



Meeting of the

FINANCE COMMITTEE

Thursday, January 5, 2015, 3:00-5:00PM
DOHMH, 2 Gotham Center, Long Island City, NY

MINUTES

Members Present: Robert Cordero (Chair), Kim Atkins, Marya Gilborn, Matthew Lesieur, Jan Carl Park, Allan Vergara, Dorella Walters

Other Council Member Present: Victor Benadava

Staff Present: *NYCDOHMH:* David Klotz, JoAnn Hilger, Merline Jean-Casimir, Robert Martin; *Public Health Solutions:* Rachel Miller, Gucci Kaloo, Peter Chea

I. Welcome/Introductions

Mr. Cordero opened the meeting, followed by introductions. The minutes of the October 13, 2011 meeting were approved with no change.

II. Planning Council Support Budget Expenditure Report

Ms. Jean-Casimir presented the FY 2011 3rd quarter expenditure report for the Planning Council support budget. It was noted that this is actually a report of both expenditures and encumbrances, and future reports should note this. Overall, 75% of the Council support budget was spent or encumbered at the end of the 3rd quarter. The expected expenditure in the 4th quarter of \$16,000 for development of the online training prototype was included in this figure. The amount for local travel for consumers (MetroCards) is overspent by \$144 due to a bulk purchase. In response to a question from Mr. Cordero, Mr. Park noted that CAEAR Coalition expenses come out of City Tax Levy funds. **A motion was made, seconded and approved to accept the spending report.**

III. FY 2011 MAI and Base 2nd Quarter Expenditure Report

The Committee reviewed a glossary developed by Public Health Solutions to help the Council understand the terms used in Finance Committee meetings. It was suggested that “Carrying Cost” and “Encumbrance” be added to the list.

Mr. Chea presented the FY 2011 second quarter Base spending report. He explained that for both Base and MAI reports, the “commitments” side of the report was current, while quarterly spending columns were representative of their respective quarters. Of the \$111,379,226 Modified Spending Plan amount, \$109,796,097 has been committed, leaving \$1.583 million

uncommitted as of the second quarter. Uncommitted dollars will be 100% committed by year-end as per the Planning Council's approved reprogramming plan. The uncommitted amounts in Mental Health and Harm Reduction services are due to one contract termination that was funded under both categories, as well as one-time takedowns. The uncommitted funds in Early Intervention are from contracts that ended in September and negotiations of new programs for less than their awards.

All categories are close to the spending target of 50% for the second quarter with the exception of Transitional Care Coordination and Outpatient Medical Care. Transitional Care Coordination category is composed of all newly funded programs that started March 1, 2011. These contracts are in their start-up year and under-spending is typical during the first year of a new program. Public Health Solutions will be looking at possible adjustments (takedowns) to these programs in January 2012.

There was no information about the higher than average under-spending in Tri-county. There was a recommendation to include a Tri-county representative to future Committee meetings.

Overall, the EMA is on track with spending. Of the funds committed, 52% was unspent, not that far off from the 50% spending target as of the second quarter.

Questions were raised about \$45,000 within Harm Reduction used for a pilot of Therapeutic Education Systems (TES), an evidence-based intervention approved by IOC and the Council as an option for Substance Abuse Services providers. The pilot is meant to help the grantee understand how TES would best be implemented in NYC. As HRSA is not allowing use of Part A funds for some services that Harm Reduction programs currently provide, the TES evidenced-based intervention would be one possible option available for contractors to reallocate the unallowable services dollars as they think about changes to their programs for year 2012. Grantee staff reported that, while there will not be an RFP issued, current Harm Reduction providers will be given the option of implementing TES as well as other evidence-based interventions in place of services no longer allowed by HRSA.

Questions were also raised about \$227,886 in Care Coordination used for training and development (data entry, training for PACT model implementation). PSRA had agreed that the category would require provider training to implement the service model. In the past, each sub-contractor had funds for training come out of their contracts' program dollars. Because these programs have a standardized model, it was more cost effective to have one outside contractor provider training for all sub-contractors. The amount for this has been reduced as the program has matured.

This raised the question of how prescriptive the Council can be in allocating funds after they have signed off on a service model and allocation. **A motion was made, seconded and approved to have the Executive Committee review this issue.**

Mr. Chea presented the FY 2011 second quarter MAI spending report. Of the \$9.906 million Modified Spending Plan amount, \$9.125 million has been committed, leaving \$780K uncommitted as of the second quarter. The uncommitted funds in Care Coordination are due to

contracts being negotiated for lower amounts. The uncommitted funds in Early Intervention are from contracts that ended in September and negotiation of new programs for less than their awards. Uncommitted dollars will be 100% committed by year-end as per the Planning Council approved reprogramming plan.

All categories are close to the spending target of 50% for the second quarter with the exception of Transitional Care Coordination. This category is composed of all newly funded programs that started March 1, 2011. This is their start-up year and underspending is typical during the first year of a new portfolio. Public Health Solutions will be looking at possible adjustments (Takedowns) to these programs in January 2012. Overall, the EMA is on track with spending. Of the funds committed, 57% was unspent, not that far off from the 50% spending target as of the second quarter.

There was a discussion on rate adjustments and how they are communicated to the Council. The grantee stated that the recent rate adjustment to the Housing Placement Assistance contracts was discussed during PSRA, EC and the full Council during the year 2011 Spending Plan discussions. Grantee staff said that rate analysis and changes to rates are done based on cost and productivity information solicited from contractors. While this is a contracting issue and within the grantee's purview, the Council can, and does, address broader policy issues that impact programs costs and reimbursement rates (e.g., HASA rent policies).

A motion was made, seconded and approved to accept the base and MAI commitment and expenditure reports.

IV. Assessment of the Administrative Mechanism

Mr. Park explained that the Ryan White legislation requires planning councils to "assess the efficiency of the administrative mechanism in rapidly allocating funds to areas of greatest need." Council staff looked at various EMAs, including Houston, which uses a checklist that focuses heavily on the RFP/procurement process, along with reimbursement and monitoring. Mr. Klotz added that neither the legislation nor the Part A Primer specify how an assessment is done. The NY EMA's current process of reviewing quarterly spending reports, as reported in the annual grant application, has been found satisfactory by HRSA, but it is the Finance Committee's purview to do something in greater depth and to create a written report.

The Committee reviewed the Houston report. Some measures in the Houston report are already embedded in City procurement rules and the master contract. The report is also heavily focused on RFPs and it is unclear if they re-bid their portfolio every year.

A motion was made, seconded and approved to have the staffs of the Council, grantee and master contractors (PHS and WCDOH) bring back a chart tailored to our EMA showing what information is already provided and what additional information the Committee may want to collect.

V. Other Business

Mr. Cordero raised the issue of a new policy on advances to sub-contractors that is being implemented as part of the HRSA Monitoring Standards that may have an adverse fiscal impact on services. He raised the question of why the Council was not informed of this policy and recommended that any major change in financial practice be brought to the Council's attention, at least for informational purposes. Mr. Park agreed, stating that, even if the issue is not in the Council's purview, they should be informed and may be able to partner with the grantee when advocating with HRSA for a change in the policy.

A motion was made, seconded and approved asking the grantee to inform the Council staff as soon as possible, of fiscal policy changes that may adversely impact the Ryan White care system if implemented. A conference call can be convened among Council leadership, the grantee and the Master Contractor to determine how best to implement this request.

The next Finance Committee meeting will take place in the second week of February and will include follow-up on the administrative mechanism and other issues, along with the 3rd quarter spending reports, if available.

There being no further business, the meeting was adjourned.