

FINANCE COMMITTEE AGENDA

Date: March 15, 2020
Time: 11:00 am
Location: Virtual Meeting

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| I. Call to Order | Freda Wang |
| Adoption of the December 03, 2020 Minutes | |
| II. Finance Update | John Ulberg
James Cassidy
Salema Tyler
Michline Farag
Krista Olson
Matt Siegler |
| III. Informational Item: Overview of January Financial Plan | James Cassidy |
| IV. Old Business | |
| V. New Business | Freda Wang |
| VI. Adjournment | |

MINUTES

Finance Committee Board of Directors

Meeting Date: December 03, 2020

The meeting of the Finance Committee of the Board of Directors was held on December 03, 2020 virtually with Freda Wang presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Freda Wang, José Pagán left at 10:30, Mitchell Katz (Matthew Siegler representing Dr. Katz in a voting capacity at 10:30), Sally Hernandez-Piñero joined at 10:13, Feniosky Peña-Mora, Barbara Lowe

OTHER ATTENDEES

J. DiLallo

H+H STAFF

M. Allen, Senior Vice President, Medical and Professional Affairs
J. Cassidy, Director, Central Finance
A. Cohen, General Counsel
L. DeHart, Senior Assistant Vice President, Corporate Reimbursement Services
M. Farag, Assistant Vice President, Corporate Budget
G. Fouks, Assistant Director, Corporate Budget
C. Hercules, Chief of Staff, Board of Directors
J. Jose, Executive Secretary, Board of Directors
M. Karlin, Chief Revenue Officer, Revenue Cycle Services
N. Lauro, Director, Corporate Budget and Financial Planning
K. Olson, Senior Assistant Vice President, Corporate Budget
S. Rubin, Associate Director of Operations, T2 Admin
M. Siegler, Senior Vice President, Managed Care and Growth
M. Thompson, Director, Central Finance
J. Ulberg, Senior Vice President, Central Finance

CALL TO ORDER

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 10:06 a.m.

Upon motion passed and duly seconded the minutes of the Finance Committee meeting held on October 8, 2020 was adopted.

Ms. Wang then deferred to Dr. Ted Long to introduce the Committee's action item.

ACTION ITEM

Dr. Long read the resolution for Citywide Testing Capability Expansion for DOE and Mobile Unit Testing.

Authorizing New York City Health and Hospitals Corporation (the “System” to sign 9-month requirements contracts with the following eight firms (together, the “Vendors”): Rapid Reliable Testing, LLC (“Rapid”), Somos Healthcare Providers Inc. d/b/a Somos Community Care (“Somos”), BioReference Laboratories, Inc. (“BRL”), Fulgent Genetics (“Fulgent”), North Shore Medical Labs, Inc. (“NSL”), MedRite LLC (“Medrite”), Premier Assist (“Premier”); Mako Medical Laboratories, LLC (“Mako”) for COVID-19 testing services in schools operated by the NYC Department of Education (“DOE”) and at mobile testing sites with the System holding one 3-month option to extend each contract and with the total cost of all eight contracts over their full potential one-year terms not to exceed \$189,708,960.

Mr. Long provided an overview of the action item. The item seeks to ensure that the City can keep schools safe and open. The item also addresses the need to bring testing to where people are via mobile clinics.

Mr. Chris Keeley continued the presentation by providing an overview of the background of the two part proposal. The first part is DOE testing, which T2 is tasked to manage for the City. If a school falls into the State’s yellow zone, the required monthly testing shifts to weekly testing, which would require hundreds of additional visits per month especially as other grade levels are coming back to school. The current testing is done by BioReference, Fulgent Genetics, and SOMOS Community Care but to be able to scale up to meet the newly outlined requirements we need to contract with additional vendors. The second part of the proposal is related to Mobile Testing. As part of a hyper-local response, T2 has a testing strategy to flood the zones that are designated as red, orange, or yellow zones. As new COVID cases increase and more zones are designated as red, orange, or yellow, H+H needs to be able to scale-up hyper-local testing operations.

Mr. Keeley continued to present on the contract development goals for the vendors. The service level agreements include provisions that require 48 hour turnaround time for test results in order to receive payment. The DOE testing vendors are required to deploy up to, at a minimum, 20 teams daily and conduct up to 8400 tests weekly and the mobile units are required to deploy eight or more mobile units daily and conduct up to 7,000 tests weekly. For in-school testing, vendors proposed budgets with a maximum of \$75 per specimen, which is an all-inclusive fee. For mobile testing, vendors were able to propose on a per-team-per-day basis or a per-test basis for their fee schedule.

Mr. Keeley provided an overview of the RFP criteria, the procurement and selection summary and a summary of the request to the Finance Committee, emphasizing that contract costs are based on the number of tests performed. There are no minimum commitments and funding is covered by the T2 MOU with the City of New York. The MWBE utilization plans are being finalized with each vendor. The request is a not-to-exceed amount of \$189,708,960.

Ms. Wang began the series of questions by asking if the slide which says a not-to-exceed of 9 months is accurate or if the resolution language that states 9 months with a 3 month extension option is accurate.

Mr. Keeley confirmed that the resolution was correct: it is 9 months with the potential of extending 3 months.

Ms. Wang asked if the MWBE utilization plans would be pulled together on-time for the board approval next week.

Mr. Keith Tallbe, Senior Counsel replied that this was correct and elaborated on the MWBE plan. There are only two opportunities for these eight vendors to subcontract – primarily on staffing and PPE. Some of the vendors are self-performing almost entirely with their own staff. One of the vendors is eligible for MWBE certification and is going through the application process now. Of the remaining 7 vendors, 3 already committed to the 30% utilization. One of the vendors is going to be around 10% because of the self-performance issue. Finally, 3 of the vendors are pending. There will be monthly business meetings with the vendors to continue working on this.

Mr. Pagán asked about the performance and reputation of the selected vendors.

Mr. Keeley replied that we are doing work with 3 of the vendors now and are satisfied with the performance and is conducting reference checks with the other vendors.

Dr. Long elaborated that with the current vendors we have done 160,000 tests which operationally was difficult to stand up but the vendors have pulled it off successfully.

Mr. Pagán commended the team for their work.

Dr. Katz commended the team for their work.

Ms. Hernandez-Piñero stated that H+H has already paid out \$235M out of an anticipated \$485M of committed expenses on testing. Ms. Hernandez-Piñero asked if the balance of what we have already incurred has been paid out to the system.

Ms. Krista Olson, Senior Assistant Vice President, Corporate Budget and Fiscal Planning replied that Ms. Hernandez-Piñero was referencing the last slide of the finance committee deck which is incurred through October and the action item being presented was an expense looking forward beyond the \$485M.

Ms. Hernandez-Piñero emphasized her concern for the balance we are incurring on behalf of the City's testing initiative.

Ms. Olson replied that all of the City's Test and Trace program is covered by an MOU and H+H works closely with OMB to make sure we do not get ahead of them on spending or incurred costs that they do not plan to reimburse us for. OMB has approved this contract action not-to-exceed amount. To date, the City has provided us with sufficient funding to cover expenses to date and they remain committed to doing so.

Ms. Hernandez-Piñero emphasized her concern further for the funds we have not yet been reimbursed for.

Feniosky Peña-Mora asked if the vendors do not provide test results within 48 hours, will they be paid for the test.

Mr. Keeley confirmed that is accurate and Mr. Tallbe concurred.

Mr. Peña-Mora commended the team for their work. He asked Mr. Tallbe to elaborate on the MWBE utilization plans he described previously and expressed concern that it sounded like there will not be MWBE plans before the board meeting.

Mr. Tallbe replied that we are getting commitments from each vendor but on day-one go-live, it is unlikely that the vendors will meet the commitments in their plans. The vendors will have to, ongoing, make operational changes to meet the plan especially in staffing.

Mr. Peña-Mora asked if for the current vendors we have engaged, do they have MWBE participation?

Mr. Tallbe replied that BioReference has been self-performing except for a small piece of local staff and do not have MWBE utilization. H+H has asked for it and BioReference believes they could subcontract to a 10% MWBE plan. SOMOS is a not-for-profit and the City does not ordinarily place MWBE requirements on not-for-profits. However, SOMOS has a community of providers that are providing services. H+H is working to certify these firms. The majority of SOMOS business will be subcontract to MWBE firms. Fulgent has not previously done this type of work so they had a previous partner they contracted with to do this that is not MWBE certified. Because of the operational difficulty of this program, Fulgent stood up their work with the operational partners they knew despite them not being MWBE firms. H+H is working with them to find alternative vendors to meet their staffing needs.

Mr. Peña-Mora asked again if there will be a commitment and a plan for the vendors to meet the requirement.

Mr. Tallbe said yes they will all commit to a plan but they will not all be 30%. Mr. Tallbe added that if you look at the rule of contracts as a whole we will exceed the MWBE utilization plan requirements.

Ms. Barbara Lowe commended the team on their work. Ms. Lowe expressed concern over the potential increase in testing that may be required in the schools.

Ms. Hernandez-Piñero asked if the expenses that have been incurred but not yet paid to H+H include the three companies currently doing our T2 work.

Ms. Olson replied that the expenses discussed previously were through October and if they represent the full body of work under the T2 program. Most of the testing done by the three vendors occurred after the October period.

Ms. Hernandez-Piñero asked if of the three vendors that are also going to be part of the new initiative, how much of the unpaid expenses that we have incurred were incurred by the three firms.

Ms. Olson will get back to Sally with the answer.

Ms. Wang followed up to ask if for the \$485M we have funding for committed expenses.

Ms. Olson replied that we have funding for the committed expenses.

Ms. Wang commended the team for their work. Ms. Wang asked of the new vendors, are they all doing COVID testing or have other relevant experience.

Mr. Keeley replied that all the vendors have been doing COVID-testing and that we will rely on some of the vendors more than others in the school vs. mobile settings.

Ms. Wang brought the action item up for motion.

Mr. Peña-Mora voted in the affirmative with concern for the MWBE plan to be included in the Board request.

Upon motion made and duly seconded, the Committee unanimously approved the Citywide Testing Capability Expansion for DOE and Mobile Unit Testing for presentation to the Board.

FINANCIAL REPORT

Mr. John Ulberg began the financial report for FY21 Q1. There was a closing cash balance of \$610M and we exceeded the budget by \$128M. Patient care revenue receipts came in \$169M higher than in the same period in FY20, continuing the pace of positive performance that we experience during FY20. Patient care volume is returning to pre-COVID levels in Q1, but still 12% below Q1 of FY20. Revenue base is strong, driven primarily by Medicare rate increases and the stability of VBP/sub-cap contracts. Overall our strategic financial initiatives remain on track with our post-COVID strategies generating \$100M with a line of sight at \$370M. Staffing investments are consistent with our overall system needs and additional RN and nursing support positions to help support a second COVID surge.

Mr. Ulberg continued to report on cash receipts and volume. Outpatient volume is lower than the prior year but returning. ED treat and release volume related to lower intensity visits has reduced. Inpatient volume reduction comes partially from the closure of the detox units and shift to outpatient, but surgical discharges are close to baseline volume. The total cash variance from last year is 28%. 8% is from enhanced COVID reimbursement rates, 7% from revenue cycle and other initiatives, 3% case mix index, and 10% from Medicare rate increases.

Ms. Nina Lauro presented on the weekly volume and revenue trends in the January to September period. ED Treat & Release volume in Q1 was lower than pre-COVID, but high-severity visits make up a higher share of remaining volume, contributing to a higher average payment per visit in the period after the spring surge. Approximately 20% of inpatient and 29% of outpatient and ED volume variance for Q1 vs. pre-COVID is attributable to sub-cap patients. Outpatient volume excludes COVID community testing. After the spring COVID surge, outpatient clinic revenue lagged volume increases due in part to a lower average payment for audio-only telemedicine visits.

Mr. Ulberg presented on the risks and opportunities, stating that they remain the same since the last report.

Mr. James Cassidy presented on the FY21 cash projection. October closed with approximately \$450M cash-on-hand (20 days) and anticipate closing November with \$400M cash-on-hand (18 days), which includes the receipt of \$200M in advanced DSH funds. The system is projected to close the calendar year with approximately \$300M cash-on-hand (14 days). We are working with the State and federal government to expedite additional revenues, including DSH and FEMA funds, to help us maintain a stable cash position to withstand a second COVID surge.

Ms. Megan Thompson presented on membership growth in MetroPlus and Healthfirst's Medicaid and Essential Plan lines of business through September. MetroPlus' growth in Medicaid and EP is 58,286, and Healthfirst is 10,590. This growth is primarily due to increases in State Medicaid eligibility and a suspension on auto-disenrollments for members timing out of coverage. Through CY20 Q2, MetroPlus

and Healthfirst Medicaid and EP risk pool revenues for all members, not just the new members, came in at \$102M. H+H has implemented several strategies to retain the membership growth. We are gaining access to a State Enrollment Database, we established a facility-level external referrals work group. We continue to expand our express care and telehealth services. We are working to ensure that patient PCPs on file with the managed care organizations match where they are actually receiving care. We have re-launched our MyChart Steering Committee which increased the enrollment goal from 25% to 50% by end of year - we are at 48% as of Nov 30. We are working to convert eligible patients from Medicaid into HIV SNP or HARP.

Ms. Michline Farag presented on FY21 receipts vs. disbursements for the first quarter. Q1 closed with a positive net budget variance of \$128M where receipts.

Ms. Farag presented on the staffing levels since our full investment and staffing models implemented. Going forward we will focus on our clinical services optimization, quality of care enhancement, and patient care revenue growth.

Ms. Olson presented on the strategic initiatives scorecard. Growth and other service line improvements include patient retention initiatives and other business plans and clinical service line efforts. The revenue cycle and managed care initiatives includes accounts receivable work, documentation and coding initiatives, coverage of the uninsured, negotiations with managed care companies, and settlements. System efficiencies include overall improvements for cost savings and efficiencies. Value-based payment initiatives include HIV SNP and HARP conversions and overall enrollment and patient retention goals. We expect, at the end of the year, to achieve and exceed our current targets. Some of the lines are yellow because we are concerned about timing of payments or COVID-19 related barriers.

Ms. Olson continued by providing an overview on the strategic initiatives KPIs. Mr. Siegler highlighted the operating room and surgical volume – it will be the best year of surgical performance in H+H history. Another is the value-based payment initiatives. H+H committed to and build the infrastructure to become a value-based payment organization.

Mr. Cassidy presented on the federal relief update. H+H has paid over \$1.2B through October and current commitments are \$1.6B. The second drawdown package for FEMA has been prepared and we have requested an expedited review. To date, H+H has received \$1.2B thus far, largely from the Hot Zone (\$754M), Safety-Net (\$359M), and General Allocation Provider Relief Fund (\$69M). We anticipate receiving \$46M from the third tranche of the General Allocation Provider Relief Funds. There are still unallocated Provider Relief Funds from the initial \$175B CARES Act Allocation. We are awaiting further guidance on the distribution methodology as well as a possible future relief bill. We continue to believe that existing, unallocated funds and any new funds should prioritize high-Medicaid and safety-net hospitals as well as State/local relief in order to avoid future funding cuts to H+H from these entities.

Ms. Olson presented on the test and trace financial update. Through October, H+H paid out approximately \$235 million of an anticipated \$485 million of committed expenses. The City has provided H+H with sufficient funding to cover expenses to date. The City is carefully monitoring the funds available for Test and Trace as additional programming needs arise, such as testing expenses related to school surveillance testing and targeted responses in high priority zones. No additional federal funds beyond the ELC grant and FEMA have been announced.

Ms. Hernandez-Piñero commended the team on their efforts. Ms. Hernandez-Piñero asked about projecting FY21 cash for the next quarter.

Mr. Ulberg replied that the team is closely projecting and monitoring cash going forward.

Mr. Peña-Mora commended the team on their efforts. Mr. Peña-Mora requested that future presentations show the cash trend and asked if 14 days cash-on-hand is concerning?

Mr. Ulberg replied that we do not want to go below 14 days. We are not going to rely on the City whereas in the past we would.

Mr. Peña-Mora asked if the revenue slide FY21 actuals is Q1 or year-to-date.

Mr. Farag replied that the slide shows Q1.

Mr. Peña-Mora asked for clarification on the green vs. yellow designations for the different initiatives.

Ms. Olson replied that the line-of-sight is for the full-year and is an indication of based on where we are now where we expect to land at the end of the year. FY21 is the target for the full year. The colors indicate our confidence level of achieving our FY21 revenue target.

Mr. Peña-Mora requested to see Q1 actuals vs. target for Q1 in the next report.

Mr. Peña-Mora asked for clarification on the \$1.2B we have paid out for COVID-19 expenses vs. the \$1.2B we have received thus far in federal relief.

Mr. Ulberg replied that he understands correctly and the repeat of the \$1.2B on expenses paid and receipts is a coincidence.

Ms. Lowe commented on concern for the funding level for nurses. Ms. Lowe asked what is causing the CFO concern given projections.

Mr. Ulberg replied that when concerns arise with the team we work very closely with our partners at the State, City, with our health plan partners, etc. to ensure we have adequate cash reserves.

Ms. Wang commended the team for their efforts.

ADJOURNMENT

There being no further business the meeting was adjourn at 11:27 a.m.



NYC Health + Hospitals
Finance Committee Meeting
March 15, 2021



- Closing Cash Balance of **\$400M** through February.
- Achieved a positive Net Budget Variance of \$115M, beating the budget by 2%.
- Direct Patient Care Receipts came in **\$398M higher than Q2 FY20** continuing the pace of positive performance that we experienced during FY20, where direct patient care revenue came in \$500M over the prior year.
- Patient care volume is returning to pre-COVID levels in Q2 of FY21 but is still below Q2 FY20. Revenue base is strong and resilient primarily driven by Medicare rate increases and the stability of VBP/sub-cap contracts.
- Overall, our Strategic Financial Initiatives remain on track with our post-COVID strategies, generating \$311M with a line of sight of \$576M. Strong areas of performance include:
 - Value Based Payment Initiatives (e.g., HARP conversions & panel management)
 - Managed Care Contract Negotiations
 - Revenue Cycle Improvement
- Staffing investments are consistent with our overall system needs with additional RN and targeted nursing support positions (specifically Patient Care Associates and Behavioral Health Associates) to help support COVID surge needs and stabilize ongoing services.

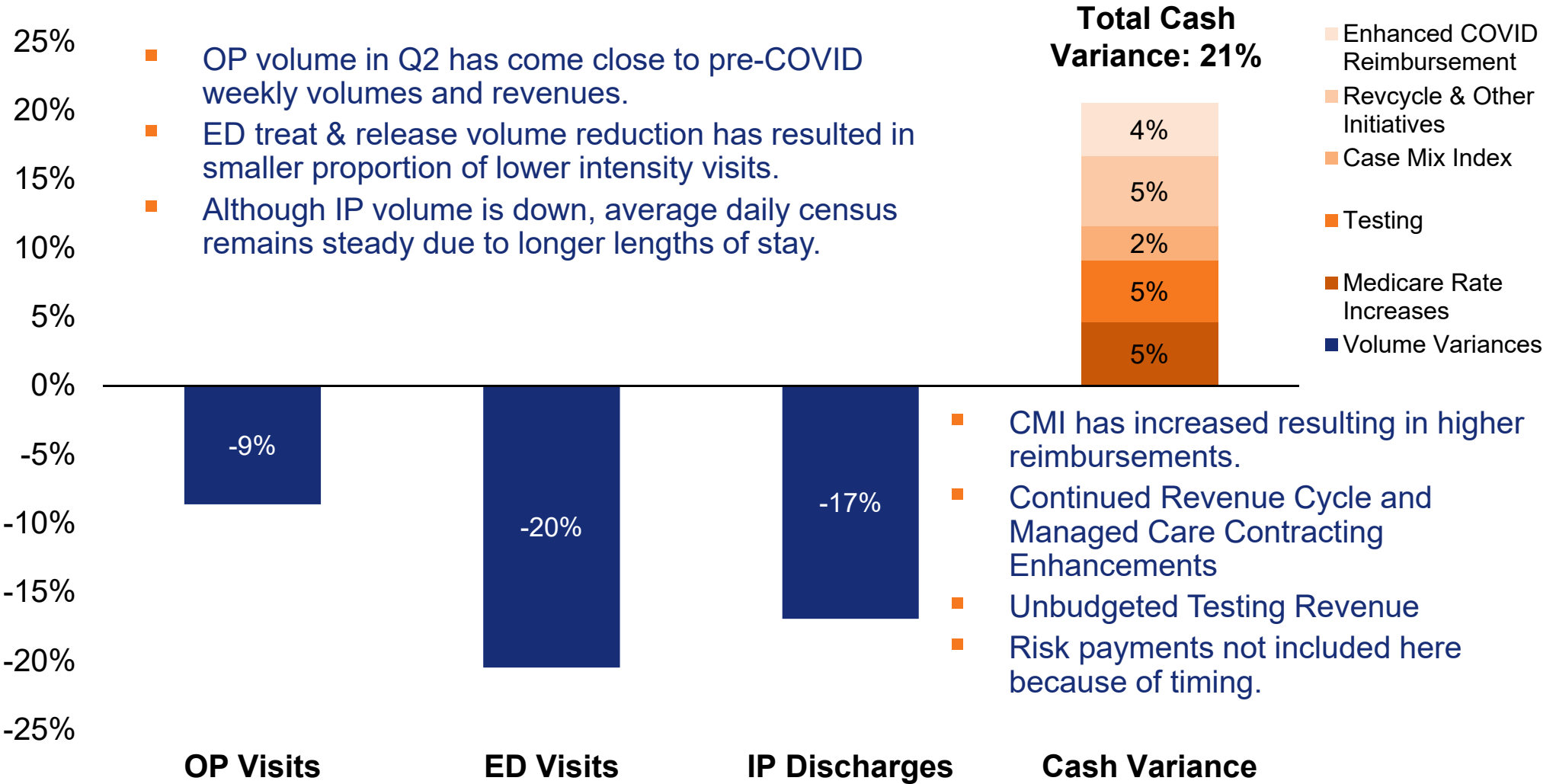


FY21 Cash Projection

- We closed February with approximately \$400M cash-on-hand (18 days).
- We are working with the State to receive our next DSH payment of \$511M during the month of March.
- This installment will enable us to close March with nearly \$650M cash-on-hand (29 days).
- Even with the receipt of the DSH funds, we will continue to face cash flow challenges by the end of the fiscal year.
 - To mitigate these challenges, we have written a letter to FEMA requesting expedited processing of our next reimbursement package. We have requested approximately \$330M to be received in April.






Q2 Cash Receipts & Volume FY 2021 vs. FY 2020

Cash receipts in FY21 Q2 are **21% higher** than FY20 Q2 despite **service volume** being lower.



* OP Volume Excluding COVID Community Testing

Managing External Risks

Risk	Status
FEMA Reimbursement at 100% Federal	
Federal DSH Cut 3-Year Delay	
Federal DSH eFMAP Glitch (fix included in House/Senate Reconciliation bill)	
State/H+H/City Medicaid Initiatives (finalizing MOU and MCO rates)	
State/City Budget Risks (FY21 City budget includes one-time \$212M debt service cut; Governor's SFY21-22 budget could impact H+H by nearly \$500M over two years, including elimination of public Indigent Care Pool, 1% ATB, and the COVID clawback)	



Financial Performance

Quarter 2, FY 2021



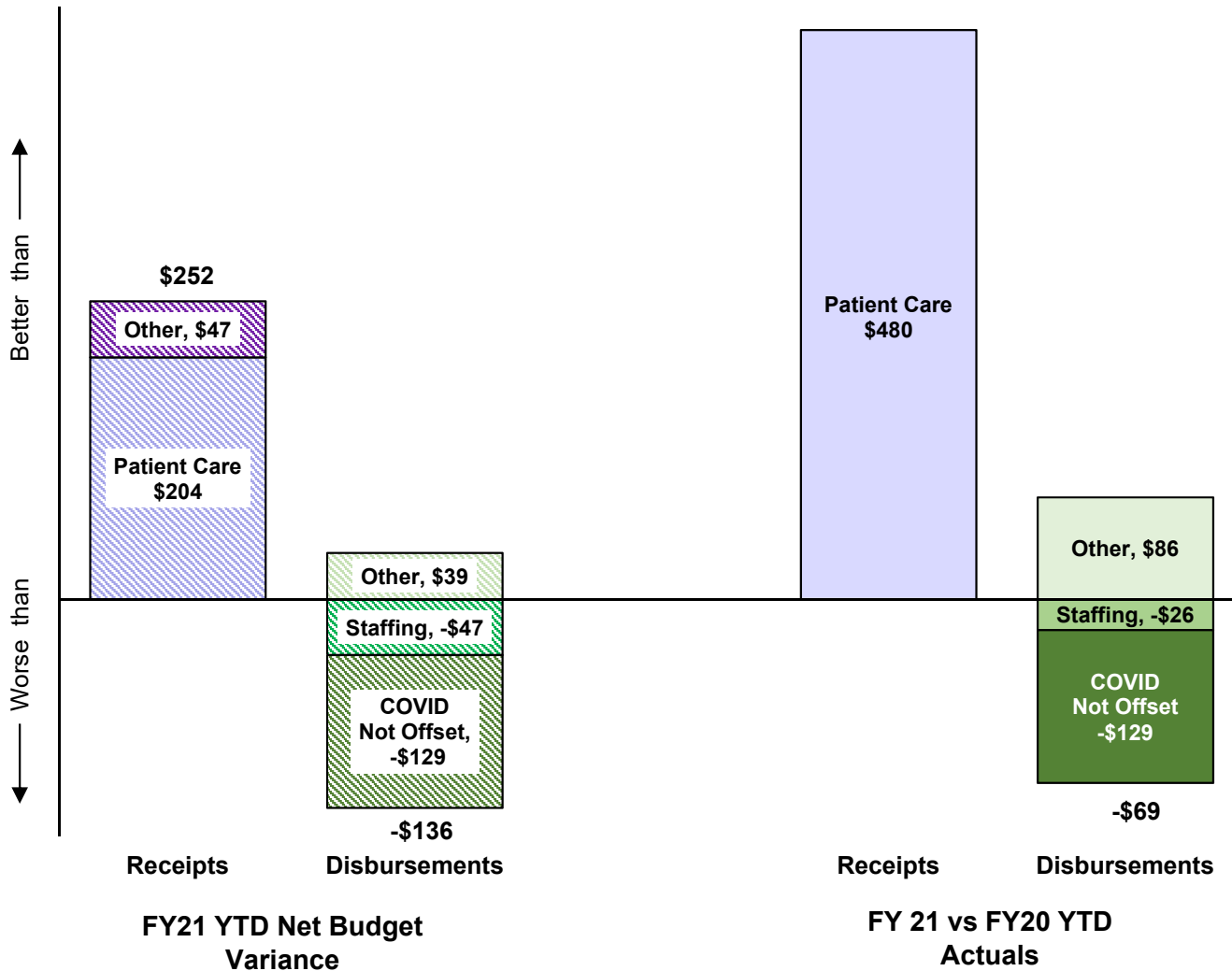
FY21 thru December

Net Budget Variance and Prior Year Comparison

(Includes T2 patient care receipts¹)

Highlights

- December FYTD closed with a positive net budget variance of \$115M where
 - receipts exceeded budget by \$252M (\$204M in Patient Care) due to COVID patients, Medicare rates, and catch-up risk payment;
 - disbursements exceeded budget by \$39M in non-COVID OTPS spend due to lower volume and costs associated with COVID.
- Year over year,
 - Patient Care revenue is up \$480M due to increased patient acuity including COVID patients, increased rates, a higher Medicare advance, as well as revenue cycle, managed care, and other revenue improvement initiatives. Case Mix Index (CMI) is up by 22% from 1.17 in FY20 to 1.49 in FY21.
 - Disbursements overall are \$69M higher mainly due to COVID spending that was not offset.

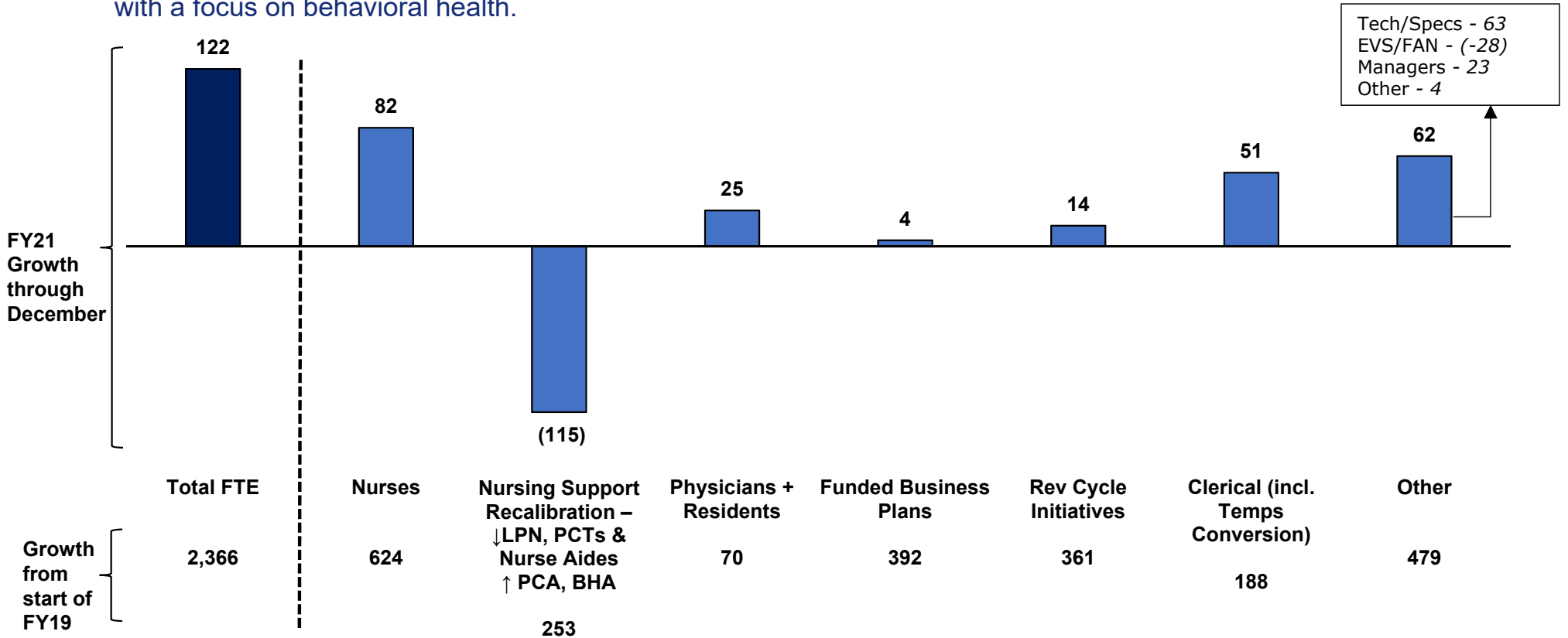


Notes:

- Test & Trace Corp patient care receipts and lab processing disbursements are included.
- Net Budget Variance and YTD Actuals do not include COVID expense and receipts of \$536M.
- The "COVID Not Offset" amount of \$129M can be offset once additional Federal relief funds are received.
- Receipts in YTD Actuals only reflect Patient Care Receipts.

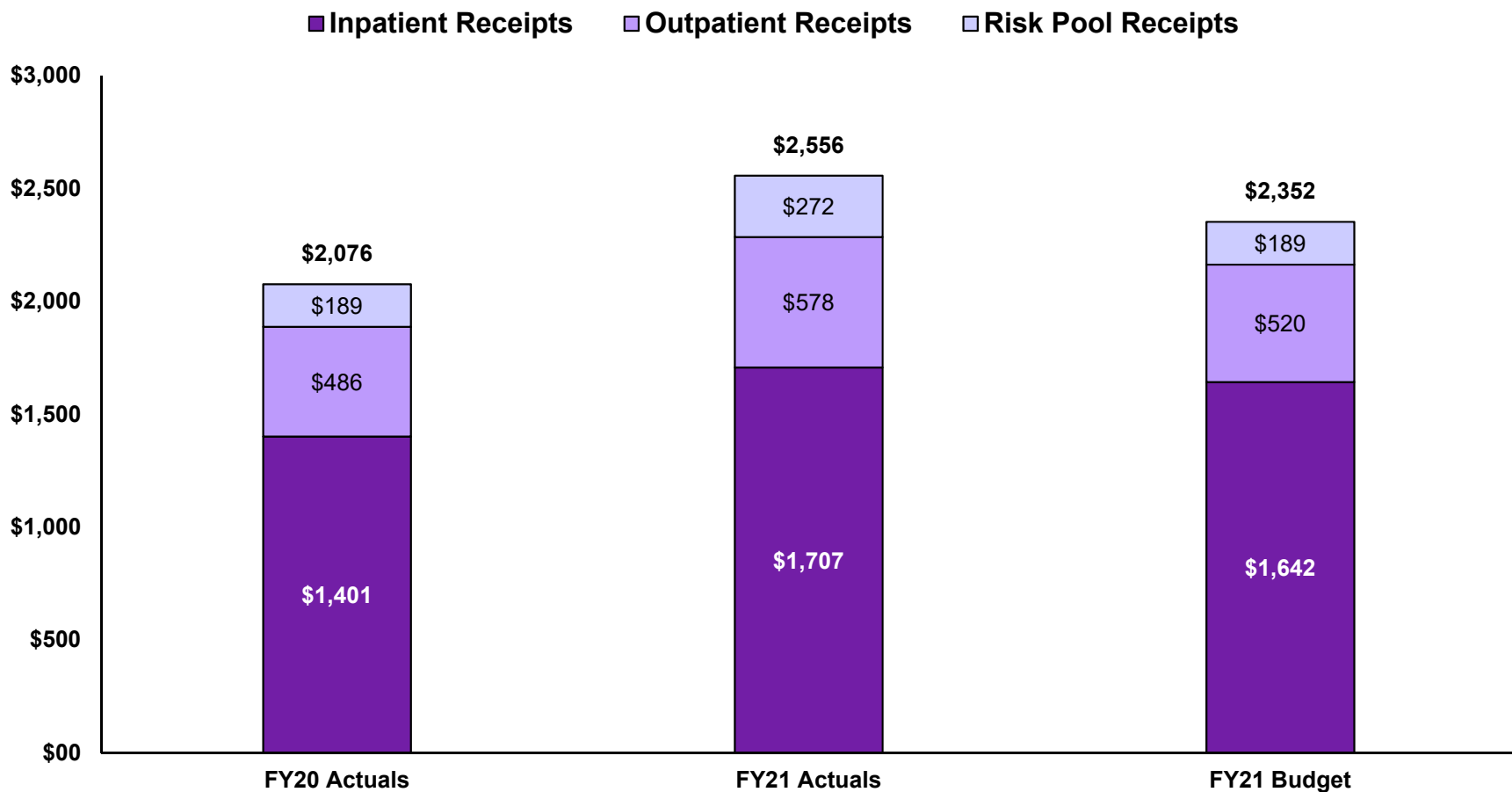
H+H Fully Invested in Core Staffing Mix and is now Focused on Clinical Services Optimization, Quality of Care Enhancement and Patient Care Revenue Growth

- In Nursing, we fully invested in stabilizing nurse staffing workloads and recalibrating between Nursing and Nursing Support staff by adding over 877 in full-time staff since FY19 (624 Nurses and 253 Nursing Support Recalibration). The currently available resources (due to drop in volume) are re-directed to partially offset COVID needs.
- Significant investments were made to right-size revenue cycle staffing since the start of FY19 adding 361 full-time staff and we continue to develop volume and productivity driven staffing models.
- H+H is now primarily focused on achieving our strategic plan with its associated investments in OR growth and efficiency, primary care enhancement including NYC CARE, creating stroke centers and investing in special populations with a focus on behavioral health.



*The staff hired under the T2 Initiative is not included (+391 FTEs)

- FY21 patient care revenue is \$480M higher than FY20 actuals.
- Patient revenue improvements year-over-year can be attributed to a combination of increased patient acuity including COVID patients, increased rates, continued improvement on strategic initiatives, COVID testing revenue, and MetroPlus risk payment timing.
- Case Mix Index (CMI) is up by 22% from 1.17 in FY20 to 1.49 in FY21.







Systemwide Revenue and Savings Initiatives

Quarter 2, FY 2021



Strategic Initiatives Financial Update – Q2

In millions

	Summary Initiative Category	FY 21 Revenue Target*	FY21 Line of Sight
	Growth and Other Service Line Improvements	\$85.5	\$155.2
	Revenue Cycle and Managed Care Initiatives	\$149.9	\$422.3
	System Efficiencies	\$11.3	\$15.3
	Value-Based Payment Initiatives	\$22.7	\$23.6
	Grand Total	\$270.1	\$576.4

**Risk-adjusted incremental target*

- Risks include timing of payments and the impact of COVID-19 on patient volume.
- H+H is managing to more ambitious internal targets to mitigate these and other risks.



Growth and Other Service Line Improvements

- Cash collection is trending upward and visit access is increasing for Gotham Health sites
- Gotham provider productivity is 76% of target (without testing)
- A total of 2,607 transfers into H+H acute-care facilities were done, representing an increase of 7% over pre-Hunter transportation contract baseline volume

Revenue Cycle and Managed Care Contract Negotiations Initiatives

- One-time settlement initiative is anticipating \$12M in HF Medicare payment, which was agreed to in principle; United Behavioral Health payment received
- Facility rates for HIP/GHI/Beacon have been signed, effective 11/1. \$30M increase projected for Ongoing Negotiations initiative
- Achieved an average of 60% of uninsured patients enrolled in health insurance coverage or financial assistance against a target goal of 76%

System Efficiencies

- Hourly EITS consultant contract rates have been reduced; invoice savings ongoing
- No increase in number of Epic consultants, on track to achieve annual target

Value Based Payment Initiatives

- 659 HARP conversions as of 12/20/20, representing 91% of target members converted
- 156 HIV SNP conversions as of 12/20/20, 20% of target members converted
- Primary Care attribution membership gain of 19,302 since May 2020; 1,928 additional new members needed to hit target

Considerations for FY22 Budget Development

- Building on VBP success
- Retaining and maximizing attributed membership growth
- Growing primary care panels
- Doubling down on access and efficiency gains
- Perioperative, referrals, and overall patient access improvements
- Telemedicine, virtual express care
- Reducing denials and boosting insurance screening
- MyChart, MyChart, MyChart
- COVID readiness and flexibility



Federal Relief



American Rescue Plan Act

- Healthcare Related Provisions:
 - “DSH Glitch” Fix to eliminate an inadvertent cut to Medicaid DSH funds in earlier relief provisions; restores \$893.6 million for H+H through FY22
 - State and Local Relief that can be used for lost revenue and budget shortfalls; \$350 billion total, expect \$12.6 billion for NYS and \$4 billion for NYC
 - Funding for COVID public health response activities including Vaccination Distribution and Promotion (\$7.5 billion) and Testing (\$47.8 billion), Data Sharing, and Contact Tracing (47.8 billion) which may provide funds to NYC for support of T2
 - Nursing Home Infection Control and Outbreak Management (\$700 million)
 - Funding for public health workforce initiatives (\$7.8 billion), strengthening mental health and substance abuse services (\$3.9 billion), community health centers (\$7.6 billion), rural hospitals (\$8.5 billion), and various other public health investments
 - Medicaid eligibility and coverage enhancements, including mandated COVID vaccine and treatment coverage largely with no cost-sharing
 - Health Insurance Subsidy Enhancement and Expansion; Incentives for adoption of Medicaid expansion; additional enhanced federal matching rates for certain services
- ARPA was signed into law on Thursday, March 11th, the one year anniversary of the declaration of the COVID-19 pandemic.



Test and Trace



T2 FY20 and FY21 Budget

(in millions)

Test & Trace Corps Budget FY20 & FY21		Total Expense
H+H	Testing	\$789M
	Tracing	\$582M
	Take Care	\$184M
	Admin Data & Evaluation	\$39M
	Public Awareness	\$179M
DOHMH/DSS Testing		\$246M
T2 SUBTOTAL		\$2,019M
H+H	T2 Vaccine	\$73M
T2 GRAND TOTAL		\$2,092M

- The T2 budget (including all City agency spending) has increased to \$2.1B due to program expansions reflective of local policy changes, a prolonged second surge, and the new inclusion of vaccine.
 - Test: Includes brick and mortar testing sites, mobile unit testing including rapid testing, self-swab testing, and school testing – all at no cost to the patient.
 - Trace: Includes all Contact Tracers (remote case investigators and vendor run monitors, as well as tracers in the community), the DOE Situation Room, and the traveler notification program.
 - Take Care: Includes free isolation/quarantine hotels for cases and close contacts, resource navigation, and delivery of packages to help support home isolation/quarantine.
- Most recently T2 has also joined the citywide vaccination effort.
 - Vaccine: Includes the operation of three 24/7 vaccine distribution sites, canvassing and community engagement campaigns.
- H+H expects to receive a significant allocation of ELC funding from the December COVID-19 relief bill.
- FEMA will reimburse eligible T2 costs at 100%; assumes FEMA will cover any testing site expenses not covered by billing revenue or ELC.

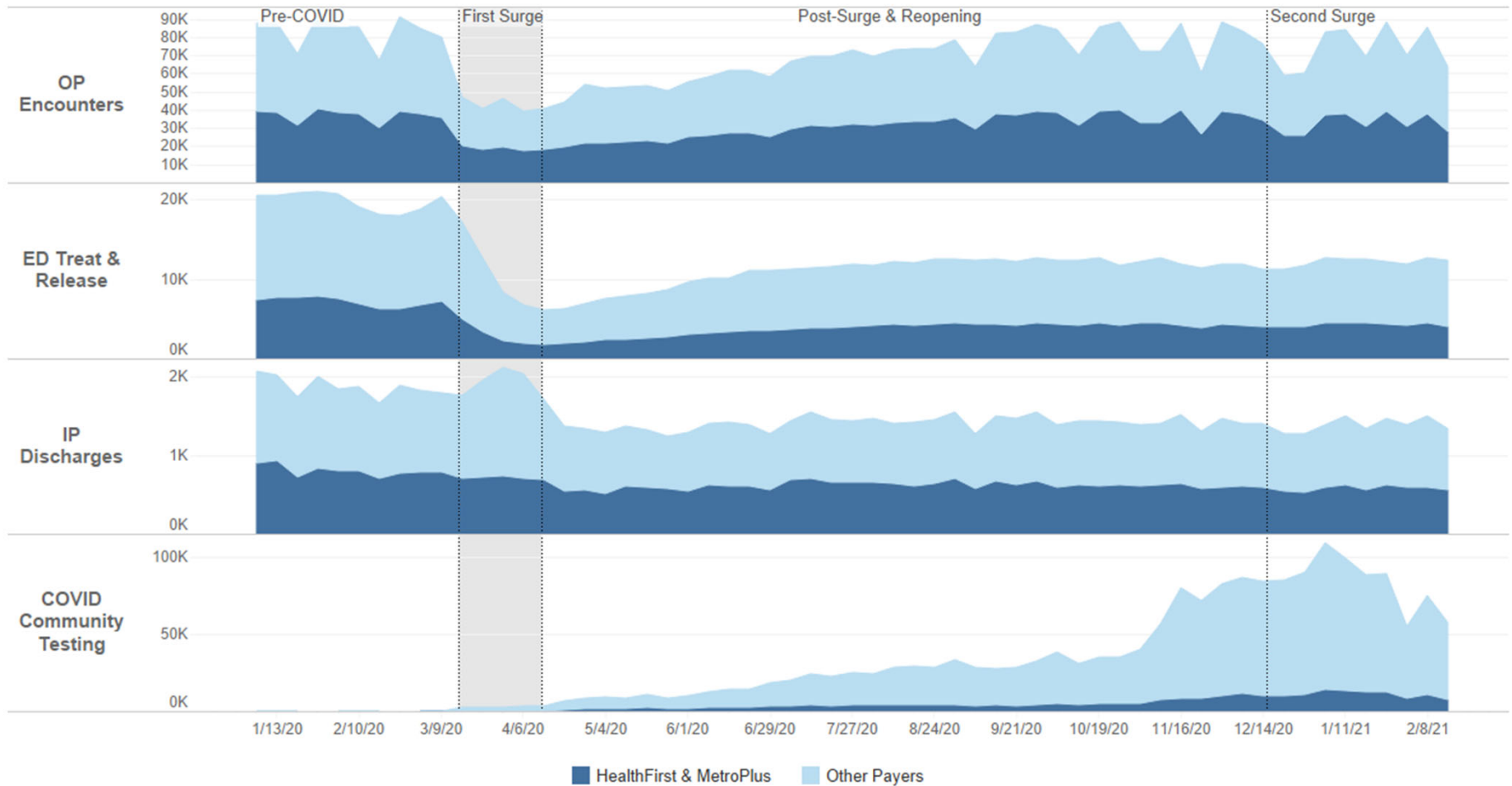


Appendix



Winter Surge Impacts

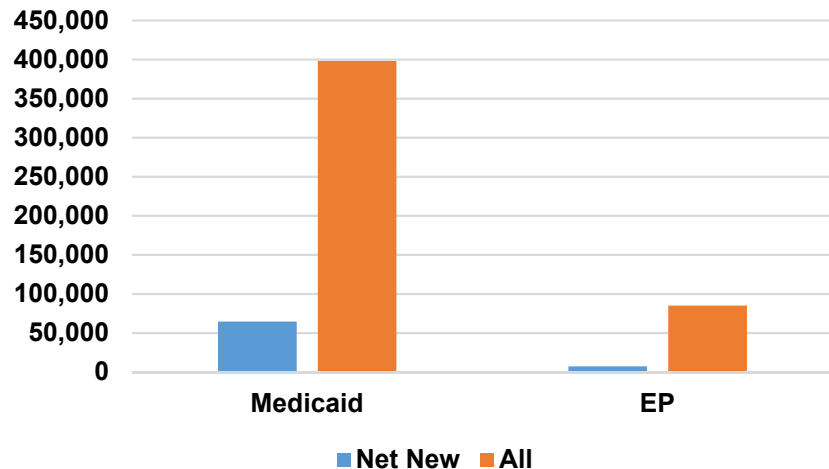
Weekly Volume Trends
January 2020 - February 2021



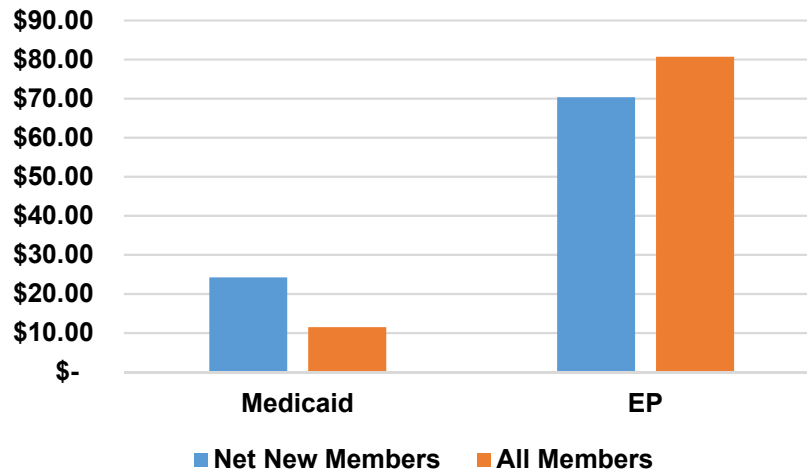
- Reductions in subcap volume accounted for 29% of overall IP volume decrease and 22% of overall OP/ED volume decrease in FY21 Q2 compared to the period before COVID.
- Overall, average daily ED treat and release volume in FY 21 Q2 & Q3 through February remained lower than the period before COVID, though a higher percentage of the visits in FY 21 Q2 & Q3 through February were assigned a high severity CPT code compared to both the previous quarter of FY21 and the pre-COVID baseline.

MetroPlus CY2020 New Adult Membership in Medicaid and Essential Plan is Driving \$31M in Risk Surplus

CY20 MetroPlus Members



CY20 MetroPlus Surplus PMPM



- The CY2020 MetroPlus Medicaid new adult members have a higher surplus PMPM than the established membership. This is likely due to favorable COVID-related utilization patterns. For EP, the net new members in CY2020 cost slightly more than the established members; however, both cohorts drive significant surplus to the system.
- H+H, in partnership with MetroPlus, is implementing several initiatives to retain the membership gains and maximize surplus revenue. Those initiatives include:
 - Leveraging a State enrollment status database for proactive outreach to retain members before coverage is set to expire.
 - Identifying opportunities in referral patterns to capture more risk membership at H+H for services.
 - Expanding ambulatory care services including Express Care and telehealth to increase patient access.
 - Converting patient PCPs to H+H PCPs if they receive care at H+H.
 - Increasing MyChart enrollment and usage to improve patient experience.
 - Converting eligible patients from Medicaid to HIV SNP and HARP to better address patient needs and improve care management.



- **Improved Performance in VBP Quality Programs**
 - Despite fewer preventive care and in-person visits during COVID, H+H successfully made improvements over the last year to enhance our quality performance with Healthfirst, the Medicare ACO and the Empire Q-HIP program. Of note, Healthfirst named three sites (Elmhurst, Queens, and Gouverneur) among their top 5 network performers in 2019. H+H has enhanced data exchanges with payers to ensure quality scores reflect actual performance and established a Medication Adherence 90-day refill program during COVID that increased H+H member adherence rates by 2-3% for cholesterol, hypertension and diabetes.
- **Conversions of Attributed Members to Richer Medicaid Benefits**
 - In August 2020, teams of hospital-based financial counselors and Community Care and Behavioral Health staff began an outreach campaign to qualifying MetroPlus members to encourage enrollment into special Medicaid plans that offer higher quality benefits to meet patients' needs; to date, we have enrolled nearly 800 members into the Health and Recovery Plan (HARP) and more than 200 members into the HIV Special Needs plan. As H+H is at risk for these MetroPlus populations, the richer premiums for these special plans should help cover the anticipated higher costs for these members.
- **Increasing Attribution of Risk Members**
 - At the height of NYC's COVID spike in spring 2020, H+H saw growth of 5% and 4% in its risk-attributed Medicaid and Essential Plan populations. Work is underway to retain this growth, with a specific focus on patient-friendly telehealth and virtual express care services, patient enrollment into Epic's MyChart, and work to keep more care referrals within the H+H system. H+H is also working to ensure that our Managed Care insurers assign members to active, panel-eligible PCPs across the system.
- **Continued Investment in Social Determinant Programs**
 - H+H continues to run successful DSRIP programs to support patients struggling with food insecurity, asthma control, housing, behavioral health follow ups, legal assistance and medication reconciliations.



Informational Item: Overview of January Financial Plan

James Cassidy, Director, Central Finance



Jan 22 Cash Plan Adjustments

Major Changes (positive value indicates improvement to plan, negative indicates a reduction to the plan)	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
	-	-	-	-
Closing Cash Balance (as of Jan 21 Cash Plan)	868.5	632.4	317.9	42.5
DSH eFMAP Glitch	(383.0)	(407.9)	-	-
Supplemental Medicaid Adjustments (including DSH cut delay and cash rolls)	1,344.6	564.8	534.9	(87.1)
City Changes (including one-time \$212M debt service cut)	(749.8)	93.0	60.8	69.9
COVID	(341.9)	150.0	205.0	125.0
MetroPlus changes (including elimination of risk pool lag)	166.0	(41.7)	(40.0)	(40.0)
SFY20-21 State Budget	(87.7)	(83.3)	(68.6)	(68.6)
Affiliate Contract Changes	(135.5)	(161.1)	(195.6)	(229.8)
Other Revenue/Expense Changes	(130.6)	(172.3)	36.2	283.3
Total Changes	(318.0)	(58.5)	532.7	52.7
New Closing Cash Balance	550.5	256.0	474.2	251.4

NYC Health + Hospitals
FY 2022 January Financial Plan

Cash Basis
(\$ in millions)

	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
OPERATING REVENUES					
Third Party Revenue					
Medicaid	2,413.2	2,357.7	2,429.9	2,452.1	2,476.6
Medicare	1,453.4	1,414.3	1,437.5	1,450.8	1,465.3
Other Managed Care	547.0	417.5	410.0	413.7	417.8
Supplemental Medicaid	2,479.6	1,529.6	1,919.0	1,297.0	1,297.0
<i>Disproportionate Share Hospital (DSH)</i>	2,187.0	1,455.9	1,437.5	815.5	815.5
<i>DSH eFMAP Glitch Impact</i>	(383.0)	(407.9)	-	-	-
<i>Other Supplemental Payments</i>	675.6	481.6	481.6	481.6	481.6
Subtotal: Third Party Revenue	6,893.2	5,719.1	6,196.5	5,613.6	5,656.8
Other Revenue					
City Services	1,881.1	1,476.3	1,258.0	1,267.1	1,267.1
Grants and Other	1,283.6	862.0	742.0	662.0	537.0
Subtotal: Other Revenue	3,164.7	2,338.3	2,000.0	1,929.1	1,804.1
Strategic Initiatives					
Supplemental Medicaid Programs	653.0	300.0	300.0	300.0	300.0
Federal & State Charity Care	-	-	-	62.0	62.0
Revenue Cycle and Managed Care	143.2	218.6	218.6	218.6	218.6
Service Line Improvements	21.3	55.7	55.7	55.7	55.7
Value-Based Payments	22.7	67.0	67.0	67.0	67.0
Growth	62.1	132.5	182.5	232.5	232.5
Subtotal: Strategic Initiatives	902.3	773.8	823.8	935.8	935.8
TOTAL REVENUES	10,960.2	8,831.3	9,020.4	8,478.5	8,396.7
EXPENSES					
Personal Services	3,155.9	3,210.4	3,222.7	3,237.7	3,256.1
Fringe Benefits	1,661.0	1,710.9	1,735.8	1,740.2	1,745.6
Affiliations	1,315.1	1,355.2	1,397.2	1,431.5	1,455.8
Other Than Personal Services	4,982.1	2,882.2	2,554.3	2,549.7	2,515.8
Subtotal: Expenses	11,114.1	9,158.7	8,910.1	8,959.2	8,973.3
Strategic Initiatives					
System Efficiencies	11.3	22.9	22.9	22.9	22.9
Restructuring and Personnel	5.0	10.0	85.0	235.0	310.0
Subtotal: Strategic Initiatives	16.3	32.9	107.9	257.9	332.9
TOTAL EXPENSES	11,097.9	9,125.8	8,802.2	8,701.3	8,640.4
INCOME/(LOSS)	(137.7)	(294.5)	218.1	(222.7)	(243.7)
OPENING CASH BALANCE	688.2	550.5	256.0	474.1	251.4
CLOSING CASH BALANCE	550.5	256.0	474.1	251.4	7.7