AGENDA

FINANCE COMMITTEE

MEETING DATE: SEPT 8, 2016
TIME: 10:00 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER	BERNARD ROSEN
ADOPTION OF THE JULY 7, 2016 MINUTES	
SENIOR VICE PRESIDENT'S REPORTS	P.V. ANANTHARAM
CASH FLOW	JAMES LINHART
SUPPLEMENTAL FUNDING UPDATE	LINDA DEHART
KEY INDICATORS REPORT	KRISTA OLSON
CASH RECEIPTS & DISBURSEMENTS REPORTS	FRED COVINO

INFORMATION ITEMS

1. PAYOR MIX QUARTERLY YEAR-END REPORTS	KRISTA OLSON
2. FY 17 BUDGET OVERVIEW	KRISTA OLSON

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT — BERNARD ROSEN

MINUTES

MEETING DATE: JULY 7, 2016

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on July 7, 2016 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES
COMMITTEE MEMBERS

Bernard Rosen
Ramanathan Raju, President
Josephine Bolus, RN
Emily Youssouf
Mark Page

OTHER ATTENDEES

J. Cassidy, Analyst, Office of Management & Budget (OMB
J. DeGeorge, Analyst, Office of the State Comptroller
T. DeRubio, Analyst, Office of Management and Budget (OMB)
E. Eng, Finance Analyst, NYC Council
L. Garvey, Account Executive, Cerner Corporation
M. Hecht, Analyst, NYC Comptroller's Office
J. Watson, Analyst, Office of the State Comptroller
S. Wheeler, Analyst, OMB

HHC STAFF

P. Albertson, Vice President, Corporate Procurement
P.V. Anantharam, Senior Vice President/CFO, Corporate Finance
M. Beverley, Assistant Vice President, Corporate Finance
M. Brito, CFO, Coler/Carter Specialty Hospital & Nursing Facility
D. Collington, Associate Executive Director, Coney Island Hospital
C. Contreras, Acting COO, North Central Bronx Hospital
E. Cosme, CFO, Gouverneur Specialty Care Facility
F. Covino, Corporate Budget Director, Corporate Budget

L. Dehart, Assistant Vice President, Corporate Reimbursement Services
S. Fass, AVP, Corporate Planning Services
M. Figueroa, Senior Associate Director, North Central Bronx
L. Free, Assistant Vice President, Corporate Managed Care
O. Freeman, Assistant Director, Kings County Hospital Center
K. Garramone, CFO, North Bronx Health Network
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
D. Guzman, Deputy CFO, Elmhurst Hospital Center
E. Guzman, AVP, Corporate Comptroller's Office
C. Hercules, Chief of Staff, Chairperson's Office
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
L. Leverich, Associate Executive Director, MetroPlus Health Plan, Inc.
J. Linhart, Deputy Corporate Comptroller, Corporate Comptroller's Office
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Director, Corporate Reimbursement Services/Debt Financing
N. Mar, Director, Debt Financing/Reimbursement Services
A. Marengo, Senior Vice President, Corporate Communications/Marketing
M. McClusky, Senior Vice President, Post Acute Care
A. Mirdita, CFO, PAGNY
S. Newmark, Senior Corp Health Program Advisor, Office of the President
D. Nunziato, CFO, Woodhull Medical & Mental Health Center
K. Olson, Assistant Vice President, Corporate Budget
K. Park, Associate Executive Director, Elmhurst Hospital Center
M. Pode, Chief Executive Office, North Central Bronx Hospital
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
C. Samms, CFO, Lincoln Medical & Mental Health Center
A. Saul, CFO, Kings County Hospital Center
B. Schultz, AVP, Corporate EITS
B. Stacey, CFO, Queens Hospital Center
M. Sullivan, CEO, Gouverneur Healthcare Services
B. Swensen, Associate Executive Director, Coney Island Hospital
U. Tambar, Assistant Vice President, Transformation Office
S. VanOrden, Assistant Vice President, Finance Systems
J. Weinman, CFO, Bellevue Hospital Center
R. Wilson, Senior Vice President, Chief Medical Officer
O. Worthy, CFO, Gotham Health
R. Zhu, Senior Associate Director, Metropolitan Hospital Center

CALL TO ORDER **BERNARD ROSEN**

The meeting of the Finance Committee was called to order at 9:05 a.m. The minutes of the June 9, 2016 meeting were approved as submitted.

CHAIR'S REPORT **BERNARD ROSEN**

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

Mr. Anantharam stated that the Committee's agenda was short and included one action item. H+H ended May 2016 with a healthy cash balance. Since the last meeting, the City has adopted a budget and there has been some significant changes relating to NYC H+H. The City has prepaid $400 million of their originally planned FY17 subsidy to H+H in June 2016. As previously reported, H+H was projected to end FY 16 with a cash balance of $118 million; however, there have been a number of revisions to that projection that will result in an estimated balance of $440 million. Mr. Linhart who is acting as the Corporate Comptroller liaison will report on the May 2016 cash balance and some of the large outgoing transactions in June 2016. Ms. Dehart will update the Committee on the status of H+H's DSH and UPL transactions. Ms. Olson will report on the change in the key indicators and Mr. Covino would report on the budget performance status and some of the details on the FTEs reduction efforts. The FTE targeted reduction continues to show improvement over the past seven months which is reflective of H+H's commitment to its gap closing actions which is due largely to the efforts of Mr. Martin's office and finance in addressing this issue. Through the end of May 2016, FTEs are down by 1,252 and preliminary estimates indicate that June 2016 will be lower. Lastly, there is an action item relating to a contract with Boston Consulting Group (BCG) for the Transformation office that would be presented by Dr. Wilson.

CASH FLOW **JAMES LINHART**

Mr. Linhart reported that Health + Hospitals cash flow as of May 31, 2016 was at 25 days of cash on hand or a balance of approximately $403 million and H+H is expected to end the fiscal year June 30th with approximately the same amount $440 million or 27 days cash on hand. As Mr. Anantharam explained during the month of June 2016, H+H received unexpected revenues of $400 million, related to a prepayment of FY 17 subsidy by the City, as well as a $50 million payment of MetroPlus IGT; however, these were offset by the delay of receipts of DSH Max funding of $102 million, inpatient UPL payments ($275 million) and DSRIP funding ($37.6 million), for a total of $414.6 million that was moved into Fiscal Year 2017 receipts. The remaining pension liability of $283.1 million was paid during the week of June 19th, (total pension liability for FY16 was $497.7 million; $215 million was paid in Jan'16, and a payment was made for the FDNY/EMS Fiscal Year 2015 of $160 million on June 28th. H+H expects to make the balance of its FY16 obligations in the coming months.

Mr. Rosen asked if H+H paid everything in FY 16 that was scheduled for payment except for the one noted payment.

Mr. Linhart stated that there is a $173 million payment for the FDNY that remains outstanding. Mr. Anantharam added that there is also a retirement payment of $55.7 million also outstanding.

Mr. Page commented that with those total outstanding payments that are due but not yet paid although H+H received $400 million from the City which in total there is a $600 million impact on the cash balance as of June 2016.

Mr. Anantharam stated that although that was the situation there are some pending negative factors that contributed to that decision for those remaining outstanding payments which Ms. Dehart would present as part of the DSH/UPL reporting.

Mr. Linhart stated that the year-ending closing is ongoing for FY 16 ant the final results will be reported at a later time. Mr. Linhart concluded his report followed by Ms. Dehart.

DSH/UPL UPDATE **LINDA DEHART**

Ms. Dehart stated that last month the Committee was informed that as a result of Dr. Raju's continued engagement with officials at CMS, H+H expected to receive an advance on the pending 2015 inpatient UPL payment in June. CMS did approve that advance, however constraints in the State's quarterly payment systems did not allow for us to receive the funds in June. A payment of $187 million is scheduled for July 12. H+H continues to work with both the State and CMS to achieve final approval of outpatient, clinic and nursing home UPLs for years through 2014, which are estimated to total approximately $160 million OP FY 11-14 $64 million; NH FY 14 $63 million; DTC FY 12-14 $32 million. As previously committed, the State made a $54 million DSH payment in June 2016, and continues to review timing for release of $102 million of additional DSH funds projected to be available for the federal fiscal year ending in September 2016. In total, H+H had planned on receiving $426 million in June from DSH/UPL and ended up getting $54 million with another $187 million next week. Additionally, the State was able to make a previously unscheduled $50 million enhanced payment for MetroPlus in June 2016.

Ms. Youssouf asked if the payments that are pending included $187 million, $116 million and $102 million.

Ms. Dehart stated that the $187 million inpatient UPL, an advancement against the 2015 amount that is yet to be determined; $160 million for other UPL payments through 2014. H+H financial plan has UPL 2015 and 2016 various services new calculations including the $187 million totals over $1 billion.

Ms. Youssouf asked if the $102 million was included in that total. Ms. Dehart stated that it is the amount available thru September 2016, the last payment that is being held by the State pending the outcome of other DSH payments to other public hospitals.

Mr. Page commented that H+H appears to be constantly going back to the incremental reimbursements on Medicaid and what is of concern is what happens when this program theoretically ends by the federal government would H+H still have a right to whatever outstanding balance owed by CMS.

Ms. Dehart explained that if the reference was to the DSH program fund, the UPL payments will continue to be available and are not affected by the DSH cuts but are affected by the transition to managed care given that the bill is not available to manage care. The DSH cuts are reflected in the financial plan and there is always the issue of balancing the State's cash allotment for DSH payments that the State is allowed to make and that is what gets cut by the ACA and the requirements under State law to make payments to other providers. H+H continues to have room available. There are hospitals that are eligible to receive DSH; however, there was not enough cash available in the State's allotment to make those payments. That eligibility does not dissipate if there is more DSH cash available in the future years, those payments can be made. The cuts pose a greater risk for H+H to receive those payment but the impact of those cuts are reflected in the financial plan and the transformation plan to try to convert some of those payments to other types of funding that are expected to be more stable. Mr. Page asked about the UPL.

Ms. Dehart stated that on the UPL side, H+H is looking at options under the Medicaid waiver to convert those payments to those similar to DSRIP that are performance based. However, this action is subject to the waiver availability that the State is committed to. H+H continues to exercise this option under the existing waiver and continue to review the waiver renewal to see what can be done to continue that type of funding.

Ms. Youssouf asked if the State has the $102 million funding where does it reside. Ms. Dehart explained that there are no State contributions in those payments. Those payments are federal and city funded. The State has a quarterly cash flow plan for federal dollars that they drawdown and once the payment is approved the State sends a request to the City to submit the local share funds to which the City complies quickly. The issue is regarding the advancement of the UPL payment, whereby the State's quarterly schedule for federal funds did not have sufficient funds to make that payment to H+H prior to this month and in order for the State to make that payment to H+H it would require a budget modification with the federal government which was not enough time to do given the quarter closing process. Therefore there are those type of constraints but there are no budget of fiscal impact on the State that would affect those payments.

Mr. Page asked what would be in it for the State not to have a conduit open to drawdown those funds from the federal and make the payment to H+H. Ms. Dehart stated that the State does have a conduit open these approvals are typically at the CMS level and tends to be very technical reviews of calculations with concerns that the review process is as thorough as it can be.

Dr. Raju stated that the issue of whether the State is holding those funds it is a timing issue through which H+H is attempting to get those funds. These has been a lot of involvement in this process of trying to get those funds and had personally reached out to CMS and scheduled meeting with those involved in the process in an effort to move those funds. There are a couple of problems, one being the changes in the methodology that involves the calculation of the UPL dating back years in some areas which is a very complex calculation that very few are familiar with and Ms. Dehart being one of those. There is a significant amount of dollars being held up as part of this action. Going forward there are some things that are part of the strategic transformation plan. One is to address the mitigation of

the DSH cuts and the second part of that as Ms. Dehart mentioned is how to preserve the UPL that will decrease due to the changes in the fee-for-service which was UPL to a managed care service and UPL goes away. Based on that H+H has been working on how to preserve those funds which entails working with the City, State and federal governments on whether there is opportunity for H+H to do something with DSRIP. There are a lot of things that are pending; however, the two major issues involve H+H collecting all of the funds due in a timely fashion and the efforts in achieving this outcome has been successful. The State and federal governments have been extremely supportive in this process, particularly CMS who as part of their normal process do not interact directly with individual hospitals but made an exception for H+H. The future model is in jeopardy in terms of how to address or mitigate those DSH cuts and preserve the UPL funding in a changing healthcare environment of fee-for-service to managed care. This issue is expected to continue over the next five to ten years.

Ms. Youssouf asked if there are any risks in H+H getting those funds from the State.

Ms. Dehart stated that the risk is typically with UPL on the calculation issues so when there is an acknowledgement from CMS that the funding is owed to us, there is an agreement that there is a UPL payment that needs to be done and H+H will get a payment from the calculation; however, there is no commitment to what that amount will be but there is an ongoing review of it.

Mr. Page asked how close to the current reality as reflected in H+H financial plan for FY 17 are the periods of UPL payments that H+H is relying on. Ms. Dehart stated that H+H anticipates catching-up to 2016. Mr. Page added that based on that the plan is up-to-date through FY 17 to which Ms. Dehart replied in the affirmative.

Mr. Page added that the benefit in playing catch-up and getting extra funding out of that sources will end in FY 17 as reflected in the plan. The concern, however, is that the $700 million benefit that is reflected in the cash flow will not be forthcoming in FY 17 given that it has been received in FY 16. As of now H+H looks obscure.

Dr. Raju agreed adding that there is a difference between the past and the future which reflects a structural deficit that has been an issue for H+H for year and there is a need to manage within the given resources as best as possible in order to meet the needs of the patient population that H+H serves. The challenges are great as Mr. Page pointed out but H+H has put forth every effort in conjunction with NYC OMB to produce a financial plan that addresses these funding issues and the steps that must be taken to balance the budget. H+H fully recognizes the need for fiscal constraints and has addressed this in the past and will continue to do going forward which requires that H+H must generate an additional $1.1 billion in revenues along with a $700 million reduction in expenses.

Ms. Youssouf added that the projected cash balance for FY 16 year end is not reflective of reality in terms of H+H's obligations for the beginning of FY 17, whereby those funds will be diffused and the cash balance will decrease to a very low level as reported throughout FY 16.

Mr. Anantharam stated that the fact that H+H postponed the receipt of those payments from June to July and August it was with that thought of having those fund offset that gap.

Mr. Rosen stated that there are a number of moving targets and the fact that H+H has a good relationship with the State and City make the reality more plausible.

Mr. Anantharam stated that this is where H+H relationship with the City's become very valuable. Mr. Page stated that it does; however, what is of concern is the structural deficit. H+H cash balances are at a reasonable level which is some instances contradicts H+H actual status or reality of where H+H is and affects its creditability.

Mr. Rosen stated that the City has been extremely supportive which has put H+H in a better position.

Dr. Raju added that the point Mr. Page makes is a good one in that the fluctuations in the cash flows are somewhat unsettling in that those savings are not necessarily reflective of the various resources that are available which is difficult to rationalize. This is a complicated issue as a public entity. Understanding the flow of monies in and out to the public hospitals is very difficult. However, H+H will continue its efforts as in the past to maximize and streamline its resources accordingly. Ms. Youssouf added that it is of concern to show this trend particularly for outside sources. The Committee agreed. The reporting was concluded.

KEY INDICATORS REPORT **KRISTA OLSON**

Ms. Olson reported that the Key indicators were stable and maintaining the trends that have been reported in the past few months. Ambulatory care visits were up by, .3% same as last month but less than last quarterly report. Discharges were down by 2.8%. Nursing home days are down by 1.1%. Coney still high on average vs expected length of stay. CMI was up by 4.7% over last year which is the same as last month as and higher than quarterly report.

Mr. Rosen commented that the inpatient has been fairly consistent to which Ms. Olson replied in the affirmative and that it has been up and in the last quarter up by 1.3%. Ms. Youssouf asked what the reason was for the significant decline in workload at Cumberland. Ms. Olson stated that the facility has been showing a decline over the past few years primarily due to a workload reduction and neighborhood changes in Fort Greene. The location is a factor. The reporting was concluded.

CASH RECEIPTS & DISBURSEMENTS REPORT **FRED COVINO**

Mr. Covino reported that in May 2016 global FTEs declined by 325, bringing the total reduction since November to 1,252. May's reduction included 188 H+H staff members, 80 agency personnel and further reduction of 76 for hourly and overtime FTEs. Thru May 2016, global FTEs are now down 250 since the beginning of the fiscal year. The June 2016 number will continue this trend with full and part time FTEs down an additional 111. While May's global FTEs are still 658 above the initial target for June of 2016, three of the "Networks" have reached or exceeded their target (North Central Bronx (5), South Manhattan (162) and North Central Brooklyn (23).

Mr. Anantharam stated that it was important to note that since November 2015 there has been a significant reduction in the FTE target and each month there has been significant progress and if these trends continue by the end of the calendar year H+H will achieve the original target.

Ms. Youssouf asked why calendar year as opposed to the fiscal year. Mr. Covino interjected that what Mr. Anantharam was referring to was that a 1,000 FTE reduction target will be rolled into FY 17 and if the current trend continues, H+H will achieve that target.

Ms. Youssouf asked if that included the new IT positions as part of the total. Mr. Covino stated that it is the total net of any increases.

Mr. Covino continuing with the reporting stated that comparing the May 2016 cash receipts vs last year, receipts for the month were up $64 million due to increased pool distributions of $83.7 million for Supplemental/SLIPPA and Indigent Care. Fiscal year to date receipts were up by $638 million. This increase was primarily in Tax Levy receipts from the City ($450 million, primarily DSH Maint, CB and I/C payment advances) and DSH/UPL ($170 million) offset by a decline in Outpatient Medicaid and Pool distributions. Comparing May2016 cash disbursements vs last year May, disbursements for the month were down $16.7m due reductions in OTPS payments (extending days in accounts payable 76 days vs 59), and prior year collective bargaining payments in FY 15. Fiscal year to date Disbursements are up by $370 million. This increase is primarily due to payments made to the City ($274 million), increased staffing levels and collective bargaining for the affiliates contained in the new contracts. Cash receipts and disbursements reports comparison to budget, comparing May cash receipts vs budget, receipts were up $10 million for the month and down $20 million fiscal year to date, due to a combination of some declines in workload and aggressive budgeting. Comparing May 2016 cash disbursements vs budget, disbursements for the month were $1.7 million over budget as a result of global FTEs budgeted levels offset by reductions in OTPS expenditures (Extending days in AP to 76) Fiscal Year to date March disbursements are $134 million over budget. This variance is primarily due to increased staffing levels (PS & Fringe), increased OTPS expenditures and prior year affiliates costs.

Mr. Page asked what the 2015 $50 million was. Mr. Covino stated that it was for hospital medical home funds. Mr. Page asked for further clarification of hospital medical home funding. Mr. Covino stated that it is a grant.

Ms. Olson added that it is an award made to hospitals to help with the transition of patient centered medical homes to transform primary care sites from one that are population managed to a panel to provide care coordination and better serve the patient. Ms. Katz added that it is a case management care management program to ensure that patient are getting proper care.

Ms. Olson further stated that H+H over the past five years has had several levels of accreditation that can be received and H+H has always received the highest level but the bar was raised over the year and this was all part of the overall ambulatory care transformation to shift patient from inpatient to outpatient that requires some level of investments in order to make it happen.

Mr. Page added that sounded good but the static in the numbers in that funds are received from various sources that inflates the number and then disappears. There should be some way of showing what H+H is doing that will take out extraordinary swings in revenue that have very little to do on daily basis with what H+H does in providing healthcare.

Mr. Anantharam added that what Mr. Page is referring to is the fact that a significant amount of the budget is filled with those supplemental payments; however H+H's strategy over the next four years is driven toward minimizing those fluctuations.

Mr. Page stated that it is questionable whether H+H will be able to minimize those fluctuations; however, there needs to be a way to present what H+H is doing so that a comparison of the progress over a period of time can be documented.

Mr. Rosen added that there have been several discussions about restructuring the reports and to realign the reporting with the current changes in the healthcare financial environment. Ms. Youssouf also agreed that a change in the reporting and the reports was needed.

Mr. Anantharam stated that the Committee's point was a valid one and that a general projection of H+H business and what it is actually doing as opposed to being massed by the various factors relative to the supplemental payments. Corporate Finance will work on that.

Mrs. Bolus added that it would appear that three reports/charts would be needed, one that would show exactly what H+H is doing, second one would show all grants and other funding sources that impact what H+H is doing and the third one would combine the two to show the net impact.

Ms. Youssouf added that it could be one chart that could have some footnotes explaining the variances. The reporting was concluded.

ACTION ITEM **DR. ROSS WILSON**

Mr. Anantharam stated that all of the activities that H+H has been working on relative to the financial plan, there are a number of large initiatives that require significant input and review to determine how to bring a number of work streams together to close the financial gaps for FY 17 and going forward thereafter. Dr. Wilson in his new role would present the contract that H+H has engaged with BCG for consulting services for the Transformation office.

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with The Boston Consulting Group ("BCG") to provide consulting services to guide the structure and early operations of the NYC Health + Hospitals' Transformation Office over a six month term for a cost not to exceed $3.65 million with two six-month options available exclusively to NYC Health + Hospitals for total amount not to exceed $10.95 million.

Dr. Wilson stated that he would be presenting the action item for a contract engagement with BCG as part of his new role as Chief Transformation Officer. The office of transformation was created to oversee the strategic changes that H+H needs to make. These changes are consistent with the original 20/20 vision; totally consistent with the DSRIP enterprise that is already underway and being driven specifically the strategies in One NY Healthcare for Our Neighborhood. Therefore, the purpose of the transformation office is to align all of those activities into one cell of strategies. The specific objectives include but are not limited to improving the patient experience and through access to provide more coverage; workforce and workforce matching to inpatient capacity and a very strong focus on operational excellence; building of partnerships through which H+H will deliver care more

appropriately in the future. These are very extensive and broad objectives that H+H must undertake. There is a sense of urgency in getting this done. Therefore, H+H through a very rigorous procurement process efforts were specially focused on securing a consultant with the experience in large scale changes. That rapid procurement process was undertaken over the past month that resulted in firms being selected through a third party contract process of which three of five respondents were interviewed and reviewed by a selection group and out that process the recommendation was that BCG best met the needs of H+H requirements for this engagement pending the approval of the Board for this action. The three phases in the contract in a 26 week period include building the office of transformation and particularly the management component of that office which is a large set of undertakings and without the appropriate project management and oversight it would be very difficult to keep track of all the integrated pieces. In summary the purpose of this engagement is to get assistance in the structure of the office as well as the appropriate staffing requirements; to provide critical staffing functions on an interim basis while H+H hires appropriately into those roles in order for H+H to get up to speed as quickly as possible; to work with the various executive sponsors of each of the major strategies to develop work plans and time lines that will follow H+H financial plan; determine the performance metrics and the accountability mechanisms and create formal and routine reporting structures so that H+H's Board, President and the Mayor's office are kept routinely and regularly informed of the progress. BCG will provide assistance in data collection and analyses due to H+H overall data systems and structures within those systems in order to get appropriate data for the appropriate decision making requirements which is essential to the overall outcome of the process involved in get the appropriate data. This is a very board scope of work for the first twenty six weeks.

Ms. Youssouf asked if the intent is to engage them for the full term.

Dr. Wilson stated that at the end of Phase 1 H+H will review the requirements performance of the consultant and make a decision at that time whether to proceed with the 2nd phase. However, what is being presented in the resolution is the full authorization for the full phases but it should not be perceived as an automatic flow from one phase to the next as part of the contract but rather the continuation of each phase will be contingent upon a performance review before continuing to the next phase.

Ms. Youssouf asked if there would be any fees involved if H+H decides not to continue to the next phase. Dr. Wilson stated that there are no termination fees involved.

Mrs. Bolus asked who would be overseeing the project to insure that H+H requirements are being met.

Dr. Wilson stated that the transformation office led by himself in conjunction with the executive leadership, Dr. Raju and Mr. Anantharam would make those decisions. The term of the contract for the first phase if for twenty six weeks with two six months options to renew. The dollars allocated to each phase is the same for a total contracted amount of $10.6 million. Ms. Youssouf asked what was included in the $3.65 million and whether there are any hidden costs.

Dr. Raju stated that BCG would address those specific areas outlined by Dr. Wilson in addition to adding some key analytical staff and on an interim basis BCG would provide staff while H+H recruits

key staff. The important thing is that after the first phase BCG does not live up to the terms of the contract, H+H will not exercise the options for phase 2 & 3. Under the management of Dr. Wilson and Mr. Anantharam there is a high level of confidence that this contract will be well managed. A status report will be provided to the Committee prior to or after the completion of the first six months phase.

Dr. Wilson stated that there are four partners in the firm another six operational managers and three support staff.

Mrs. Bolus asked if BCG would be able to fulfill its commitment to H+H given that the firm represents two other large contracts, NYCHRA and NYCHA. Dr. Wilson stated that BCG has assured H+H that they have the bandwidth and capacity to dedicate the appropriate level of staffing throughout the duration of the contract. However, H+H will monitor BCG very closely and as previously stated if the terms of the contract are not being fulfilled H+H will take the appropriate action at that time.

Mrs. Bolus asked how H+H would integrate the existing staff with some of the work that BCG will be doing.

Dr. Wilson stated that there is a process to identify all of these functions and the structure and if that can be quickly put into action early in the process which is to identify permanent staff, particular if that staff exist internally to be moved over into the Transformation office to assume those roles or to be trained to take on those roles by BCG. If there is no existing staff that can take on these new functions or the talent is there but being used in a critical function and cannot be move then an external recruitment would be done. These functions are not a six months role but rather a four to five year commitment to get those jobs done.

Mrs. Bolus added based on that BCG would not be replacing any current functions but adding new functions and based on that whether the unions have been involved.

Dr. Wilson stated that the jobs would be all new functions and the unions have been involved and there was a major meeting scheduled that afternoon with Commissioner Linn.

Ms. Youssouf asked Dr. Wilson who would take over his role as CMO. Dr. Wilson stated that the new acting CMO will be Dr. Michele Allen who was the Deputy CMO and is very familiar with the role and there will be continual support to her while H+H explores what the new structures and also an external search for a new person will be over the next six months.

Ms. Youssouf asked if a quarterly update on the status of the project work for BCG could be provided to the Committee.

Dr. Wilson stated that the status of the work done by BCG would be done through the Strategic Planning Committee; however, there are a number of issues that are very important for the full Board to be kept informed on a regular basis.

Dr. Raju added that the rollout of the Transformation Office is key and Dr. Wilson stated it is important to have the Board included in that process given that it is a very complex process.

Mrs. Bolus stated that over the past several months there have been a number of contracts presented to the Board for DSRIP and others and if there is a way to identify what each contract is providing and how or if these contracts interact with each other for comparison purposes.

Dr. Wilson stated that the integration of those activities is one of the roles of the transformation office. DSRIP structure will report into the transformation office so that the work being done by Dr. Jenkins is integrated into this process and not have them parallel. Also to review the existing process in planning and process improvement and identify how that office might support that as well rather than staying separate. There will be some changes over the next several months in conjunction with the senior leadership and report back to the Committee with a diagram that will show how these activities will come together.

The resolution was approved for the full Board's consideration.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss the meeting was adjourned at 10:55 a.m.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS

KEY INDICATORS
FISCAL YEAR 2016 UTILIZATION

Year to Date
June 2016

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS						
	FY 16	FY 15	VAR %	FY 16	FY 15	VAR %	ACTUAL	EXPECTED	FY 16	FY 15
North Bronx										
Jacobi	421,971	419,706	0.5%	17,759	18,553	-4.3%	6.1	6.3	1.0787	1.0053
North Central Bronx	216,122	207,487	4.2%	6,502	5,512	18.0%	4.5	4.7	0.7065	0.7410
Generations +										
Harlem	313,663	314,377	-0.2%	12,128	11,198	8.3%	5.2	5.5	0.9472	0.9452
Lincoln	550,728	543,463	1.3%	21,969	23,239	-5.5%	5.0	5.4	0.8728	0.8186
Belvis DTC	55,689	55,157	1.0%							
Morrisania DTC	80,933	81,972	-1.3%							
Renaissance	41,652	42,350	-1.6%							
South Manhattan										
Bellevue	605,882	593,108	2.2%	23,063	23,564	-2.1%	6.2	6.3	1.1853	1.1166
Metropolitan	397,853	397,145	0.2%	9,839	9,851	-0.1%	4.9	5.3	0.8760	0.8160
Coler				259,348	267,780	-3.1%				
H.J. Carter				112,366	114,416	-1.8%				
Gouverneur - NF				74,956	73,174	2.4%				
Gouverneur - DTC	248,700	252,785	-1.6%							
North Central Brooklyn										
Kings County	676,444	688,258	-1.7%	20,699	21,982	-5.8%	6.1	6.0	1.0273	0.9921
Woodhull	480,237	482,939	-0.6%	10,602	11,339	-6.5%	4.9	5.2	0.8964	0.8438
McKinney				113,037	112,832	0.2%				
Cumberland DTC	69,455	78,719	-11.8%							
East New York	82,509	81,723	1.0%							
Southern Brooklyn / S I										
Coney Island	344,900	329,896	4.5%	14,235	14,983	-5.0%	7.0	6.1	1.0208	0.9867
Seaview				108,966	107,626	1.2%				
Queens										
Elmhurst	629,704	629,286	0.1%	18,676	20,220	-7.6%	6.2	5.6	0.9573	0.9022
Queens	398,597	422,357	-5.6%	12,221	12,236	-0.1%	5.1	5.2	0.8266	0.8250
Discharges/CMI-- All Acutes				**167,693**	**172,677**	**-2.9%**			**0.9765**	**0.9334**
Visits -- All D&TCs & Acutes	**5,615,039**	**5,620,728**	**-0.1%**							
Visits -- D&TCs	**578,938**	**592,706**	**-2.3%**							
Visits -- Acutes	**5,036,101**	**5,028,022**	**0.2%**							
Days-- All SNFs				**668,673**	**675,828**	**-1.1%**				

Utilization

Discharges: exclude psych and rehab

Visits: Beginning with the November 2015 Board Report, FY15 and FY16 utilization is now based on date of service, and includes open visits. HIV counseling visits that are no longer billable have been excluded. Visits continue to include Clinics, Emergency Department and Ambulatory Surgery.

LTC: SNF and Acute days

All Payor CMI

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

Average Length of Stay

Actual: discharges divided by days; excludes one day stays

Expected: weighted average of DRG specific corporate average length of stay using APR-DRGs

KEY INDICATORS

FISCAL YEAR 2016 BUDGET PERFORMANCE ($s in 000s)

Year to Date June 2016

NETWORKS	GLOBAL FTEs			RECEIPTS		DISBURSEMENTS		BUDGET VARIANCE	
	Jun 15	Jun 16	Target	actual	better / (worse)	actual	better / (worse)	better / (worse)	
North Bronx									
Jacobi	4,189	4,141		$ 546,054	$ (13,180)	$ 656,860	$ (35,453)	$ (48,632)	-4.1%
North Central Bronx	1,391	1,423		181,934	(559)	201,800	4,526	3,967	1.0%
	5,580	5,564	5,607	$ 727,987	$ (13,738)	$ 858,660	$ (30,927)	$ (44,665)	-2.8%
Generations +									
Harlem	3,191	3,086		$ 370,978	$ 17,215	$ 429,903	$ (37,354)	$ (20,139)	-2.7%
Lincoln	4,197	4,278		545,908	7,501	556,498	31,836	39,336	3.5%
Belvis DTC	141	136		16,312	(2,026)	18,993	403	(1,623)	-4.3%
Morrisania DTC	261	257		24,182	(3,328)	31,552	(2,296)	(5,624)	-9.9%
Renaissance	174	170		14,161	(5,276)	22,333	(1,149)	(6,425)	-15.8%
	7,964	7,927	7,360	$ 971,541	$ 14,086	$ 1,059,279	$ (8,560)	$ 5,526	0.3%
South Manhattan									
Bellevue	5,899	5,817		$ 766,072	$ (9,919)	$ 876,196	$ (40,157)	$ (50,076)	-3.1%
Metropolitan	2,709	2,606		302,049	(1,338)	354,436	(19,758)	(21,096)	-3.3%
Coler	1,224	1,161		97,248	5,643	145,826	(7,781)	(2,138)	-0.9%
H.J. Carter	972	979		111,883	(2,363)	141,491	(5,546)	(7,908)	-3.2%
Gouverneur	890	864		81,249	(23,945)	117,140	3,578	(20,366)	-9.0%
	11,694	11,427	11,651	$ 1,358,501	$ (31,922)	$ 1,635,089	$ (69,663)	$ (101,585)	-3.4%
North Central Brooklyn									
Kings County	5,559	5,381		$ 753,799	$ 11,574	$ 802,295	$ 25,976	$ 37,550	2.4%
Woodhull	3,148	3,051		396,950	4,463	451,542	(9,023)	(4,560)	-0.5%
McKinney	467	455		39,198	(5,905)	52,213	903	(5,001)	-5.1%
Cumberland DTC	236	218		23,401	(5,873)	33,631	(7,502)	(13,375)	-24.1%
East New York	233	237		26,582	(4,705)	29,437	677	(4,028)	-6.6%
	9,643	9,342	9,431	$ 1,239,930	$ (445)	$ 1,369,119	$ 11,031	$ 10,586	0.4%
Southern Brooklyn/SI									
Coney Island	3,229	3,180		$ 326,968	$ (51,588)	$ 456,151	$ (27,039)	$ (78,626)	-9.7%
Seaview	538	529		48,277	(210)	59,866	(5,702)	(5,911)	-5.8%
	3,767	3,709	3,464	$ 375,245	$ (51,797)	$ 516,017	$ (32,741)	$ (84,538)	-9.3%
Queens									
Elmhurst	4,492	4,493		$ 533,167	$ (38,310)	$ 625,819	$ (10,392)	$ (48,702)	-4.1%
Queens	2,918	2,949		349,693	(10,843)	448,277	(13,584)	(24,427)	-3.1%
	7,410	7,442	7,426	$ 882,860	$ (49,152)	$ 1,074,096	$ (23,977)	$ (73,129)	-3.7%
NETWORKS TOTAL	**46,058**	**45,411**	**44,939**	**$ 5,556,065**	**$ (132,968)**	**$ 6,512,260**	**$ (154,836)**	**$ (287,804)**	**-2.4%**
Central Office	770	852	803	1,237,823	(50,335)	307,171	(4,800)	(55,134)	-3.5%
Care Management	518	440	518	43,647	(727)	45,169	(1,611)	(2,338)	-2.7%
Enterprise IT/Epic	1,060	1,178	1,238	5,222	(4,236)	190,630	(2,071)	(6,307)	-3.2%
GRAND TOTAL	**48,406**	**47,881**	**47,498**	**$ 6,842,757**	**$ (188,266)**	**$ 7,055,230**	**$ (163,318)**	**$ (351,584)**	**-2.5%**

Global Full-Time Equivalents (FTEs) include HHC staff and overtime, hourly, temporary and affiliate FTEs. Enterprise IT includes consultants.

Care Management includes HHC Health & Home Care and the Health Home program.

NYC Health + Hospitals
Cash Receipts and Disbursements (CRD)
Fiscal Year 2016 vs Fiscal Year 2015 (in 000's)
TOTAL CORPORATION

	Month of June 2016			Fiscal Year To Date June 2016		
	actual 2016	actual 2015	better / (worse)	actual 2016	actual 2015	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 71,061	$ 72,954	$ (1,893)	$ 827,332	$ 844,311	$ (16,980)
Medicaid Managed Care	63,377	58,679	4,698	738,036	659,583	78,454
Medicare	58,245	27,758	30,487	536,467	552,885	(16,419)
Medicare Managed Care	29,505	36,463	(6,958)	322,670	328,146	(5,476)
Other	18,921	18,994	(72)	216,018	227,421	(11,403)
Total Inpatient	$ 241,110	$ 214,848	$ 26,262	$ 2,640,522	$ 2,612,346	$ 28,177
Outpatient						
Medicaid Fee for Service	$ 10,940	$ 12,054	$ (1,114)	$ 155,863	$ 208,401	$ (52,538)
Medicaid Managed Care	28,544	36,980	(8,436)	515,874	595,386	(79,512)
Medicare	6,674	5,131	1,543	57,632	62,744	(5,112)
Medicare Managed Care	6,996	13,394	(6,398)	125,927	101,549	24,379
Other	13,081	10,808	2,272	162,207	168,874	(6,666)
Total Outpatient	$ 66,234	$ 78,366	$ (12,132)	$ 1,017,503	$ 1,136,953	$ (119,450)
All Other						
Pools	$ (85,523)	$ 5,392	$ (90,915)	$ 218,825	$ 350,078	$ (131,253)
DSH / UPL	187,039	599,100	(412,061)	1,654,046	1,896,045	(241,999)
Grants, Intracity, Tax Levy	517,574	11,314	506,260	1,159,395	203,158	956,238
Appeals & Settlements	3,010	357	2,653	55,184	14,302	40,882
Misc / Capital Reimb	19,384	5,283	14,102	97,280	62,818	34,461
Total All Other	$ 641,484	$ 621,445	$ 20,039	$ 3,184,731	$ 2,526,402	$ 658,329
Total Cash Receipts	**$ 948,828**	**$ 914,660**	**$ 34,169**	**$ 6,842,757**	**$ 6,275,701**	**$ 567,056**
Cash Disbursements						
PS	$ 213,607	$ 217,931	$ 4,324	$ 2,713,040	$ 2,672,067	$ (40,973)
Fringe Benefits	373,510	287,059	(86,451)	1,387,185	1,279,108	(108,077)
OTPS	160,908	164,356	3,448	1,474,938	1,529,778	54,840
City Payments	32,585	-	(32,585)	341,990	35,100	(306,890)
Affiliation	89,766	80,654	(9,112)	1,048,013	966,964	(81,049)
HHC Bonds Debt	8,362	6,854	(1,508)	90,063	80,443	(9,620)
Total Cash Disbursements	**$ 878,739**	**$ 756,854**	**$ (121,885)**	**$ 7,055,230**	**$ 6,563,460**	**$ (491,769)**
Receipts over/(under) Disbursements	**$ 70,089**	**$ 157,806**	**$ (87,717)**	**$ (212,473)**	**$ (287,760)**	**$ 75,286**

NYC Health + Hospitals
Actual vs Budget Report
Fiscal Year 2016 (in 000's)
TOTAL CORPORATION

	Month of June 2016			Fiscal Year To Date June 2016		
	actual 2016	budget 2016	better / (worse)	actual 2016	budget 2016	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 71,061	$ 85,269	$ (14,208)	$ 827,332	$ 899,534	$ (72,203)
Medicaid Managed Care	63,377	60,319	3,058	738,036	715,387	22,649
Medicare	58,245	78,896	(20,651)	536,467	554,522	(18,055)
Medicare Managed Care	29,505	27,926	1,579	322,670	309,341	13,329
Other	18,921	20,999	(2,078)	216,018	243,145	(27,127)
Total Inpatient	$ 241,110	$ 273,410	$ (32,300)	$ 2,640,522	$ 2,721,929	$ (81,406)
Outpatient						
Medicaid Fee for Service	$ 10,940	$ 31,550	$ (20,610)	$ 155,863	$ 177,458	$ (21,595)
Medicaid Managed Care	28,544	42,381	(13,837)	515,874	563,957	(48,083)
Medicare	6,674	7,580	(906)	57,632	71,835	(14,204)
Medicare Managed Care	6,996	(1,880)	8,876	125,927	119,960	5,967
Other	13,081	13,098	(17)	162,207	150,662	11,545
Total Outpatient	$ 66,234	$ 92,729	$ (26,495)	$ 1,017,503	$ 1,083,873	$ (66,370)
All Other						
Pools	$ (85,523)	$ 9,411	$ (94,934)	$ 218,825	$ 325,773	$ (106,948)
DSH / UPL	187,039	221,735	(34,696)	1,654,046	1,688,400	(34,354)
Grants, Intracity, Tax Levy	517,574	488,467	29,107	1,159,395	1,118,927	40,468
Appeals & Settlements	3,010	11,899	(8,889)	55,184	16,772	38,412
Misc / Capital Reimb	19,384	18,764	621	97,280	75,349	21,931
Total All Other	$ 641,484	$ 750,276	$ (108,792)	$ 3,184,731	$ 3,225,221	$ (40,490)
Total Cash Receipts	**$ 948,828**	**$ 1,116,415**	**$ (167,587)**	**$ 6,842,757**	**$ 7,031,023**	**$ (188,266)**
Cash Disbursements						
PS	$ 213,607	$ 193,855	$ (19,753)	$ 2,713,040	$ 2,607,744	$ (105,296)
Fringe Benefits	373,510	381,091	7,581	1,387,185	1,373,693	(13,492)
OTPS	160,908	150,002	(10,905)	1,474,938	1,446,210	(28,728)
City Payments	32,585	34,456	1,870	341,990	343,861	1,870
Affiliation	89,766	83,462	(6,305)	1,048,013	1,031,557	(16,456)
HHC Bonds Debt	8,362	6,815	(1,547)	90,063	88,846	(1,217)
Total Cash Disbursements	**$ 878,739**	**$ 849,680**	**$ (29,059)**	**$ 7,055,230**	**$ 6,891,912**	**$ (163,318)**
Receipts over/(under) Disbursements	**$ 70,089**	**$ 266,735**	**$ (196,646)**	**$ (212,473)**	**$ 139,111**	**$ (351,584)**

INFORMATION ITEM

NEW YORK CITY HEALTH + HOSPITALS
INPATIENT PAYOR MIX
Fiscal Year 2016 4th Quarter Report

INPATIENT: Percentage of Total Discharges For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Corporate Total
Medicaid Total												
2016	**59.5**	**52.1**	**64.2**	**64.3**	**59.4**	**62.0**	**67.2**	**69.0**	**66.2**	**63.8**	**71.3**	**62.9**
2015	**61.6**	**51.8**	**65.2**	**64.8**	**62.4**	**62.3**	**68.4**	**67.9**	**62.8**	**64.2**	**72.9**	**63.8**
Medicaid												
2016	26.0	20.0	23.8	20.6	17.4	23.3	18.7	23.7	17.3	25.6	25.3	**22.2**
2015	30.5	21.8	23.5	23.4	19.5	24.8	20.0	24.9	21.6	24.8	27.3	**24.1**
Medicaid Plans												
2016	33.4	32.1	40.5	43.6	42.0	38.7	48.5	45.3	48.9	38.2	46.0	**40.7**
2015	31.2	30.0	41.7	41.4	42.9	37.5	48.4	43.0	41.2	39.5	45.6	**39.7**
Medicare Total												
2016	**17.8**	**37.0**	**21.3**	**22.7**	**24.1**	**20.2**	**23.2**	**20.6**	**20.3**	**24.2**	**19.4**	**22.5**
2015	**17.6**	**36.5**	**21.0**	**23.4**	**21.6**	**19.5**	**22.7**	**19.9**	**23.3**	**23.4**	**19.1**	**22.0**
Medicare												
2016	9.4	26.2	10.8	10.3	12.5	10.2	7.6	9.1	10.4	12.6	8.9	**11.4**
2015	9.6	26.9	11.4	10.8	12.1	9.5	8.5	9.3	12.6	12.6	9.2	**11.6**
Medicare Plans												
2016	8.4	10.8	10.5	12.3	11.6	10.0	15.5	11.5	9.8	11.6	10.5	**11.1**
2015	8.1	9.5	9.6	12.6	9.6	10.0	14.2	10.6	10.8	10.7	10.0	**10.4**
Commercial												
2016	**10.2**	**8.7**	**8.7**	**8.4**	**12.4**	**11.8**	**7.6**	**5.3**	**8.4**	**9.0**	**6.5**	**9.2**
2015	**10.3**	**7.9**	**8.5**	**7.6**	**11.8**	**11.4**	**7.1**	**5.0**	**6.9**	**8.5**	**5.8**	**8.8**
Other												
2016	**6.1**	**0.1**	**1.7**	**0.2**	**0.3**	**0.2**	**0.3**	**0.2**	**0.3**	**0.3**	**0.1**	**1.3**
2015	**4.6**	**0.2**	**1.9**	**0.2**	**0.3**	**0.2**	**0.3**	**0.1**	**0.2**	**0.4**	**0.1**	**1.1**
Uninsured												
2016	**6.5**	**2.2**	**4.1**	**4.5**	**3.8**	**5.8**	**1.7**	**4.9**	**4.8**	**2.8**	**2.7**	**4.1**
2015	**5.9**	**3.6**	**3.5**	**4.0**	**3.9**	**6.7**	**1.5**	**7.1**	**6.8**	**3.5**	**2.0**	**4.3**

FY16 (run date 8/8/16)
FY15 (run date 8/7/15)

Note: All numbers are percentages.

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

NEW YORK CITY HEALTH + HOSPITALS
OUTPATIENT ADULT PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2016 4th Quarter Report

OUTPATIENT ADULT: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2016	**39.4**	**34.7**	**40.7**	**48.8**	**49.1**	**46.5**	**47.6**	**46.2**	**53.1**	**38.1**	**41.5**	**51.4**	**45.1**	**54.6**	**34.5**	**52.7**	**45.8**	**43.6**
2015	**40.8**	**35.9**	**43.0**	**50.0**	**50.2**	**48.4**	**49.6**	**47.8**	**53.8**	**41.8**	**42.6**	**53.6**	**46.3**	**53.2**	**35.7**	**54.1**	**44.8**	**45.1**
Medicaid																		
2016	8.0	9.6	10.3	10.2	9.0	11.4	8.3	8.7	7.3	8.8	5.7	4.3	6.9	7.0	5.6	5.5	4.6	8.6
2015	8.7	8.6	11.7	10.0	9.2	11.9	9.0	11.6	7.5	9.3	7.9	4.3	9.6	4.1	5.0	4.8	4.2	9.3
Medicaid Plans																		
2016	31.4	25.1	30.4	38.6	40.1	35.1	39.3	37.5	45.8	29.3	35.8	47.1	38.1	47.6	28.9	47.2	41.2	35.0
2015	32.0	27.4	31.3	40.0	41.0	36.4	40.6	36.2	46.3	32.5	34.7	49.3	36.7	49.2	30.7	49.3	40.6	35.8
Medicare Total																		
2016	**19.3**	**19.7**	**14.1**	**21.8**	**21.0**	**16.1**	**21.8**	**20.6**	**16.3**	**19.1**	**19.5**	**14.9**	**13.4**	**16.4**	**25.0**	**14.7**	**18.5**	**19.0**
2015	**18.7**	**18.9**	**15.3**	**21.9**	**20.7**	**16.0**	**21.4**	**20.5**	**15.8**	**19.1**	**18.5**	**14.7**	**13.5**	**16.1**	**25.0**	**15.1**	**18.9**	**18.8**
Medicare																		
2016	8.7	11.6	6.1	10.2	9.6	8.1	6.9	7.9	6.7	7.5	6.6	3.5	5.1	6.9	9.1	4.8	7.0	8.0
2015	8.3	11.4	6.4	10.5	9.7	7.9	6.3	7.9	6.5	7.9	6.5	4.1	5.7	5.9	9.0	5.0	6.8	7.9
Medicare Plans																		
2016	10.6	8.1	8.0	11.7	11.3	8.0	14.9	12.6	9.6	11.6	12.9	11.4	8.3	9.5	15.9	10.0	11.4	11.0
2015	10.4	7.5	8.9	11.4	11.0	8.0	15.1	12.6	9.3	11.1	12.0	10.6	7.8	10.1	16.0	10.1	12.1	10.9
Commercial																		
2016	**12.0**	**8.5**	**6.8**	**10.4**	**13.8**	**13.9**	**12.6**	**7.5**	**13.7**	**8.0**	**9.8**	**9.1**	**13.1**	**12.0**	**12.5**	**10.4**	**12.3**	**10.9**
2015	**10.8**	**8.0**	**10.1**	**8.6**	**12.0**	**10.9**	**10.8**	**7.2**	**12.5**	**9.2**	**8.5**	**7.4**	**10.0**	**9.6**	**11.6**	**9.6**	**9.7**	**10.0**
Other																		
2016	**2.6**	**0.6**	**1.7**	**0.5**	**1.3**	**0.5**	**0.9**	**0.2**	**0.3**	**0.3**	**0.6**	**0.0**	**0.2**	**0.1**	**1.1**	**0.0**	**0.0**	**0.9**
2015	**2.8**	**0.6**	**0.9**	**0.4**	**1.5**	**0.4**	**1.0**	**0.2**	**0.3**	**0.4**	**0.6**	**0.0**	**0.2**	**0.1**	**1.4**	**0.0**	**0.0**	**0.9**
Uninsured																		
2016	**26.6**	**36.6**	**36.6**	**18.5**	**14.8**	**23.0**	**17.1**	**25.4**	**16.7**	**34.5**	**28.7**	**24.6**	**28.3**	**16.9**	**26.9**	**22.2**	**23.4**	**25.6**
2015	**26.9**	**36.6**	**30.7**	**19.1**	**15.7**	**24.3**	**17.2**	**24.3**	**17.7**	**29.6**	**29.8**	**24.2**	**30.1**	**21.1**	**26.2**	**21.3**	**26.5**	**25.2**

FY16 (run date 8/8/16)
FY15 (run date 8/7/15)

Note: All numbers are percentages.

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

NEW YORK CITY HEALTH + HOSPITALS
OUTPATIENT PEDIATRIC PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2016 4th Quarter Report

OUTPATIENT PEDIATRIC: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2016	**80.6**	**75.6**	**78.2**	**85.4**	**83.5**	**74.3**	**86.1**	**89.1**	**86.5**	**69.0**	**78.0**	**88.4**	**81.1**	**77.0**	**80.8**	**86.1**	**74.0**	**80.5**
2015	**81.4**	**77.0**	**81.7**	**85.2**	**82.9**	**74.2**	**85.2**	**88.3**	**84.0**	**72.8**	**76.7**	**87.6**	**81.0**	**76.7**	**81.2**	**85.2**	**73.2**	**80.7**
Medicaid																		
2016	5.9	10.3	4.1	7.0	4.4	6.6	5.4	4.4	4.4	5.9	4.8	4.4	4.6	6.0	5.8	4.0	6.0	5.5
2015	6.6	8.5	4.3	7.6	5.0	6.5	5.0	6.2	4.7	5.6	6.3	3.8	5.4	3.6	5.2	4.6	6.2	5.6
Medicaid Plans																		
2016	74.7	65.3	74.1	78.3	79.1	67.7	80.7	84.7	82.1	63.2	73.2	84.0	76.4	71.0	75.0	82.1	68.0	75.0
2015	74.7	68.5	77.5	77.7	77.9	67.7	80.2	82.1	79.4	67.2	70.4	83.8	75.6	73.1	76.0	80.6	67.0	75.1
Commercial Total																		
2016	**13.8**	**13.6**	**9.6**	**10.5**	**11.3**	**16.5**	**9.2**	**7.2**	**8.4**	**16.1**	**13.0**	**6.9**	**10.2**	**14.9**	**13.6**	**7.8**	**13.2**	**11.8**
2015	**12.3**	**11.2**	**10.0**	**10.4**	**11.1**	**15.0**	**9.4**	**7.2**	**8.7**	**16.2**	**13.6**	**7.3**	**9.6**	**13.5**	**12.8**	**7.5**	**12.3**	**11.4**
Child Health Plus																		
2016	4.0	4.7	5.2	2.8	3.8	5.6	5.0	3.9	3.7	5.3	4.8	3.4	4.4	4.9	4.2	3.4	3.5	4.5
2015	3.6	4.5	5.9	2.1	3.8	4.4	3.9	3.7	3.5	5.1	3.8	3.3	4.1	3.5	3.4	3.0	3.0	4.0
Non-CHP Plans																		
2016	9.8	8.9	4.4	7.6	7.5	11.0	4.3	3.3	4.6	10.7	8.2	3.4	5.8	10.0	9.4	4.4	9.7	7.3
2015	8.8	6.7	4.2	8.3	7.3	10.6	5.5	3.5	5.1	11.2	9.8	4.0	5.5	10.0	9.4	4.4	9.3	7.3
Other																		
2016	**0.2**	**0.4**	**0.3**	**0.2**	**0.5**	**0.4**	**0.8**	**0.0**	**0.1**	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.3**
2015	**0.3**	**0.0**	**0.2**	**0.3**	**0.3**	**0.4**	**1.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.2**
Uninsured																		
2016	**5.4**	**10.3**	**11.9**	**4.0**	**4.7**	**8.8**	**3.8**	**3.7**	**5.1**	**14.6**	**9.0**	**4.7**	**8.7**	**8.0**	**5.6**	**6.0**	**12.8**	**7.5**
2015	**6.0**	**11.8**	**8.1**	**4.1**	**5.7**	**10.5**	**4.4**	**4.5**	**7.3**	**10.9**	**9.6**	**5.1**	**9.5**	**9.8**	**5.9**	**7.4**	**14.5**	**7.7**

FY16 (run date 8/8/16)
FY15 (run date 8/7/15)

Note: All numbers are percentages.

Medicaid Plans: Medicaid Managed Care and Family Health Plus Plans
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INFORMATION ITEM

NYC HEALTH+ HOSPITALS

Fiscal Year 2017 Budget
Overview

September 8, 2016

Finance Committee

Board of Directors

NYC HEALTH+ HOSPITALS

FY17 Institutional Plan

The Fiscal Year 2017 budget was developed with two primary goals in mind:

1. Tie to the Financial Plan
   - Incorporate gap-closing initiatives in the relevant Service Line Budgets
2. Align with the new Service Line organizational structure
   - Empower Service Line Executives to manage at a higher level
   - Decouple expense authority from revenue, enabling a more accurate representation of current revenues and expenditures

NYC HEALTH+ HOSPITALS

FY17 Methodology

- Expense budgets are based on actual spending patterns.
- Service Line Budgets have been developed for Gotham, Long-Term Care, and Acute Care.
  - Acute Facility budgets are further allocated between Inpatient and Outpatient.
- Both Revenue and Expense budgets tie to the bottom line of the Financial Plan with the incorporation of gap closing initiatives in the appropriate lines

NYC HEALTH+ HOSPITALS

FY17 Institutional Plan – Expenses

(in millions)

SERVICE LINE	Global PS	Fringe	OTPS	City Payments	TOTAL Expenses
Gotham	$ 112	$ 51	$ 31	$ 8	$ 202
Long Term Care Facilities	$ 247	$ 124	$ 80	$ 17	$ 468
Acute Care Hospitals	$ 3,461	$ 1,201	$ 950	$ 382	$ 5,994
H+H Facility Total	**$ 3,820**	**$ 1,376**	**$ 1,061**	**$ 407**	**$ 6,664**
Central Office	$ 80	$ 33	$ 225	$ 0.2	$ 339
Health & Home Care	$ 35	$ 8	$ 4	$ 0.1	$ 47
Enterprise IT	$ 134	$ 33	$ 60	$ 0.3	$ 228
H+H Non-Facility Total	**$ 249**	**$ 75**	**$ 289**	**$ 0.6**	**$ 613**
H+H TOTAL (w/o CB)	**$ 4,069**	**$ 1,451**	**$ 1,350**	**$ 407**	**$ 7,278**
Collective Bargaining	**$ 59**	$ -	$ -	$ -	**$ 59**
Grand Total	**$ 4,128**	**$ 1,451**	**$ 1,350**	**$ 407**	**$ 7,337**

NYC HEALTH+ HOSPITALS

Expenses

Facility Expense budget baselines are set using historical spending.

- Global Personnel Services (PS) budgets include Health + Hospital personnel, allowances and overtime, affiliation and temporary services.
  - H+H staff are baselined based on June payrolls, affiliation expenses are based on contract commitments, and temporary services are based on the last quarter.
  - Collective Bargaining for FY17 is being held in reserve, and will be allocated to facilities once awarded.
- Other than Personnel Services (OTPS) budgets include both discretionary and non-discretionary spending.
  - Non-discretionary budgets are based on allocations set by Central Office and Enterprise IT for items such as utilities, management contracts, and facility-based IT expenses.
  - Discretionary baseline budgets have been set based on historical spending.

NYC HEALTH+ HOSPITALS

Financial Plan Corrective Action Items - Expense

Personnel Reductions

- The Financial Plan assumes a year-end reduction of 1,050 FTEs.
- FTE Targets are allocated based on the share of FTEs.
  - Enterprise IT has been excluded from the FTE reductions.
- Senior Vice Presidents may modify the allocation within their service lines but facility allocations have been included as placeholders.

Other than Personnel Reductions

- The OTPS reduction is $52 million and is allocated based on a facility's share of baseline OTPS spending.

NYC HEALTH+ HOSPITALS

FY17 Headcount Reductions

Global FTEs	
SERVICE LINE	**FY17 FTE Reduction**
Gotham	(34)
Long Term Care Facilities	(79)
Acute Care Hospital	(907)
H+H Facility Total	**(1,020)**
Central Office	(19)
Health & Home Care	(11)
Enterprise IT	0
H+H Non-Facility Total	**(30)**
H+H TOTAL (w/o CB)	**(1,050)**

NYC HEALTH+ HOSPITALS

FY17 Institutional Plan – Receipts

(in millions)

SERVICE LINE	Fee For Service	Managed Care	Other	Total Baseline Revenue	Revenue Adjustments	Total Patient Care Revenue	Total Non-Patient Care Revenue	TOTAL REVENUE
Gotham	$ 8	$ 95	$ 4	$ 106	$ 34	$ 140	$ 33	$ 173
Long Term Care Facilities	$ 185	$ 29	$ 17	$ 231	$ 4	$ 235	$ 104	$ 339
Acute Care Hospitals	$ 1,254	$ 1,965	$ 65	$ 3,284	$ 49	$ 3,333	$ 1,830	$ 5,163
H+H Facility Total	**$ 1,447**	**$ 2,088**	**$ 86**	**$ 3,621**	**$ 87**	**$ 3,708**	**$ 1,967**	**$ 5,676**
Central Office	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,390	$ 1,390
Health & Home Care	$ 18	$ 21	$ -	$ 39	$ -	$ 39	$ 5	$ 44
Enterprise IT	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
H+H Non-Facility Total	**$ 18**	**$ 21**	**$ -**	**$ 39**	**$ -**	**$ 39**	**$ 1,394**	**$ 1,433**
H+H TOTAL (w/o CB)	**$ 1,465**	**$ 2,109**	**$ 86**	**$ 3,660**	**$ 87**	**$ 3,747**	**$ 3,362**	**$ 7,109**

NYC HEALTH+ HOSPITALS

Receipts

- Patient Care Revenue budgets include baseline projections with modifications based on facility input and new changes such as FQHC rates, Metroplus growth projections and the shift to Behavioral Managed Care.
- Non-Patient Care Revenue includes the full DSH and UPL projections as well as the below the line Revenue Initiatives.
  - Prior year UPL payments are included in Central Office so as not to skew the revenue vs disbursements at the service line level.

NYC HEALTH+ HOSPITALS

Financial Plan Corrective Action Items - Revenue

Revenue-Generating Initiatives

- Revenue Cycle improvements and MetroPlus growth have been added to the facility projections.
- Facility-level targets have been included for the secondary diagnosis capture and third-party recovery efforts led by Central Office.
- The below-the-line items still requiring Federal and State action are included in the Budget but allocated to Central Office, worth approximately $454 million.

NYC HEALTH+ HOSPITALS

FY17 Institutional Plan Summary

(in millions)

SERVICE LINE	Total Expenses	Patient Care Revenue	Non-Patient Care Revenue	Total Revenue	Variance (Patient Revenue - Expenses)	Variance (Total Revenue - Expenses)
Gotham	$ 202	$ 140	$ 33	$ 173	$ (62)	$ (29)
Long Term Care Facilities	$ 468	$ 235	$ 104	$ 339	$ (233)	$ (128)
Acute Care Hospitals	$ 5,994	$ 3,333	$ 1,830	$ 5,163	$ (2,661)	$ (831)
H+H Facility Total	**$ 6,664**	**$ 3,708**	**$ 1,967**	**$ 5,676**	**$ (2,956)**	**$ (988)**
Central Office	$ 339	$ -	$ 1,390	$ 1,390	$ (339)	$ 1,051
Health & Home Care	$ 47	$ 39	$ 5	$ 44	$ (8)	$ (3)
Enterprise IT	$ 228	$ -	$ -	$ -	$ (228)	$ (228)
H+H Non-Facility Total	**$ 613**	**$ 39**	**$ 1,394**	**$ 1,433**	**$ (574)**	**$ 820**
H+H TOTAL (w/o CB)	**$ 7,278**	**$ 3,747**	**$ 3,362**	**$ 7,109**	**$ (3,530)**	**$ (169)**
Collective Bargaining	$ 59	$ -	$ -	$ -	$ (59)	$ (59)
Grand Total	**$ 7,337**	**$ 3,747**	**$ 3,362**	**$ 7,109**	**$ (3,589)**	**$ (228)**

NYC HEALTH+ HOSPITALS

Budget Monitoring

- The Budget will be evaluated on a monthly basis, and modified on a quarterly basis.
- Initiatives will be measured and reforecast.
- Further expenditure reductions may be necessary if revenue targets are not achieved.