

**HHC ACO INC.
MINUTES OF THE
BOARD OF DIRECTORS MEETING
October 11, 2018
125 Worth Street, 5th Floor
Board Room
New York City**

ATTENDEES

BOARD MEMBERS

Jeromane Berger-Gaskin
Dave Chokshi, M.D.
Jessica Diamond
William T. Foley
Mitchell Katz, M.D.
Jasmin Moshirpur, M.D.
Israel Rocha, Jr.

HHC STAFF

Nancy Barnicle
Sonya Bernstein
Andrea Cohen
Irene Frohlich
Shunsuke Ito
Michael Levitin
Krista Olson
Stanislav Seleznyov
Matthew Siegler
Rachael Steimnitz
Lana Vardanian, M.D.
Joanna Weiner

OTHER ATTENDEES

Michael Chambers (representing Dr. Luis Marcos)

CALL TO ORDER

The meeting of the Board of Directors of HHC ACO Inc. (the "Board") was called to order by Dr. Mitchell Katz, Chair of the Board at 3:00 PM. Dr. Katz welcomed the Board and asked for a round of introductions.

OLD BUSINESS

Dr. Katz asked if there were any corrections to the minutes of the December 18, 2017 meeting of the Board. Hearing none, Dr. Katz entertained a motion to adopt the meeting minutes. A motion

was duly made and seconded. Dr. Katz then called for a vote. All members of the Board were in favor; none were opposed. The minutes were thereby adopted.

NEW BUSINESS

Dr. Katz turned to the ACO's Chief Medical Officer, Dr. Lana Vardanian, to provide an update on the ACO's 2017 performance results. Dr. Vardanian noted that the ACO achieved shared savings for the fifth year in a row—being one of only a small number of ACOs across the country to do so. The ACO saved the Medicare program a total of \$5,276,973, and earned a shared savings distribution of \$2,182,360. Dr. Vardanian then provided an overview of the ACO's quality performance. She noted that the ACO scored 84.4% on quality overall, with top decile performance on certain preventive health measures, including: depression screening and follow-up; tobacco cessation; and using aspirin to reduce incidence of ischemic vascular disease.

Dr. Vardanian proceeded to provide the Board with detailed information on the ACO's per capita expenditures as compared to the annual benchmark, noting that the increase in expenditures this year over last could be attributed to better coding across the system. Dr. Jasmin Moshirpur inquired as to whether the ACO had assigned more coders in order to achieve that. Dr. Vardanian responded that the ACO had not, but the ACO has continued to work closely with ACO site leads on this important issue.

Dr. Katz noted that the bar graphs in the slides must not be depicted to scale; for that reason, the visual suggests a much larger difference in year-over-year expenditures than is in fact the case. Dr. Katz requested that this change be made in the future.

Ms. Diamond asked for information on the relationship between any increase in expenditures and access to preventive health care services. Dr. Vardanian agreed with Ms. Diamond that access to such health services is critical for ACO patients and provided a brief overview of the ACO's continued efforts to expand access.

Dr. Dave Chokshi noted that the improvements in billing and coding referenced earlier by Dr. Vardanian are occurring against the backdrop of larger H+H efforts led by the office of the Chief Financial Officer.

Dr. Vardanian then proceeded to provide a more detailed overview of the 2017 quality results. She discussed the ACO's performance on the following four domains: Patient/Caregiver Experience; Care Coordination/Patient Safety; Preventive Health; and At Risk Population. Dr. Vardanian specifically pointed to the ACO's performance on the BMI measure and noted that the ACO has been working to address this measure with our ACO leads.

Dr. Katz requested clarification on the quality scores, inquiring as to whether the scores are reflective of percentiles or rather just a point system with no associated meaning besides when compared to peers' performance or the ACO's own historical performance. Dr. Vardanian confirmed that the quality scores are a point system. Dr. Vardanian also noted that the sample size is relatively small, making certain site-level comparisons difficult. Dr. Katz asked which of

the scores are generated by H+H; Dr. Vardanian responded by pointing to the preventive measures.

Dr. Katz pointed to the At Risk Population domain as the best measures of the quality of care being provided to H+H patients, noting that on these measures the quality of care being provided is as good or in many cases better than the ACO average. On the other hand, H+H falls short on measures such as getting timely care. Dr. Katz concluded that this reflective of the broader H+H story: H+H knows how to deliver high quality care; the system just needs to learn to pick up the phone. The good news, he noted, is that the latter problem is an easier one to fix. Dr. Katz concluded that in the next year or two, H+H will be able to improve performance on these measures. Dr. Vardanian agreed.

Dr. Katz proceeded by recognizing the efforts of Dr. Chokshi and the Office of Population Health. He then pointed out that the work of ensuring that H+H facilities answer the phones is not the work of population health; instead it is a question of whether the organization can fulfill core operational tasks. Highlighting the excellent work of the H+H team, Dr. Katz expressed his confidence that H+H will make progress on these operational tasks in the near-term.

Concluding her presentation, Dr. Vardanian then turned to Dr. Chokshi. Dr. Chokshi welcomed the Board, noting the auspicious circumstances under which the Board was currently meeting—the distribution of shared savings. He acknowledged Dr. Katz as the Board's new Chair, as well as the work of the ACO central office team.

Dr. Chokshi proceeded by providing an overview of the shared savings distribution methodology. He began by noting that the methodology is largely unchanged from prior years. Step one, the ACO covers its own operational costs. Step two, half of the remaining savings go to H+H, which includes the H+H-employed primary care physicians (PCPs). The other half goes to corporate affiliates and other shared savings distributees. Step three, that sum is divided between corporate affiliates and other distributees, which is done via patient attribution. Finally, among the corporate affiliates, the share is split by Full Time Equivalents (FTEs).

Dr. Chokshi next described the ACO's efforts to build in incentives to improve quality. To do so, while a portion of the distribution is based solely on participation, the other portion is tied to performance on certain quality measures. For this purpose, the ACO measures quality performance through two measures: hypertension control and a CAHPS-based measure related to patient satisfaction. Those allocations are made based on the primary care practice's overall performance, not at the individual PCP level. The final piece is the FTE adjustment.

Dr. Chokshi pointed to two changes in this methodology as compared to prior years. First, last year there was a 50/50 participation/quality performance split; this year, quality performance is weighed more heavily. Second, this year hypertension control is being adjusted at the practice-level rather than the individual-level due to data quality considerations.

Dr. Moshirpur expressed concerns that nurse practitioners cannot receive shared savings. Dr. Chokshi expressed support for this concern but pointed to a CMS rule that shared savings can only be granted to physicians. He proceeded to describe the team fund as one tool to support and

advance team-based care. He also expressed his hope that the ACO framework from CMS will continue to evolve to reflect this important point.

Dr. Moshirpur asked for clarification on the quality adjustment at the individual level. Dr. Chokshi responded by reaffirming that this adjustment is done at the practice-, not the individual-, level. Dr. Katz asked for specifics on what was meant by practice-level, using *Gouverneur* as an example. Dr. Chokshi responded that with respect to *Gouverneur* it would refer to *Gouverneur* Medicine. Dr. Vardanian added that given our concerns about the panel management system, the ACO did not feel it would be fair to adjust for quality beyond the facility-level. She also added that the ACO would like to introduce and encourage the concept of group practice.

Dr. Moshirpur noted that her hope is PCPs will not have concerns, and asked whether it is possible to receive site-level data. Dr. Vardanian confirmed that these data are available. Dr. Chokshi added by emphasizing the importance of the accuracy of the FTE lists provided by each employer, given the role these lists play in determining dollar distributions. Dr. Vardanian then proceeded to share the specific steps that the ACO takes to verify the FTE lists with the employers.

Dr. Katz asked how the money ultimately flows to physicians; it was clarified that a lump sum check is written to each employer, who are each instructed to, and required to, distribute specified amounts (provided at the physician-level) to their employed physicians.

Dr. Katz also inquired as to whether a conflict of interest policy is in place, or should be in place, to prevent ACO clinical leadership from making decisions on the methodology that might impact their own distribution as physicians with ACO patients. Ms. Andrea Cohen agreed to follow up on this question. Dr. Chokshi noted that this question has arisen in years past; last year, it was ultimately decided that checks would be donated. Dr. Katz also noted that because the methodology information had been available previously, perhaps this would not be an issue. Dr. Chokshi also stated that the distribution currently under discussion refers to 2017, predating Dr. Katz's tenure at H+H. It was agreed that Ms. Cohen would look into the matter and follow up.

Dr. Chokshi proceeded by providing members of the Board with an overview of the chart depicted in the slides illustrating the shared savings distribution framework. Dr. Katz made a point of noting that the ACO's operational costs are very low, particularly given the total savings being generated.

Hearing no further comments, a motion was made to introduce Resolution #201810-1. A motion was made and duly seconded to adopt the following resolution:

1. RESOLUTION 201810-1 – Authorizing the Chief Executive Officer of the ACO to negotiate and execute an amendment to the ACO Participation Agreements or ACO Agreements currently in place with the New York City Health + Hospitals Corporation (“NYC Health + Hospitals”) and Shared Savings Distributees consistent with the savings distribution methodology set forth in the Proposed 2017 Shared Savings Allocation

(Exhibit B), and distribute the 2017 Performance Payment in accordance with such agreements as amended.

The motion was unanimously approved. Dr. Katz thanked members of the Board. Members agreed to reconvene in December.

ADJOURNMENT

There being no further business, Dr. Katz adjourned the meeting at approximately 3:45 PM.

