



Meeting of the

FINANCE COMMITTEE

Monday, February 9, 2015, 3:40-5:15PM
DOHMH, Long Island City

MINUTES

Members Present: Daniel Pichinson (Chair), Marya Gilborn, Amber Casey, Steve Hemraj, David Martin, Jan Carl Park

Staff Present: *NYCDOHMH:* David Klotz, Bari Khan; *Public Health Solutions:* Gucci Kaloo, Peter Chea; *WCDOH:* Tom Petro

I. Welcome/Introductions

Mr. Pichinson opened the meeting. The minutes of the September 30, 2014 conference call were approved with no changes. Mr. Pichinson congratulated Mr. Petro on his impending retirement and thanked him for his years of illustrious service.

II. FY 2014 Base and MAI Second Quarter Commitment and Expenditure Reports

Mr. Kaloo gave an overview and *Mr. Chea* provided details of the FY 2014 Base and MAI second quarter reports. Spending is reported through the end of August, but commitments data are more updated. Ninety Nine percent (99%) of Base and 95% of MAI funds are committed to programs. The report showed \$510,837 in uncommitted FY 2013 Base Carryover funds, which will be committed to ADAP. A modification column was added to the Base spending report in order to reallocate uncommitted funds from several categories into the Early Intervention Services (EIS) category. In the 1st quarterly report the Base EIS service category was overcommitted by a large amount which resulted from the 64% reduction to the category and commitments made to contracts that were equal to pro-rated 5 months of the original contract MRAs. The reallocation of funds into the Early Intervention Service Category satisfies the Council's first item on the reprogramming plan. As all of the EIS reduction was from the Base award, some terminated contracts were in MAI, which is where most of the MAI uncommitted dollars are from. All uncommitted dollars are available for one-time reprogramming in the current fiscal year. For MAI, that will mostly mean ADAP Plus, as there are few over-performing contracts MAI contracts.

Reprogramming will be done at close-out, but since ADAP has notified the City that the latest they can take funds is early March (as opposed to April in past years), the grantee and master contactor will conduct an analysis that will look at projected contract over-performance for

enhancements at close-out and determine how much of the currently available funds through the takedown process and uncommitted funds will be reprogrammed to ADAP now. Close-out; enhancements will be made to over-performing contracts (who over-perform in the hope of reimbursement should funding be available).

Spending, as of the end of the 2nd quarter is at 38% for MAI and 52% for Base. The lower reported spending in MAI is due to ADAP Plus not reporting expenditures until the third and fourth quarters. Excluding ADAP Plus, spending is at 46%. These numbers are on target for the middle of the year. In both Base and MAI, underspending is higher in Housing due to new contracts, which have a start-up period. Also, Base Non-medical Case Management and Health Education categories are underspent because RFPs were issued in 2014 with new contracts to start in FY 2015.

Mr. Petro reported that, as is typical for Tri-county (TC), 33% of TC funds have been reported spent as of the end of the 2nd quarter (up from 31% in FY 2013). Typically, TC reports no spending in the first quarter due to its antiquated contracting process (e.g., no advances are made to contractors). Also, two categories show no spending, due to late contract execution resulting from the need for them to go through Westchester County boards. Spending, as in previous years, will catch up by the last quarter.

With the merger of TC contracts into the City, it is not known yet how reporting will be done. The Finance Committee can decide if it still wants to see a report separated by region. It will also depend on how the Council does its spending plan and conducts planning for the region. It will be useful, when things are settled to have both a separate TC report and to see it integrated into the larger EMA-wide plan.

There was a discussion on the ADAP program, with the following points raised:

- The Council needs complete data from the State on the ADAP program and its use of Part A funds, including a service category report card.
- The ADAP formulary should include the new hepatitis C treatment, which the State says is prohibitively expensive. The Council should weigh in on the ADAP formulary committee.
- The other possible way of using Part A funds to pay for hep C treatment for HIV+ people is to set up a local pharmaceutical assistance program (LPAP), which Part A allows to pay for things that a State ADAP program does not pay for. The start-up costs of an LPAP can be prohibitive.
- A discussion is needed with ADAP director Christine Rivera on the above issues.

III. FY 2013 Carryover Denial

Ms. Casey reported that HRSA denied a portion of the EMA's FY 2013 carryover request. The EMA submits a mandatory estimated unobligated balance in December signed by the grantee and Council co-chairs, which gives an estimate of the highest possible amount (5% of the Base formula award). In the summer, the Council approves a final carryover request with service units with the actual amount known 30 days after the Federal Financial Report (FFR). The

grantee typically uncovers a bit more carryover later through audits and submits it to HRSA, which in past years always approved it. This year, HRSA informed that EMA that it can only submit a request for the funds on hand (about \$500K of the total \$600K carryover) and recouped the extra \$100K (which goes to national supplemental funding, of which the NY EMA receives about 17%). There is no appeals process.

Mr. Park stated that, given how high the EMA's spending rate is, the Council should be able to appeal. There was an agreement to draft a letter to Steve Young at HRSA on behalf of the Council and bring it to the Executive Committee for approval.

Ms. Casey also reported that the FY 2015 core services waiver has been approved.

There being no further business, the meeting was adjourned.