AGENDA

FINANCE COMMITTEE

MEETING DATE: APRIL 8, 2014
TIME: 9:00 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER — BERNARD ROSEN

ADOPTION OF THE MARCH 11, 2014 MINUTES

SENIOR VICE PRESIDENT'S REPORT — MARLENE ZURACK

- HHC CASH FLOW
- HIGHLIGHTS OF STATE BUDGET
- ACA/EXCHANGES UPDATE

KEY INDICATORS & CASH RECEIPTS/DISBURSEMENTS REPORTS — FRED COVINO, KRISTA OLSON

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT — BERNARD ROSEN

MINUTES

MEETING DATE: MARCH 11, 2014

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on March 11, 2014 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Alan D. Aviles, Esq
Rev. Diane Lacey
Josephine Bolus, RN
Emily A. Youssouf
Mark Page
Steve Newmark, (Representing Deputy Mayor Lilliam Barrios-Paoli)

OTHER ATTENDEES

J. DeGeorge, Analyst, State Comptroller's Office
M. Dolan, Senior Assistant Director, DC 37
C. Fiorentini, Analyst, NYC Independent Budget Office (IBO)
R. McIntyre, Account Executive, Siemens
K. Raffaele, Analyst, NYC OMB
J. Wessler

HHC STAFF

S. Abbott, Assistant Director, Corporate Procurement Services
P. Albertson, Senior Assistant Vice President, Corporate Operations
B. Ancona, Chief Financial Officer, (CFO), Gouverneur Healthcare Services
V. Bekker, CFO, Corporate Finance
M. Brito, CFO, Coler/Goldwater Specialty Hospital & Nursing Facility
L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
E. Casey, Director, Corporate HIV Services

T. Carlisle, Associate Executive Director, Corporate Planning
D. Cates, Chief of Staff, Board Affairs
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, Chief Financial Officer, MetroPlus Health Plan, Inc
S. Fass, Senior Director, Corporate Planning Services
R. Fischer, Associate Executive Director, Bellevue Hospital Center
K. Garramone, CFO, North Bronx Health Network
M. Genee, Deputy Corporate Comptroller, Corporate Comptroller's Office
J. Goldstein, Senior Consultant Analyst, Corporate Planning Services
D. Green, Senior Assistant Vice President, Corporate Planning Services
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
L. Guttman, Assistant Vice President, Corporate Intergovernmental Relations
D. Guzman, Deputy CFO, Metropolitan Hospital Center
L. Haynes, Assistant Systems Analyst, President Office
W. Hanus, Controller, MetroPlus Health Plan, Inc.
L. Isaac, Assistant Director, Corporate Procurement Services
C. Jacobs, Senior Vice President, Patient Safety, Accreditation & Regulatory Services
J. John, CFO, Central Brooklyn Health Care Network
L. Johnston, Senior Assistant Vice President, Medical & Professional Affairs
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
Z. Kelley, Assistant Director, Office of Internal Audits
V. Kim, Senior Director, Corporate Planning Services
D. Koster, Director, Corporate Budget
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Director, Corporate Debt Financing
T. Mammo, Chief of Staff, Office of the President
A. Marengo, Senior Vice President, Corporate Communications/Marketing
H. Mason, Deputy Executive Director, Kings County Hospital Center
K. McGrath, Senior Director, Corporate Communications/Marketing
M. Meagher, Director, Corporate Managed Care
I. Michaels, Director, Media Relations, Corporate Communications/Marketing
A. Moran, CFO, Elmhurst Hospital Center
K. Olson, Assistant Vice President, Corporate Budget
P. Pandolfini, CFO, Southern Brooklyn/Staten Island Health Network
K. Park, Associate Executive Director, Queens Health Network
S. Penn, Deputy Director, World Trade Center Program
E. Russo, Assistant Director, Corporate Planning Services
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
A. Saperstein, Executive Director, MetroPlus Health Plan, Inc.
B. Stacey, CFO, Queens HealthCare Network
J. Wale, Senior Assistant Vice President, Corporate Behavioral Health Services
R. Walker, CFO, North Brooklyn Health Network
J. Weinman, Corporate Comptroller, Corporate Comptroller's Office
R. Wilson, Senior Vice President/Corporate Medical Director, Medical & Professional Affairs
M. Zurack, Senior Vice President, Corporate Finance/Managed Care

CALL TO ORDER **BERNARD ROSEN**

The meeting of the Finance Committee was called to order at 9:10 a.m. The minutes of the February 11, 2014 Finance Committee meeting were adopted as submitted.

CHAIR'S REPORT **BERNARD ROSEN**

SENIOR VICE PRESIDENT'S REPORT **MARLENE ZURACK**

Ms. Zurack informed the Committee that Victor Bekker, former CFO of Generation +/Northern Manhattan Network and most recently the corporate coordinator and liaison with the State on obtaining data on the Exchanges was retiring after thirty years of service with HHC. Mr. Bekker began his career with the City in 1976 at HRA and later worked at OMB. In 1984, he moved to HHC and worked in various high ranking financial positions. Mr. Bekker's wit, charm and dedication will be missed but most of all his delightful and informative stories.

Ms. Zurack reported that HHC's current cash balance was $507 million or 32 days of cash on hand (COH) which was an improvement over the FY 14 opening cash balance of $323 million or 20 days. It is important to note that HHC is dependent upon the receipt of five UPL payments that are delayed pending the State required approval from the Federal government for making those payments to HHC totaling $1.6 billion, three years for one payment and two years for the other. There is some risk of slippage in the receipt of those payments; however, if received as planned, HHC is projected to end the FY at the current cash level and COH. Based on the State's plan, HHC is scheduled to receive those payments by the end of the current FY 14. In terms of HHC's Financial Plan, the City issued its January Plan that was very positive for HHC. There were significant restorations in the November plan which preceded the January Plan. A total of $12 million was restored to HHC. The City Council funds that were required to be restored year over year were base-lined and an additional $250,000 in substance abuse funding was also included in the January Plan. Mr. Covino would present later in the agenda, HHC's January Financial Plan that includes some significant funding issues in the out-years.

KEY INDICATORS & CASH RECEIPTS DISBURSEMENT REPORTS **KRISTA OLSON/FRED COVINO**

Ms. Olson reported that utilization through January 2014, overall the downward trend in utilization previously reported has continued. The slight increase was due to the temporary closing last year of Bellevue and Coney Island. Excluding those two facilities, visits were down by 1.6% and discharges were down by 6.5% which was up from last month at 5.7%. Nursing home days were down by 15.8%. Later in the agenda Corporate Planning Services will present to the Committee a presentation on inpatient utilization trends, one-day stays and HHC's market share compared to other hospitals in the industry as well as some of HHC's facilities specifics relative to those trends. The calculated value for the decline in discharges totals $58 million year-to-date (YTD) which could be offset by some revenue

from capitated numbers at 12% of that which would inflate to $100 million for the full year if the current trends continue.

Ms. Youssouf asked how much of the projected $100 million would be offset by the capitation.

Ms. Olson stated that it would be approximately 12%. Ms. Youssouf asked if it included both inpatient and outpatient. Ms. Olson stated that on the outpatient side YTD it totals $14 million for the full year of which 20% capitated plan for a net loss of $6 million YTD. Returning to the report, compared to last year, the ALOS has remained steady although there are significant variations across facilities. The CMI is an indicator of the severity of the patient cases and the driver for how HHC is paid and is up by 1.2% over last year. It is an important metric that offsets some of the losses valued at $13 million YTD and $20 million for the full year which offset some of the losses.

Mr. Covino continuing with the reporting stated that FTEs baseline comparison as of January 2014 reflected a net increase of 106 YTD. All of the facilities with the exception of Coney Island were within their targeted FTE level. Coney Island is approximately 60 FTEs over the target and Corporate Budget is working with the facility on this issue to ensure that the overage is reduced to the budgeted level.

Mr. Rosen asked if HHC's Financial Plan includes an increase in FTEs. Mr. Covino stated that the current year budget for cash includes an increase of 250 FTEs for FY 14 and is carried flat across the plan. Central office includes the centralization of procurement and the Enterprise-IT includes the hires for the EMR and the conversion of consultants to FTEs. Receipts were $132 million worse than budget and disbursements were $43 million over budget for a net total deficit of $175 million.

Ms. Youssouf asked if there is one particular area where there are significant problems such as Coler/Goldwater and whether that facility's negative variance is related to the move.

Mr. Covino stated that Coler/Goldwater is a large source of the deficit combined. Bellevue also has a significant deficit. The Coler/Goldwater deficit is related to the move and a large portion of the facility's deficit is in Medicaid fee for service (FFS) and personal services expenses.

Ms. Youssouf asked for an explanation of the Coler/Goldwater staffing issue.

Ms. Zurack explained that the facility has been downsized, moving from a larger to a smaller facility which is reflected in the budget in terms of what the restructuring goals are relative to that change. As indicated by the data the facility is yet to achieve the target which will take approximately two years to complete and once achieved will yield significant savings for the Corporation.

Mr. Covino continuing with the reporting, stating that receipts were $272 million more than last year due to an increase in MetroPlus risk pools of $100 million and the receipt of the $89 million in supplementary pool payment from the State earlier than last year. There was an increase of $34 million in the supplemental DSH compared to last year. The plan also includes an additional $30 million for Medicaid HIT Meaningful Use funds. Expenses were up by $230 million compared to last year due to pension payments totaling $213 million and a prior year health insurance payment of $27 million. FICA was up by $20 million due to the non-recurring resident refund that was received last year and an additional payroll totaling $84 million through January 2014. These are offset by the decline in City payments that are down by $22 million compared to last year for the same period. Actuals compared to budget inpatient receipts were down by $91 million due to the decline in Medicaid FFS workload. To-date paid discharges are down by 5,000 and nursing home days are down by 62,000. Outpatient receipts were down by $55 million and all other is up by $13.6 million due to appeals and settlements as a result of an unscheduled GME psych payment. Expenses were $10 million over budget due to the carrying cost at Coler/Goldwater, Hank J. Carter move. Fringe benefits were $6.4 million better than last year due to the receipt of $3.4 million for FICA refund and a timing difference FY in the welfare funds payment.

Ms. Youssouf asked if the inpatient and outpatient data shown on the report coincided with the data reported by Ms. Olson relative to the losses and the offsets.

Mr. Covino stated that his data is against budget which based on cash whereas, the data reported by Ms. Olson is based on the date of discharge, and there are some lags in terms of payments. Therefore, the $100 million referenced earlier would be spread into next year.

Mr. Rosen clarified that the actual difference between the two is that Mr. Covino's data is against budget compared to Ms. Olson data which was based on raw statistics.

Ms. Youssouf asked if expected and budget were the same to which Mr. Covino explained that the two are the same which would be flat. The utilization data that Ms. Olson reported was compared to the budget, whereby there are various assumptions by the major payers. Moving back to the report, OTPS was worse than budget which is due primarily to an increase in the cash caps for payments to vendors. The reporting was concluded.

Ms. Zurack asked that the order of the agenda be changed so that the utilization presentation could go next.

Mr. Rosen noted that there would a change in the agenda and that the utilization presentation was in response to questions raised by the Committee relative utilization declines, market share and other factors.

INFORMATION ITEM
HHC UTILIZATION TRENDS **VICTOR KIM/STEVE FASS**

Mr. Kim, Senior Director, Corporate Planning introduced to the Committee Steve Fass, Senior Director, Corporate Planning Services and LaRay Brown, Senior Vice President, Corporate Planning, Community Health and Intergovernmental Relations. Mr. Kim stated that the analyses addressed some of the issues raised by the Committee regarding utilization at HHC and the NYC market places. The presentation would cover the data sources and methodologies; NYS and City utilization trends; HHC utilization and payer trends; HHC and NYC Medicaid market; impact of one-day-stays; facility specific reviews for Bellevue, Coney Island, Elmhurst, NCB, Queens and Woodhull; and an overall summary of the findings.

Beginning with the data sources, Mr. Kim stated that there were a number of sources employed based on calendar year data as opposed to fiscal year which provides the most current HHC data and enables HHC to better compare its data with external sources such as SPARC, a statewide system that collects and compiles administrative data throughout NYS.

Mrs. Bolus asked for clarification of the difference between psych and psych DRG product line. Mr. Kim explained that it represented HHC internal data that excluded psych services based on the hospital services. In the non-HHC data it is based on the SPARC data that includes the same exclusion as HHC but the data is grouped by the DRG product line which enables HHC to exclude its psych services based on that grouping. Returning to the presentation, the data was adjusted for service with discrete admissions and reimbursement criteria including psych and prisoners services. Medicaid enrollment was incorporated and patient satisfaction HCAP scores. Other data was reviewed and evaluated but not included in the presentation. This included population census data as well as HHC data from MetroPlus. Throughout the presentation the data sources is identified by the index number one through six as noted on page 3 of the presentation. The utilization for HHC, non- HHC hospitals, NYS hospitals; and the totals for the City and State, the comparisons are based on CY 2010 to CY 2012, the most recent full year data available from SPARC. From CY 2010 to CY 2012 total NYS discharges decreased by 3.6%. HHC inpatient volumes comprising approximately 20% of NYC discharges decreased by 8.3% during the same period and represent a decline 2.3 times greater than NYC as a whole. After adjusting for the storm last year, NYC discharges decreased by 2.6% while HHC discharges declined by 5.6%, a decline 2.1 times greater than NYC as a whole. HHC is losing discharges as a whole. HHC experienced a 13% decrease in total discharges from 2010 to 2013 which is more than half of HHC experienced double digit losses in volume from 2010 to 2013. Coney Island, NCB, Woodhull, Queens, Bellevue and Elmhurst were reviewed at the facility level and the findings will be presented by Mr. Fass later on the agenda. HHC inpatient payer mix overall from 2010 to 2013 has not changed with the exception of a shift from Medicaid FFS to Medicaid managed care. Total discharges CY 2010 of 197,830 decreased to 172,182 in CY 2013. Medicaid managed care increased from 34% to 40%. Trends in

Medicaid utilization FFS and managed care showed that HHC is losing Medicaid FFS and managed care (MC) volume at nearly three times the rate as other NYC hospitals, 15.3% loss compared to 5.4%. Growth in Medicaid managed care for all other NYC hospitals is 4.6 times greater than at HHC facilities, 15% compared to 3.7%. 60% of HHC discharges are covered by Medicaid. The overall loss in Medicaid market share for HHC totals 2.2%. HHC distribution of Medicaid managed care discharges from CY 2010 to CY 2013 has shifted between MetroPlus and HealthFirst from 60% to 54% for MetroPlus compared to Health First from 15% to 22% and all other payers decreased from 25% to 24%. To better understand the shifts, a review of Medicaid managed care enrollment around the City and internal volume from 2010 to 2014, Medicaid managed care plans, NYC enrollment in comparison to HHC Medicaid managed care utilization, citywide there has been a 19.7% increase in Medicaid managed care enrollment. HHC Medicaid managed care volume grew 3.7% while all other NYC facilities grew 17%. MetroPlus increased membership by 14.2% but experienced a slight decline of .8% in market share and MetroPlus discharges volume at HHC decreased by 6.7%. HealthFirst is the Medicaid managed care market leader, with a 28.4% market share and had the largest growth in members, 134,364 and a 38.6% discharges volume increase. Outside of HHC the data on the Medicaid managed care discharges was not available in SPARC. HealthFirst acquired another plan, Neighborhood Health Plan which was included in the HealthFirst data. Fidelis and United Healthcare also added volume combined a total of over 2,700 cases.

Mrs. Bolus asked how much of HealthFirst enrollment came from on-site marketing at HHC facilities.

Ms. Brown stated that the objective of the data base does not include that level of detail for the location of the initial enrollment. That information would be available from HealthFirst based on the internal enrollment data which is not available to HHC as a source.

Ms. Youssouf commented that Medicaid managed care has increased significantly and HHC's share of that has decreased in terms of MetroPlus.

Ms. Brown asked Dr. Saperstein, Executive Director, MetroPlus Health Plan to address the MetroPlus decline.

Dr. Saperstein stated that as Mr. Kim had indicated HealthFirst's increase in membership is due to the inclusion of the Neighborhood data. MetroPlus over the last year declined 20,000 members and there are a number of issues. MetroPlus grew due to the Exchange in the Medicaid data. The Medicaid managed care declined by 5% over the year that relates to a number of issues. First a number of individuals lost Medicaid as well as involuntary disenrollment. After the storm, in February 2013 MetroPlus' membership decreased by 20,000 in Medicaid and trended high over the year but has remained the same. However, there has been a very high involuntary disenrollment.

Ms. Youssouf asked what the increase in involuntary disenrollment was attributable to. Dr. Saperstein stated that it relates primarily to non-recertification; a change in income, or failure to submit the required requisite paperwork.

Ms. Youssouf asked if the percentage loss was 10%. Dr. Saperstein stated that the total loss was about 5% in Medicaid. Ms. Youssouf asked if that represented the relationship of individuals transferring from Medicaid by 5%.

Dr. Saperstein stated it is slightly higher this year than in the prior year. The involuntary disenrollment percentage was 3.5%. The second piece of the decline had to do with the voluntary disenrollment which did not increase overall but there were a significant number of transfers from MetroPlus to HealthFirst. Over the last year there were 11,107 members transfers from MetroPlus to HealthFirst of which 2,456 transferred back to MetroPlus from HealthFirst. The net decline was 8,561. A year ago, MetroPlus with the assistance of Ms. Katz ran a file on the number of transfers from MetroPlus to HealthFirst to determine if those members after the transfer to HelathFirst remained with HHC. Consequently, 78.2% of those who transferred to HealthFirst left HHC. MetroPlus as a follow-up conducted telephone interview surveys in an effort to determine why those members left HHC and the majority of the responses related to seeking providers outside of HHC leaving MetroPlus and going to HealthFIrst for the purpose of leaving HHC completely and twenty percent has remained with HHC.

Ms. Youssouf stated that it would appear that those individuals are leaving so that they can go to another facility outside of HHC and a different physician.

Dr. Saperstein stated that seventy-five percent of those who were interviewed on the phone stated that the reason for leaving MetroPlus was so they could go to a doctor outside of HHC.

Mr. Kim returning to the presentation stated those non-HHC Medicaid managed care plans are increasing their share while HHC is declining. As an industry, reducing avoidable hospital admissions and one-day-stay is a major focus. At the federal level CMS has set forth policy that securitizes short-stays that do not meet the Two-midnight thresholds. CMS hold the position that hospitalization is necessary when a patient requires treatment for two or more days and anything short of the two-midnight stay should be handled via outpatient observation. Under the current Medicare regulation, Medicare administrative contractors (MAC) will continue limited prepayment reviews and educational outreach through September 30, 2014. In essence, MAC can deny payment to hospitals for a limited amount of short stay claims. In addition CMS recovery auditors RAC will be allowed to conduct post payment reviews and recover CMS payments for any inappropriate short stay admissions beginning October 1, 2014. The bill, two-midnight rule coordination and improvement act of 2014 was recently introduced in the Senate last week which may provide a delay for the RAC audits. At the State level, the delivery system reform incentive payment (DSRIP) program seeks to reduce Medicaid and

uninsured avoidable admissions statewide by 25% over the next five years. DSRIP is part of the Medicaid Redesign task force (MRT) waiver amendment to CMS to allow statewide reinvestment of $8 billion over a five year period to improve primary care, strengthen the healthcare safety nets, improve health disparities and address transitioning challenges to managed care. Locally, HHC has been implementing the emergency department (ED) care in case management initiative to advance reduction in avoidable hospital admissions through the ED. Reducing one-day stays are consistent with the policy objectives. System wide HHC has reduced one-day stays by 13% from 2010 to 2013 representing 21.4% of the overall loss in volume twice the rate of the voluntary hospitals. Woodhull Hospital experienced the greatest decline at 49.1% or 1,500 discharges representing 48% of the overall decline in volume, while Kings County experienced the greatest increase of 59% or 1,800 one-day-stays from 2010 to 2013.

Ms. Youssouf asked if the increase in one-day stays at Kings Count was attributable to the number of hospitals that have closed in Brooklyn.

Mr. Kim stated that based on a review of the one-day stays at Kings County in 2012; there were 625 discharges versus 403 in 2013 which is a direct correlation with the decrease in one-day stays in the latest year. However, the trend over the three year period the data is not reflective of that in that it is being flattened out. While there were some high levels there was a significant decrease in CY 2013.

Ms. Brown added that the reality is that there have not been any hospital closures in the Kings County catchment area. The closure that has occurred in that area was St. Mary's which was prior to 2010. The more recent discussions in terms of potential closures would affect Kings County not necessary one-day stays but overall. However, those closures have not yet occurred.

Mr. Kim stated that in terms of the policy drivers and HHC's initiative to reduce avoidable hospital admissions, the data was adjusted for one-day stays. After that adjustment, all HHC facilities experienced a decline in discharges from 2010 to 2013. More than half of HHC hospitals continue to experience double digit- losses in volume from 2010 to 2013. The relationship between the ED utilization admissions and one day stays from 2010 to 2013; overall there, there has been a slight increase in ED utilization after accounting for the impact of Sandy. All HHC facilities other than Kings and NCB have increased their rate of ED visits that were treated and released. More than half of HHC facilities have decreased the rate of one day stays as a percent of total ED admissions. Woodhull experienced the greatest reductions at 10.9%. Metropolitan Hospital experienced the greatest increase at 14.5%. After adjusting for Sandy, excluding Bellevue and Coney Island, ED utilization grew by 2.1%. There has been a 1.7% increase in the total number of visits that were treated and released or 1.3% after adjusting for the storm and one-day stays as a percentage of the ED admissions have decreased by .3% of .7% after the adjustment for Sandy.

Ms. Youssouf asked if there was a revenue impact in analyzing the impact between the increase in the ED utilization and the exclusion of the one-day stays.

Ms. Zurack stated that the one-day stays produces the same revenue as the five-day stays. The State changed the Medicaid formula five years ago that was called the short stay outlier, whereby hospitals received a lesser payment for a statistically short stay that could be one or two days. When the State implemented the rate reform it was averaged. There is a theory that on the denial front MAC, RAC and IPRO employ nurses to look at medical records to determine whether the stay was medically necessary and retroactively take-back payments if it is determined not to be. The theory is that those are the focused areas. The one-day stays even though the revenue is earned five year later that revenue is more at risk of future disallowance. HHC has reviewed the rate of disallowances for one-day stays overall and it is high but it is not that much higher than anticipated. If one-day stays are documented, there is a significant loss in revenue to eliminate them. However, there is no retrospective data available and would therefore require the hiring a consult to review that data to determine the impact. The industry is insisting on the Two-Midnight Rule and the regulators are pushing for hospital to use the hospital observation status. When there is a situation of whether the determination to admit will take longer than the 8-Hous Rule that relates to the State ER rule on how long a patient can be in the ED before the determination is made. Consequently there must be reimbursement reform that recognizes that the stays that are remaining are more expensive which should be paid at a higher rate; the ED and observation rates must also be reformed. Although it is being promoted as good care and quality in actuality it is a budget cutting mechanism given that a significant amount of money is being taken out for that issue. The industry has been discussing this issue and Ms. Brown has been involved in those discussions.

Ms. Brown stated that HHC has been working with the industry on efforts to educate the congressional and senate members. Some of those efforts have been successful in the delay of the bill that has been put up by the Senate that could potentially delay the implementation of the Two-Midnight Rule to provide an opportunity for the hospital industry to continue to develop the level of documentation and argument of the case as stated by Ms. Zurack. The Two-Midnight Rule having patients placed on observation status or being in the ED relate to a public relations issue. There have been a number of media stories where there were consumers who were in the ED and stayed overnight and thought that they were admitted only to find out later through a bill from the insurance company that the coverage would only apply to an outpatient cost which resulted in a totally unexpected rate at a higher cost for the consumer. There are a number of drivers to the policy changes but there is also the congressional budget office that has put an amount for this rule.

Ms. Zurack stated that the other implication for consumers on the Medicare program is that there are certain services such as nursing care that are only arguable if its post admission. If a patient was in an observation bed for 2-3 days for a fracture and needed nursing home care the patient would be prohibited from getting that care because of the non-admission. There are a number of implications for hospitals and consumers, which is a major issue.

Mr. Page asked whether there is a difference in the care provided to a patient being in an admitted bed, a bed that is occupied or in an observation bed.

Ms. Zurack and Ms. Brown both responded that there is no difference in either instance in terms of the clinical resources provided to that patient.

Mr. Rosen asked if it would be better if the admissions were done through the primary care physician as opposed to the ED.

Ms. Zurack stated that HHC's percentage of one-day stays is slightly higher than the City average, 18% versus 21%. The patients seen in the ED are usually patients with chest pains that result in a one-day stay and those patients would not go through a primary care physician.

Ms. Brown stated that from an advocacy perspective, this issue is not just unique to HHC but rather it is shared by all of hospitals across the country and HHC working with the American Hospital Association (AHA) on this issue.

Ms. Zurack stated that there was a regulatory flaw in the NYS 8-hour rule that did not have observation status until three years ago which created the need for the hospitals to admit a patient due to that rule.

Ms. Youssouf asked when did that rule change. Ms. Brown stated that the rule changed in 2011.

Mr. Fass continuing with the final section of the presentation that related to facility specific reviews for Bellevue, Coney Island, Elmhurst, NCB, Queens and Woodhull. The six facilities were selected due to their decline in volume that was greater than 10% from 2010 to 2013. Bellevue and Coney Island declines were directly attributable to the storm; NCB and Queens had service line suspensions and closures; and Woodhull and Elmhurst had large volume declines acerbated by severe declines in one-day stay admissions. Beginning with Bellevue, the chart showed volume by service line by month between 2010 and 2013. The loss of volume due to the storm the last two months of 2012 and the facility stabilized in March 2013. Med/surgical and ICU combined volume is now 4% lower than before the storm. The 4% decline is consistent with HHC's total system decline that Mr. Kim presented earlier and about twice as great as the citywide trends. Pediatric services recovered fully to pre-storm levels. Volume declined for detox, obstetrics, and neonatal are 12% below pre storm levels. Coney Island did not rebound as quickly and as fully as Bellevue. Volume by select service line, med/surgical and ICU combined stabilized by May 2013, but persisted at 12% below the pre-storm volume. OB and neonatal services stabilized by October 2013 and November 2013. Pediatrics and detox services resumed recently. These services are yet to rebound. Elmhurst volume from 2010 to 2013 for service line that included ICU, neonatal, OB, Pediatrics and med/surgical declined in volume ranging from 10%-17% for an overall hospital decline of approximately 13%. Within med/surgical more than half of the decline is related to the decrease in one-day stay admissions. Hospital wide, Medicaid managed care volume declined by 8% compared to a 5% increase across HHC hospitals.

Ms. Youssouf asked what is included in the med/surgical services. Mr. Kim stated that med/surgical is a broad category of services that are not specialized but rather more routine.

Mr. Fass, resuming the presentation stated that those hospitals have the greatest market share within the Elmhurst service area and were sorted by changes in the market share.

Ms. Brown interjected that after drilling down to certain hospital data the focus was to identify what has happened in those hospitals' market place such as Queens that would affect the market share shifts or to identify what the other hospitals are experiencing.

Mr. Fass continued stating that the service area for Elmhurst was defined by a group of zip codes where 75% of the hospital's patients reside excluding psych and rehab patients. The market share for the service area and the change in market share from 2010 – 2012 with the exclusion of one day stays in the total discharges. Queens increased by 1% and Elmhurst by .7% in market share. Medicaid Managed Care volume excluding one-day stays at Elmhurst declined 4.8% but total volume in its service area increased 10.4%, contributing to a 5% decline in market share overall at Elmhurst. New York Queens and Forest Hills hospitals had the greatest increase in market share and the highest Patient Satisfaction scores.

Mrs. Bolus asked why psych is always excluded in the data.

Ms. Brown stated that operationally many individuals who need psychiatric admissions leave their catchment area due to occupancy rates of inpatient psych units, whereby all psych units are always very high and beds are not available in their catchment area or borough; however, Joyce Wales, Senior Assistant Vice President, Behavioral Health could provide more of an explanation.

Ms. Wales stated that the main reason psych is excluded is related to the LOS and discharge options.

Ms. Brown stated that Rehab is also excluded due to the LOS, services and referrals given that not every hospital has rehab services; therefore, individuals may not get it at their hospital.

Mr. Rosen asked if HHC has considered advertising in some of the local newspapers that are in the various communities.

Ms. Brown stated that HHC does some marketing but does not have the sizable marketing budget that some of the hospitals outside of HHC but does market in some of the local papers in all of the boroughs such as the ***Queens Courier and Amsterdam News.*** With Medicaid managed care it would appear that it is less about marketing and more about the plans and access, so that the scheduling of an appointment is within two to three days as opposed to weeks. Dr. Jenkins, Senior Assistant Vice President, Medical & Professional Affairs has undertaken a major initiative with the facilities in terms of creating additional capacity or access in ambulatory care services.

Mr. Kim reinforcing Ms. Brown statement added that it would appear based on the data for Queens that there is a direct correlation between the HCAPS and the market share in the service areas.

Ms. Youssouf asked if the dis-satisfaction with getting an appointment was the primary reason for the decline.

Ms. Brown stated that it is one of the factors; however, the data is primarily on the inpatient stays and not the outpatient. There is also a factor relative to the perception of HHC facilities versus the volume

and also the hotel services. There are numerous others but now it is more about the health plans and access.

Mr. Page asked if HHC has concluded that asking a patient who is being discharged from the hospital to rate their services would actually filter out how that patient felt about the time it took to get there.

Ms. Brown stated that was one of the reasons for the distinction between the inpatient satisfaction survey and the outpatient services areas and other factors such as utilization and having access to ambulatory care services.

Dr. Wilson added that access has little or no bearing on the HCAP score. It relates only to med/surgical and is a roll-up score with a number of questions behind it. The survey is conducted by an external contractor, Press Ganey and HHC is trying to improve its scores recognizing that those scores could be better in a number of service areas. The process will take time to complete; however, until HHC gets its staff engagement scores to a satisfactory level it is difficult to improve the patient satisfaction scores. However, a lot of effort has gone into this process and the hospitals are to be commended for their efforts in address this issue.

Moving back to the presentation, Mr. Fass stated that the volume at NCB declined by 26% which is due largely to the transfer of the OB/neonatal services to Jacobi but are scheduled to re-open this summer at NCB. More than 6% of NCB total volume loss can be attributed to the service suspension totaling 1,300 discharges. Discharges decreased by 255 of which 12% of the total facility wide volume decline from CY 2010 to CY 2013 can be attributed to a reduction of the one-day stays excluding OB and neonatal. After adjusting for the suspension of services and one-day stays, Medicaid volume FFS and managed care declined by 148 cases, representing a 7% decline of the total at the facility during the period. OB and neonatal services volume declined at both Jacobi and NCB from 2010 to 2013. This downward trend continued after the consolidation of services at Jacobi in August 2013. Both hospitals combined volume declined by 6.7% in 2011, 7.6% in 2012 and by 6% in 2013. In terms of the market share in the Bronx, excluding OBS/NEB, pediatrics, psych and rehab, total Medicaid managed care services volume excluding one-day stays within NCB's service area increased 30.7% from 2010 to 2012. Medicaid managed care volume at NCB, Jacobi and Lincoln increased by 18%, 7% and 18% respectively. For all three hospitals combined, Medicaid managed care volume increased 13% within NCB's service area. At Queens Hospital volume decline by 20% from 2010 to 2013. The inpatient detox unit was closed in June 2011 which accounted for 39% of the hospital's total decline in the overall loss in volume. One-day stays excluding detox declined 40% or 1,150 cases from 2010 to 2013, accounted for 37% of the total decline of 3,092 cases. After adjusting for detox services and one-day stays, overall Medicaid FFS and managed care declined by 574 cases from 2010 to 2013, representing a 19% of the total decline. In terms of Queens hospital service area market share, Long Island Jewish increased by 1.9%, NY Hospital of Queens increased by 1.0%, and North Shore LIJ by 0.6% had the highest increase in market share after accounting for One-Day Stays. Overall Medicaid Managed Care volume (excluding One-Day Stays) within Queens Hospital service area increased 18.3%, with the highest growth rates at LIJ and NY Queens. Patient Satisfaction scores were highest at LIJ, NY Queens and North Shore LIJ, which also had the greatest gains in Medicaid Managed Care market share. Queens's hospital's market share declined by 0.8%. At Woodhull hospital volume declined by 20.2% from 2010

to 2013. One day stays declined 49% or 1,553 cases from 2010 to 2013 accounting for 48% of the total volume decline of 3,228 cases. Med/surgical volume excluding one-day stays declined by 23% representing 43% or 1,388 cases of the overall decline. Total Medicaid volume, FFS and managed care combined excluding one-day stays declined 13% or 1,195 cases from 2010 to 2013. In terms of Woodhull service area market share, NY Methodist increased by 0.7%, Beth Israel by 0.5% and Brooklyn Hospital by 0.5% had the greatest increase in market share from 2010 to 2012, after accounting for One-Day Stays. Total Medicaid Managed Care volume (excluding One-Day Stays) within Woodhull service area increased 14.8%, while at Woodhull Hospital it increased 8.2%. Patient Satisfaction scores were highest at NY Methodist and Beth Israel, who also had the greatest increase in market share.

In summarizing the findings, Ms. Fass stated that inpatient volume declined citywide; however HHC losses were more than twice as great as the voluntary hospitals. In shrinking markets, several HHC hospitals lost market share, however not all HHC hospitals followed this trend. In terms of decreasing one-day stays largely considered medically unnecessary and targeted by policy initiatives, HHC reduced one-day stays at twice the rate as voluntary hospitals. Several HHC hospitals made significant inroads at reducing one-day-stay admissions, led by Woodhull, Queens and Jacobi Hospitals. Other projects are in the works to reduce ED visits that result in an avoidable admission, and potentially avoidable admissions for chronic diseases. Hospital service disruptions, Bellevue recovered near to pre-Sandy levels in all service lines by April 2013; however Coney Island Hospital remains impacted with reduced volume and the closure of some services through 2013. Suspended services at North Central Bronx and Queens Hospitals contributed to their volume declines. Declining Medicaid Volume Medicaid FFS at HHC had significant declines paralleling NYC trends. New York City experienced a large increase in Medicaid Managed Care inpatient volume and enrollees; however volume at HHC was flat. Though HHC saw a large increase in volume from Healthfirst enrollees, volume from MetroPlus enrollees declined.

Mrs. Bolus asked if the Committee could get more information on the relationship between HealthFirst and HHC relative to the contractual requirement and the marketing effort at HHC facilities.

Ms. Zurack stated that HHC has a perpetual contract with HealthFirst as an equity partners. However, what might be more beneficial to the Committee would be a closer look at the decline in volume at MetroPlus. So perhaps, Dr. Saperstein could update the Committee in a few months on the status of that issue. The data presented showed that Fidelis increased its enrollment at HHC without any presence in the facilities. Therefore, HHC needs to look more closely in that area. The rates for HealthFirst and MetroPlus are about the same. Obviously, HHC has more invested in MetroPlus as the preferred plan. However, HealthFirst must be as lucrative for HHC as MetroPlus except HHC is diversifying.

Ms. Youssouf asked if MetroPlus is prohibited from having contracts with hospitals outside of HHC.

Ms. Zurack stated that MetroPlus has contracts with other hospitals, NYU, Montefiore, Mount Sani, and Lutheran but not at the same level as HealthFirst intentionally for the purpose of loyalty to HHC

out of the MetroPlus membership. Ms. Youssouf added that the investment in MetroPlus is greater than HealthFirst.

Ms. Zurack stated that it is comparable and there have been some learning experiences from both plans. Elmhurst/Queens has indicated that it has been a big investment.

Ms. Youssouf stated that the recommendation to have MetroPlus update the Committee is a good one. The reporting and the discussion were concluded.

INFORMATION ITEM **FRED COVINO**
FINANCIAL PLAN

Ms. Zurack stated that it is important to have HHC's financial plan presented to the Committee as part of the NYS Public Authorities Accountability Act (PAAA) requirement. In the essence of time Mr. Covino would present some of the highlights of the plan so that it gets into the minutes.

Mr. Covino stated that each year HHC's financial plan which is part of the City's overall budget process is presented to the Committee. The plan includes the prior year actuals and projections for the current FY 14 through FY 18. The plan is comprised of three sections, receipts, disbursements and corrective actions. Some of the major changes in the plan include the transitioning of behavioral health and long term care from FFS Medicaid to Medicaid managed care. FFS Medicaid also reflects a reduction for the annual 2% trend assumption beginning in FY 15. In total approximately $95 million transitioned from Medicaid FFS to managed care in FY 15 growing to $285 million by FY 18. This will have a major impact on HHC's UPL payments that are based on the Medicaid FFS population and as that declines the amount of claims that HHC can put through that process decreases. As a result there are reductions in the UPL payments of $50 million in FY 15 growing to $158 million by FY 18. The projection is mitigated by the City's commitment to maintain their local share of those payments; therefore it is only half of the actual impact.

Ms. Youssouf asked if that commitment was confirmed by the City. Ms. Zurack stated that HHC's plan which is included in the City's overall plan was presented by the City to the fiscal monitors. HHC submitted its plan as a draft and the new administration has approved it.

Mr. Covino stated the Medicaid DSH reduction was also included and is also supported by the City as part of the Affordable Care Act (ACA) the Medicaid DSH reduction is approximately $74 million beginning FY 16 and growing to $305 million. The Medicare DSH which is a positive that increases revenues in Medicare in FY 14 by $140 million growing to $161 million by FY 18. Additionally there are some Medicare payment reforms as part of the ACA. There is a reduction for readmission penalties and value based purchasing totaling $5 million in FY 14 growing to $35 million in FY 18. The healthcare Exchanges are projected at $113 million in additional receipts for FY 14 growing to $104 million by FY 18. There are some concerns for some items that are included in the plan such as collective bargaining (CB) projected at 1.25% prospective beginning in FY 14. There are some potential retroactive liabilities based on prior patterns that could be as high as $350 million payable in FY 14 with a recurring liability over the life of the plan of approximately $700 million including fringe benefits.

Mr. Rosen asked if the CB beginning in FY14 at 1.25% was compounded over the life of the plan.

Mr. Covino stated that it is $1.25% each year compounded. In addition to that each percentage above the 1.25%, the cost for HHC would be an additional gap opener of $30 million, $22 million in wages and $8 million in fringes. The other potential risk in the plan is that the plan does not include any reductions in workload and if that trend continues it will be a further risk to the plan.

Ms. Youssouf asked for clarification of the assumption for the workload and whether that related directly to utilization.

Ms. Zurack explained that it was held flat throughout the plan.

Mr. Covino stated that receipts over/under disbursements in FY 14 included a $324 million positive contribution to the plan. However, as Ms. Zurack stated earlier, HHC is anticipating approximately $1.6 billion in UPL payments by the end of FY 14 that includes $900 million for prior year receipts. In the out-years, FY 15 – FY 17 the impact of the $900 million non-recurring which reflects a negative $428 million growing to a negative $1.1 billion in the out year of the plan due to the impact of the UPL declining and the Medicaid DSH reductions as part of the ACA.

Ms. Youssouf asked if the plan included all of the assumption relative to CB and the 250 increase in FTEs. Mr. Covino stated that those were included as part of the risks to the plan. The baseline deficit in the out years of $1.4 billion which is further at risk due to CB both retroactive and prospective in addition to any declines in workload going forward. The plan does include the increase of 250 FTEs and revenue related to grants. The reporting was concluded.

INFORMATION ITEM **JAY WEINMAN**
STATEMENT OF REVENUES & EXPENES FOR THE PERIOD ENDED 12/31/2013 & 2012

Mr. Weinman stated that the statement represented revenues and expenses for the 2nd quarter of the current FY 14. Overall the Corporation's net loss for the current FY 14 was $110 million compared to $484 million in FY 13. Net patient service revenue increased by $400 million of which $300 million related to changes in the UPL payments, $44 million in additional DSH maximization and $34 million in Medicare settlements. Personal services increase by $52 million due to $48 million in additional MetroPlus expenses for additional services for members. Post-employment benefits decreased by $41 million as part of an adjustment made last year based on the City's actuary's report to decrease this expense over the next ten years. The operating loss reduced by $55 million decreased by $384 million due to the net patient service revenue as previously noted. Interest expense increased by $7 million due to the reductions in capitalized interest from the City that resulted in an increase in HHC's interest expense. The report was concluded.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss the meeting was adjourned at 10:43 a.m.

EXCHANGE REPORT

New York State of Health Enrollments:

As of March 31, 2014 the New York State Department of Health reported 826,812 enrolled for coverage, of which 70% were uninsured at the time of application submission. New York State has reached 75% of its 2016 target enrollment of 1.1 million.

March 31,2014 was the deadline for families and individuals to begin enrollment for Qualified Health Plan coverage, this excludes Medicaid. The NYS Marketplace will be providing additional assistance with a deadline extension of April 15, 2014 for those who have taken steps in the application process, but were unable to complete their enrollment prior to March 31, 2014.

As a reminder, New Yorkers eligible for Medicaid and all children can continue to enroll in coverage throughout the year. Medicaid ineligible New York adults can apply for coverage during the Special Enrollment Period with qualifying events: marriage, divorce, additional dependent, losing employer insurance, and relocating to NYS. Individuals without qualifying events are ineligible for the Special Enrollment Period and cannot enroll in coverage through the NYS of Health exchange until open enrollment, which begins November 15, 2013 for January 1, 2015 coverage.

HHC Staff:

In the continuous effort to provide resources to HHC facilities and patient population, 480 HHC staff members received Certified Application Counselor training and certifications. NY State is providing an additional training in April, HHC plans for 50 staff members to attend.

MetroPlus:

As of March 24, 2014 MetroPlus Qualified Health Plan, paid members, have increased to 22,790 a 15% rise from March 3. An additional, 11,138 applicants are pending membership per first premium payment, an increase of 30% over four weeks. Notably, MetroPlus Medicaid and CHP enrollment surged 40% with 19,375 members. Enrollment totals as of March 24, 2014' are 54,205 a 27% increase from March 3, 2014.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS

REPORTS

KEY INDICATORS
FISCAL YEAR 2014 UTILIZATION

Year to Date
February 2014

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS						
	FY 14	FY 13	VAR %	FY 14	FY 13	VAR %	ACTUAL	EXPECTED	FY 14	FY 13
North Bronx										
Jacobi	278,414	294,706	-5.5%	13,246	12,356	7.2%	5.7	6.1	0.9954	1.0592
North Central Bronx	130,354	143,548	-9.2%	3,019	5,218	-42.1%	5.5	5.8	0.8737	0.7167
Generations +										
Harlem	218,155	204,208	6.8%	7,350	7,715	-4.7%	5.4	5.8	0.9501	0.9289
Lincoln	358,391	365,671	-2.0%	15,846	15,470	2.4%	4.7	5.3	0.8310	0.8649
Belvis DTC	34,953	38,321	-8.8%							
Morrisania DTC	53,606	53,275	0.6%							
Renaissance	31,408	38,198	-17.8%							
South Manhattan										
Bellevue	377,377	300,102	25.7%	15,314	9,240	65.7%	6.6	6.4	1.1068	1.0813
Metropolitan	257,361	278,357	-7.5%	7,721	8,589	-10.1%	4.5	5.1	0.7511	0.7736
Coler				184,130	150,001	22.8%				
Goldwater/H.J. Carter				78,053	189,284	-58.8%				
Gouverneur - NF				31,461	34,326	-8.3%				
Gouverneur - DTC	176,447	162,577	8.5%							
North Central Brooklyn										
Kings County	453,110	472,779	-4.2%	15,131	16,560	-8.6%	6.5	6.0	0.9716	0.9375
Woodhull	320,035	314,049	1.9%	8,522	9,423	-9.6%	5.0	5.0	0.7933	0.7954
McKinney				75,913	75,598	0.4%				
Cumberland DTC	55,412	59,644	-7.1%							
East New York	47,605	49,861	-4.5%							
Southern Brooklyn / S I										
Coney Island	222,474	178,887	24.4%	9,335	6,151	51.8%	6.7	6.2	1.0068	1.0098
Seaview				70,357	72,304	-2.7%				
Queens										
Elmhurst	409,758	430,971	-4.9%	14,323	15,986	-10.4%	5.5	5.3	0.8836	0.9004
Queens	268,778	273,880	-1.9%	8,115	8,596	-5.6%	5.7	5.3	0.8514	0.8715
Discharges/CMI-- All Acutes				117,922	115,304	2.3%			0.9246	0.9121
Visits-- All D&TCs & Acutes	3,693,638	3,659,034	0.9%							
Days-- All SNFs				439,914	521,513	-15.6%				

Notes:

Utilization

Acute: discharges exclude psych and rehab; reimbursable visits include clinics, emergency department and ambulatory surgery

D&TC: reimbursable visits

LTC: SNF and Acute days

Average Length of Stay

Actual: discharges divided by days; excludes one day stays

Expected: weighted average of DRG specific corporate average length of stay using APR-DRGs

All Payor CMI

Acute discharges are grouped using the 2013 New York State APR-DRGs for FY 13 and FY 14 beginning December 2013.

FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of February 2014, all services at Coney Island have not been fully restored.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

KEY INDICATORS

FISCAL YEAR 2014 BUDGET PERFORMANCE ($s in 000s)

Year to Date
February 2014

NETWORKS	FTE's VS 6/15/13	RECEIPTS actual	RECEIPTS better / (worse)	DISBURSEMENTS actual	DISBURSEMENTS better / (worse)	BUDGET VARIANCE better / (worse)	
North Bronx							
Jacobi	10.5	$ 369,077	$ (5,288)	$ 367,837	$ (2,159)	$ (7,447)	-1.0%
North Central Bronx	(15.0)	119,926	(17,460)	117,417	19,910	2,450	0.9%
	(4.5)	$ 489,003	$ (22,748)	$ 485,254	$ 17,751	$ (4,996)	-0.5%
Generations +							
Harlem	14.0	$ 231,239	$ (13,329)	$ 223,937	$ (2,355)	$ (15,684)	-3.4%
Lincoln	5.5	342,634	3,673	319,897	(1,036)	2,636	0.4%
Belvis DTC	(2.0)	11,479	(650)	10,399	2,222	1,571	6.3%
Morrisania DTC	4.5	16,712	849	17,086	2,895	3,744	10.4%
Renaissance	(3.0)	9,537	(1,858)	14,058	329	(1,529)	-5.9%
	19.0	$ 611,603	$ (11,316)	$ 585,377	$ 2,054	$ (9,262)	-0.8%
South Manhattan							
Bellevue	10.0	$ 455,590	$ (21,037)	$ 487,168	$ (19,647)	$ (40,684)	-4.3%
Metropolitan	(15.0)	212,095	(4,800)	199,049	11,298	6,498	1.5%
Coler	46.0	37,819	(10,592)	90,141	(14,431)	(25,022)	-20.2%
Goldwater/H.J. Carter	(344.5)	42,342	(18,779)	102,431	(31,873)	(50,652)	-38.5%
Gouverneur	35.0	45,417	(4,187)	59,200	1,719	(2,468)	-2.2%
	(268.5)	$ 793,264	$ (59,394)	$ 937,989	$ (52,934)	$ (112,328)	-6.5%
North Central Brooklyn							
Kings County	50.5	$ 498,582	$ (11,697)	$ 459,779	$ 2,509	$ (9,188)	-0.9%
Woodhull	43.5	251,377	(25,955)	265,460	(7,242)	(33,197)	-6.2%
McKinney	6.0	21,348	(1,069)	30,356	(557)	(1,626)	-3.1%
Cumberland DTC	(4.0)	14,140	(3,404)	20,805	2,725	(679)	-1.7%
East New York	2.0	13,769	(1,756)	16,018	579	(1,177)	-3.7%
	98.0	$ 799,216	$ (43,881)	$ 792,418	$ (1,986)	$ (45,867)	-2.8%
Southern Brooklyn/SI							
Coney Island	119.5	$ 206,839	$ (21,676)	$ 238,654	$ 275	$ (21,401)	-4.6%
Seaview	(7.0)	25,132	2,899	34,863	(124)	2,775	4.9%
	112.5	$ 231,972	$ (18,777)	$ 273,518	$ 151	$ (18,627)	-3.6%
Queens							
Elmhurst	(9.5)	$ 386,082	$ (4,844)	$ 364,154	$ 5,648	$ 804	0.1%
Queens	10.0	259,117	2,350	243,647	(9,471)	(7,121)	-1.5%
	0.5	$ 645,199	$ (2,494)	$ 607,801	$ (3,823)	$ (6,317)	-0.5%
NETWORKS TOTAL	**(43.0)**	**$ 3,570,256**	**$ (158,610)**	**$ 3,682,356**	**$ (38,786)**	**$ (197,396)**	**-2.7%**
Central Office	67.0	228,005	3,947	178,695	4,656	8,603	2.1%
HHC Health & Home Care	10.0	9,036	(10,181)	24,462	(4,240)	(14,422)	-36.6%
Enterprise IT	20.5	53,647	575	113,241	13,414	13,989	7.8%
GRAND TOTAL	**54.5**	**$ 3,860,943**	**$ (164,270)**	**$ 3,998,754**	**$ (24,956)**	**$ (189,226)**	**-2.4%**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of February 2014, all services at Coney Island have not been fully restored.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

New York City Health & Hospitals Corporation
Cash Receipts and Disbursements (CRD)
Fiscal Year 2014 vs Fiscal Year 2013 (in 000's)
TOTAL CORPORATION

	Month of February 2014			Fiscal Year To Date February 2014		
	actual 2014	actual 2013	better / (worse)	actual 2014	actual 2013	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 67,702	$ 57,683	$ 10,019	$ 561,954	$ 571,287	$ (9,333)
Medicaid Managed Care	51,940	44,075	7,865	432,162	412,549	19,613
Medicare	44,007	30,863	13,144	370,723	351,974	18,748
Medicare Managed Care	26,805	15,521	11,284	200,150	150,338	49,812
Other	16,746	14,212	2,534	151,271	137,866	13,405
Total Inpatient	$ 207,201	$ 162,354	$ 44,847	$ 1,716,259	$ 1,624,014	$ 92,245
Outpatient						
Medicaid Fee for Service	$ 11,874	$ 11,870	$ 5	$ 129,553	$ 110,009	$ 19,545
Medicaid Managed Care	24,079	27,635	(3,557)	373,353	273,832	99,521
Medicare	3,949	6,011	(2,062)	34,133	39,802	(5,669)
Medicare Managed Care	5,203	3,849	1,354	64,651	61,296	3,355
Other	11,082	9,028	2,054	115,840	94,551	21,289
Total Outpatient	$ 56,187	$ 58,393	$ (2,206)	$ 717,530	$ 579,490	$ 138,040
All Other						
Pools	$ 6,047	$ 94,136	$ (88,089)	$ 329,349	$ 328,897	$ 452
DSH / UPL	-	36,235	(36,235)	876,600	878,435	(1,835)
Grants, Intracity, Tax Levy	8,537	83,981	(75,444)	150,541	231,701	(81,160)
Appeals & Settlements	23,672	6,851	16,821	27,416	30,480	(3,064)
Misc / Capital Reimb	5,836	4,174	1,662	43,248	54,690	(11,442)
Total All Other	$ 44,092	$ 225,377	$ (181,285)	$ 1,427,154	$ 1,524,203	$ (97,050)
Total Cash Receipts	**$ 307,480**	**$ 446,124**	**$ (138,644)**	**$ 3,860,943**	**$ 3,727,708**	**$ 133,236**
Cash Disbursements						
PS	$ 187,393	$ 184,911	$ (2,483)	$ 1,674,831	$ 1,594,101	$ (80,730)
Fringe Benefits	65,634	57,964	(7,670)	762,989	486,419	(276,570)
OTPS	99,767	97,621	(2,146)	890,748	862,887	(27,861)
City Payments	-	-	0	19,403	141,363	121,960
Affiliation	65,485	78,457	12,972	600,200	611,399	11,198
HHC Bonds Debt	7,012	7,966	954	50,582	74,424	23,842
Total Cash Disbursements	**$ 425,291**	**$ 426,919**	**$ 1,627**	**$ 3,998,754**	**$ 3,770,593**	**$ (228,161)**
Receipts over/(under) Disbursements	**$ (117,811)**	**$ 19,205**	**$ (137,016)**	**$ (137,810)**	**$ (42,885)**	**$ (94,925)**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of February 2014, all services at Coney Island have not been fully restored.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

New York City Health & Hospitals Corporation
Actual vs. Budget Report
Fiscal Year 2014 (in 000's)
TOTAL CORPORATION

	Month of February 2014			Fiscal Year To Date February 2014		
	actual 2014	budget 2014	better / (worse)	actual 2014	budget 2014	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 67,702	$ 75,362	$ (7,659)	$ 561,954	$ 671,943	$ (109,989)
Medicaid Managed Care	51,940	52,192	(252)	432,162	466,240	(34,078)
Medicare	44,007	49,224	(5,217)	370,723	351,796	18,927
Medicare Managed Care	26,805	18,211	8,594	200,150	165,856	34,294
Other	16,746	17,723	(977)	151,271	156,745	(5,475)
Total Inpatient	$ 207,201	$ 212,713	$ (5,512)	$ 1,716,259	$ 1,812,580	$ (96,321)
Outpatient						
Medicaid Fee for Service	$ 11,874	$ 16,277	$ (4,402)	$ 129,553	$ 162,926	$ (33,373)
Medicaid Managed Care	24,079	26,718	(2,639)	373,353	379,395	(6,042)
Medicare	3,949	5,874	(1,925)	34,133	52,115	(17,982)
Medicare Managed Care	5,203	5,861	(658)	64,651	63,523	1,128
Other	11,082	11,629	(547)	115,840	124,787	(8,948)
Total Outpatient	$ 56,187	$ 66,359	$ (10,172)	$ 717,530	$ 782,748	$ (65,217)
All Other						
Pools	$ 6,047	$ 6,436	$ (388)	$ 329,349	$ 331,869	$ (2,520)
DSH / UPL	-	-	0	876,600	876,600	(0)
Grants, Intracity, Tax Levy	8,537	11,029	(2,492)	150,541	150,725	(184)
Appeals & Settlements	23,672	38,069	(14,397)	27,416	26,805	610
Misc / Capital Reimb	5,836	4,886	950	43,248	43,886	(638)
Total All Other	$ 44,092	$ 60,419	$ (16,327)	$ 1,427,154	$ 1,429,885	$ (2,731)
Total Cash Receipts	**$ 307,480**	**$ 339,491**	**$ (32,011)**	**$ 3,860,943**	**$ 4,025,213**	**$ (164,270)**
Cash Disbursements						
PS	$ 187,393	$ 187,852	$ 459	$ 1,674,831	$ 1,665,309	$ (9,522)
Fringe Benefits	65,634	65,818	184	762,989	769,543	6,554
OTPS	99,767	117,425	17,658	890,748	867,399	(23,349)
City Payments	-	-	0	19,403	19,403	(0)
Affiliation	65,485	65,241	(244)	600,200	599,957	(243)
HHC Bonds Debt	7,012	6,961	(51)	50,582	52,186	1,604
Total Cash Disbursements	**$ 425,291**	**$ 443,297**	**$ 18,006**	**$ 3,998,754**	**$ 3,973,798**	**$ (24,956)**
Receipts over/(under) Disbursements	**$ (117,811)**	**$ (103,807)**	**$ (14,005)**	**$ (137,810)**	**$ 51,416**	**$ (189,226)**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of February 2014, all services at Coney Island have not been fully restored.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.