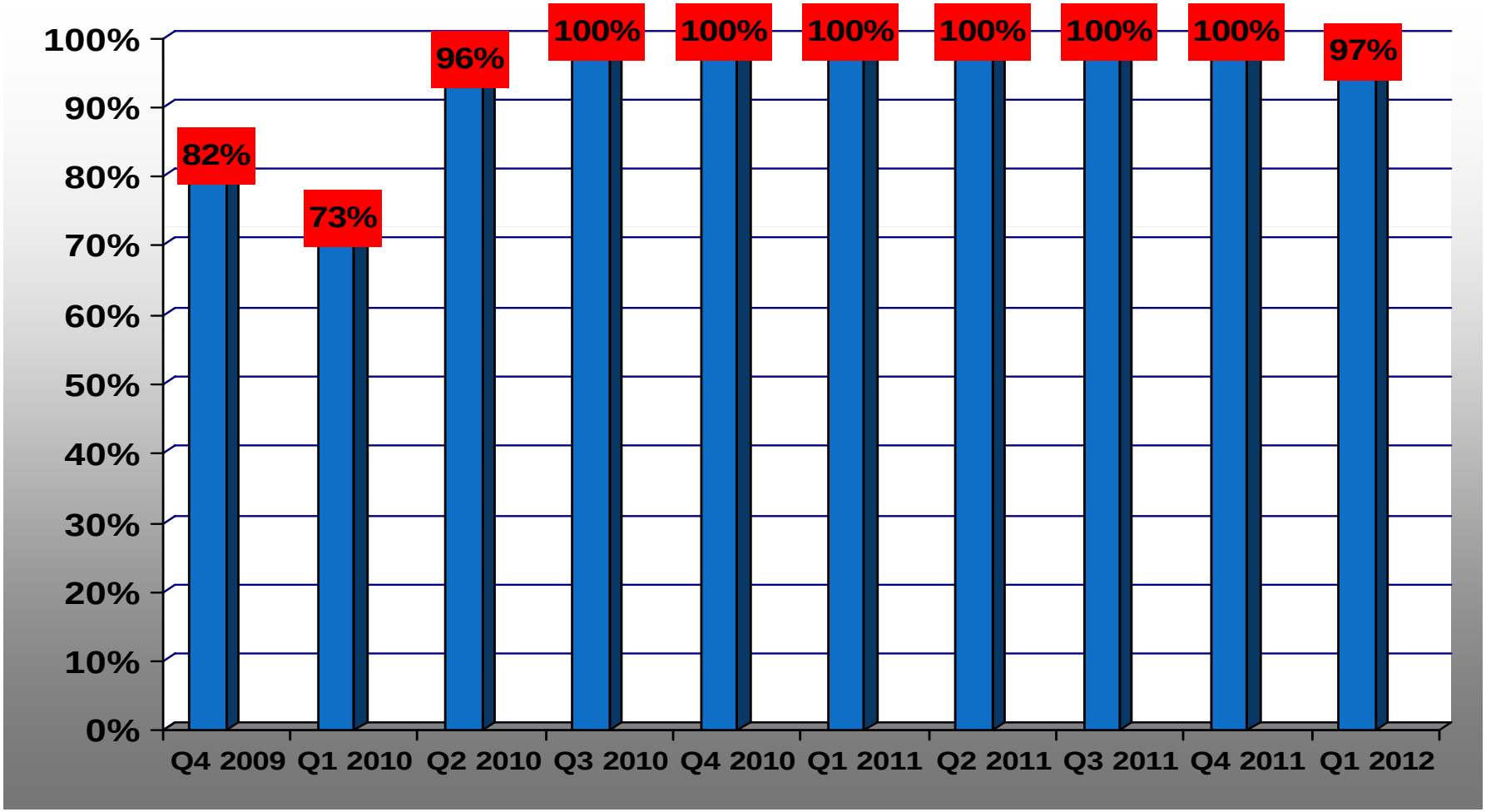
- Key elements to success
  - TeamSTEPPS tools and techniques:
    - Leadership, communication tools, situation awareness, and mutual support
  - Interdisciplinary support

Source: LMMHC, 2012

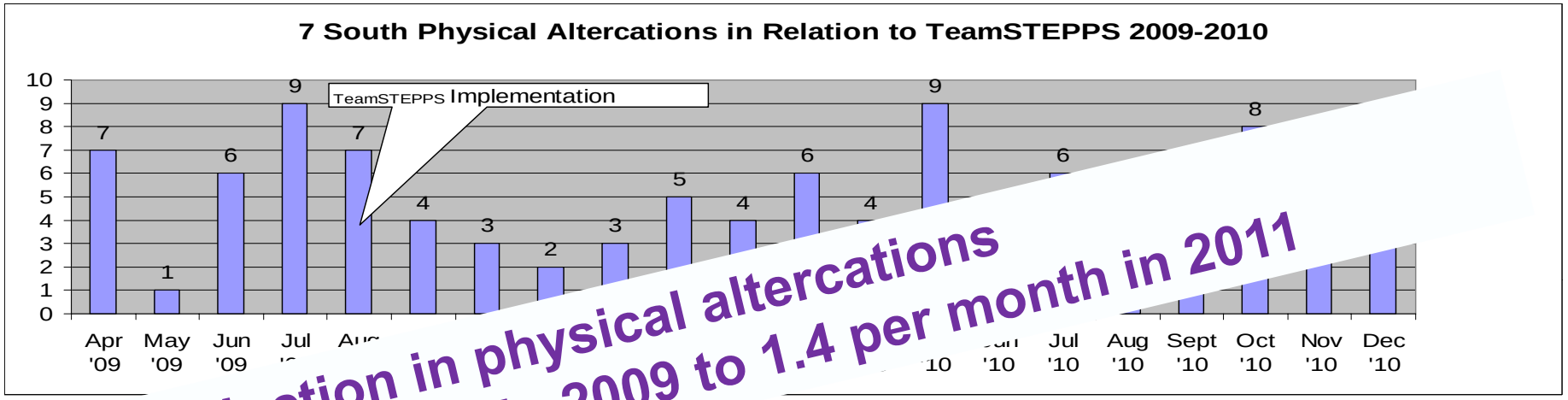
Lincoln CAUTI Rates Step Down Unit # per 1,000 Catheter Days



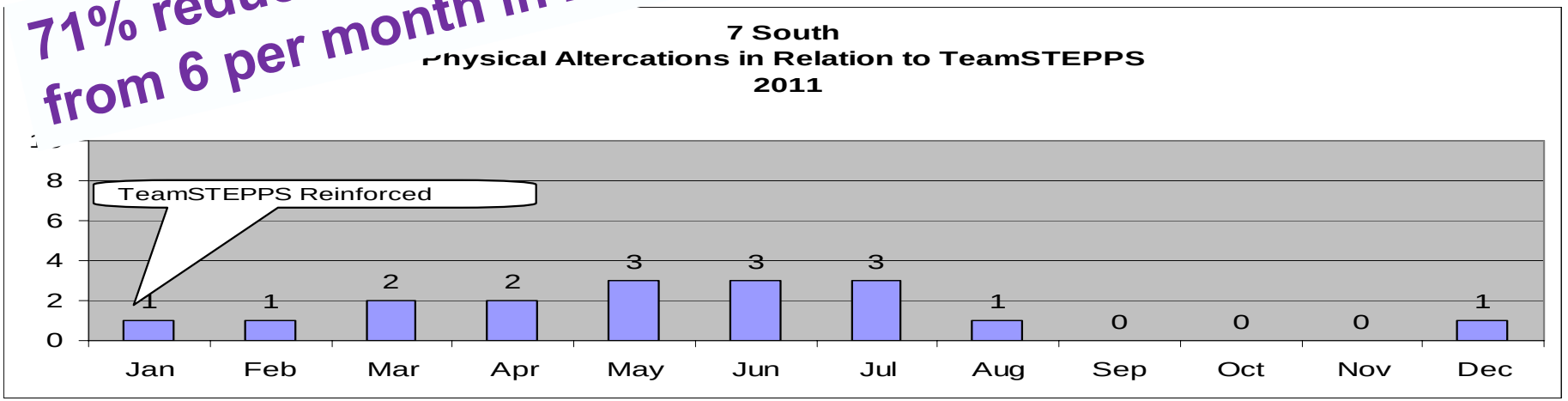
Lincoln Urinary Catheter Removed on Post-Op Day 1-2 (SCI-Inf-1)



Metropolitan Hospital



71% reduction in physical altercations from 6 per month in 2009 to 1.4 per month in 2011



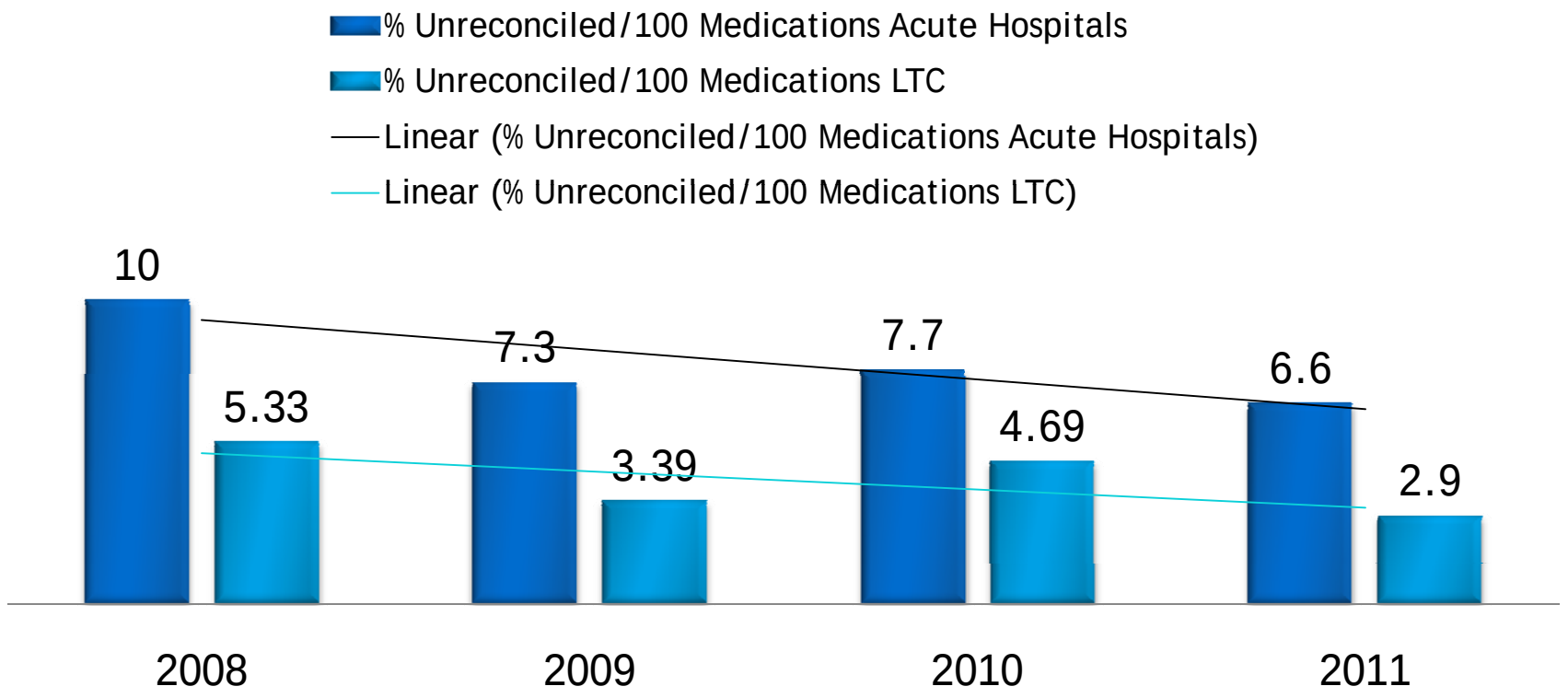
Source: Metropolitan

Medication Safety

- Enterprise-wide Medication Safety Council
  - Focusing on
    - Improving rate of medication reconciliation
    - Improving anticoagulation therapy
    - Appropriate pain management and opioid use

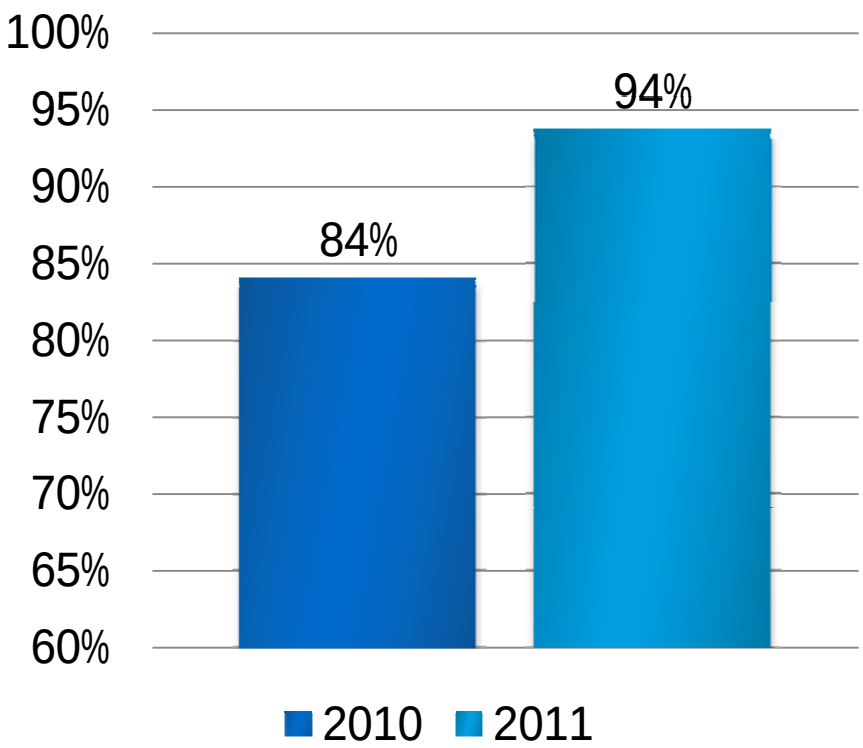
Medication Safety – Medication Reconciliation

Target = Zero unreconciled medications

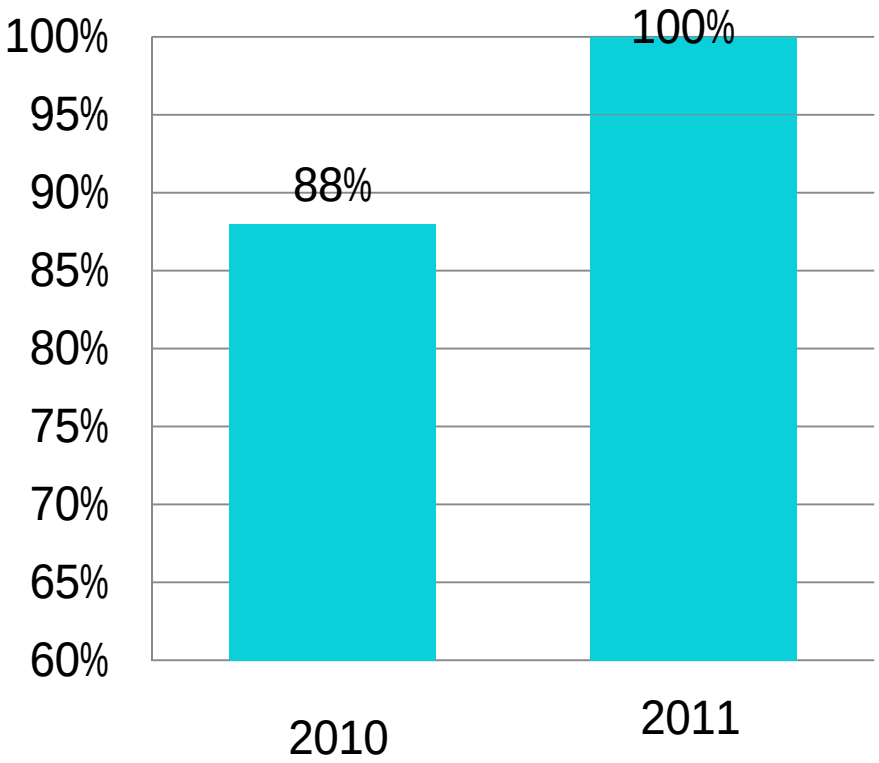


Improving Anticoagulation Therapy

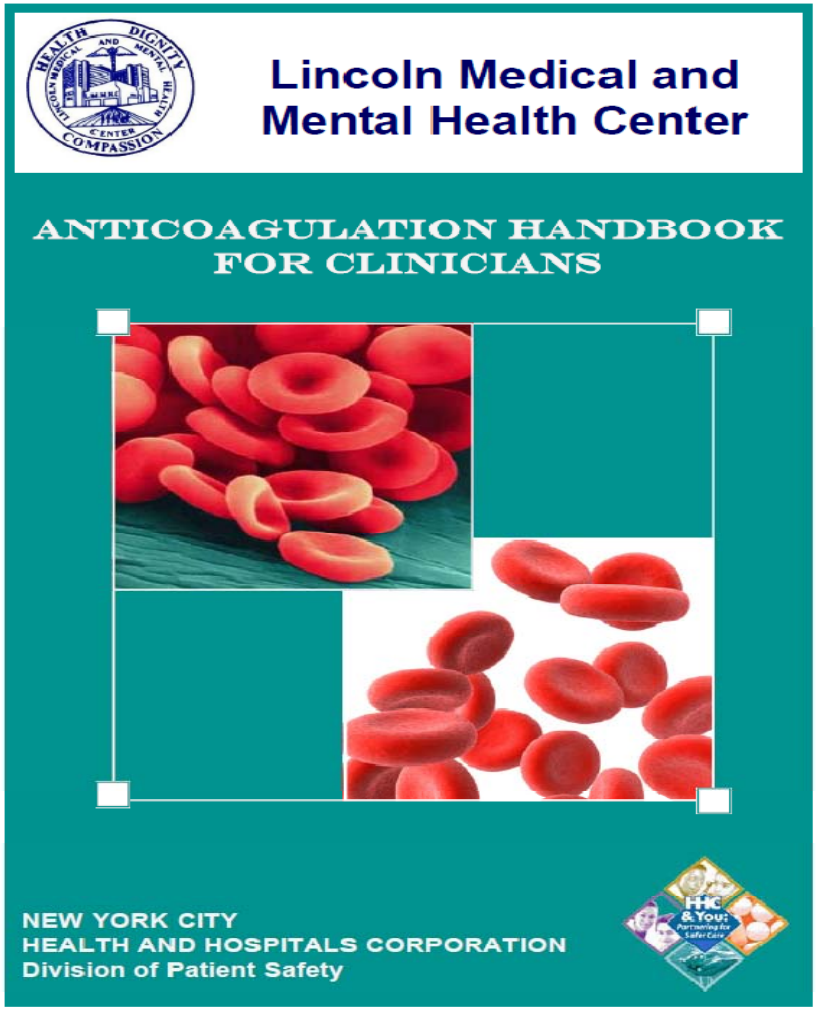
Number of patients receiving Heparin whose partial thromboplastin time (PTT) was appropriately managed and monitored.



Number of patients successfully recalled to clinic after not showing for an anticoagulation related follow-up visit.



Anticoagulation Therapy Resources



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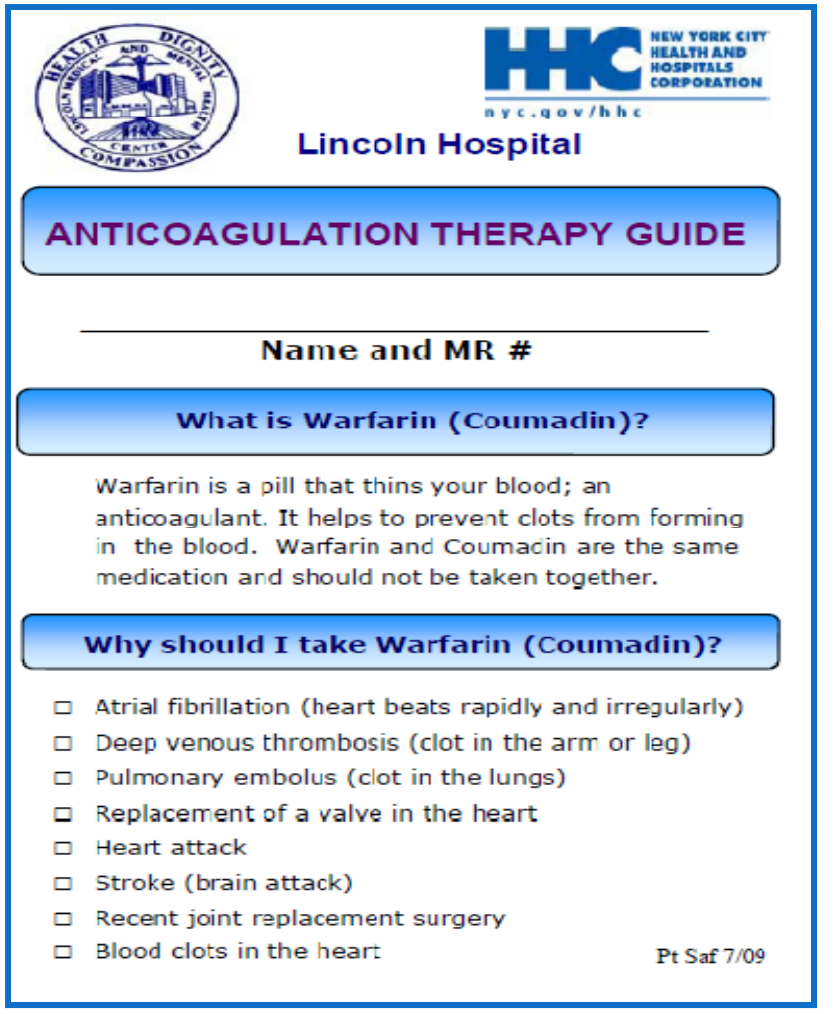


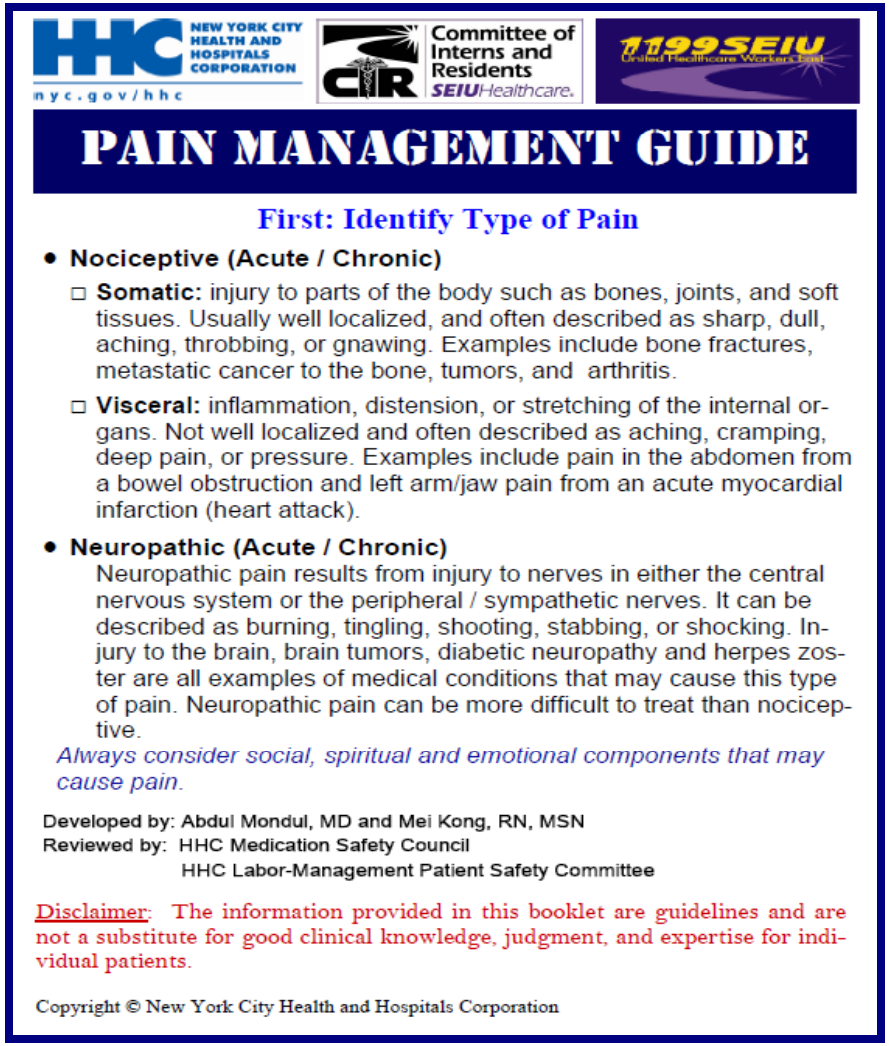
Medication Safety

- Federal Mediation and Conciliation Services Grant - Joint Labor and Management collaboration between HHC, CIR/SEIU, 1199 SEIU
  - Goal – Improve medication safety, with a specific focus on opioids and pain management

- Funded:
  - November 2011 Conference: *"Improving Medication Safety Through Effective Teamwork and Communication"*
  - *Six Medication Safety Grand Rounds for Interdisciplinary Teams at NCB/Jacobi, Harlem, Bellevue, Lincoln, Coney Island and Metropolitan to be completed by the end of September 2012*
  - *Development of a best practice on opioids and pain management*

Medication Safety – Best Practice
Pain Management Pocket Guide

- Types of pain
- Pain scale
- Assessment and types of severity of pain
- Evaluation of pain and treatment/management options
- Recommended opioid and non-opioid medications and dosages



NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc

Committee of Interns and Residents
SEIU Healthcare

1199SEIU United Healthcare Workers East

PAIN MANAGEMENT GUIDE

First: Identify Type of Pain

- **Nociceptive (Acute / Chronic)**
  - **Somatic:** injury to parts of the body such as bones, joints, and soft tissues. Usually well localized, and often described as sharp, dull, aching, throbbing, or gnawing. Examples include bone fractures, metastatic cancer to the bone, tumors, and arthritis.
  - **Visceral:** inflammation, distension, or stretching of the internal organs. Not well localized and often described as aching, cramping, deep pain, or pressure. Examples include pain in the abdomen from a bowel obstruction and left arm/jaw pain from an acute myocardial infarction (heart attack).
- **Neuropathic (Acute / Chronic)**
  Neuropathic pain results from injury to nerves in either the central nervous system or the peripheral / sympathetic nerves. It can be described as burning, tingling, shooting, stabbing, or shocking. Injury to the brain, brain tumors, diabetic neuropathy and herpes zoster are all examples of medical conditions that may cause this type of pain. Neuropathic pain can be more difficult to treat than nociceptive.

Always consider social, spiritual and emotional components that may cause pain.

Developed by: Abdul Mondul, MD and Mei Kong, RN, MSN
Reviewed by: HHC Medication Safety Council
HHC Labor-Management Patient Safety Committee

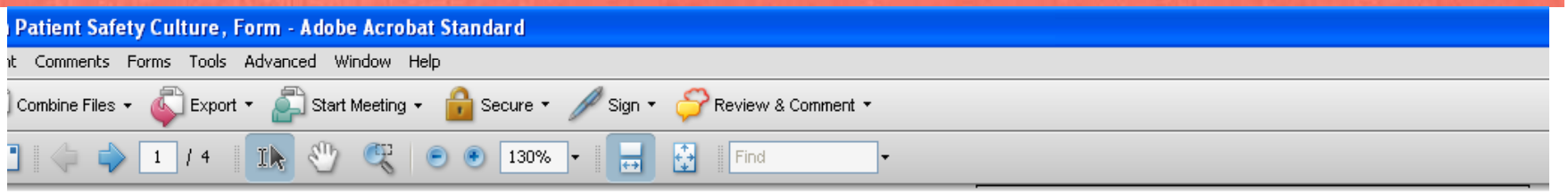
Disclaimer: The information provided in this booklet are guidelines and are not a substitute for good clinical knowledge, judgment, and expertise for individual patients.

Patient Safety Culture Survey

- Agency for Healthcare Research and Quality (AHRQ) Survey on Patient Safety Culture
  - *Hospital Survey on Patient Safety Culture*
  - *Medical Office Survey on Patient Safety Culture (DTCs)*
  - *Nursing Home Survey on Patient Safety Culture*
- 42 – 52 questions per survey that roll up into 12 composites
- Evidence-based tools
  - Assesses staff opinions about patient safety issues, medical errors and event reporting in their organization
- Survey available (electronically or hard copy) to all HHC employees, volunteers, and medical staff in all facility work areas from March 18 – April 4

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

HHC SURVEY ON PATIENT SAFETY CULTURE



Please indicate your agreement or disagreement with the following statements about your work area/unit. Mark your answer by filling in the circle.

Think about your hospital work area/unit…	Strongly Disagree ▼	Disagree ▼	Neither ▼	Agree ▼	Strongly Agree ▼
1. People support one another in this unit	①	②	③	④	⑤
2. We have enough staff to handle the workload	①	②	③	④	⑤
3. When a lot of work needs to be done quickly, we work together as a team to get the work done	①	②	③	④	⑤
4. In this unit, people treat each other with respect	①	②	③	④	⑤
5. Staff in this unit work longer hours than is best for patient care	①	②	③	④	⑤
6. We are actively doing things to improve patient safety	①	②	③	④	⑤
7. We use more agency/temporary staff than is best for patient care	①	②	③	④	⑤

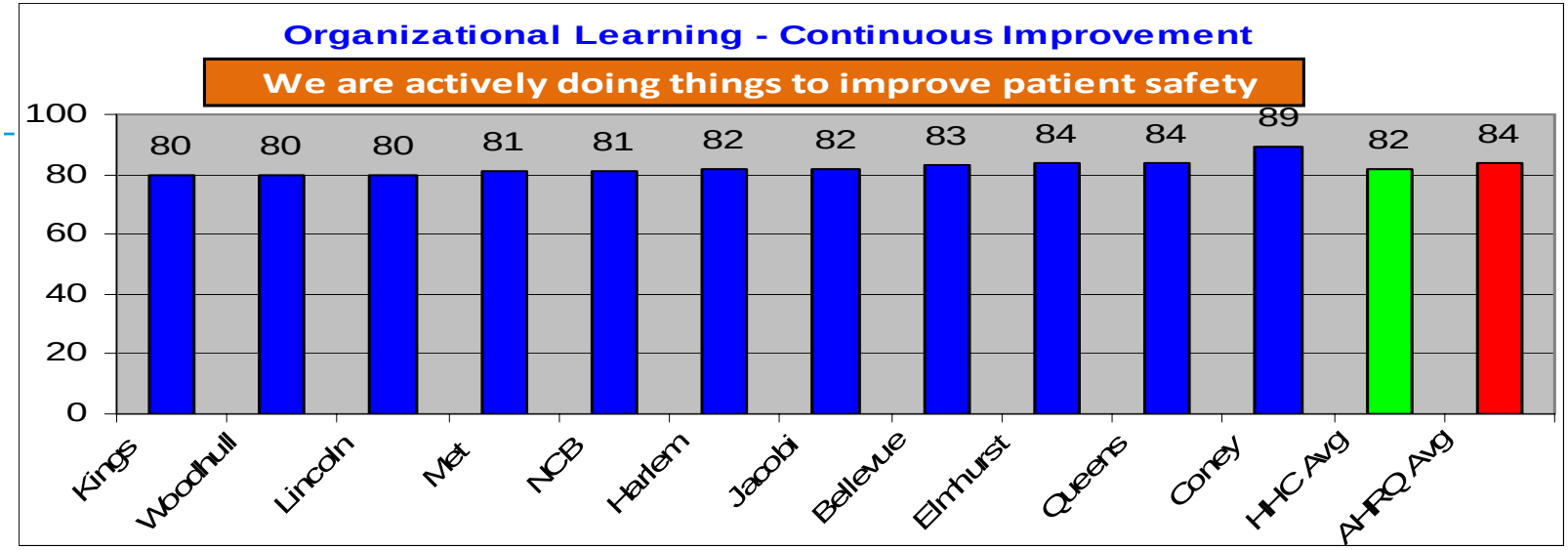
2012 Patient Safety Culture Survey Results

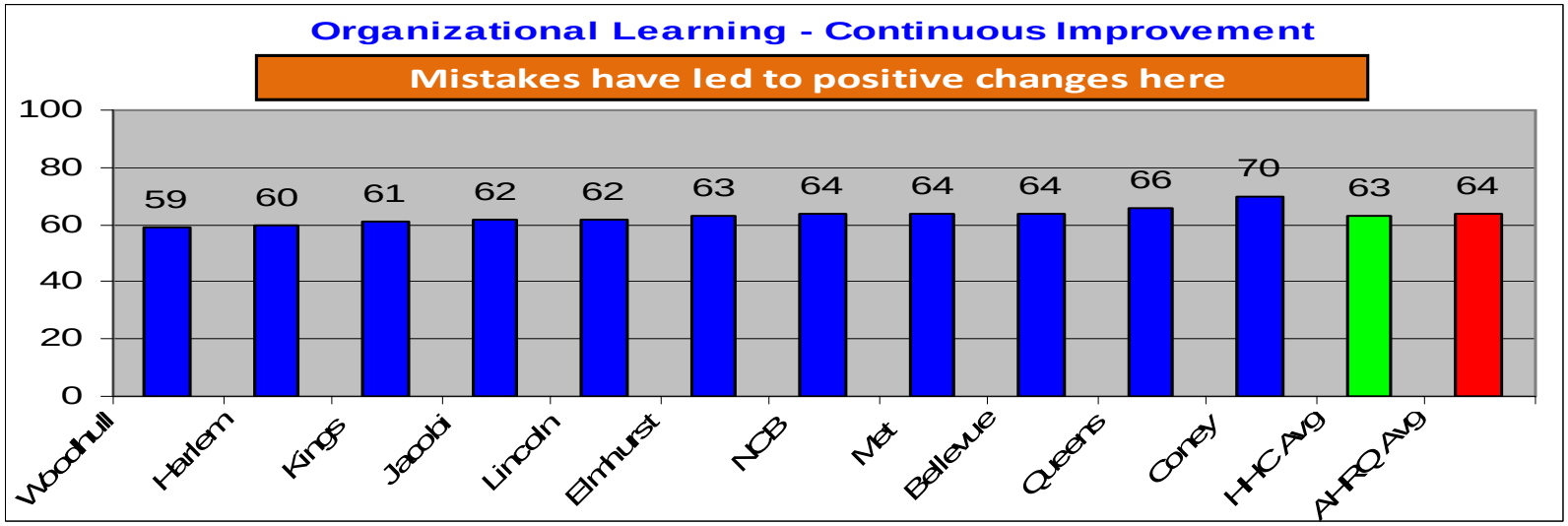
- 23,415 responses enterprise-wide (61% response rate)

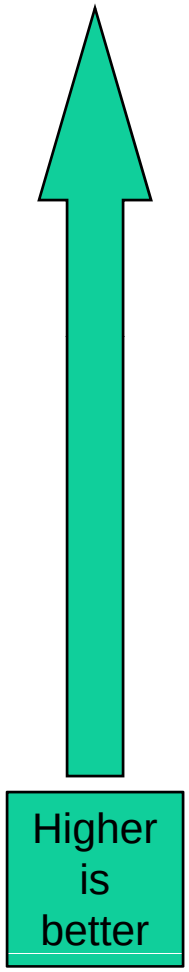
- Analysis shows clear areas of strength and some opportunities for improvement based on the % positive responses to survey questions

- Strengths
  - Organizational learning – Continuous improvement
  - Management support for patient safety

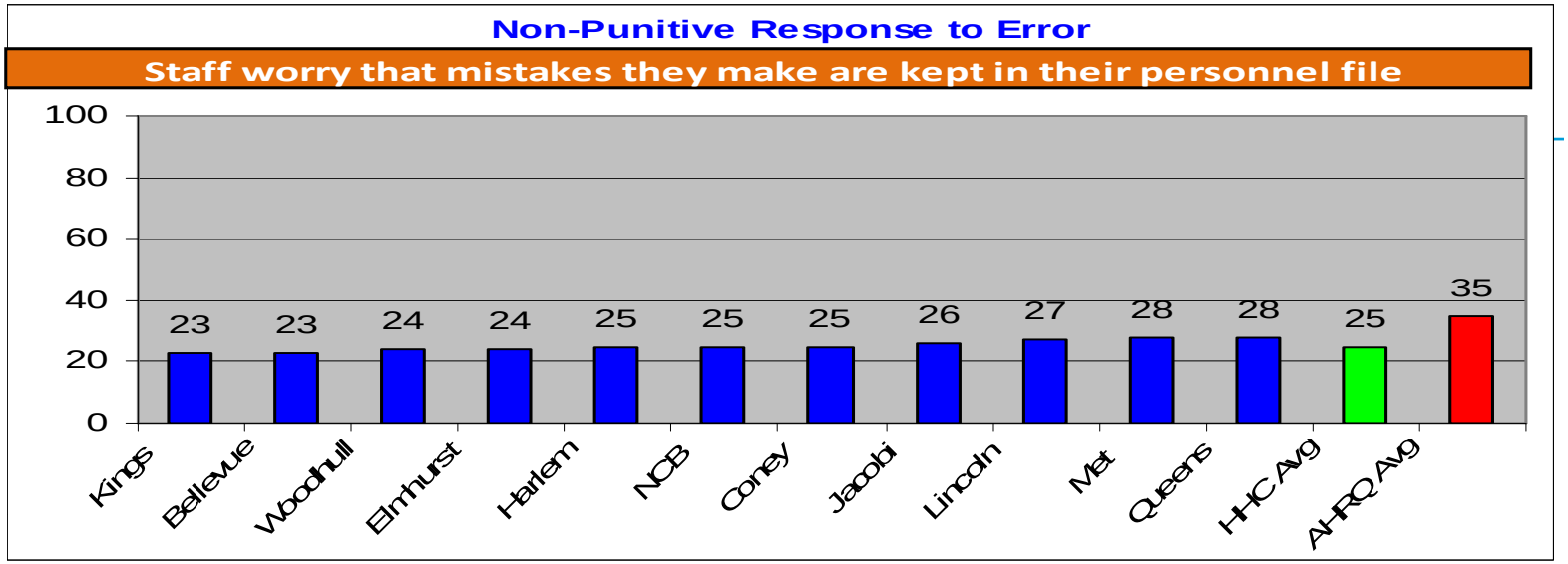
- Opportunities
  - Non-punitive response to error
  - Staffing

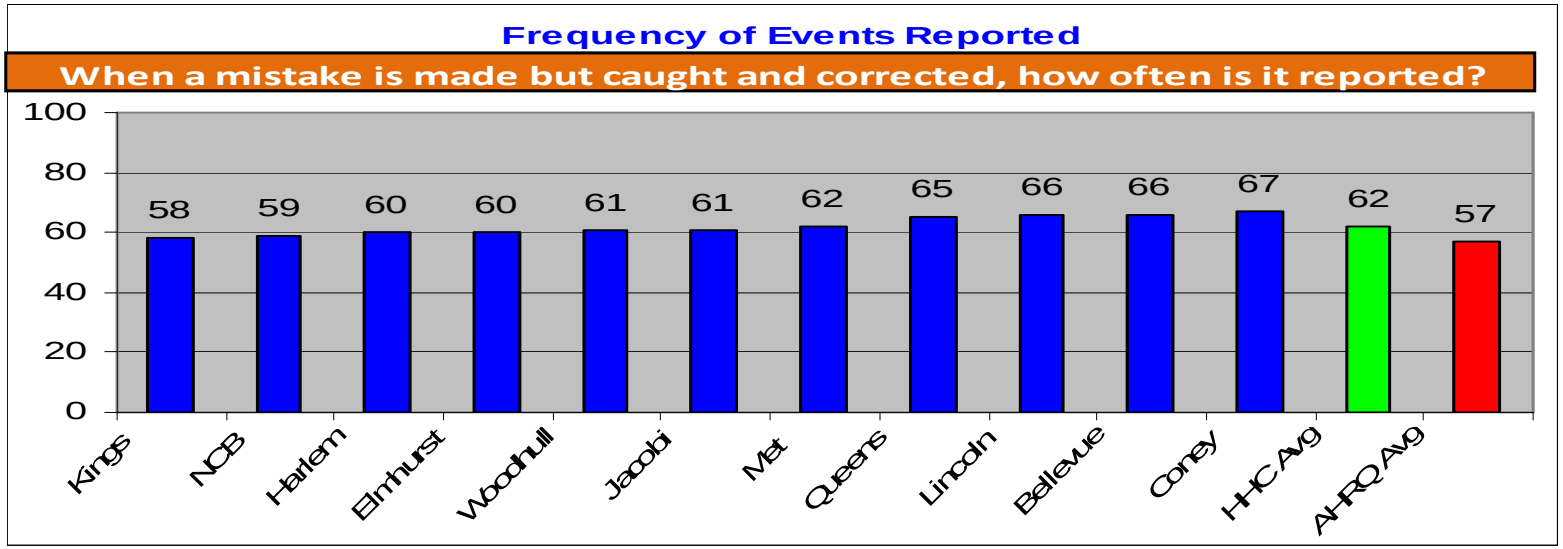


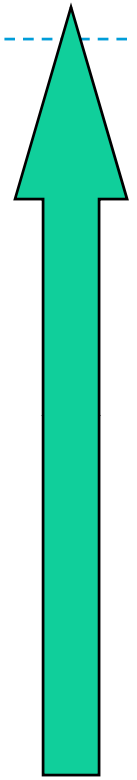




Numbers reflect the percent positive responses to the question. AHRQ average reflects the average score of the 1,128 hospitals in its 2012 survey database.



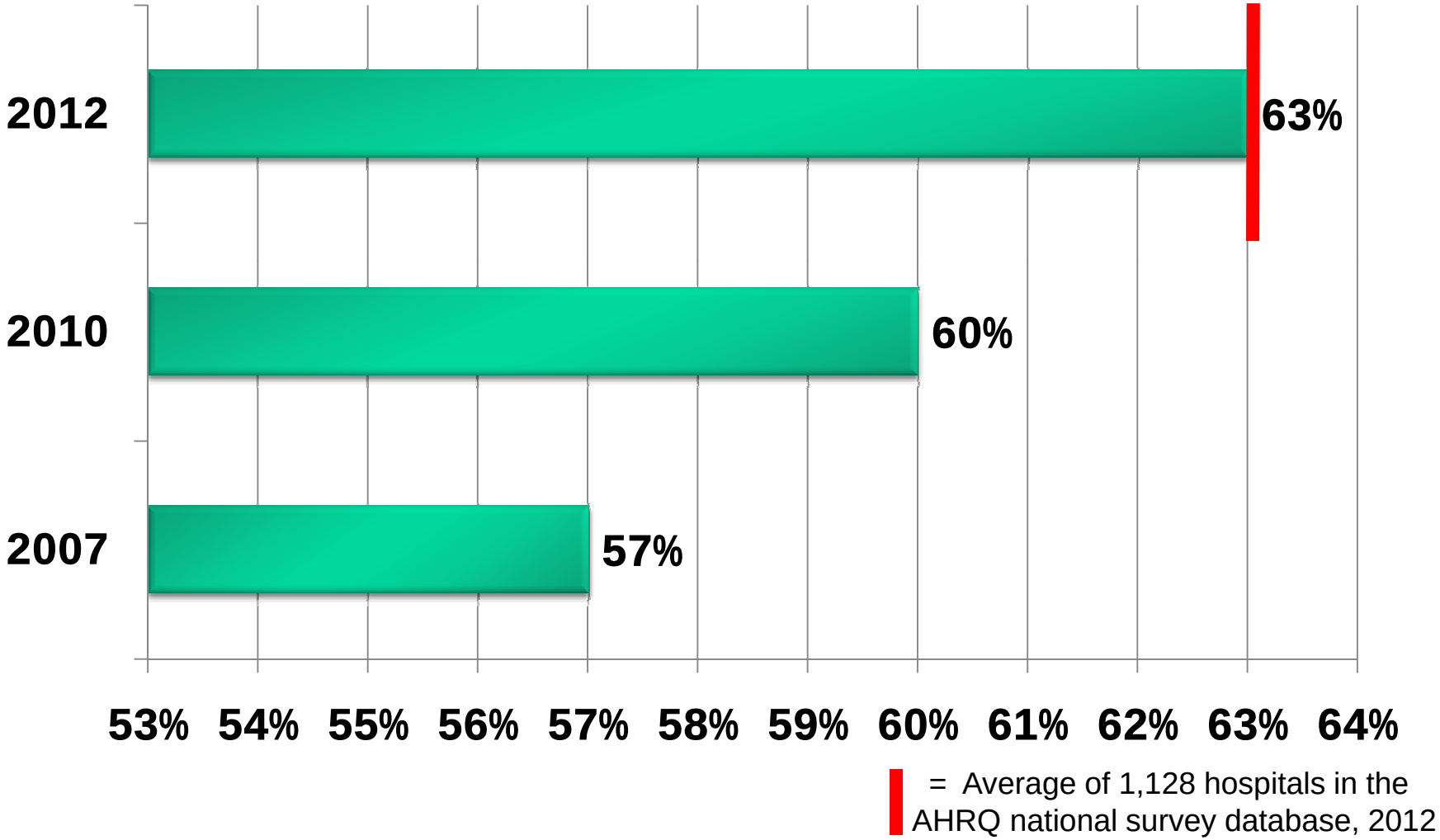




Higher is better

Numbers reflect the percent positive responses to the question. AHRQ average is the average score of the 1,128 hospitals in its 2012 survey database.

% Positive Responses to Frequency of Events Reported (2007, 2010, 2012 Composite Rates)



Health and Human Services (HHS) Partnership for Patients

Vision for Improvement:

- Achieving the Triple Aim
  - Better health for populations
  - Better health for individuals
  - Lower cost through improvement

Goals to Achieve by December 2014:

- Reduce hospital-acquired conditions in the aggregate **by 40%**
- Reduce preventable readmissions in the aggregate **by 20%**

New York State Partnership For Patients (NYSPFP) Collaboration between GNYHA and HANYS

- **AIM:** Work with hospitals to achieve CMS' goals by building the organizational capacity for rapid and sustainable improvement.
- Over 170 hospitals across NYS (including HHC) have joined the NYSPFP

Source: NYSPFP

Partnership for Patients Focus Areas

HHC Hospitals are Participating on All11 Focus Areas Through the New York State Partnership For Patients (NYSPFP)

Building Culture and Leadership

Adverse Drug Events (ADE)	**Catheter-Associated Urinary Tract Infections (CAUTI)**	**Central Line Associated Blood Stream Infections (CLABSI)**	**Injuries from Falls and Immobility**
Obstetrical Adverse Events	**Pressure Ulcers**	**Surgical Site Infections**	**Venous Thromboembolism (VTE)**
	Ventilator-Associated Pneumonia (VAP)	**Preventable Readmissions**	

Source: NYSPFP

Other Patient Safety Activities FY'12

- **Patient and family engagement**
- **Patient Safety Awareness Week – large scale event**
  - Patient Safety Jeopardy "Battle of the Networks" & Patient Safety Champions Awards
- **Large scale education and patient safety forums**
  - *From Tears to Transparency: The Story of Michael Skolnik*
  - *TeamSTEPPS Master Trainer Update*
  - *Advancing Patient Safety through Understanding Human Factors*
- **New curricula**
  - *Connecting the Patient Safety Dots: Bridging TeamSTEPPS, The Just Culture, Disruptive Behavior, and Breakthrough*
  - *Annual Review of TeamSTEPPS and Just Culture*
- **Collaborating on the revamp of the current root cause analysis process to a focus on harm reduction and learning**

BELIEVING.

MetroPlus Health Plan, Inc.
Report to the
HHC Medical and Professional Affairs Committee
July 19, 2012

Total plan enrollment as of June 29th, 2012 was 435,223. Breakdown of plan enrollment by line of business is as follows:

Medicaid	367,338
Child Health Plus	16,291
Family Health Plus	36,830
MetroPlus Gold	3,130
Partnership in Care (HIV/SNP)	5,827
Medicare	5,807

This month, we added 2,190 members. Our largest growth was in our Medicaid line of business.

Month over month, our membership in Child Health Plus has experienced a steady decline since the beginning of the year. This year, we have lost 12.6% of our membership in Child Health Plus. The loss of membership is attributed to our membership aging out and losing eligibility for this product. These members convert from CHP to Medicaid due to changes in financial status.

Attached are reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans.

This month, we added 154 new enrollees in Medicare, with the largest growth in our Advantage (Dual- Eligible) product.

As I reported last month, the New York State Department of Health (SDOH) has provided a draft of the Phase 1 pharmacy rate change analysis. The total rate change for Medicaid in NYC was -7.1%. The total rate change for FHP in NYC was -11.5%. For MetroPlus, this amounts to approximately three million dollars less in pharmacy revenue per month. The New York Health Plan Association has expressed ongoing concerns about the inadequacy of pharmacy rates. HPA questioned several of the assumptions that were used by Mercer, the SDOH's actuary, to develop the new rate. As a result, Mercer has committed to review the data again and to continue the discussion around the decreased rate change. I will continue to keep the committee informed as discussion around this topic continues.

The 2013 Medicare Bids were submitted to CMS on June 4th, 2012. The MetroPlus bid is now in desk review with CMS. We expect to know if CMS will require material changes to our proposed submission by the end of the summer. Additionally, in the earlier part of the year, CMS identified the Plan to undergo a financial audit and we are in the process of preparing the data submission that is due on July 27th, 2012. CMS will perform an onsite review in August.

As I reported earlier this year, as of July 2nd, 2012, all Medicaid managed care plans will be required to cover dental services for their enrollees. The MetroPlus dental implementation is

going well and the transition has gone smoothly. We have contracted with Healthplex to administer dental benefits for all our MetroPlus Medicaid and Medicaid SNP members. Also as of July 2nd, 2012, MetroPlus Family Health Plus, Child Health Plus, and Medicare Advantage members will have management of their dental benefits transition from DentaQuest to Healthplex.

MetroPlus continues to work very closely with HHC towards the successful implementation of the HHC Health Home. The go-live date for the start of membership outreach is July 16th, 2012. MetroPlus is ready to perform the initial mailing and route calls to HHC for handling. Currently, we are awaiting HHC's signature of the Health Home contract. We hope to have this contract signed in July.

Mandatory enrollment for Managed Long Term Care (MLTC) began on July 2nd, 2012. CMS has provided the state verbal approval for this change, and New York Medicaid Choice has started sending notifications to approximately 500 recipients in Lower Manhattan. The MetroPlus application for a MLTC License was completed and submitted. Representatives from the NYSDOH will be onsite on July 10th, 2012 for the MetroPlus readiness review. I anticipate that the readiness review will conclude successfully and MetroPlus will be granted a license.

This summer, MetroPlus will continue to meet with all network and facility leadership in regards to our strategic initiatives to grow the Medicare product. As of June 29th, 2012, we have had three successful meetings in order to build the internal processes and systems needed to facilitate potential enrollment of the nearly 22,000 dual eligible patients in HHC.

MetroPlus Health Plan

Membership Summary by LOB Last 7 Months

June-2012

		Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Total Members	Prior Month	421,539	422,896	424,419	427,002	428,158	428,749	434,724
	New Member	17,002	17,948	18,473	17,422	16,351	21,462	17,623
	Voluntary Disenroll	1,861	2,049	1,989	2,031	1,886	2,138	2,050
	Involuntary Disenroll	13,671	14,376	13,901	14,235	13,874	13,349	15,074
	Adjusted	10	-7	-32	-40	150	1,299	0
	Net Change	1,470	1,523	2,583	1,156	591	5,975	499
	Current Month	422,896	424,419	427,002	428,158	428,749	434,724	435,223
Medicaid	Prior Month	353,125	354,616	356,037	358,500	359,960	360,936	366,691
	New Member	14,077	14,357	15,364	14,304	13,334	17,833	14,357
	Voluntary Disenroll	1,521	1,461	1,632	1,686	1,532	1,765	1,703
	Involuntary Disenroll	11,023	11,475	11,269	11,158	10,826	10,313	12,007
	Adjusted	15	-1	-30	-32	191	1,224	0
	Net Change	1,533	1,421	2,463	1,460	976	5,755	647
	Current Month	354,616	356,037	358,500	359,960	360,936	366,691	367,338
Child Health Plus	Prior Month	18,876	18,633	18,142	17,738	17,456	17,066	16,644
	New Member	572	431	433	526	514	508	425
	Voluntary Disenroll	37	21	36	29	28	24	22
	Involuntary Disenroll	711	901	801	779	876	906	756
	Adjusted	0	0	1	1	-2	2	0
	Net Change	-176	-491	-404	-282	-390	-422	-353
	Current Month	18,633	18,142	17,738	17,456	17,066	16,644	16,291
Family Health Plus	Prior Month	35,555	35,551	35,861	36,277	36,212	36,297	36,820
	New Member	1,940	2,283	2,258	2,232	2,094	2,672	2,357
	Voluntary Disenroll	175	122	146	188	170	191	184
	Involuntary Disenroll	1,767	1,851	1,696	2,109	1,839	1,958	2,163
	Adjusted	1	-2	-2	-5	-46	34	0
	Net Change	-2	310	416	-65	85	523	10
	Current Month	35,551	35,861	36,277	36,212	36,297	36,820	36,830

MetroPlus Health Plan

Membership Summary by LOB Last 7 Months

June-2012

		Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
HHC	Prior Month	2,993	2,981	3,091	3,120	3,107	3,124	3,126
	New Member	20	283	42	31	32	22	9
	Voluntary Disenroll	0	153	0	0	0	1	0
	Involuntary Disenroll	30	20	13	44	15	19	5
	Adjusted	-3	-3	0	1	14	28	0
	Net Change	-10	110	29	-13	17	2	4
	Current Month	2,981	3,091	3,120	3,107	3,124	3,126	3,130
SNP	Prior Month	5,494	5,541	5,665	5,721	5,723	5,743	5,791
	New Member	165	243	190	134	132	179	179
	Voluntary Disenroll	37	35	41	28	42	44	38
	Involuntary Disenroll	81	84	93	104	70	87	105
	Adjusted	-2	-1	-1	-4	-8	10	0
	Net Change	47	124	56	2	20	48	36
	Current Month	5,541	5,665	5,721	5,723	5,743	5,791	5,827
Medicare	Prior Month	5,496	5,574	5,623	5,646	5,700	5,583	5,652
	New Member	228	351	186	195	245	248	296
	Voluntary Disenroll	91	257	134	100	114	113	103
	Involuntary Disenroll	59	45	29	41	248	66	38
	Adjusted	-1	0	0	-1	1	1	0
	Net Change	78	49	23	54	-117	69	155
	Current Month	5,574	5,623	5,646	5,700	5,583	5,652	5,807

MetroPlus Health Plan

Disenrolled Member Plan Transfer Distribution

Last Data Refresh Date: 06/14/2012

Other Plan Name	Category	2011_07		2011_08		2011_09		2011_10		2011_11		2011_12		2012_01		2012_02		2012_03		2012_04		2012_05		2012_06		TOTAL
		FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	
Affinity Health Plan	INVOLUNTARY	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3
	VOLUNTARY	18	97	12	125	13	99	10	138	21	124	19	98	10	108	15	90	6	71	7	130	14	128	13	116	1,482
	TOTAL	19	99	12	125	13	99	10	138	21	124	19	98	10	108	15	90	6	71	7	130	14	128	13	116	1,485
CarePlus Health Plan	INVOLUNTARY	2	5	0	0	0	1	0	0	2	1	0	0	0	0	0	0	0	1	0	1	0	1	1	4	19
	VOLUNTARY	2	34	4	26	2	33	2	24	5	43	2	42	1	27	3	25	3	19	1	28	33	187	23	267	836
	TOTAL	4	39	4	26	2	34	2	24	7	44	2	42	1	27	3	25	3	20	1	29	33	188	24	271	855
Fidelis Care	INVOLUNTARY	0	3	0	0	0	0	1	1	0	1	0	0	0	1	0	2	0	0	0	1	0	1	0	1	12
	VOLUNTARY	27	211	41	252	20	176	22	202	26	256	28	235	26	224	33	267	17	146	22	265	28	273	26	239	3,062
	TOTAL	27	214	41	252	20	176	23	203	26	257	28	235	26	225	33	269	17	146	22	266	28	274	26	240	3,074
Health First	INVOLUNTARY	0	1	0	0	0	0	0	1	0	2	0	0	1	5	0	1	1	0	1	3	0	1	0	2	19
	VOLUNTARY	35	419	45	501	34	414	39	407	45	489	39	462	27	516	42	551	30	301	53	478	61	637	45	601	6,271
	TOTAL	35	420	45	501	34	414	39	408	45	491	39	462	28	521	42	552	31	301	54	481	61	638	45	603	6,290
Health Plus	INVOLUNTARY	2	5	0	0	0	0	0	0	0	8	0	1	0	2	0	0	0	0	0	2	0	0	0	0	20
	VOLUNTARY	13	160	22	207	18	185	20	145	22	216	25	187	10	176	14	241	11	109	19	171	0	0	0	0	1,971
	TOTAL	15	165	22	207	18	185	20	145	22	224	25	188	10	178	14	241	11	109	19	173	0	0	0	0	1,991
HIP/NYC	INVOLUNTARY	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	0	5
	VOLUNTARY	10	72	8	83	6	90	12	55	12	78	12	87	10	92	9	92	9	54	16	113	14	98	16	82	1,130
	TOTAL	10	75	8	83	6	90	12	55	12	78	12	87	10	92	9	93	9	54	16	114	14	98	16	82	1,135
Neighborhood Health	INVOLUNTARY	2	2	0	0	0	0	0	0	0	2	0	1	0	2	0	1	0	0	0	1	0	0	0	0	11
	UNKNOWN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1

MetroPlus Health Plan

Disenrolled Member Plan Transfer Distribution

Last Data Refresh Date: 06/14/2012

		2011_07		2011_08		2011_09		2011_10		2011_11		2011_12		2012_01		2012_02		2012_03		2012_04		2012_05		2012_06		TOTAL
		FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	
Neighborhood Health Provider	VOLUNTARY	21	115	8	169	8	120	7	113	15	144	14	130	16	95	11	122	7	75	14	94	14	138	17	106	1,573
	TOTAL	23	117	8	169	8	120	7	113	15	146	14	131	16	97	11	123	7	76	14	95	14	138	17	106	1,585
United Healthcare of NY	INVOLUNTARY	0	1	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0	1	0	1	0	0	0	0	5
	VOLUNTARY	11	69	14	68	10	72	7	48	18	111	16	74	14	70	8	82	7	50	8	68	13	102	11	69	1,020
	TOTAL	11	70	14	68	10	72	7	48	18	112	16	74	14	71	8	82	7	51	8	69	13	102	11	69	1,025
Wellcare of NY	INVOLUNTARY	0	5	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	2	5	0	0	14
	VOLUNTARY	2	33	2	27	3	22	8	18	0	10	2	29	0	20	2	26	2	13	1	17	3	27	0	30	297
	TOTAL	2	38	2	27	3	22	8	18	0	10	2	29	0	21	2	26	2	13	1	18	5	32	0	30	311
Disenrolled Plan Transfers	INVOLUNTARY	7	27	0	0	0	1	1	2	2	15	0	2	1	12	0	5	1	2	1	11	2	8	1	7	108
	UNKNOWN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
	VOLUNTARY	139	1,210	156	1,458	114	1,211	127	1,150	164	1,471	157	1,344	114	1,328	137	1,496	92	838	141	1,364	180	1,590	151	1,510	17,642
	TOTAL	146	1,237	156	1,458	114	1,212	128	1,152	166	1,486	157	1,346	115	1,340	137	1,501	93	841	142	1,375	182	1,598	152	1,517	17,751
Disenrolled Unknown Plan Transfers	INVOLUNTARY	6	46	5	47	3	34	7	53	5	36	3	27	3	43	3	35	6	31	5	80	5	51	2	25	561
	UNKNOWN	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	2
	VOLUNTARY	3	40	3	50	7	60	4	53	21	94	16	116	6	51	8	74	18	67	27	74	4	43	32	70	941
	TOTAL	9	86	8	98	10	94	11	106	26	130	19	143	9	94	11	109	24	99	32	154	9	94	34	95	1,504
Non-Transfer Disenroll Total	INVOLUNTARY	1,359	10,100	1,033	9,713	1,112	10,295	1,011	9,917	1,023	9,743	1,155	10,165	1,161	10,307	1,019	10,238	1,251	10,157	1,065	9,777	1,079	9,285	1,309	11,427	134,701
	UNKNOWN	1	0	1	2	1	3	1	3	1	5	1	6	1	5	1	14	2	12	2	13	0	2	0	0	77
	VOLUNTARY	0	42	0	52	0	52	1	55	252	386	2	60	2	82	0	62	78	781	2	94	7	132	0	50	2,192
	TOTAL	1,360	10,142	1,034	9,767	1,113	10,350	1,013	9,975	1,276	10,134	1,158	10,231	1,164	10,394	1,020	10,314	1,331	10,950	1,069	9,884	1,086	9,419	1,309	11,477	136,970

Disenrolled Member Plan Transfer Distribution

Last Data Refresh Date: 06/14/2012

		2011_07		2011_08		2011_09		2011_10		2011_11		2011_12		2012_01		2012_02		2012_03		2012_04		2012_05		2012_06		TOTAL
		FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	
Total MetroPlus Disenrollment	**INVOLUNTARY**	1,372	10,173	1,038	9,760	1,115	10,330	1,019	9,972	1,030	9,794	1,158	10,194	1,165	10,362	1,022	10,278	1,258	10,190	1,071	9,868	1,086	9,344	1,312	11,459	135,370
	UNKNOWN	1	0	1	3	1	3	1	3	1	5	1	6	1	5	1	14	2	14	2	13	0	2	0	0	80
	VOLUNTARY	142	1,292	159	1,560	121	1,323	132	1,258	437	1,951	175	1,520	122	1,461	145	1,632	188	1,686	170	1,532	191	1,765	183	1,630	20,775
	TOTAL	1,515	11,465	1,198	11,323	1,237	11,656	1,152	11,233	1,468	11,750	1,334	11,720	1,288	11,828	1,168	11,924	1,448	11,890	1,243	11,413	1,277	11,111	1,495	13,089	156,225

New Member Transfer From Other Plans

	2011_07		2011_08		2011_09		2011_10		2011_11		2011_12		2012_01		2012_02		2012_03		2012_04		2012_05		2012_06		TOTAL
	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	FHP	MCAD	
Affinity Health Plan	1	5	51	262	16	194	20	174	23	203	17	189	13	207	19	194	20	255	30	242	38	296	26	240	2,735
CarePlus Health Plan	1	4	29	216	25	193	25	134	28	177	12	147	13	145	25	130	22	204	30	191	28	228	74	554	2,635
Fidelis Care	1	6	26	292	19	233	24	173	19	232	18	216	17	183	10	171	16	209	17	190	27	226	11	201	2,537
Health First	0	1	26	240	25	146	14	185	26	217	13	198	22	165	8	188	17	252	20	214	19	254	25	214	2,489
Health Plus	0	3	30	341	33	258	36	255	32	253	29	275	26	300	18	218	33	356	33	304	49	386	0	1	3,269
HIP/NYC	0	3	15	112	10	117	6	93	7	102	5	104	11	97	8	89	10	128	7	118	5	130	7	130	1,314
Neighborhood Health Pr	0	4	15	174	25	139	26	149	24	171	29	125	16	206	18	166	18	234	22	191	30	252	33	201	2,268
United Healthcare of NY	1	1	11	76	10	82	6	72	8	102	10	122	8	101	14	90	10	126	10	91	11	163	11	145	1,281
Unknown PLan	2,349	11,730	2,144	11,438	2,023	9,716	1,927	9,394	2,188	12,786	1,822	11,461	2,162	11,747	2,154	13,040	2,066	11,407	1,914	10,648	2,476	14,764	2,181	12,006	165,543
Wellcare of NY	0	1	21	157	11	125	20	146	28	142	15	125	19	138	14	99	31	122	23	148	15	185	27	147	1,759
TOTAL	2,353	11,758	2,368	13,308	2,197	11,203	2,104	10,775	2,383	14,385	1,970	12,962	2,307	13,289	2,288	14,385	2,243	13,293	2,106	12,337	2,698	16,884	2,395	13,839	185,830

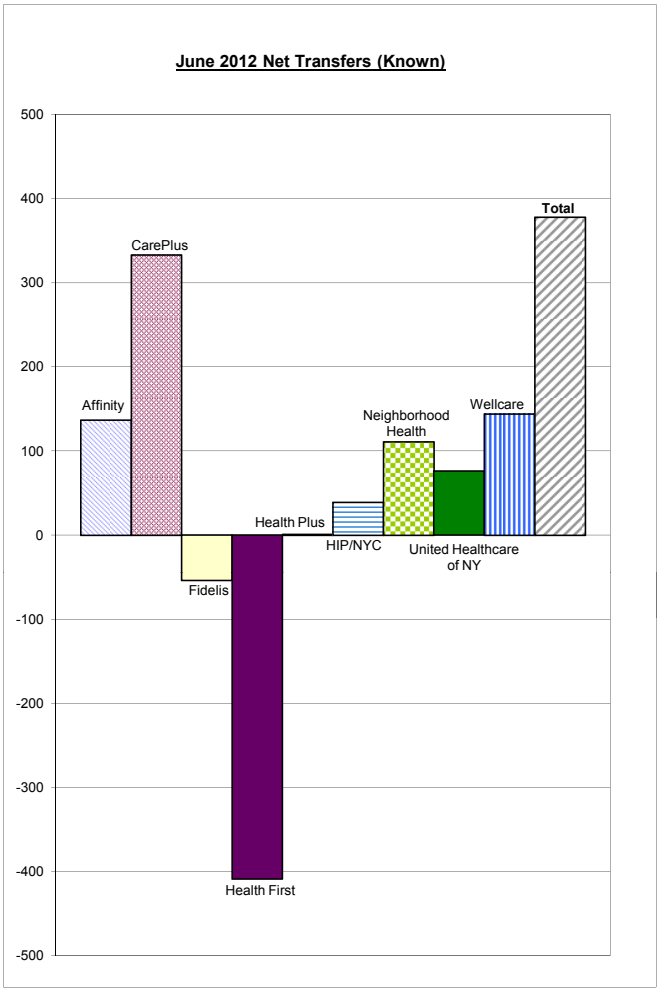
Report ID: MHP1268C
Report Run Date: 6/15/2012

Disenrollments TO Other Plans		Jun-12			July-11 to June-12		
		FHP	MCAD	Total	FHP	MCAD	Total
	INVOL.	0	0	0	1	2	3
	VOL.	13	116	129	158	1,324	1,482
Affinity Health Plan	TOTAL	13	116	129	159	1,326	1,485
	INVOL.	1	4	5	5	14	19
	VOL.	23	267	290	81	755	836
CarePlus Health Plan	TOTAL	24	271	295	86	769	855
	INVOL.	0	1	1	1	11	12
	VOL.	26	239	265	316	2,746	3,062
Fidelis Care	TOTAL	26	240	266	317	2,757	3,074
	INVOL.	0	2	2	3	16	19
	VOL.	45	601	646	495	5,776	6,271
Health First	TOTAL	45	603	648	498	5,792	6,290
	INVOL.	0	0	0	2	18	20
	VOL.	0	0	0	174	1,797	1,971
Health Plus	TOTAL	0	0	0	176	1,815	1,991
	INVOL.	0	0	0	0	5	5
	VOL.	16	82	98	134	996	1,130
HIP/NYC	TOTAL	16	82	98	134	1,001	1,135
	INVOL.	0	0	0	2	9	11
	VOL.	17	106	123	152	1,421	1,573
Neighborhood Health	TOTAL	17	106	123	154	1,431	1,585
	INVOL.	0	0	0	0	5	5
	VOL.	11	69	80	137	883	1,020
United Healthcare of NY	TOTAL	11	69	80	137	888	1,025
	INVOL.	0	0	0	2	12	14
	VOL.	0	30	30	25	272	297
Wellcare of NY	TOTAL	0	30	30	27	284	311
	INVOL.	1	7	8	16	92	108
	VOL.	151	1,510	1,661	1,672	15,970	17,642
Disenrolled Plan Transfers:	TOTAL	152	1,517	1,669	1,688	16,063	17,751
	INVOL.	2	25	27	53	508	561
	VOL.	32	70	102	149	792	941
Disenrolled Unknown Plan Transfers:	TOTAL	34	95	129	202	1,302	1,504
	INVOL.	1,309	11,427	12,736	13,577	121,124	134,701
	UNK.	0	0	0	12	65	77
	VOL.	0	50	50	344	1,848	2,192
Non-Transfer Disenroll Total:	TOTAL	1,309	11,477	12,786	13,933	123,037	136,970
	INVOL.	1,312	11,459	12,771	13,646	121,724	135,370
	UNK.	0	0	0	12	68	80
	VOL.	183	1,630	1,813	2,165	18,610	20,775
Total MetroPlus Disenrollment:	**TOTAL**	**1,495**	**13,089**	**14,584**	**15,823**	**140,402**	**156,225**

Disenrollments FROM Other Plans	Jun-12			July-11 to June-12		
	FHP	MCAD	Total	FHP	MCAD	Total
Affinity Health Plan	26	240	266	274	2,461	2,735
CarePlus Health Plan	74	554	628	312	2,323	2,635
Fidelis Care	11	201	212	205	2,332	2,537
Health First	25	214	239	215	2,274	2,489
Health Plus	0	1	1	319	2,950	3,269
HIP/NYC	7	130	137	91	1,223	1,314
Neighborhood Health	33	201	234	256	2,012	2,268
United Healthcare of NY	11	145	156	110	1,171	1,281
Wellcare of NY	27	147	174	224	1,535	1,759
Total	214	1,833	2,047	2,006	18,281	20,287
Unknown (not in total)	2,181	12,006	14,187	25,406	140,137	165,543

Data Source: RDS Report 1268a&c Updated 06/22/2012

Net Difference	Jun-12			July-11 to June-12		
	FHP	MCAD	Total	FHP	MCAD	Total
Affinity Health Plan	13	124	137	115	1,135	1,250
CarePlus Health Plan	50	283	333	226	1,554	1,780
Fidelis Care	-15	-39	-54	-112	-425	-537
Health First	-20	-389	-409	-283	-3,518	-3,801
Health Plus	0	1	1	143	1,135	1,278
HIP/NYC	-9	48	39	-43	222	179
Neighborhood Health	16	95	111	102	581	683
United Healthcare of NY	0	76	76	-27	283	256
Wellcare of NY	27	117	144	197	1,251	1,448
Total	62	316	378	318	2,218	2,536



MetroPlus Health Plan, Inc.

Overview to the New York City Health and Hospitals Corporation's Medical and Professional Affairs Committee

Arnold Saperstein, MD

Executive Director, MetroPlus Health Plan

July 19, 2012

Contents

MetroPlus Health Plan

MetroPlus Background

Licensed since 1985 in New York State as a Managed Care Organization

In 2001 the Plan converted from an HMO to a Prepaid Health Services Plan (PHSP)

Wholly owned subsidiary corporation of the New York City Health and Hospitals Corporation (HHC)

Lines of business include Medicaid Managed Care, Family Health Plus, Child Health Plus, Medicare plans, two Special Needs Plans (SNP) for the care of HIV+ members in Medicaid and Medicare, and MetroPlus Gold

Mission

The **MetroPlus Mission** is to provide our members with access to the highest quality, cost-effective health care including a comprehensive program of care management, health education and customer service. This is accomplished by partnering with the New York City Health and Hospitals Corporation (HHC) and our dedicated providers.

Vision

The **MetroPlus Vision** is to provide access to the highest quality, cost-effective health care for our members, to achieve superior provider, member and employee satisfaction, and to be a fiscally responsible, ongoing financial asset to HHC. MetroPlus will strive to be the only managed health care partner that HHC will ever need. This will be accomplished by our fully engaged, highly motivated MetroPlus staff.

Values

Performance excellence - hold ourselves and our providers to the highest standards to ensure that our members receive quality care

Fiscal responsibility - assure that the revenues we receive are used effectively

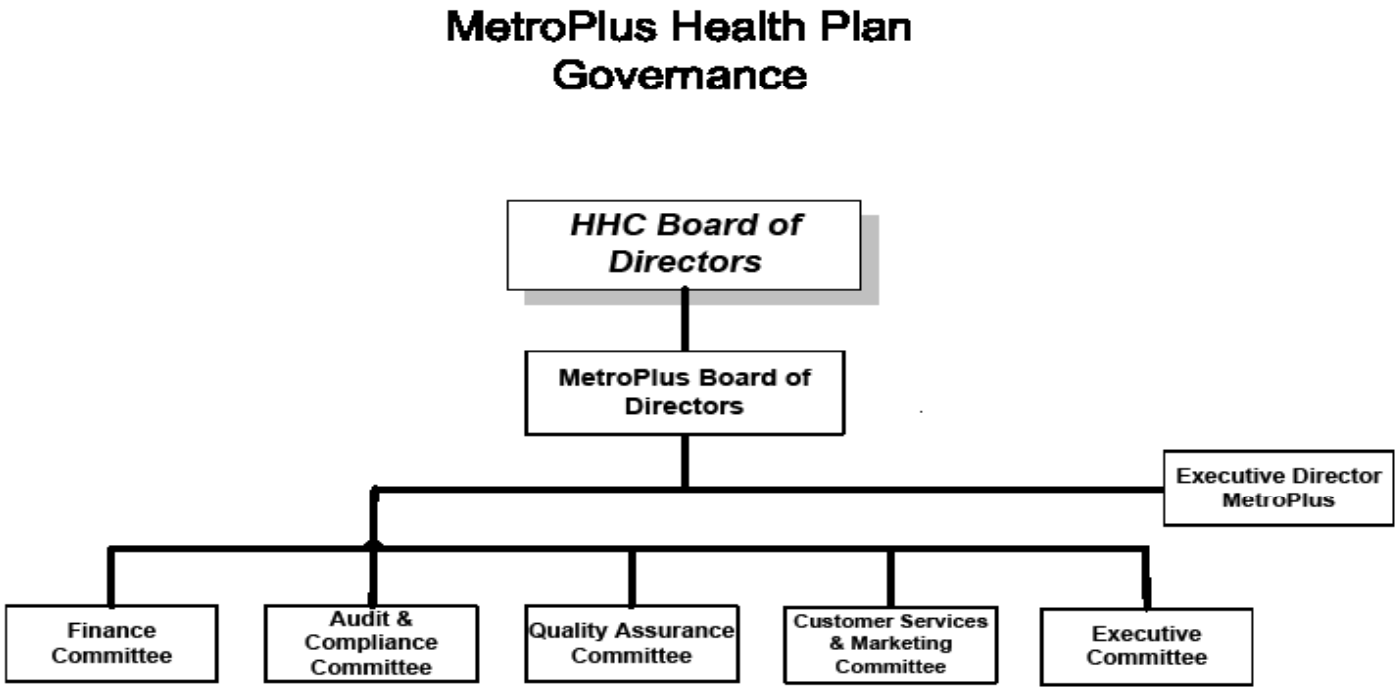
Regulatory compliance - with all City, State and Federal laws, regulations and contracts

Team work - everyone at MetroPlus will work together internally and with our providers to deliver the highest quality care and service to our members

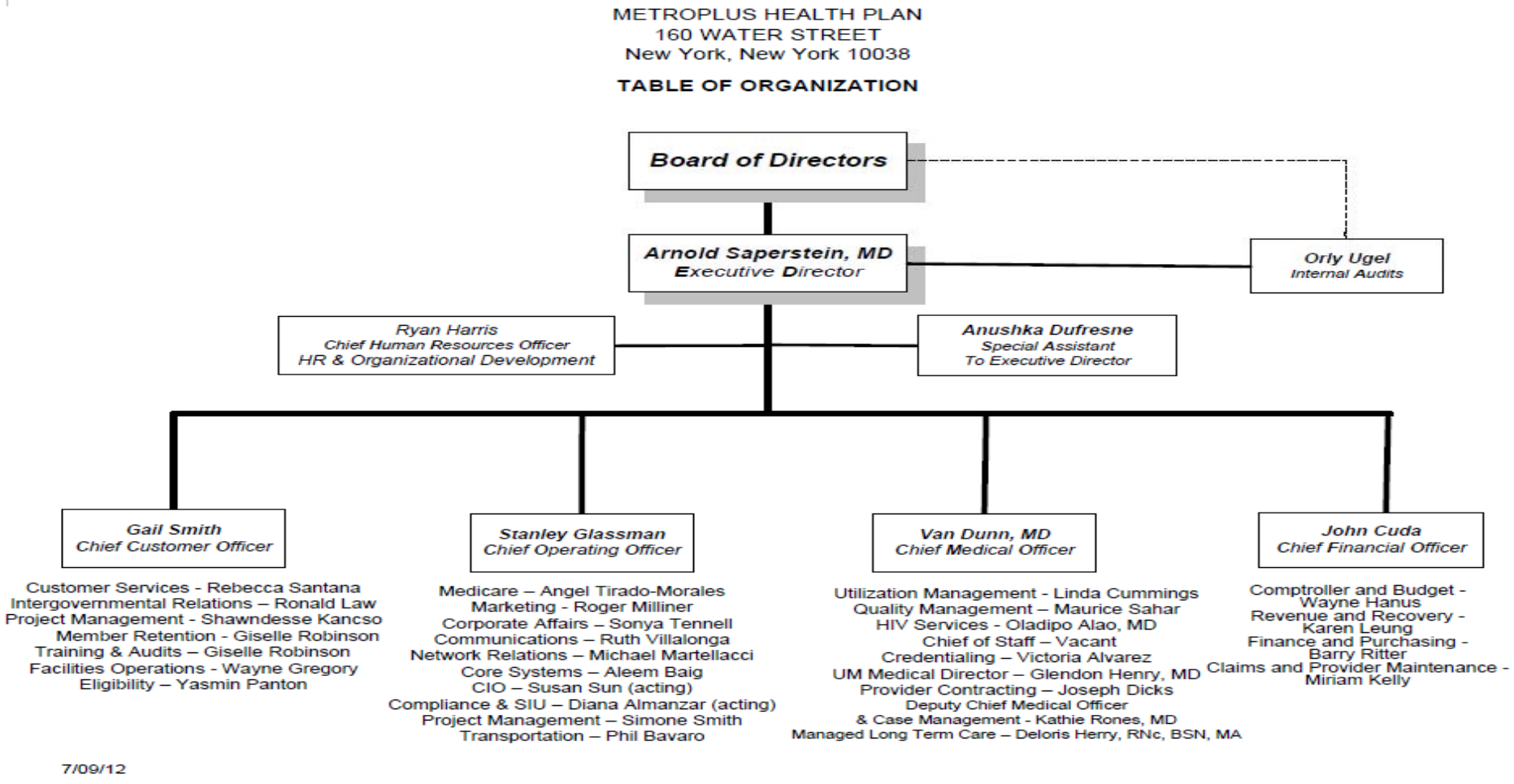
Accountability - to each other, our members and providers

Respectfulness - in the way that we treat everyone we encounter

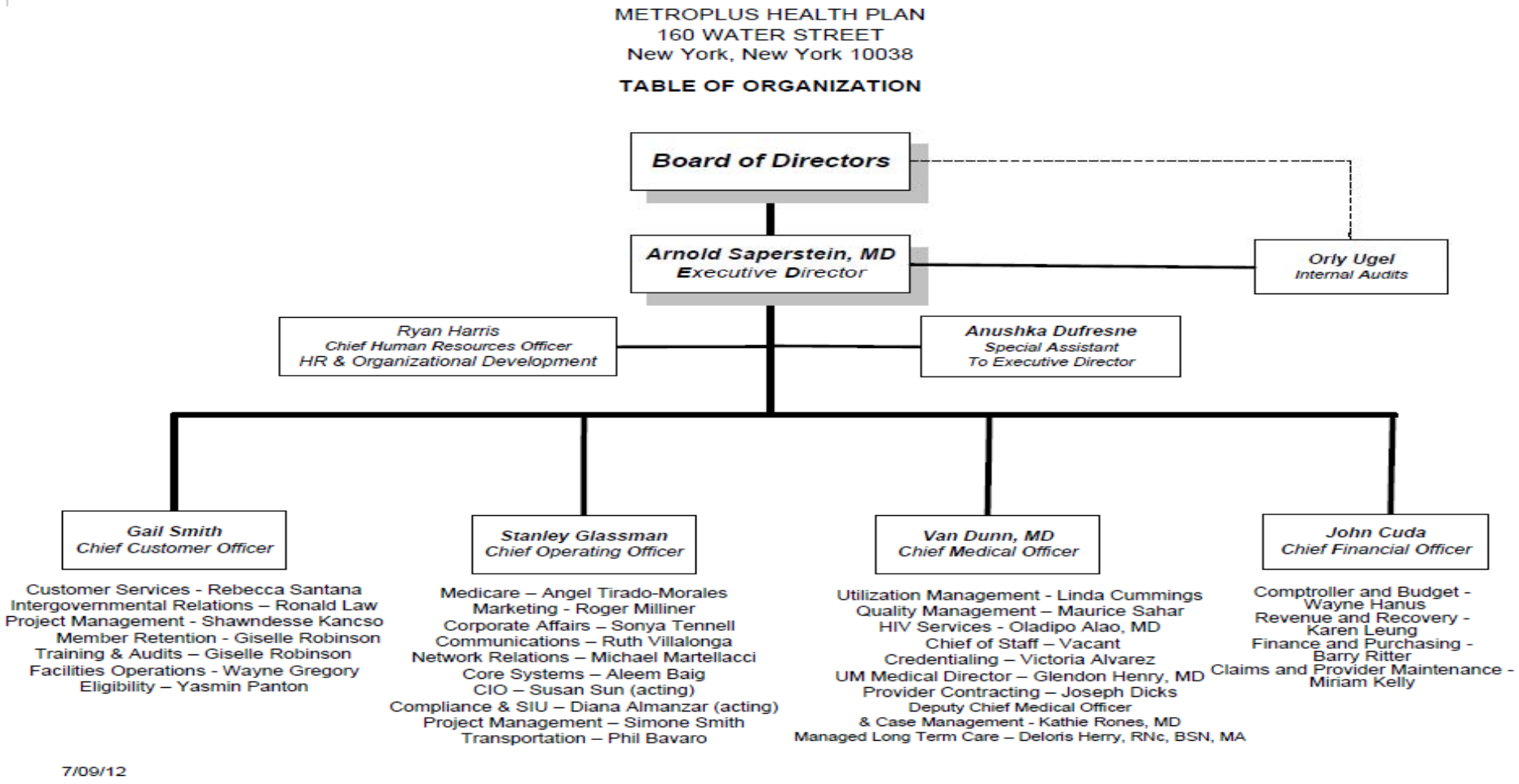
MetroPlus Governance



MetroPlus Board of Directors



MetroPlus Table of Organization



MetroPlus Membership

Membership at 433,794 as of June 29th, 2012

Growth in the last year: All lines of business except Child Health Plus

Line of Business	# of Members	
	June 1, 2011	June 29, 2012
Medicaid	346,665	365,907
Family Health Plus	34,396	36,800
Child Health Plus	18,927	16,349
Medicaid HIV SNP	5,230	5,809
Medicare	5,019	5,808
MetroPlus Gold	2,910	3,121

Primary Care Assignment	
HHC	54%
Community	46%

* In the last year, HHC has lost 2% of its primary care assignment to community providers.

MetroPlus Health Plan

Marketing

MetroPlus Marketing staff

- 150 Facilitated Enrollment (FE) representatives for Medicaid Managed Care, Child Health Plus, Family Health Plus
- 29 Enrollment Sales Representatives for Medicare Advantage
- 4 dedicated Enrollment Sales Representatives (ESR's) for Managed Long Term Care marketing (budgeted)

MetroPlus Marketing staff are located at HHC facilities, City Agencies, CBO's, RVs, and Community Marketing sites

In 2011, 57,089 Access New York applications were submitted electronically to HRA, eliminating errors and increasing the efficiency of the Eligibility Department operations

Member Retention

The Member Retention Department was created in order to strategically retain the membership enrolled in our Medicaid, Family Health Plus, Child Health Plus and Medicare lines of business.

Member Retention's Document Collection Unit assists with the completion of new enrollments.

2011 Member Retention Performance:

- MA/FHP - 70%
- CHP - 83%
- Medicare - 97% (Average membership retained monthly)

Provider Network

MetroPlus has 14,977 provider sites as of June 29th, 2012

Primary Care Providers (PCPs)	2,965
Specialty Providers	11,302
OB/GYN	710
TOTAL	14,977

HHC PCPs have declined while our membership has increased, contributing to our access issues

	2Q10	2Q11	2Q12
HHC PCP sites*	553	526	517

Relationship with HHC

Close collaboration with HHC at all levels of the clinical and administrative spectrum

- Forward-thinking environment
- Mutual population served: low-income, inner city communities, many racial minorities with higher health risk profiles
- Mutual achievements

The continued growth of MetroPlus and our expansion into new lines of business will allow for the capture of new populations

- Assist HHC in maintaining their patient and revenue base

HHC Financial Arrangement

HHC assumes full risk for all members who select an HHC site

HHC assumes risk for all the medical care other than primary care when the member selects a community physician (that is part of the HHC Community Provider network) as their primary care provider

MetroPlus assumes full risk for all members assigned to a primary care provider not affiliated with the HHC network and for all members in Medicaid HIV SNP and Medicare plans

Benefits of HHC Risk Arrangement

Allows for the alignment of incentives

- Improved outcomes and decreased utilization benefits both MetroPlus and HHC

Opportunity to maximize the percentage of plan revenue payable to HHC

Lessons learned from years of partnership will allow MetroPlus and HHC to successfully develop and operate an Accountable Care Organization (ACO) model of care

2011 Admin Cost Comparison (Q1-3, 2011)

Plan Name	Medicaid Member Months	Mediciad Admin	FHP Member Months	FHP Admin	CHP Member Months	CHP Admin	Weighted Average
Affinity Health Plan	1,947,382	$ 22.90	295,198	$ 33.63	213,378	35.95	
Amerigroup	734,221	$ 46.98	152,441	$ 44.97	74,955	33.16	
Capital District Physicians Health Plan	533,607	$ 30.48	48,801	$ 38.55	169,233	36.48	
Empire Healthchoice					569,092	21.31	
Excellus Health Plan	1,052,657	$ 23.81	175,757	$ 23.12	439,031	27.11	
Health Insurance Plan of Greater New York, Inc.	1,882,155	$ 42.35	257,505	$ 51.07	130,674	46.66	
HealthFirst PHSP, Inc.	3,659,888	$ 27.27	401,273	$ 37.58	229,396	37.75	
HealthNow/BCBS-WNY/Community Blue	333,447	$ 23.11	42,634	$ 28.76	104,894	28.66	
HealthPlus, Inc.	2,261,973	$ 25.56	307,399	$ 31.71	261,493	34.98	
Independent Health Association, Inc.	337,024	$ 36.09	25,028	$ 33.09	9,107	56.87	
MetroPlus Health Plan	3,115,465	$ 19.79	308,935	$ 20.73	169,731	20.71	$ 19.91
MVP Health Plan	278,888	$ 36.16	27,650	$ 50.49	21,381	49.49	
Neighborhood Health Providers	1,561,650	$ 25.59	169,256	$ 31.24	114,846	31.7	
NYS Catholic Health Plan	4,547,381	$ 19.75	815,755	$ 18.49	649,012	10.87	
SCHC Total Care, Inc.	321,930	$ 23.40	34,217	$ 24.79	35,440	15.68	
United Health Care Plan of NY, Inc.	1,988,728	$ 36.28	333,199	$ 35.65	187,792	32.01	
Univera Community Health (Buffalo)	304,067	$ 26.19	57,608	$ 41.29	64,673	37.47	
WellCare of New York, Inc.	538,712	$ 41.22	89,802	$ 39.82	44,541	25.14	
Westchester PHSP/HealthSource/Hudson Health Plan	663,212	$ 26.10	95,280	$ 31.02	202,510	32.78	
Aggregate with MetroPlus		$ 29.61		$ 34.22		$ 32.36	$ 28.36
Aggregate without MetroPlus		$ 30.19		$ 35.02		$ 33.69	$ 29.11

MetroPlus 2012 Budget*

		2012 Budget							
		MCAD	FHP	CHP	MCAS	GOLD	Medicare	MLTC	Total
Members at 12/31		355,714	36,913	18,834	5,642	3,132	7,012	137	427,384
Member Months		4,233,996	435,475	226,382	66,633	36,783	76,522	647	5,076,438
Total Premium income and recoveries		$ 1,514.7	$ 142.8	$ 36.6	$ 201.7	$ 15.4	$ 110.5	$ 2.4	2,024.1
Total medical and hospital expenses		1,328.8	124.4	32.1	197.6	12.2	97.7	2.0	1,794.8
Total Administrative Expenses		96.8	9.9	5.5	3.4	1.1	10.3	0.9	127.9
Income from underwriting activities		$ 89.1	$ 8.5	$ (1.0)	$ 0.7	$ 2.1	$ 2.5	$ (0.5)	$ 101.4
Investment income		1.5	0.2	0.1	0.0	0.0	0.0	0.0	1.8
Net Income		**$ 90.6**	**$ 8.7**	**$ (0.9)**	**$ 0.7**	**$ 2.1**	**$ 2.5**	**$ (0.5)**	**$ 103.2**

* As of January 2012; this budget does not reflect new benefits rates or expenses

MetroPlus Health Plan

2011 NYS DOH Medicaid Quality Incentive Bonus

QARR

# of Measures Under 50th Percentile	# of Measures Between 50th and 74th Percentile	# of Measures Between 75th and 89th Percentile	# of Measures Meeting or Exceeding 90th Percentile
5	6	5	10

- The five QARR measures in which we were under the 50th percentile are:
  - Antidepressant medication-acute phase
  - Diabetes BP 140/90
  - 7-day follow up after a mental health hospitalization
  - Follow up care for children prescribed ADHD medication–initiation phase
  - Spirometry testing for COPD

- We will be in receipt of our scores for the QARR portion of the incentive in the Fall of 2012

Consumer's Guide to Medicaid Managed Care in NYC: MetroPlus Ranking

MetroPlus has been rated #1 Medicaid Managed Care health plan in NYC for six out of the last seven years*. For the first time ever, in 2011 MetroPlus was ranked #1 in New York State and New York City.

Year	Rank
2011	1st
2010	1st
2009	1st
2008	2nd
2007	1st
2006	1st
2005	1st

* Based on indicators chosen by the New York State Department of Health (NYSDOH) and published in the Consumer's Guide to Medicaid Managed Care in New York City. The 2011 guide, based in part on quality ratings submitted by the health plans and a NYSDOH member satisfaction survey, shows MetroPlus with a 82% percent overall rating, ranking it first among New York City's eleven Medicaid Managed Care plans. The ratings are based on measures including plans' preventive and well-care for adults and children, quality of care provided to members with illnesses and patient satisfaction with access and service.

Clinical Risk Groups (CRG)

NYS uses 3M's CRG software to determine the disease classification of Medicaid and FHP plan members and uses those scores to risk adjust health plan premiums

CRGs are assigned using one in-patient claim or at least two outpatient visits per calendar year, otherwise the member is considered healthy

- Significant co-morbidities and severity greatly influence CRG assignment
- Lack of complete coding affects the member's CRG score

MetroPlus Network Relations and Quality Management Departments share facility-based information throughout the year with HHC senior leadership and Managed Care, as well as community providers, on

- Members who have not had a PCP visit (non-users)
- Members who have not had appropriate tests/follow-up (QARR measures)

MetroPlus works with HHC and other providers to get members into care, improving their medical outcomes

MetroPlus encourages providers to appropriately code all encounters; this has a significant effect on the rates we receive

Clinical Risk Groups (CRG)

2010 CRG scores will be used for NYS FY 2012-2013 risk adjusted premium rates

MetroPlus' FHP index score declined 0.1% from '09-10, Medicaid index score was unchanged

	MEDICAID COMBINED				FHP			
	Jan 2010-Dec 2010		Jan 2009 - Dec 2009		Jan 2010-Dec 2010		Jan 2009 - Dec 2009	
Plan	Raw Score	Relative Index Score	Raw Score	Relative Index Score	Raw Score	Relative Index Score	Raw Score	Relative Index Score
Affinity Health Plan	0.9219	0.9422	0.8609	0.9430	0.9242	0.9201	0.9040	0.9135
AMERIGROUP New York, LLC	0.8605	0.8794	0.8118	0.8893	0.9285	0.9243	0.9016	0.9111
HealthFirst PHSP, Inc.	1.0185	1.0409	0.9402	1.0299	1.0184	1.0337	1.0091	1.0197
Health Insurance Plan of Greater New York	1.0532	1.0763	0.9880	1.0823	1.1326	1.1275	1.1461	1.1581
Health Plus Prepaid Health Services Plan, Inc	0.9511	0.9720	0.9200	1.0078	0.9074	0.9033	0.9272	0.9369
Metroplus Health Plan, Inc.	0.9909	1.0127	0.9245	1.0127	1.0373	1.0327	1.0233	1.0341
Neighborhood Health Providers, LLC	0.9712	0.9925	0.9031	0.9893	0.9598	0.9555	0.9249	0.9346
United Healthcare of New York, Inc.	0.9546	0.9756	0.9048	0.9911	0.9991	0.9946	1.0180	1.0287
Wellcare of New York, Inc.	0.9678	0.9891	0.8717	0.9549	1.0965	1.0916	1.0531	1.0642
NYC Metro	**0.9785**		**0.9129**		**1.0045**		**0.9896**	
MetroPlus Comparison to NYC Metro	**Raw NYC Metro**	**MetroPlus**	**Raw NYC Metro**	**MetroPlus**	**Raw NYC Metro**	**MetroPlus**	**Raw NYC Metro**	**MetroPlus**
	0.9785	1.0127	0.9129	1.0127	1.0045	1.0327	0.9896	1.0341
Comparison to Average		**1.27%**		**1.27%**		**3.27%**		**3.41%**

MetroPlus Health Plan

Utilization Management – 2011 Key Accomplishments

Utilization Management Initiatives to promote appropriate utilization of our risk arrangement with HHC

- Chest Pain Focused Review
  - 2011 Net Denial rate- 30%
  - $1,064,250.00 savings

- Physical Occupational/Speech Therapy Review
  - 2011 Net Denial Rate- 27%
  - $562,664 savings

- DRG Validation
  - Pre-payment Savings: $8.4 million
  - Post-payment: $2.8 million total claims recovery

Utilization Management – 2011 Key Accomplishments

Medicare SNP Model of Care Implementation

- Received maximum 3 year approval on Model of Care with a score of 88.75%.

Medicare SNP Structure and Process Measures

- 100% score in 2011

Denials and Appeals 2011

In 2011, 36% of denials were appealed

Excluding lack of clinical denials, 63% of MetroPlus denials were upheld

Description	Denials	Appeals	% Appealed	% Denials Upheld
Clinical Denials (not medically necessary)	4768	1884	40%	66%
All Clinical Denial excluding not medically necessary and Lack of Clinical Information Denials	1490	268	18%	37%
Administrative Denials	2620	317	12%	69%
Out-of Network Denials	645	37	6%	76%
Lack of Clinical Information Denials	2150	1346	63%	1%
Total	11673	3852	33%	42%
Excluding Lack of Clinical Denial	9523	2506	26%	63%

MetroPlus Health Plan

Case Management - 2012 Key Initiatives

Reduction of Readmissions

- Outreach to all Medicaid members within 48 hours of a hospital admission

Enhanced Facility Relationships

Each HHC facility has a dedicated MetroPlus case manager for assistance with care coordination

Claims

MetroPlus processed approximately 4.7 million claims in 2011

Overall, the average non-Medicare claims processing time from receipt to payment for January through December 2011 was 8.4 days

The Claims Department processed to finalization 99.2% of these receipts within the 30-day timeframe and 99.5% within the 45 day timeframe as set out under the State Insurance Department Prompt Pay Law

Audits 2011

Article 44 Regulatory Audit

- No findings; SDOH required simplification of language used in denial letters

Child Health Plus Audit

- Successfully completed on the first round

Medicare SNP Model of Care Implementation

- CMS Special Needs Plan application: 88% score in 2011; we now have a 3-year exemption to the annual submission requirement
- NCQA Structure and Process Measures: 100% score in last audit – 2011

Finance Audits:

- Successfully completed 2011 Certified Financial Statements, 2008 Medicare Financial Audit and 2011 Medicare Bid Audit
  - No audit found any material weakness; incorporating suggestions from Bid Audit to enhance future bid submissions

Network Relations

Network Relations Managers meet regularly with top level administrators at network facilities and Community Providers to discuss quality indicators, CRGs and member/patient satisfaction

Provider Services Representatives work with Participating Providers to ensure that they provide the highest level of care to our members: 2,141 encounters in 1Q12

Customer Services Representatives are located at HHC facilities and handle member complaints and inquiries: 37,966 inquiries in 1Q12

Care Coordinators conduct member outreach, education and case management: 3,479 outreaches in 1Q12

The Network Relations Department continues to increase alignment between HHC and MetroPlus by coordinating meetings with Senior Executive leadership to discuss each facility's key performance

Customer Services

Call Center operates six days a week (Monday – Saturday), 12 hours a day (8 AM – 8 PM)

Over the past 12 months (June 2011 - May 2012), the Call Center received a total of **975,635** calls.

Customer Services Representatives are thoroughly trained to handle calls from members and providers for all lines of business

Call types include basic plan eligibility, benefit/services, (including pharmacy, dental and personal care) assisting with appointments/referrals, address/demographic changes, selection of PCP, assistance with the homeless population, arranging transportation, provider/claims inquiries; DME and Pharmacy issues, complaint investigations and Utilization Management calls which include referrals to case management, authorization, and Managed Long Term Care

Customer Services

Customer Services Representatives (CSR) speak approximately 15 languages

In addition to handling inbound calls, each CSR is assigned to a project team that is responsible for conducting outbound calls to members

These outbound calls cover three different areas:

- New Member Orientations
- Completion of Health Risk Assessment forms (HRA) for submission to case management team
- Member notifications including PCP relocations, PCP terminations, and auto-assignments

IT Infrastructure

Information is key to MetroPlus' current and future success

MetroPlus IT infrastructure has grown proportionally with Plan growth

Eighty (80) applications systems are in regular use

Applications are run on over 135 servers

25% of our servers are physical and 75% are virtual

20 servers dedicated to support telephone applications

- Moving to 100% virtual servers

Server configuration duplicated and running at our BRP site, SunGard®, for critical systems

Core Systems

Original contract with DST Health Solutions – PowerStepp System entered into in 2000

Renewed current contract in 2007 which ends in 2015

Negotiated acquisition process was underway in 2011, and it was decided that MetroPlus did not have the necessary resources or infrastructure to proceed with replacing the current core system

Will evaluate our core system again in 2012, beginning with a phase one system review

Delegated Services - Dental and Pharmacy

Major benefits that are delegated to third parties include dental services to HealthPlex and pharmacy benefit management (PBM) to CVS/Caremark

On an annual basis, MetroPlus conducts an operational audit of these vendors to assess operational performance as well as compliance with State and CMS regulations

- In 2011, MetroPlus conducted these audits via desk review; In 2012, the audits will perform onsite operational audits

The performance reports and any other issues identified with a vendor are reported on a quarterly basis to the MetroPlus Quality Assurance Committee

Pharmacy Benefit and PBM Changes

MetroPlus has fully transitioned to a new Pharmacy Benefit Manager (PBM), CVS Caremark, selected through the RFP process

Effective October 1, 2011, MetroPlus, in conjunction with CVS Caremark, took over responsibility for managing pharmacy benefits to an additional 388,000 Medicaid and Family Health Plus members (~$400M annually), which were managed by Fee for Service Medicaid

MetroPlus' Child Health Plus, Medicare Advantage and MetroPlus Gold members were also transitioned to CVS Caremark on January 1, 2012

The MetroPlus team has worked very closely with CVS Caremark to ensure a smooth transition and implementation for all of our members and providers

Personal Care Services

Effective August 1, 2011, personal care services were carved into the MetroPlus benefit package

- Services essential to the maintenance of the member's health and safety in the home
- Assistance with personal hygiene, dressing, feeding, nutritional and environmental support functions

MetroPlus is providing personal care services to approximately 1,210 members

This provision required MMC/FHP plans to contract with a Certified Home Health Agency (CHHA) to conduct assessments and a network of personal care agencies

- HHC and NYCHSRO provide nursing assessments

Restricted Recipients

Statewide, there are approximately 12,000 restricted recipients

- Seventy-five percent reside in NYC

Mandatory enrollment into managed care began July 2011

MetroPlus is managing restrictions for 1,025 restricted recipients

MetroPlus has maintained current restrictions as set by the SDOH and continually assesses members to determine if the restriction should remain in place

Managed Long Term Care (MLTC)

Mandatory enrollment began in New York City in July 2012 for persons 21 and older in need of 120 days or more of service into an MLTC or other "coordinated care" model

- Certain exclusions/exemptions apply (e.g. hospice, Native Americans)
- Assessments required every six months

Enrollees will be given 30 days to select an MLTC plan

- After 30 days, enrollees will be auto-assigned to a partial cap MLTC plan.
- It is unclear if the state will auto-assign members to plans with a newly awarded license

MetroPlus has submitted an application to become a MLTC and expects to be awarded a license after a July readiness review

MetroPlus Challenges

Dental Carve-In affects approximately 350,000 members

- Change from FFS to HealthPlex

Health Care Reform

- NYS Exchange must ensure MetroPlus' ability to participate

Medicare Membership Growth

- 11,000 members by June 30th, 2013

Multiple CMS audits

MLTC implementation

Behavioral Health Integration

ACO implementation with HHC

Summary

MetroPlus has many growth opportunities and challenges

We look forward to working with HHC and sharing our progress