

## FINANCE COMMITTEE AGENDA

**Date:** October 17, 2022  
**Time:** 1:00 P.M.  
**Location:** 50 Water Street, 17<sup>th</sup> Floor,  
Boardroom – In Person

### **I. Call to Order**

*Freda Wang*

Adoption of the July 11, 2022 Minutes

### **II. Action Item: Medical Respite Operations and Services**

*Matthew Siegler*

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to sign three year agreements with each of Institute for Community Living, Inc. (“**ICL**”) and Comunilife, Inc. (“**Comunilife**”) for the provision by ICL of 26 respite beds and by Comunilife of 25 such beds with the System holding two 1-year options to renew both contracts for an amount for the two contracts together not-to-exceed \$17,960,500 over the potential five year terms.

VENDEX APPROVED:

Comunilife, Inc., Institute for Community Living, Inc.

EEO PENDING:

Comunilife, Inc., Institute for Community Living, Inc.

### **III. Financial Update**

*John Ulberg*

### **IV. Old Business**

*Freda Wang*

### **V. New Business**

### **VI. Adjournment**

## **Finance Committee VIRTUAL MEETING - July 11, 2022**

**As Reported By: Freda Wang**

**Committee Members Present:** Freda Wang, Mitchell Katz - left at 1:29 p.m., MD, Sally Hernandez-Piñero, José Pagán, Feniosky Peña-Mora, Barbara Lowe, Patricia Marthone, MD

### **CALL TO ORDER**

Ms. Wang called the meeting of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 1:25 p.m.

Ms. Wang called for a motion to approve the May 9, 2022 minutes of the Finance Committee meeting.

Upon motion passed and duly seconded the minutes of the Finance Committee meeting held on May 9, 2022 were adopted.

### **FINANCIAL UPDATE**

Mr. Ulberg opened the presentation with the FY-22/YTD highlights. He conveyed that we finished the year very strong, with over \$500M in the bank. The budget outperformed almost at 2% and closed April with a positive Net Budget Variance of \$270M.

Mr. Ulberg continued, stating that direct patient care receipts came in \$550.2M higher than the same period in FY-21 with patient volume coming back, our revenue initiatives maintenance of effort and UPL conversion coming through patient care.

Patient care volume is returning to pre-COVID levels in FY-22, but still 4% below FY-20 in discharges. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate. Overall, our strategic financial initiatives remain on track with our post-COVID strategies, generating over \$691.3M thru April of FY-22. Several areas of strong net performance were noted.

Mr. Cassidy presented the cash projections for FY-22. H+H reports 16 days of cash on hand. The System expects to close June with approximately \$700 million (30 days cash-on-hand). In addition, we were able to pay off all of our prior year liabilities and continue to work closely with the City on our remaining liabilities due to them as we continue to closely monitor our cash position in relation to any ongoing uncertainty around COVID-19. Revenue Cycle indicates that we received \$550M higher than last year during the same period.

Mr. Ulberg presented the external risks. H+H hopes to receive an additional FEMA payment of \$137M in FY-23. Current inflationary costs and wage pressures present a challenge to recruitment and staffing.

Health and Hospitals is diligently working to address this and continues to develop its staffing models to meet industry standard.

Ms. Tyler presented the financial performance highlights for FY-22 thru April Net Budget Variance. She noted that April ended with a net budget variance of \$270M (2%). Receipts exceeded budget by \$689.2M Primarily driven by Patient Care Revenue. While Inpatient and Outpatient volume and average collectability rates are higher than budgeted, Risk is higher due to MetroPlus payment on behalf of prior year. Disbursement exceeded budget by \$419M, which includes vaccine mandate, expenses associated with COVID, and Temp coverage costs.

Ms. Tyler continued providing FY-22 thru April performance drivers updates. Cash receipts are 10% ahead of budget as patient volume returns at a higher percentage than anticipated, and as H+H meets and exceeds planned strategic service line improvement, managed care contract performance, and revenue cycle initiatives. Risk performance is better than planned.

FY-22 thru April, cash disbursements are over budget by 6% primarily resulting from unbudgeted COVID and vaccine mandate related expenses, and Temp rates. However, the plan shows the System with a positive operating margin. H+H exceeded the revenue target due to a combination of solid performance and continued improvement in revenue cycle and service line initiatives as well as returning patient volume.

An update on System-wide strategic initiatives was presented by Ms. Farag. Positive gains were made across our strategic initiatives. Growth and other service line improvements, Revenue Cycle, System Efficiencies and Value Based Payment/Managed Care initiatives, are all on track to meet targets for the year.

Ms. Hernandez-Piñero inquired if the \$241M, was primarily for temporary staffing to deal with Omicron or Staffing up to staffing models. Are those two different costs or is this just overtime to cover the Omicron issue?

Ms. Farag responded, that the \$241M is agency temp staffing cost and it includes Omicron, but also includes rightsizing in our non-COVID area as we get back on track in terms of the components that should be temp agency and full-time. We are supporting our regular operations using some of that agency temps, until we get up to our models on the full-time side of the world up to those models.

Ms. Farag provided a walkthrough of the Budget Development Strategy and Priorities of FY-23. The main focus this fiscal year is continued progress on the budgeting process by implementing staffing models across different nursing areas and implementing workforce plans including provider workforce plan. Other major components are Value Based Payment and Ambulatory Care 2.0 as well as Core Infrastructure and Re-building for the future. The Core infrastructure and Re-building for the Future includes Staff Core Services, Capital Projects and connecting to

Systemwide growth strategy, pharmacy, and other key operational areas, cross facility/cross department initiatives and continued revenue cycle improvements moving from median to top 25% performance on claim denials.

Mr. Siegler presented the Value Based Payment Performance Key Drivers updates. H+H drives success in Value Based Payment via three key strategies. These are Growing attributed membership, Growing Risk Surplus, and Improve quality of care and boost quality bonus payments. H+H is making progress in all three domains. Risk surplus is steady since the start of the pandemic and has remained high compared to prior years. Membership is up over 110k since January 2020 due to pause in Medicaid recertifications. H+H continues to improve quality scores in key areas.

Mr. Siegler provided the highlights of our Value Based Payment interventions for calendar year 2021. These results are driven by Live, central outreach for VBP gaps, MyChart Messages to encourage scheduling appointments to address VBP gaps, MyChart Surveys used as Virtual Visits for VBP metrics, Supplemental Data Exchanges with MCOs, Care Gap Tool, VBP Program Support, Eye Camera, and End of Year Chart Review.

Mr. Siegler reported on Healthfirst HQIP VBP Program performance and final 2021 results. Healthfirst is one of our biggest health plan partners and is partnered with most of the major hospital systems in NYC. One of the greatest things of their quality programs is that we can compare how we measure up against other hospitals and health systems in the city.

Mr. Siegler conveyed that H+H outperformed the Healthfirst network on 93% of the Medicare measures and on 67% of the Medicaid measures. H+H improved from 2020 to 2021 on 83% and 75% of Medicare and Medicaid measures respectively. On average, H+H improved by 0.25 stars in Medicare OQR. H+H facilities had the highest score in HF's entire network on six VBP measures. For the first time in 4 years, no facility had a raw score OQR less than 2.0.

Lastly, Mr. Siegler concluded by highlighting exciting news about H+H facility performance and noted H+H is one of the leaders in the city in terms of quality of care H+H is able to deliver to the patient population. Several of our facilities were the highest performing in the entire Healthfirst network and we are pleased with the improvements here.

Ms. Karlin provided the FY-23 revenue cycle initiatives highlights. The revenue cycle initiatives gross revenue target grows by about \$50M, from \$454M to \$503M in FY-23. These initiatives focus on optimizing our internal workflows and reducing our reliance on vendors. In FY-23 budget compared to FY-22, the Accounts Receivable initiative decreases by \$30M as it is a vendor driven initiative. The administrative denial reduction increases by \$47M driven by our expectation of optimizing and improving our internal workflows, similarly with insuring the uninsured. In

addition, she concluded that we have increased our financial counseling rates and we are looking to push that further. H+H is doing well in accounts receivable and across all areas of denials. Revenue Cycle indicates the plan is to move the administrative denials target from the current median performance to the top 25% by fiscal year end as compared to other Epic customers.

Ms. Lum presented the Test and Trace financial update. H+H projects expenses of \$1.364B in FY-22 and \$197M in FY-23 for Test and Trace Corps. T2 has committed approximately \$226M in expenses for Q4 in FY-22. She concluded in noting that OMB has provided H+H with sufficient revenue through the T2 MOU to cover expenses to date.

Ms. Lum continued providing a programmatic update. She conveyed that T2 have very recently rolled out a new program called Test to Treat, which builds on the existing mobile units' infrastructure. She noted, this is the first program to provide not only access to rapid testing but also access to prescription on-site. T2 currently has 30 mobile units throughout the 5 boroughs providing access to New Yorkers. Overall, T2 testing strategy is to focus more on rapid testing access, meeting people where they are through the mobile units and community distribution sites.

Ms. Farag presented the revenue performance for FY-22 thru April. FY-22 patient care revenue is \$550.2M higher than FY-21 actuals. Patient revenue improvements year-over-year can be attributed to a combination of higher patient volume, solid performance and maintenance of effort in revenue cycle and other strategic initiatives, as well as UPL conversion coming through patient care.

Ms. Wang polled the committee for questions.

Mr. Pagán commented on the great updates. On the quality indicators, he mentioned it is very important that we are hitting quality targets and sharing data and being the best in the city.

Ms. Wang commented on the Value Based Performance and quality outcomes, it would be great to have an information item on VBP at one of the upcoming meetings to continue to update the Board on finances.

Mr. Pagán added that it would be great to have as it impacts not only quality, but also revenue.

Ms. Wang added that perhaps a similar presentation could be done for one of the full board meetings.

Mr. Siegler agreed that this should be considered.

Ms. Hernandez-Piñero inquired regarding the two finalists in the coding audit. Are there any anticipated savings included in your current projections?

Ms. Karlin responded, that is correct. We did not capture any additional revenue or savings as it is still a little of an unknown at this point.

Ms. Hernandez-Piñero inquired in regards to capital projects that will have some kind of positive revenue impact, is there a correlation with capital projects.

Mr. Siegler responded, we do have high priority projects that do have an impact on our revenue. Also, they have an impact on our expense dollars. The sheer amount of temporary work we do, recovery actions we take when infrastructure falls down and working closely with Manny and Oscar, we are trying to integrate them more closely into our financial planning on the revenue side and the expense.

Mr. Peña-Mora thanked the team for the reporting and inquired in regards to the drivers of expense slide, can you elaborate what this slide means? We are overbudget by \$419M currently, are we expecting to make up for this amount in the next year or allocating the funds to cover for that.

Ms. Tyler responded Yes, we are overbudget by \$419M.

Ms. Farag added in the \$419M as this is cash based, there is a timing aspect there. As more Federal dollars are received in terms of our financial standing, some of those gaps will close as we drawdown more of our claims.

Mr. Peña-Mora added, in that case we do not expect to have a deficit on this. As I understand there is a timing issue but in order to have more clarity the report includes up-to-today but would also be helpful to report also on expected results by the end of the fiscal year. In the next year report, we expect to be zero as this only looks at the expense portion of it.

Ms. Farag responded, our revenue performance also being ahead of our budget, is filling some of those variances shown on the expense side. This explains why the net margin is actually positive.

Mr. Ulberg added, you have to look at both the revenue and expense slide, we are just trying to do a break-through so maybe look at the revenue.

Ms. Farag mentioned, looking at the net revenue, we are doing \$689M better than originally anticipated on revenue and on the disbursement side so it offsets that \$200M net revenue against negative \$419M on the disbursement. Those disbursement also include COVID dollars and from a timing perspective we are hoping to eventually get those from FEMA.

Mr. Ulberg added, you need to see the breakdown for both. We are looking better than budget on the revenue side and when looking at the next slide on expenditures setting ourselves up for next year, these expenditures are either related to COVID or something we can manage. The agency temp staffing is more expensive than our own staffing and we

are trying to manage that down. When looking at them both in context of next year's budget, we look pretty good. We did better than budget by \$270M because the revenue was strong and it looks sustaining going forward. These expenditures are manageable.

Mr. Peña-Mora commented, that while this is very helpful, maybe we should discuss the net for more clarity. In this case our net is going to be positive, is this money going back to the Feds or we keep that net positive?

Mr. Ulberg responded, we keep the net positive dollars. That is money that we have earned.

Mr. Peña-Mora asked, do we have flexibility to reallocate that money across other services or do we can only use it for COVID related services?

Mr. Ulberg responded, when we draw FEMA or PRF dollars, we only used in relation to COVID.

Ms. Wang added, the net surplus that we are showing for the April YTD is not COVID related surplus, that is surplus for all our operations.

Mr. Ulberg responded, that is correct.

Mr. Peña-Mora added, I was confused and thought it was only related to COVID. Thank you, the explanation is appreciated.

Ms. Wang added, when you look at the slides in isolation you do not see the full picture as we show the overall performance. However, the headline is "we are better than budget YTD". Something the team did which I thought was helpful, was to break down the components as we are nicely above budget, and to be able to see what those components are and what is driven by COVID; it may not be recurring or continuing, and we can isolate it as we go forward.

Mr. Peña-Mora added, I think it is very helpful but it would be great to see the net budget variance.

Ms. Wang commented, the net budget variance is in the bullet maybe we should move it.

Ms. Farag added, we can move it to the diagram in the slide if easier.

Ms. Lowe asked John, in the next fiscal year how well do we expect to do on the staffing side, we know it depends on how many COVID events can occur but do you think we are going to hold solid with this and the new mandate for staffing control.

Mr. Ulberg added, we are very proud of the fact that we actually do for inpatient services and we are building it for other nursing related services. We have a staffing model and we have embedded that into the organization so every month we are looking at how many beds were filled versus how many staff did we have and of those staff, how many were

full-time, part-time, overtime. Our goal is to always make sure there is enough resources on the bedside and last year we did a pretty good job at that with the assistance of Temp nurses as our staff got sick. We believe on average we always had enough nurses at the bedside. We continue to build models, the data and report our results.

Ms. Lowe asked, John do you look at this from a unit or service level for nursing as well.

Mr. Ulberg responded, our models go all the way down to the units and bedside. We will be happy to show you.

Ms. Wang commented that the workforce plan that was referenced, that is tied to the new way of working with our affiliate.

Mr. Ulberg responded, that is correct and we are working very closely with PAGNY in terms of development of the workforce plan and we are well under way with both NYU and Mt. Sinai.

Ms. Wang commented on the VBP Performance slide, as we are having a lot of success and it is helping us drive a lot of our strategic initiatives. She asked to elaborate and provide context on the surplus reflected on the top chart. Do you have his broken down in more granular details of what is contributing to the growing risk premium and is some of it due to what was happening with COVID and will we start to see this coming down? As noted in the appendix, we noticed the CMI is starting to come down and trying to get some context for that.

Mr. Siegler responded, that there are essentially two factors to the risk premium increase. One is the number of members on which we are collecting premium and capitation payment. The other is the amount of premium per member and there are many factors that go into this. There is a lot of work that goes into making sure that our CMI and risk adjustment are captured appropriately and that members are enrolled in the specialized product that is right for them. That work of premium per member we continue to anticipate seeing significant improvement. The rate of growth that we have seen since the public health emergency was put in place has been significant as there has been redetermination and churn off of the Medicaid program. We need to monitor very closely and we are in conversations with our plan partners and with the State on how this is going to work and how we can minimize the number of people who lose coverage as that happens. On those two factors, we have been working very hard and feel confident that we can keep our attributed membership up and feel extremely confident that we can get our premium per member up as that work is just at the beginning stages and we have a lot of room to grow there.

Mr. Ulberg added, in particular for Medicaid the State has a role when they set the premium. We know they have always been at the bottom of the range and they are trying to make efforts to get the premium where they set it a little bit higher in the range which would help as well.



Ms. Wang requested clarification on membership, it was stated that it was partially due to the pause and Medicaid re-certification, did that end?

Mr. Siegler responded that it has not ended. We are waiting for it to kind of kick into full speed but it is something we are certainly going to be watching.

Ms. Wang added, in terms of growing membership due to other works that you are doing, you do not anticipate that this is going to come back down, correct.

Mr. Siegler responded, we are certainly hopeful. It will be tough to sustain the rate of growth that everyone has seen over the last few years. There may be months of decline due to population growth and changes in the economy and how people are moving into Medicaid. He continued, there are lots of different factors there, but recertification will certainly be a headwind to membership growth. As John mentioned, the degree of that depends on the State, upon us and our health plan partners work as well as recertifying members, helping them enroll, marketing, and outreach for our key value-based health plan partners.

Ms. Wang commented that these discussion helps to put some focus on, our strategic initiatives, and the budget development strategy, a big key component is the work on the value-based care program. A lot of it is as mentioned, is membership growth, premium per member, keeping the different special population into the right area.

Mr. Siegler added, it is a growing part of our business and it feeds into a lot of different things we are trying to do. The key part for us is how committed we are as a System as it does not conflict with our other revenue growth strategies. We have the opportunity to do both - being successful in value-based payment by being efficient, and being effective in fee for service medicine by driving volume and improving billing.

Ms. Hernandez-Piñero noted that MetroPlus is being very cautious by projecting maybe a 30% drop in certifications potentially, and are contacting members to help ensure that they have all the paperwork they need to be able to certify once this LoL in recertification gets terminated.

Ms. Wang continued with an inquiry on the quality bonuses, and added that the Healthfirst results statistics are terrific. We often discuss how difficult it is to measure how we are doing and that clearly a key tool to help us see that success. Do these bonuses translate into dollars that we track?

Mr. Siegler responded, they definitely do. The Healthfirst bonus payment is on the slide. I believe is about \$6.8M this year for them and that is a growth year over year. We have a similar program with MetroPlus

that reports a little bit later on in the year and we will come back with those results when they are done. Combined they are a meaningful portion of our revenue. The other side of it is that we believe the higher the quality of the care, the more efficient we are and less unnecessary hospitalizations. Therefore, we have better management of those premium dollars and a higher surplus as well. It is harder to directly correlate to the quality measures but that is the other side of the revenue picture that this great performance in primary care and ambulatory care measures drives for us.

Ms. Wang commented on how interesting it would be to see the historical, if we started tracking that more regularly, how that is improving.

Mr. Ulberg mentioned that the State restored previous cuts in the managed care quality pool for the plan. We are very appreciative that the plans really advocated for those quality dollars to be restored.

Ms. Wang if the growth in the VBP expenses seems to have flatten a little bit in the last couple of quarters. Is that just a trend or nothing we can read into it?

Mr. Siegler responded that we cannot really read into it yet. However, we are getting more sophisticated on how things like external referrals, ambulatory care quality measures and other things drive medical expenses. The swings in volume and utilization that we have seen as well as people staying away, shut downs in ambulatory care makes it pretty tricky to trend this in a meaningful way. Particularly, how much better our revenue cycle services have gotten and our overall revenue capture. We need to get a little bit smarter on this before we can tell if there is a trend there. In 2020 Q2, the major drop-off at the heart of the first COVID surge, there was an unprecedented drop in medical expenses that if we were purely fee for service system, would have been a devastating loss in revenue. It is still a major challenge that the amount of value-based surplus we were able to collect based on that period was a major stabilizing factor for us. One of the major arguments that we have made and others around the country have made in the importance of the value-based payment for stabilizing the delivery system being a dependable revenue stream and a more reliable way to structure the healthcare delivery system than pure fee for service.

Ms. Wang further asked if Test to Treat are included or covered in the financials estimates presented.

Ms. Lum responded that based on other changes we had in FY-23 projections, they expect this \$197M to cover the baseline 30 units for Test to Treat. The \$143M also includes our Gotham and Acute testing sites as well as summer school testing. It does not include any surge scenarios at this point. That would have to be vetted with OMB and determined based on what the testing needs are at the time.

Ms. Wang thanked the team for the comprehensive work and excellent results.

#### **INFORMATIONAL ITEM: NYPA LOAN REFUNDING**

Ms. DeHart provided an overview of the NYPA Loan Refunding, which were performed under approved authorizations on resolutions from the board authorizing equipment financing. Through resolutions approved in 2013 and 2015, respectively, H+H Board authorized the System's CFO to obtain equipment and other related capital financing up to an aggregate amount of \$120M from one or more lenders, with the goal of allowing the System to establish a flexible equipment financing program with access to capital funds as needed from time to time. Under this authority, on June 15, 2022 H+H entered into agreements for two loans with JPMorgan Chase Bank, totaling \$39.7M to refinance existing New York Power Authority (NYPA) loans for boiler projects. There have been three previous borrowings under this authority, with combined outstanding balances of \$22.9M. She noted that all of these agreements are secured by a secondary lien on the system's Health Care Reimbursement Revenue.

Ms. DeHart continued providing an overview of the background. She noted that in March 2013, the H+H Board approved resolutions authorizing negotiation and execution of tax-exempt financing with NYPA to partially finance boiler replacement and energy efficiency projects at Elmhurst and Metropolitan Hospitals. Following substantial completion of the projects in 2018, variable rate initial loans were executed with NYPA, with the variable rate reset annually based on NYPA's cost of borrowing. Furthermore, in 2021 a revision in NYPA borrowing policies affected the variable rate charged on these loans. Lastly, H+H determined that it was in its best interest to seek competitive refinancing options.

Ms. Dehart provided an overview of the procurement process, RFP criteria and MWBE. In terms of the MWBE analysis and selection, in March 2022 proposals from 5 major banks were received. JPMorgan was selected as the lowest cost lender in April 2022. Ms. DeHart continued stating that industry review by both H+H EEO and PFM indicated that MWBE bank capacity for this financing was unlikely, and no proposals were received from MWBE lenders. The RFP required proposers to disclose recent diversity, equity and inclusion policies and initiatives. Some highlights of JPMorgan's DEI efforts were noted. JPM reports that as of March 2022, 55% of its total US workforce and 25% of its US executive and senior level managers were non-white; 53% of the total global workforce and 33% of global executive and senior level managers were women.

Ms. DeHart presented the NYPA Loan Refunding terms. The terms of the agreement entered with JPMorgan are as follows, two 15-year tax-exempt loans, which were executed on June 15, 2022. A \$19.4M loan for Elmhurst Hospital and \$20.4M loan for Metropolitan Hospital. They are both fully amortizing with final maturity on June 15, 2037. She concluded noting that these are at a fixed rate of 2.6436% and the rate was locked-in in May 2022 prior to executing the loan which turned out to be to our advantage. The cost of issuance for this financing was just over \$74k and the total amount borrowed was \$39.7M.

Ms. Wang polled for questions.

Ms. Hernandez-Piñero asked if it was H+H that replaced these loans. This was confirmed to be the case.

Mr. Pena-Mora commented on the MWBE, in a lot of financial deals some companies do not do it all by themselves but come together. Is there a way that we can encourage them to pool with a minority MWBE that will provide 30% of this? They could pull it, as there are lot of big deals where they have done it. We should inquire for more information.

Ms. Wang added, the team did do some research into looking for potential minority owned banks and smaller banks to do financing. In our experience the size is one consideration to be able to do it on their own. There are a lot of syndicated deals were banks come together and some banks can join in that fashion. The challenge is often the return rate for the banks and smaller banks has higher requirements. I am glad a good rate was locked, in terms of timing. The challenge is that the quality of our credit would dictate a lower rate as we had some competitive rates, but it is something as we go forward we can try to increase participation amongst minority owned banks and how can the industry work together to make sure we meet the capital requirements and investment return rates are what they are able to provide.

Mr. Peña-Mora continued, while in agreement with Freda, the amount of money is not large compared to what those syndicated deals are, there may be ways for the RFP team to encourage these type of things as they are investing in diversifying their portfolio; there may be ways to encourage them to work with minority banks and get creative in how they syndicate these type of loans; even in smaller scales like this one, and put it out there to see if there is any opportunity.

Ms. Wang added, unfortunately the higher the rate on the risk spectrum sometimes the easier it is and is counter intuitive. The team and Linda we have discussed finding ways and Fenny we would like to talk with you for ideas, if it is helpful.

Ms. Lowe commented that it is an admirable discussion that has been raised but we would need to make the industry feel comfortable that we have phenomenal control over costs, but we are one industry that is pretty daunting with all that has occurred over the last year. It would be great to get to work and build that opportunity for the smaller banks.

Ms. DeHart appreciated the conversation and added, this issue has been approached with Freda and planned time to discuss strategies to improve participation moving forward both in this area and past discussion with respect to financing.

Mr. Peña-Mora commented on the data provided. The data provided was only national data but would be great to provide the NY data as they have a big presence here.

Ms. DeHart added, we did not get it in time to include in the presentation but we do have the NY data. As of March 2022, for NY 54% of the total workforce was non-white and 50% female and of NY senior level management 27% was non-white and 35% was female.

Mr. Peña-Mora thanked Linda and added if there is a presentation for the Board if you can add the NY data would be great. Mr. Pagán commented in regards to local banks that operate in the communities we serve in NYC, local banks that are MWBE even if their interest rate are one quarter or half a percentage more. That bank and their presence in our local communities makes a huge difference, in terms of stable employment, etc. It would be interested to find out more about that as a possibility.

Ms. DeHart added, we can have a further discussion with our EEO office regarding this and build that into future conversations. We did identify two local MWBE banks and their capacity was really just a fraction for what we were looking to borrow, it would have been difficult and taken a lot of work to address this problem and that syndicate idea of how they partner with someone that we just did not have the time to do now but the capacity was so small for those particular banks, but we can certainly agree that it is worth exploring.

Ms. Wang commended the work of the team and the good suggestions from the Committee, and stated there is a lot of opportunity to be creative and expansive in thinking how to make this work for everyone.

#### **ADJOURNMENT**

There being no further business before this committee, the meeting adjourned at 2:29 PM.

## RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign 3-year agreements with each of Institute for Community Living, Inc. (“**ICL**”) and Comunilife, Inc. (“**Comunilife**”) for the provision by ICL of 26 respite beds and by Comunilife of 25 such beds with the System holding two 1-year options to renew both contracts for an amount for the two contracts together not-to-exceed \$17,960,500 over the potential 5-year terms.

**WHEREAS**, respite housing solves the problem of in-patients who, though medically cleared for discharge, cannot be discharged due to their post-surgical, medical or behavioral health needs that make them unsuitable for shelter or other insecure housing where recovery may be impaired; and

**WHEREAS**, respite beds are in congregate living facilities where case managers, peer specialists and social workers provide care coordination, support with transport to medical appointments, and linkage with primary care, behavioral health and substance use services; and

**WHEREAS**, the System has contracted with ICL and with Comunilife for respite beds since 2019 on separate contracts that were each extended on a best interest basis in 2021 to expire November 30, 2022; and

**WHEREAS**, from 1/2020 to 8/2022, 742 patients were successfully discharged from respite after average stays of 45 days; and

**WHEREAS**, the respite bed program is financially successful because the cost of a night for a discharged patient at a respite facility is substantially less than the cost of keeping such patient in the hospital until they are suitable for discharge producing a savings to the System of about \$17M; and

**WHEREAS**, the System regards the respite bed program as clinically successful because access to respite care enabled discharged patients to complete their recovery to the point that they could manage outside of the hospital and because, while in respite care, many such patients were placed in permanent housing and were connected to useful services; and

**WHEREAS**, the System conducted an open competitive RFP to select vendors for new respite contracts involving a pre-proposal conference with 12 potential vendors in attendance resulting in two proposals which were from ICL and Comunilife; and

**WHEREAS**; the System has been satisfied with the work of both ICL and Comunilife, both of which are not-for-profit organizations with good reputations and established programs and both of whom combine competence in the delivery of respite services with the real estate to be able to furnish both beds and services; and

**WHEREAS**, the proposed agreements will be managed by the Assistant Vice President of Housing and Real Estate and the Housing for Health business unit;

**RESOLVED**, that the New York City Health and Hospitals Corporation (the “**System**”) be and hereby is authorized to sign 3-year agreements with each of Institute for Community Living, Inc. (“**ICL**”) and Comunilife, Inc. (“**Comunilife**”) for the provision by ICL of 26 respite beds and by Comunilife of 25 such beds with the System holding two 1-year options to renew both contracts for an amount for the two contracts together not-to-exceed \$17,960,500 over the potential 5-year terms.

**EXECUTIVE SUMMARY  
PROPOSED AGREEMENTS  
WITH  
INSTITUTE FOR COMMUNITY LIVING, INC. AND COMUNILIFE, INC.  
FOR RESPITE BEDS AND SERVICES**

**PROGRAM  
OVERVIEW:**

Patients experiencing homelessness have greater medical acuity and longer hospital stays. When medically cleared for discharge, they often cannot return to a shelter or street due to their post-surgical, medical and/or behavioral health needs. Respite beds provide a solution. They are in congregate living facilities where case managers, peer specialists and social workers provide care coordination, support with transport to medical appointments, and linkage with primary care, behavioral health and substance use services. The System sees the respite program as both financially and clinically successful. From 1/2020 to 8/2022, 742 patients were successfully discharged from respite after average stays of 45 days. In 2021, the average cost of respite was about \$150/bed/night representing a savings to the System of about \$17M compared to the cost of keeping the patients in the hospital until they suitable for discharge. More important, the program has been clinically successful in both preparing patients for discharge and getting patients connected to housing and other useful services.

**VENDOR  
OVERVIEW:**

The System has contracted with ICL and with Comunilife for respite beds since 2019 on separate contracts that were each extended on a best interest basis in 2021 to expire November 30, 2022. Both ICL and Comunilife are not-for-profit organizations with good reputations and established programs. Both combine competence in the delivery of respite services with the real estate to be able to furnish both beds and services.

**PROCUREMENT:**

The System wished to test the market for providers of respite beds and so conducted an RFP in spring 2022. Though 12 contractors attended a preproposal conference, only Comunilife and ICL made proposals. This confirmed the System's assessment that these were the only entities in the area with both a proven ability to service this difficult population and with the real estate (or access to the real estate) to be able to provide the beds.

**TERMS:**

The System proposes to execute contracts similar to the prior ones where it reserves all contractors' respite beds for the term. The new contracted rate per bed, per night is approximately \$175. The System pays for the beds if they are occupied or not but occupancy has never been less than 90% and is often close to 100%. The System has the right to terminate each of the contracts without cause on fairly short notice.

**MWBE:**

Both vendors are not-for-profit corporations and so are exempt from MWBE subcontracting goals.

To: Colicia Hercules  
Chief of Staff, Office of the Chair

From: Iraniss Morel-Dziengeleski  
Associate Counsel  
Office of Legal Affairs

Iraniss Morel-Dziengeleski  
Digitally signed by Iraniss Morel-Dziengeleski  
Date: 2022.09.29 13:38:37 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Matter: Medical Respite Operations and Services

Date: September 29, 2022

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The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

<u>Vendor</u>	<u>Vendor Responsibility</u>	<u>EEO</u>	<u>MWBE</u>
Comunilife, Inc.	Approved	Pending	N/A
Institute for Community Living, Inc.	Approved	Pending	N/A

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.



# **Medical Respite Operations and Services**

## **Application to Award Contracts Board Finance Committee Review 10/17/2022**

Matthew Siegler, SVP

Leora Jontef, AVP Housing & Real Estate

Marjorie Momplaisir-Ellis, Sr. Director Housing

# For Consideration

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Authorizing New York City Health and Hospitals Corporation (the "System") to sign three year agreements with each of Institute for Community Living, Inc. ("ICL") and Comunilife, Inc. ("Comunilife") for the provision by ICL of 26 respite beds and by Comunilife of 25 such beds with the System holding two 1-year options to renew both contracts for an amount for the two contracts together not-to-exceed \$17,960,500 over the potential five year terms.

# Background: Housing for Health

## Housing for Health

In 2020, NYC Health + Hospitals(H+H) launched Housing for Health with a goal of securing interim and permanent housing options for patients experiencing homelessness

## Why Housing for Health?

**46,000 H+H patients are experiencing homelessness. 22,000 H+H patients are also DHS clients**

Expediting this population into stable housing saves lives, improves health outcomes, and reduces expensive emergency health care and in-patient resources

## Successes to Date

- Over **450** patients have been permanently housed
- Over **800** people have benefited from interim housing at medical respite

## Medical Respite RFP

In Spring 2022, Housing for Health released an RFP to continue providing Medical Respite Operations and Services

# Background: Medical Respite Services



## The Need

Patients experiencing homelessness have greater medical acuity and longer hospital stays. When medically cleared for discharge, they often cannot return to a shelter or street because of their post surgical, medical and/or behavioral health needs.



## The Solution - Medical Respite

An Interim Housing Option with 24/7 staffing that allows clinical providers to come onsite to perform services like: wound care, oxygen, IV infusion, physical therapy, and home health aide services.

## The Model



- Services are provided primarily by case managers, peer specialists and social workers
- Respite staff provide care coordination, support with transport to medical appointments, and linkage with primary care, behavioral health and substance use services
- Since the respite operators currently do not provide any direct clinical services, clinical services are provided by various vendors who come onsite. The clinical aftercare services are arranged by NYC H+H facility discharge planners based on patients' clinical needs.
- Provide extensive housing case management to support connections to more stable and appropriate housing

**The goal is to stabilize patients' health, provide needed social services, and facilitate connections to more stable and appropriate housing.**

Additional goals are to reduce length of patients' hospital stay and prevent avoidable hospitalization and ED utilization

# Current State: Contracts

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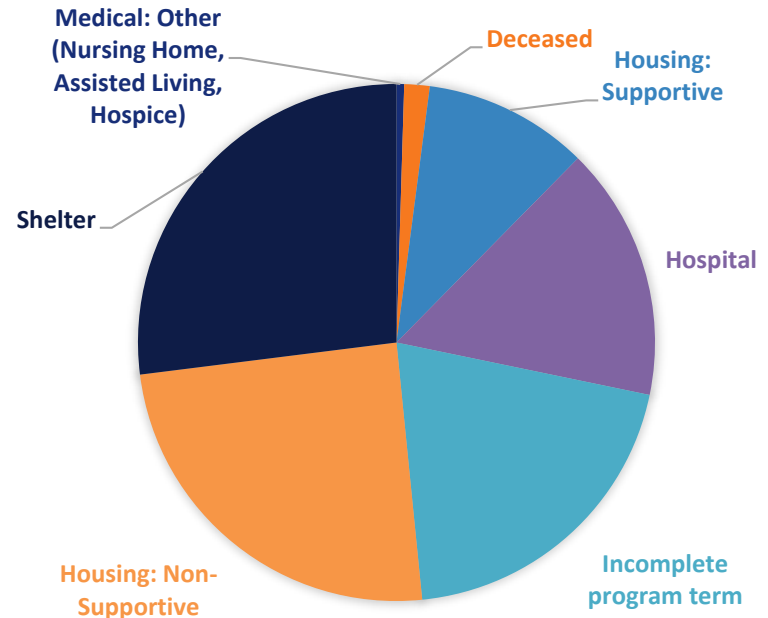
- NYC Health + Hospitals has managed Medical Respite services since 2019
- One City Health, H+H Population Health and Post-Acute Care teams executed distinct contracts in 2019 and 2020
  - In 2020, the Housing for Health team began managing and consolidating the respite contracts
- In summer 2021, H+H signed a best interest extension for 51 beds with two CBOs, Institute for Community Living and Comunilife
  - Currently operate 51 beds in Upper Manhattan and the Bronx
  - Beds operate at 90-100% capacity
  - There are no ancillary costs associated with the contracts
- H+H's investment in Medical Respite services is the largest in New York City

# Current Program Successes

## Since January 2020\*, our Medical Respite program has:

- Received 1674 referrals from 15 facilities
  - The majority of referrals came from: Bellevue, Kings County, Jacobi, Harlem, Lincoln Hospitals
- Served 815 patients
  - Average Length of Stay: 45 days
  - Total Number of Days at Respite: over 30,000 days
  - Average Age: 50 years
- Discharged 769 patients
  - 35% discharged from respite to permanent housing, including supportive housing, non-supportive housing (i.e. room rentals and family reunification), nursing homes and assisted living

**DISCHARGE LOCATIONS 2020-2022\***



\* Until 9/31/2022

## Finance Cost Savings Analysis

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- Currently, average cost of current beds is \$150 per bed per day.
- An H+H medical respite option assures that patients do not remain in our hospital beds when they no longer have an acute care need.
- Getting patients to the right level of care is better, safer care and more efficient for hospital operations.
  - Direct variable supply and labor costs of caring for the patient in the hospital are approximately 5X the cost of respite.
  - The investment in medical respite directly avoided an estimated \$17 million in hospital operating costs.
  - Helping appropriate patients transition to respite, frees up inpatient beds for patients who truly need acute care.
    - We estimate that respite has opened up access for 950 new patients in our hospitals, translating an estimated net revenue up to \$16 million.

# RFP Criteria

- Vendor Minimum Criteria:
  - Applicants must be nonprofit entities with at least three (3) years of experience in the last ten (10) years providing services in operating and providing services in a transitional residential environment and provides services to persons with complex health and behavioral health conditions.
  - Demonstrated ability to locate and secure an appropriate site of approximately 25 beds in one or more of the identified boroughs.
  - Demonstrated experience supervising or partnering with clinical personnel who will be providing on-site health monitoring of clients
  - Demonstrated ability to access Citywide computer system -- Worker Connect and CAPS.
  - MWBE not applicable; non-profit community based organizations are exempt
    - Workforce diversity data available in the Appendix

- Substantive Criteria
  - 30% Understanding and Responsiveness to Scope of Work
  - 30% Experience and Qualifications
  - 20% Implementation
  - 10% Quality of Staffing Plan
  - 10% Cost
- Evaluation Committee:
  - Unit Chief, Bellevue Extended Care Unit
  - Director, Office of Quality and Safety
  - Senior Director, Housing for Health
  - Senior Project Manager, Housing for Health
  - Director of Social Work, Jacobi



# Overview of Procurement

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- 04/28/22: RFP published on City Record, sent directly to 23 CBOs
- 05/11/22: Pre-proposal conference held, 12 potential vendors attended
- 05/27/22: Proposal deadline, 2 proposals received
- 06/28/22: Evaluation committee completed proposal review and submitted scoring sheets
- 07/28/22: Final budget proposals submitted by vendors
- 08/02/22: Scoring tabulations completed, Institute for Community Living and Comunilife were both selected with scores of 7.9 and 7.8 respectively

# Contract Terms

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NYC Health + Hospitals will sign contracts with two vendors, for Comunilife and Institute for Community living, for a total of 51 beds in Upper Manhattan

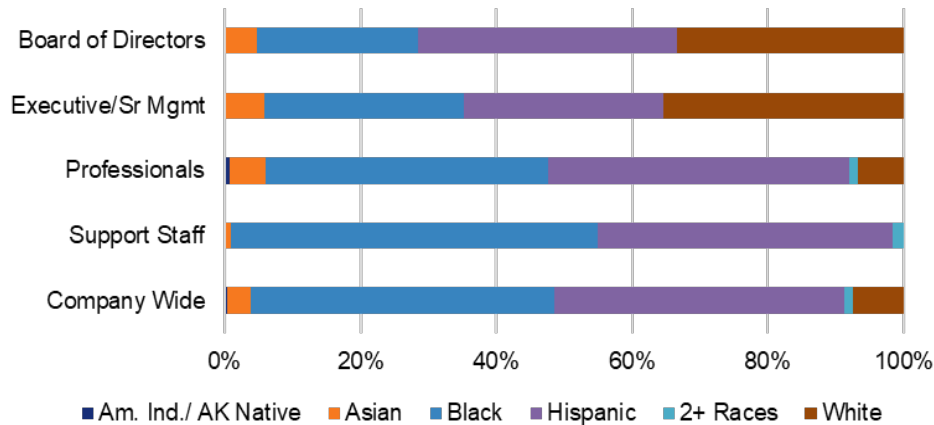
## Contract Terms:

- Three years with two one-year options to renew
- Services to be provided:
  - Maintain and operate respite beds (25 beds at Comunilife; 26 beds at ICL)
  - Support Services and Health Monitoring
    - On-site clinical services
      - RN on-site 2-3 days per week
      - connection to H+H Express Care
    - Access to Epic Care Link

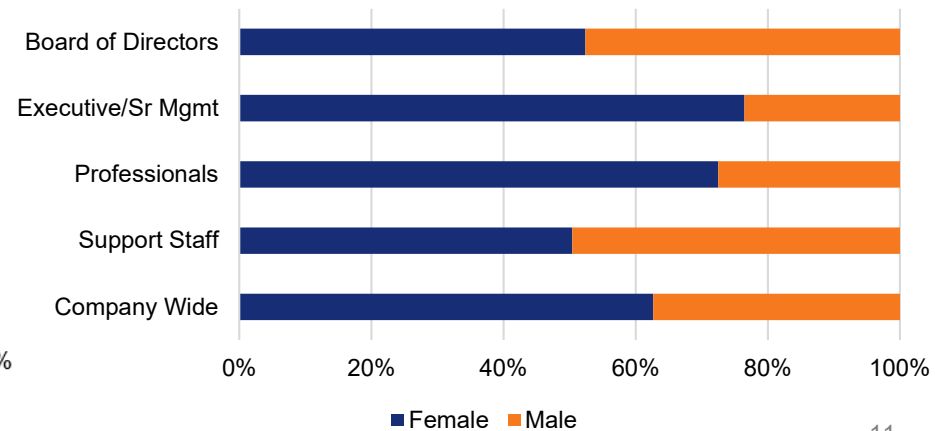
# Workforce Diversity - Comunilife

	Gender		Race/Ethnicity						
	Female	Male	Am. Indian AK Native	Asian	Black	Hispanic	2+ Races	White	Total #
<b>Board of Directors</b>									
Board of Directors	52%	48%	0%	5%	24%	38%	0%	33%	21
<b>Workforce</b>									
Executive/Sr Mgmt	76%	24%	0%	6%	29%	29%	0%	35%	17
Professionals	72%	28%	1%	5%	42%	44%	1%	7%	149
Support Staff	50%	50%	1%	1%	54%	43%	2%	0%	121
Company Wide									

**Ethnic Composition**



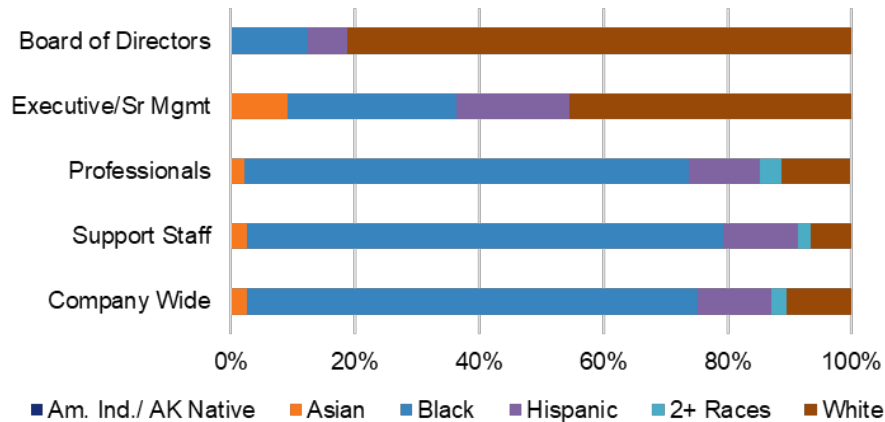
**Gender**



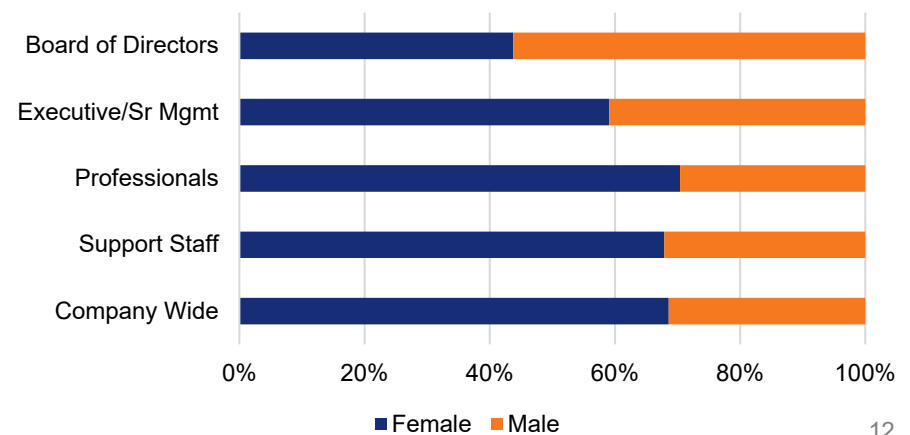
# Workforce Diversity - ICL

	Gender		Race/Ethnicity						
	Female	Male	Am. Indian AK Native	Asian	Black	Hispanic	2+ Races	White	Total #
<b>Board of Directors</b>									
Board of Directors	44%	56%	0%	0%	13%	6%	0%	81%	16
<b>Workforce</b>									
Executive/Sr Mgmt	59%	41%	0%	9%	27%	18%	0%	45%	22
Professionals	70%	30%	0%	2%	71%	11%	4%	11%	571
Support Staff	68%	32%	0%	2%	77%	12%	2%	6%	648
Company Wide									

**Ethnic Composition**



**Gender**



# Performance Evaluation

## Vendor Performance Evaluation

### Comunilife

DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Y
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extend applicable?	N/A
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Y
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Y
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Y
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Y
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Y
Did the vendor adequately staff the contract?	Y
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	Y
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	Y
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Y
Performance and Overall Quality Rating Satisfactory	Highly Satisfactory

# Performance Evaluation

## Vendor Performance Evaluation

### Institute for Community Living

DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Y
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	N/A
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	N/A
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Y
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Y
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Y
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Y
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Y
Did the vendor adequately staff the contract?	Y
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	Y
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	Y
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Y
Performance and Overall Quality Rating Satisfactory	Highly Satisfactory

## Committee Request

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Authorizing New York City Health and Hospitals Corporation (the "System") to sign three year agreements with each of Institute for Community Living, Inc. ("ICL") and Comunilife, Inc. ("Comunilife") for the provision by ICL of 26 respite beds and by Comunilife of 25 such beds with the System holding two 1-year options to renew both contracts for an amount for the two contracts together not-to-exceed \$17,960,500 over the potential five year terms.



# **NYC Health + Hospitals**

## **Finance Committee Meeting**




### **October 17, 2022**



# FY22 Year-End Highlights

- The system closed June with approximately **\$700 Million (28 days cash-on-hand)**.
- Closed June with a **positive Net Budget Variance of \$29.7M**.
- Direct Patient Care Receipts (I/P and O/P) came in **\$617.4M higher than the same period in FY21** with patient volume coming back, our revenue initiatives maintenance of effort and UPL conversion coming through patient care.
- Patient care **volume** in FY22 **is returning to pre-COVID levels**, and is 1% ahead of FY20 in discharges. Revenue base remains strong and resilient primarily driven by returning volume and higher average collectability rate.
- Overall, our strategic Financial Initiatives exceeded our fiscal year target of \$614M. Areas outperforming the target at FY22 close include, revenue cycle, managed care initiatives, VBP and our growth and service line initiatives.

- The system closed August with approximately \$600 million (25 days cash-on-hand).
- The system expects to close September with approximately \$550 million (23 days cash-on-hand).
- We continue to work closely with the City on our remaining liabilities due to them as we continue to closely monitor our cash position in relation to any ongoing uncertainty around COVID-19.

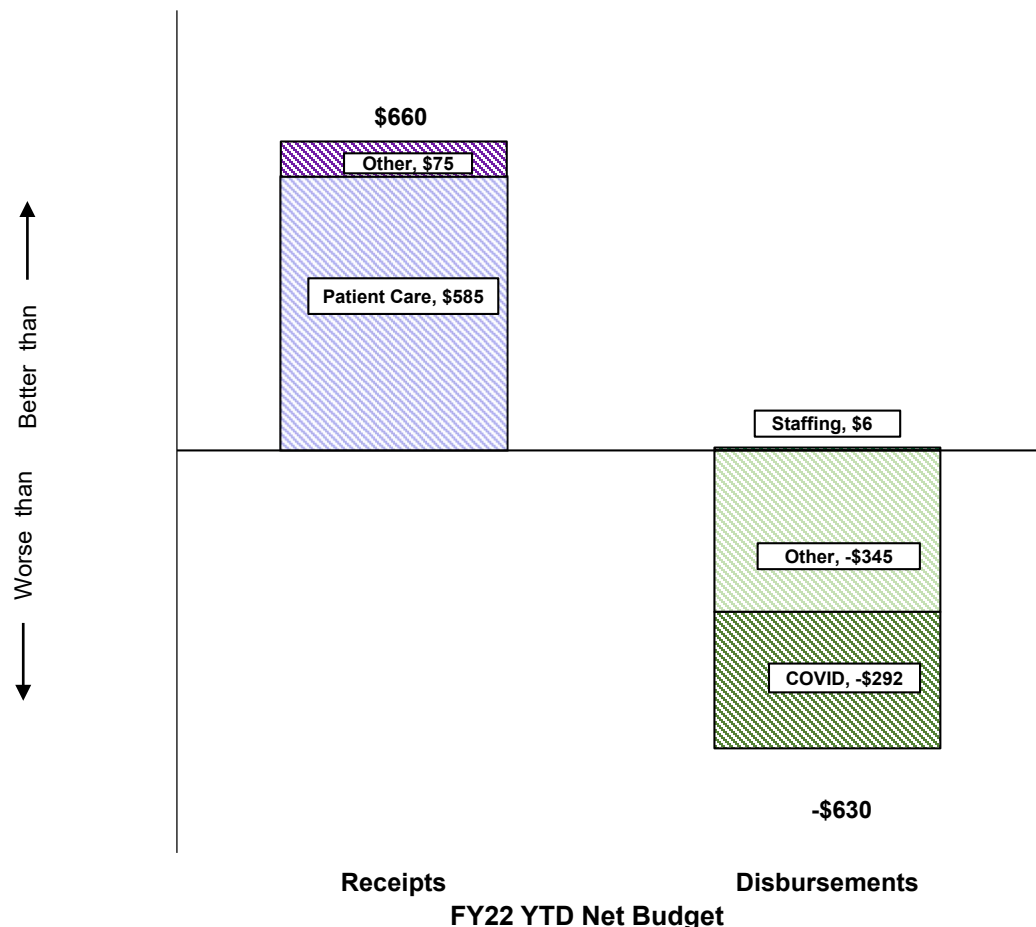
Risk	Status
<p><b>Wage Pressures &amp; Related Costs</b></p> <p>(Wage pressures and competing for a shrinking workforce is presenting challenges to recruitment and retention of staff, which we are working on addressing.)</p>	
<p><b>Temp Nursing Costs/NYSNA Committee Recommendation</b></p> <p>(Temp agency nursing costs continue to present a financial challenge due to higher agency rates and the need to rely on agency temps as we recruit full time nurses. The NY State Mandated Staffing Committee work may present additional staffing needs with associated financial needs.)</p>	
<p><b>Medicaid Recertification</b></p> <p>(MetroPlus predicts a reduction in attribution as a result of the recertification.)</p>	

# **Financial Performance**

## **FY 2022 June YTD**

### Highlights

Ended June with a net budget variance of \$29.7M 0% where



- Receipts exceed budget by \$660M Primarily driven by Patient Care Revenue. I/P and O/P volume and average collectability rates are higher than budgeted. Risk is higher due to Medicaid enrollment exceeding target, and MetroPlus payments on behalf of prior year.
- Disbursements exceed budget by \$630M, which includes expenses associated with COVID, and Temp coverage costs.

**Notes:**

- Test and Trace not included in the Net Budget Variance.

**H+H exceeded the revenue target due to outperformance of revenue cycle and service line initiatives as well as returning patient volume**

Cash receipts are 7% ahead of budget as patient volume returns at a higher percentage than anticipated, and as H+H meets and exceeds planned strategic service line improvement, managed care contract performance and revenue cycle initiatives. Risk pool performance exceeding target is also a contributing factor.

- Increased Volume (\$307M) - IP discharges are 9% ahead of the budget target, yielding over \$248M in YTD cash. OP volume 8% ahead of the budget target, yielding over \$66.7M in YTD cash receipts.
- Higher Collected Rates (\$128M) - Increases are mainly attributable to better than budgeted Revenue Cycle and other strategic initiatives performance.
- Risk Pool Performance and Timing (\$117.8M) - Led by Medicaid Risk performance coming in better than planned.
- Other Revenue (\$107.2M) – 340B pharmacy, Direct Medical Education, and Medicare Appeals exceeding target.

Summary Receipts Performance (FY22 thru Jun)	YTD Variance against Budget (\$M)
Increased Volume (IP/OP)	\$307.0
Increased Rates (primarily due to Rev Cycle and other initiative improvements)	\$128.1
Risk Pool	\$117.8
Other Revenue (340B pharmacy, DME, Grants, App/Set )	\$107.2
<b>Grand Total</b>	<b>\$660.1[+7%]</b>

*\*excludes testing*

Cash disbursements are over budget by 7% primarily from unbudgeted COVID and Temp spending and Agency costs exceeding target.

- COVID Emergency Spend (\$291.7M) – 64% of the spend is on staffing and temp costs particularly in the areas of Nursing and Credentialed Providers addressing COVID coverage needs. Remaining spend is on non-staffing costs including PPE, medical supplies, labs and other COVID support needs.
- Non-COVID Spend attributable to volume increasing to pre-COVID levels with associated need for immediate patient care coverage as the system rebounds from the COVID emergency impact and redirects its attention to full time staff recruitment in alignment with established staffing models.
  - Agency Patient Care Temp Staffing (\$244M)
  - Other Discretionary Spend (\$95M)

Summary Disbursements Performance (FY22 thru Jun)	YTD Variance against Budget (\$M)
COVID Emergency Coverage (Staffing and Non-Staffing OTPS).	(\$291.7)
Agency Patient Care Temp Staffing Coverage	(\$243.8)
Other Discretionary Spend	(\$95.0)
<b>Grand Total</b>	<b>(\$630.4) [-7%]</b>

# Revenue Cycle



- ✓ Reduced primary denial rate by **6 percentage points**
- ✓ Increased cash posting by **\$457 million** (10%) vs. FY 21
- ✓ Improved overall financial counseling rate from **79% to 89%**, generating a cumulative **\$154 million**
- ✓ Clinical Documentation Improvement (CDI) generated **\$89 million** in benefit; Clinical Documentation Secondary Review generated **\$35 million**

Deployed 13 New  
Instructor-led  
Training Modules

**5,265** individuals  
participated in  
training delivered by  
the Revenue Cycle  
Institute



*Implemented all requirements of No Surprises Act including **100%** automation of Patient Good Faith Estimates*

### LOOKING AHEAD

- *Reduce primary denial rate to Epic top 25%*
- *Leverage additional Epic functionality to improve patient financial experience*
- *Improve timeliness of charge capture*

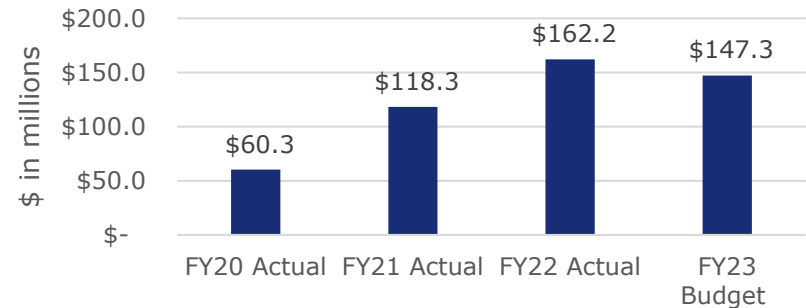
# FY 22 Financial Counseling Screening Rate Increased to 90%

## Financial Assistance KPIs

	FY21	FY22	FYTD 23
% of Uninsured Patients with a Financial Counseling Interaction	79%	90%	89%
% Patients with Financial Counseling Interaction Enrolled in <i>Health Insurance or Financial Assistance</i>	91%	93%	96%
% of Total Uninsured Patients Enrolled in Health Insurance Coverage or Financial Assistance	71%	84%	86%

ED Screening Within 72 Hours of Discharge	OP Screening Prior to Service (90 Days)
<b>71%</b>	<b>32%</b>

## Enrolling the Eligible Uninsured Revenue Above Baseline



## Additional Opportunities

- Continue to optimize screening rates and conversion of screenings into health insurance enrollments
- Assist patients with maintaining continuous coverage through proactive outreach to NYC Care members and Medicaid recipients (when auto renewals sunset)**
- Optimize timing of screenings (pre-service for outpatients and within 72 hours of discharge for ED patients) for best patient financial experience
- Piloting “One Stop Model” for public benefits beginning with SNAP enrollment assistance**
- Targeted initiatives with special populations

# FY23 Highlights

# FY23 Preliminary Highlights

## ■ Volume Trends & Financial Performance:

- FY23 YTD August IP volume is 3.7% higher than FY22, and is within 1% of reaching Pre-COVID levels. OP non testing volume is up 2% from prior year and is exceeding Pre-COVID levels by 4%.
- IP and OP cash is down 3% compared to prior year due to RBG bill holds post name change from Coney Island. When excluding RBG, IP/OP cash receipts are up 3% (\$20.7M).
- MetroPlus and Healthfirst Enrollment is up 8% compared to the same period last year and 2% ahead of the budget target.

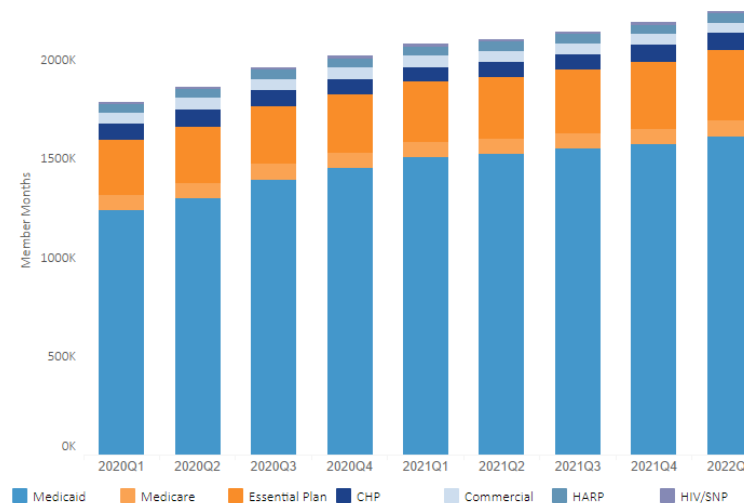
## ■ High Impact Areas at the Start of FY23:

- Nursing costs –
  - Temp agency higher rates and need to rely on agency temps as we recruit, continue to present a financial challenge. Continuing at the current level of temp utilization in IP and ED, for example, can result in a significant overspend of the annual budget.
  - As we transition away from COVID surge to regular operations, staff nurses are needed in many areas to manage our returning patient volume as we recruit full time nurses towards modeled staff nurse levels in IP and ED areas. Nurses are also needed to meet the demand in the OR and BH areas as we roll-out those models.

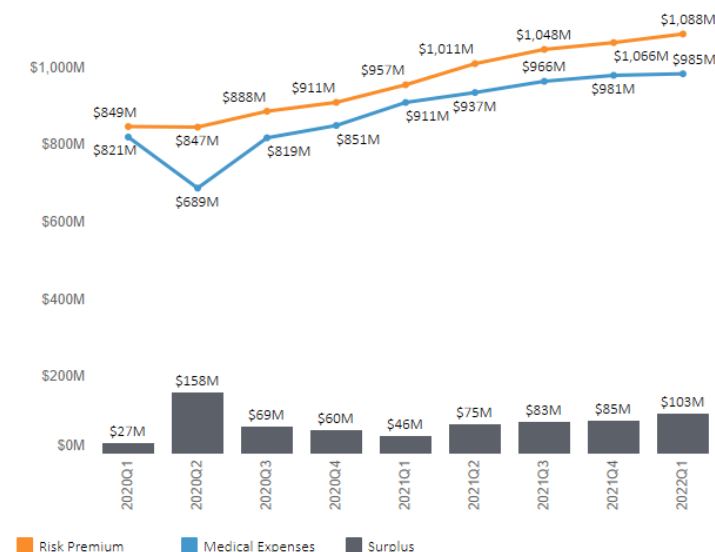
# H+H Drives Success in Value Based Payment via three key strategies

Member Months by Product

Strategy	Updates
<b>1. Growing Attributed Membership:</b> Overall membership growth and growth in key specialized programs (HIV SNP and HARP)	<ul style="list-style-type: none"> <li>Membership is up over 110K since January 2020 in part due to pause in Medicaid recertifications</li> <li>H+H is building out a new workflow within Patient Registration to outreach to Medicaid members needing to recertify at the close of the Public Health Emergency.</li> </ul>
<b>2. Growing Risk Surplus:</b> Improve premium revenue at risk through accurately capturing the health conditions and risk of our patients on billed claims. Improve quality and efficiency and reduce unnecessary expense.	<ul style="list-style-type: none"> <li>ACO generated shared savings for 9<sup>th</sup> consecutive year –one of only 11 nationwide to achieve this.</li> <li>Implementing an outpatient risk adjustment coding tool to support physicians with this work (HCC/CRGs); currently live in Adult Primary Care and piloted within Peds and ExpressCare.</li> <li>Hired VBP Coaches to further coordinate</li> </ul>
<b>3. Improve Quality of Care and Boost Quality Bonus Payments:</b> Close gaps in care, promote chronic disease management, reduce readmissions	<ul style="list-style-type: none"> <li>Metroplus preliminary 2021 quality results are promising: NYC H+H outperformed rest of provider network on 11 of 14 (79%) measures</li> <li>On measures where H+H was the top performer, on average results were <b>+11.59</b> percentage points better than the network</li> </ul>



Risk Premium, Medical Expenses, and Surplus Trend



# Managed Care Contracting Update

- Since September 2021, H+H has added 10 new insurance plans to network and completed 15 contract renegotiations
- H+H in network with Cigna as of 10/1
- Continued progress on contract negotiations and settlements with Emblem
- Extended United Behavioral Health agreement three years
- Managed care rate increases and settlements brought in \$212M in new revenue in FY22; up \$70M year vs FY21

# Test and Treat

# Test and Treat FY22

- ❑ H+H incurred \$1.32 billion of Test and Treat expenses in FY22
- ❑ OMB provided H+H with revenue through the T2 MOU to cover FY22 committed expenses
  - ❑ Revenue included CDC ELC grants, FEMA funding, and ARP funding
  - ❑ H+H received over \$150 million of billing revenue at T2 testing sites

Department	FY22 Expenses
Testing	\$ 878M
Tracing	\$ 192M
Take Care	\$ 80M
Vaccine	\$ 90M
Data Analytics, Program Management, and Public Awareness	\$ 85M
<b>Total Expenses</b>	<b>\$ 1.325B</b>



# Appendix

- FY22 direct patient care revenue (I/P & O/P) is \$617.4M higher than FY21 actuals.
- Patient revenue improvements year-over-year can be attributed to a combination of higher patient volume, solid performance and maintenance of effort in revenue cycle and other strategic initiatives, as well as UPL conversion coming through patient care.
- Compared to same time last year, discharges are up 13.0%, visits are down -7.3% and Case Mix Index (CMI) is slightly lower by -0.5%.

