

# AMCH PPS DSRIP FINANCE COMMITTEE MEETING MINUTES

## MEETING INFORMATION

<b>MEETING TITLE:</b>	AMCH PPS DSRIP Finance Committee
<b>DATE:</b>	August 31, 2015; 8:00-9:00 a.m.
<b>LOCATION:</b>	Albany Medical Center Hospital, MS101

## ATTENDEES

	<ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Kim Atkins – Planned Parenthood</li><li><input checked="" type="checkbox"/> Lauren Ayers – AMCH</li><li><input checked="" type="checkbox"/> Julie Clegg-Planned Parenthood</li><li><input checked="" type="checkbox"/> Dr. George Clifford, Ph.D. – AMCH</li><li><input checked="" type="checkbox"/> Frederick Erlich-Living Resources</li><li><input checked="" type="checkbox"/> Gary Foster – Saratoga Hospital</li><li><input checked="" type="checkbox"/> William Hasselbarth – AMCH</li><li><input checked="" type="checkbox"/> Dot Jones – Saratoga Hospital</li><li><input checked="" type="checkbox"/> Michele Kelly-Catholic Charities</li><li><input checked="" type="checkbox"/> Audrey LaFrenier – Northern Rivers</li><li><input checked="" type="checkbox"/> Mary McQuade-AMCH</li><li><input checked="" type="checkbox"/> Greg Sorrentino – Center for Disability Services</li><li><input checked="" type="checkbox"/> William VanSlyke – Columbia Memorial Hospital</li></ul>
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## AGENDA OVERVIEW

<u>Topic</u>
<ul style="list-style-type: none"><li>✓ Introductions/Welcome</li><li>✓ Review and approval of July meeting minutes</li><li>✓ Membership Roster/Alternates</li><li>✓ Mission Statement/Charter</li><li>✓ Status of 2015 Forecast and the 2016 Budget</li><li>✓ September 2015 Deliverables<ul style="list-style-type: none"><li>a) Survey</li></ul></li><li>✓ Capital Funding Update</li><li>✓ Monthly Financials</li><li>✓ PMO Update</li><li>✓ Meeting Schedule</li></ul>

## MAIN POINTS / DECISIONS

<p><b><u>Main Discussion Points from Attendees:</u></b></p> <ul style="list-style-type: none"><li>✓ Meeting commenced at: 8:00 a.m.</li></ul> <p><b><u>Committee Membership/Introductions</u></b></p> <ul style="list-style-type: none"><li>✓ The meeting opened with introductions.</li><li>✓ Dr. Clifford announced that the meeting was being recorded to maintain official records for the PPS as required by the NYS DOH.</li></ul> <p><b><u>Review &amp; Approval of July 2015 Minutes</u></b></p> <ul style="list-style-type: none"><li>✓ Motion: Made by Mr. Foster that the July 20, 2015 meeting minutes be approved. Ms. Ayers seconded the motion. Motion approved through consent of the Committee.</li></ul>
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- ✓ Mr. Hasselbarth asked members to review member roster and identify alternates if needed.

#### Mission Statement/Charter

- ✓ Mr. Hasselbarth stated the Mission/Charter (attached) was reviewed by PAC Executive Committee on August 28, 2015. The Finance Committee supports and oversees the standard for establishing overall expectations and deliverables of PPS as it relates to finance.
- ✓ Motion: Made by Mr. Sorrentino that the Mission Statement/Charter be approved. Ms. Kelly seconded the motion. Motion approved through consent of the Committee.

#### 2015 Forecast and 2016 Budget

- ✓ Mr. Hasselbarth reviewed the background of the five-year funding stream which includes the identification of major categories of spending over the five years. A detailed budget is being developed. AMCH Board is in need of the information for calendar years 2015 and 2016 to serve AMCH budget plan for accountability and oversight, and for AMCH to have sense of restricted funds spending.
- ✓ Ms. Ayers stated a template has been developed to show revenues and expenses of the DSRIP funds. Mr. Jason George, Assistant Director of Finance-Budget, AMCH, is working with Ms. Ayers to fine-tune the expense forecast for 2015 and 2016. Ms. Ayers stated the PMO is spending down the planning grant funding now with no DSRIP funds used to date. Upon completion of the template in draft form, the template will be sent to committee members for review before the October finance meeting.

#### September 2015 Deliverables

- ✓ Dr. Clifford explained the September 30, 2015 financial deliverables are on track and noted the importance of meeting the timelines set by the DOH so the PMO will receive payment. It is necessary to have written documentation to substantiate the completion of the milestones; including recorded meeting minutes and committee approval of mission statements.
  1. Milestone 1, step 1: The PAC Executive Committee reviewed and approved clear fiscal responsibilities for management of DSRIP funds.
  2. Milestone 1, step 2: PPS Board approved the Charter of the Finance Committee of the PPS. This step is approved as of Finance Committee meeting today, August 31, 2015. PPS Board approved on August 28, 2015.
  3. Milestone 1, step 3: Financial budgeting, management and reporting structures will be recommended to the PPS Board, will be presented to the PAC Executive Committee and PPS Board for approval in September. This plan will include fund types, cost centers, revenue expense management, financial statements generated for committee information.
  4. Milestone 2, steps 1 and 2: An abbreviated financial health report was submitted with the implementation plan in November 2014, showing overall financial ratios. From this information, it was determined none of our key partners are financially distressed. Steps 1 and 2 of Milestone 2 will be met with the help of the survey that will identify financially fragile members of the PPS. Mr. Hasselbarth approves sending out the final draft of the finance section of the survey electronically to the Finance Committee for approval in September. This will include the review of how organizations are managing their funds, overall ratios, bad debt, collection rate, Medicaid vs Non-Medicaid factors in determining the financial health of the PPS.
  5. Milestone 3, step 1: Baseline Medicaid aggregate revenue data and methods of reimbursement will be presented electronically to the Finance Committee for approval in September. This step will also be part of the survey.
  6. Milestone 3, step 2: The dissemination of educational materials as part of the communication strategy for the PPS network will be presented to the PAC Executive Committee at the September 28, 2015 meeting. The outline of the value-based purchasing arrangement will be referenced for the five-year financial journey.

Ms. LaFrenier raised the question of the detail of financial records shared to the public for disclosure purposes. Dr. Clifford and Mr. Hasselbarth stated the Finance Committee has the financial responsibility to provide in a transparent way all of the assumptions and financials of a budget. Dr. Clifford stated the final draft of the operating budget will be presented to the Finance Committee in adequate time for review and approval before the September 30, 2015 deadline.

Mr. Hasselbarth stated the request for over \$100 million in capital funding for infrastructure to support the objectives of the PPS has not been received, with October as an approximate time frame of a decision if funding will be awarded. AMCH has not been asked to fund this in the interim. Discussions have begun with an information technology firm, Accenture, to offer guidance and direction in the development of information technology to help manage population health.
  7. Milestone 4, steps 1, 2, 3, 4: The developments of the Guiding Principles has been approved by the PAC and the timeline to guide the work of the Finance Committee meeting has been completed as of August 28, 2015. A monthly meeting schedule will be finalized as part of the deliverable due September 30, 2015. The Finance Committee will review the budget and develop project specific fund flow models prior to distribution of funds to the PPS providers;

these steps will be presented to the PAC at the September 28, 2015 meeting. The award of \$133 million from the New York State Department of Health for the 11 projects is subject to a conservative analysis if the full award is not received. Percentages will be broken down to component parts for project values to participating providers, contingency funds, IT support for patient registry and management reporting with the intention to spread this money over the five years.

The document should be available for Finance Committee review no later than September 15, 2015. This information will be presented to the PAC Executive Committee at the September 28, 2015 meeting.

#### Survey

- ✓ Dr. Clifford stated a one-time collective survey is being compiled. The survey will include questions regarding clinical and quality affairs, Information technology, finance, audit, compliance, workforce, cultural competency, and operations sections. It was agreed to have the finance section of the survey reviewed by the committee for feedback.
- ✓ Dr. Clifford stated September 30, 2015 as the target date for the survey to be electronically provided to PPS providers with a return date within two weeks. The contracts to the participating providers are intended to be distributed in October.
- ✓ Mr. Erlich asked about the complexity of the survey. Dr. Clifford stated the PMO office would support organizations with the submission and completion of the survey for accuracy and clarity. The completion of the survey will provide accurate and complete data and evidence of provider and organization engagement. Providers would receive payment once a contract is executed.
- ✓ Ms. Jones recommended the need for clear messaging in offering information to the providers about the key elements of what is expected of them and the time-sensitive deadline. A notice beforehand regarding the survey was suggested so providers would be aware of the survey that is required of them.
- ✓ Ms. Kelly asked if the survey questions would be project specific. Dr. Clifford stated this will be the opportunity to be clear what projects are of participation interest to their organizations.
- ✓ This survey will aid with the baseline assessment of revenue linked to value-based payment, preferred compensation modalities for different provider types and functions, and MCO strategy for the deliverables due December 31, 2015.
- ✓ Mr. VanSlyke asked if there are STARK regulations concerns regarding the survey. Dr. Clifford stated there may be concerns in the workforce arena; compensation analysis is not requested at this time. A third party will be collecting data in terms of the workforce compensation. Unions have expressed their concerns to the PMO office regarding compensation. At this time, a workforce vendor has not been chosen.
- ✓ Ms. Jones raised the question if a provider would be guaranteed a contract upon completion of a survey. Dr. Clifford stated the survey is a baseline assessment; a payment may be made to a provider for completion of survey but there is no guarantee that an organization will receive a contract. Depending on the number of Medicaid lives served in these broad projects, it may not be cost efficient to offer a contract.
- ✓ Dr. Clifford stated the Health Department has not sent information for attributed lives. A roster of information is available to the PMO but the data is problematic.

#### Capital Funding

- ✓ Dr. Clifford stated the application with twelve components submitted for the capital restructuring finance plan was resubmitted for a third time. One component was initially deemed ineligible. The one component has now been resubmitted and a decision from the Health Department is anticipated in October. As Mr. Hasselbarth stated previously, a number of financial and budget decisions as well as several of the projects are dependent on this capital funding. It is critical to move forward and finalize the capital funding.
- ✓ Dr. Clifford stated identification in a number of areas of possible collaboration with other PPS's include workforce, information technology, clinical integration, consumer and community engagement, and finance (organizations with more than one PPS; look for duplicate payments).

#### Monthly Financials

- ✓ Ms. Ayers reviewed the template and stated more detail will be added as revenues and expenses occur.
- ✓ Ms. Ayers will provide Mr. Hasselbarth with an update on the planning grant spending status.

#### PMO Update

- ✓ Mr. Hasselbarth stated a NewCo is being established with an estimated completion date by the fourth quarter.
- ✓ Bylaws for the NewCo will be presented at the September 28, 2015 PAC meeting for their review and approval. The AMCH BOD will need to approve the bylaws as well.
- ✓ The advantages of creating a subsidiary corporation discussed are as follows:
  - Liability protections for AMCH as an institution
  - By-laws are almost identical to the approved Mission Statement/Charter
  - Provide clear authority and responsibility of the Finance Committee role
- ✓ Mr. Hasselbarth reiterated the roles of the Finance Committee for financial oversight, recommendations with regard to the

budget and an overall financial review.

- ✓ Mr. Hasselbarth stated any information requiring action before the September meeting; will be reviewed by the committee members electronically or via conference call.

Meeting Schedule

- ✓ Next meeting will be September 28, 2015 at 8:00 a.m. in MS101.
- ✓ Meeting adjourned: 8.57a.m.

**ACTION ITEMS**

<u>Owner</u>	<u>Action Item</u>	<u>Due Date</u>
Lauren	Send an update on the planning grant spending status to Mr. Hasselbarth, Chair.	Before September 28, 2015 meeting
Committee	Review the member roster and identify alternates if needed.	By next meeting

Respectfully submitted by,  
Mary McQuade  
Program Coordinator  
Center for Health Systems Transformation at AMC  
Meeting recorded on digital recorder