



Meeting of the

FINANCE COMMITTEE

Tuesday, December 4, 2012, 3:40-5:00PM
DOHMH, 2 Gotham Center, Long Island City, NY

MINUTES

Members Present: Robert Cordero (Chair), Marya Gilborn, David Martin, Jan Carl Park, Allan Vergara, Dorella Walters

Staff Present: *NYCDOHMH:* David Klotz, Merline Jean-Casimir Amber Casey; *Public Health Solutions:* Rachel Miller, Gucci Kaloo, Peter Chea; *WCDOH:* Tom Petro

I. Welcome/Introductions

Mr. Cordero opened the meeting, followed by introductions. The minutes of the July 9, 2012 meeting were approved with no change.

II. Planning Council Support Budget

Ms. Jean-Casimir presented the FY 2012 second quarter report for the Planning Council support budget. Fifty-six percent of the annual Council budget amount of \$866,191 had been spent as of the end of the 2nd quarter. The fact that spending is somewhat higher than the 50% target is due to several items being paid in full for the year in the first quarter (e.g., PC website, online training consultants, DOHMH administrative fee). Spending is expected to be close to close to the allocation amount for the year. Other highlights of the report were:

- The audio-visual and space rental line items had spent 56% of their allocation, but this should balance out since there were few meetings in the 3rd quarter.
- Nutritional snacks are spending at a higher rate, partially due to the fact that Mr. Park has approved using funds to pay for food at Tri-county Steering Committee meetings, as the TC administrative budget is too small to support it. With fewer meetings in the 3rd quarter, the amount is expected to balance out.
- The amount budgeted for out-of-town travel was for two people to attend the HRSA Grantee Meeting, but only one Council member (Mr. Park) attended, due to limitations on the number of people from the EMA that were allowed to attend. In the future, the community co-chair should be afforded an opportunity to attend.
- Mr. Park reported that there is much interest from other EMAs in the online training.

III. FY 2012 Base and MAI 2nd Quarter and Seven-month Reports

Mr. Kaloo gave an overview of the FY 2012 Base and MAI second quarter commitment and expenditure reports, as well as a revised report with seven months of data (through September). On the reports, the Housing category has been broken out into its component parts, as requested by the Committee. ADAP has been enhanced by \$2.2M (using both Base and MAI funds), as per the first item on the Council's reprogramming plan. The first round of contract take-downs has occurred, with a second round due to be completed in December, followed by enhancements of over-performing contracts in January. Mr. Chea provided highlights of the base report:

- There is \$1.6M in uncommitted funds in Care Coordination due to take-downs to right-size contracts.
- Harm Reduction has \$534,355 uncommitted due to contracts negotiated for less, as well as one one-time contract take-down.
- Housing Placement has \$196,087 uncommitted due to one contractor voluntarily taking down their contract due to under-performance.
- Early Intervention programs have \$109,373 in uncommitted funds due to reductions through contract negotiations.
- Outpatient Medical ("Bridge") Care has \$338,628 (a majority of its allocation amount) uncommitted due to several voluntary contract terminations, which leaves one provider in this category. The remaining program has recently been able to hire a part-time physician and expects to begin charging services to Part A.
- With ADAP funds restored to the spending plan amount, as per the Council's reprogramming plan, there is a total of \$789,290 left for enhancements for over-performing contracts. This amount along with additional funds from contract takedowns in December will be available for enhancements to over-performing contracts in January.
- Overall spending in Base programs after seven months (through September) is 47%, close to the target of 42%.
- Spending rates for ADAP appeared accelerated in each succeeding quarter due to reporting lags.
- There is higher than average under-spending in Outreach to Youth contracts. DOHMH is providing technical assistance to providers to increase their effectiveness.
- Higher than average under-spending in Quality Management is due to the fact that the State had not yet billed the City for its full share of the program. Historically, the billings are expected later in the contract year.
- Mr. Petro reported that Tri-county always lags behind the City in reporting spending at the end of the second quarter, but is caught up by the third. Tri-county spending is on target compared to this point in previous years.

A summary of the discussion on the Base commitment and expenditure report follows:

Take-downs are not necessarily a proxy for need. Take-downs are often done due to non-recurring contract-specific issues. In Housing Placement Assistance, three of four programs are on target. The take-down in the fourth provider may be an issue related its particular model. Also, the Housing category is being re-bid.

Ms. Miller reported that, in response to disruptions from Hurricane Sandy, PHS gave one week of payments across the board to performance-based providers. Contractors may also apply for 10 days of additional relief funds (providing proof that money from insurance or FEMA is not available). Contact during and immediately after the week of the hurricane, by DOHMH and PHS staff, suggests that, fortunately, only a small number of providers had impaired operations. In response to a question, Ms. Miller stated that if a contractor can not provide services at all, they would have to refer their clients to other providers, but this is not expected from any Part A-funded providers.

There will be a report at the next meeting on the DOHMH-operated programs (e.g., Positive Life, Riker's Island, Field Services Unit, Training and Development, HIV Testing Initiatives).

Highlights of the MAI report are:

- There was \$286,562 in uncommitted funds from Care Coordination due to a contract take-down. With the ADAP restoration, 100% of MAI funds have been committed.
- Transitional Care Coordination is almost fully spent for the year at the end of the 7th month of reporting and is thus eligible for enhancements. Providers who reach their maximum reimbursable amount (MRA) may choose to continue to provide services, taking the risk that there will be enhancement money to pay for those extra services.
- Under-spending in Early Intervention programs is reported at a higher than average rate due to the current contractual requirement that Ryan White may only pay for services to uninsured patients who are helped to apply for Medicaid if their applications are ultimately denied and/or Medicaid declines to pay for the service when "back-billed." Implementation of new policies from the HRSA Monitoring Standards on program income, which is being revised now, will permit Ryan White to pay while requiring any Medicaid payment to be reported as "program income".

There was a discussion on program income policies. Program income must be used by the program, either to expand services or to pay for costs not covered by the contract (such as administrative costs, including rent). New York is one of the last EMAs to implement this practice. PHS and DOHMH are in the process of rolling out program income requirements and will closely monitor this practice. Ms. Casey (new program coordinator in the HIV/AIDS Bureau Care, Treatment & Housing Unit) will provide the Committee with the guidelines from the HRSA Monitoring Standards.

Mr. Petro presented Tri-county FY 2011 close-out data, as requested by the Committee. Under-spending in Food and Nutrition programs was due to the inability to spend carry-over funds, which were approved by HRSA very late in the fiscal year. For this year, carry-over funds in Tri-county will go to ADAP.

IV. Other Business

Ms. Miller reported that, despite being closed for 5 days after Hurricane Sandy, PHS was able to keep in touch with contractors. They expedited contractor payments and extended the deadline for October data entry. Also, enhancements can be used for equipment loss (e.g., computers) and minor facility repair not reimbursed by insurance or FEMA. There will be a full presentation to the Council on the Sandy response.

Mr. Cordero said that at the next meeting PHS will provide a five-year analysis of trends in spending (FY 2007-2011), covering the time since the implementation of performance-based contracting.

There being no further business, the meeting was adjourned.