AGENDA

FINANCE COMMITTEE

MEETING DATE: MARCH 11, 2014
TIME: 9:00 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER — BERNARD ROSEN

ADOPTION OF THE FEBRUARY 11, 2014 MINUTES

SENIOR VICE PRESIDENT'S REPORT — MARLENE ZURACK

- HHC CASH FLOW
- ACA/EXCHANGES UPDATE

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

INFORMATION ITEMS:

1. FINANCE PLAN UPDATE — FRED COVINO
2. ACUTE INPATIENT UTILIZATION TRENDS & FACTORS — DONA GREEN, VICTOR KIM, STEVEN FASS
3. QUARTERLY STATEMENT OF REVENUE & EXPENSES — JAY WEINMAN

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT — BERNARD ROSEN

MINUTES

MEETING DATE: FEBRUARY 11, 2014

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on February 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
Andrea Cohen, (Representing Deputy Mayor Lilliam Barrios-Paoli)

OTHER MEMBERS

ROBERT F. NOLAN

OTHER ATTENDEES

J. DeGeorge, Analyst, State Comptroller's Office
M. Dubroski, Unit Head, NYC Office of Management & Budget (OMB)
C. Fiorentini, Analyst, NYC Independent Budget Office (IBO)
J. Wessler

HHC STAFF

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
A. Cohen, CFO, South Manhattan Health Network
D. Collington, Director, Coney Island Hospital
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, Chief Financial Officer, MetroPlus Health Plan, Inc
D. Frimer, Controller, Coney Island Hospital
M. Genee, Deputy Corporate Comptroller, Corporate Comptroller's Office
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
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
P. Lockhart, Secretary to the Corporation, Office of the Chairman
K. McGrath, Senior Director, Corporate Communications/Marketing
M. Meagher, Director, Corporate Managed Care
M. Mehlmann, Associate Executive Director, North Bronx Health Network
I. Michaels, Director, Media Relations, Corporate Communications/Marketing
T. Miles, Executive Director, WTC Healthcare Program
H. Mason, Deputy Executive Director, Kings County Hospital Center
D. Moskos, Director, Facilities Development
K. Olson, Assistant Vice President, Corporate Budget
S. Operowsky, Associate Executive Director, Gouverneur Healthcare Services
K. Park, Associate Executive Director, Queens Health Network
S. Penn, Deputy Director, World Trade Center Program
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
W. Saunders, Assistant Vice President, Corporate Intergovernmental Affairs
A. Saul, Senior Associate Director, Kings County Hospital Center
B. Stacey, CFO, Queens HealthCare Network
J. Wale, Senior Assistant Vice President, Corporate Behavioral Health Services
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**

CHAIR'S REPORT **BERNARD ROSEN**

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

Ms. Zurack informed the Committee that at next month's meeting a presentation prepared by LaRay Brown, Senior Vice President, Corporate Planning, Intergovernmental Relations and Community Health and the Corporate Planning staff would be presented in response to the Committee's request to address some of the issues raised relative to declining utilization and other factors at HHC in comparison to the healthcare industry. As part of the routine reporting, Ms. Zurack reported that HHC's current cash balance was $432 million or 27 days of cash on hand (COH) which compares favorably to the FY 14 opening balance of $323 million or 20 days of COH. The projected year-end balance is expected to be at the same level as the current status. However, that assumption is contingent upon HHC's receipt of $800 million in UPL payments by June 2014. The receipt of those funds is pending the approval of the methodology by the State and Federal governments. The payment was originally scheduled for January 2014 but was replaced with a DSH payment that HHC received last month. It is important to note that if the $800 million is not received as planned, HHC will have a major problem. The calculation review by the State and Federal governments is essential in getting this issue resolved. The reporting of this issue to the Committee is an elevation of the urgency of having this matter resolved by those two entities.

Exchanges Update

Ms. Zurack brought to the attention of the Committee the summary page included in the package for the Exchanges. The data included in the summary highlighted the most current information available to HHC. It is important to note that when Ms. Katz does the reports on the Medicaid eligibility applications processing, getting and reporting the data for the new Medicaid system compared to the old will be very complicated given that the data is very limited at this time. As of February 3, 2014 there were 657,000 applications filed through the NYSDOH portal an increase of 111,541 applications or 20% increase from last month. Based on data through 2/10/14, 696,000 applications were submitted compared to the 657,000, of which 381,000 increasing to 412,000 were enrolled compared to 295,000 last month. The enrollment pace is steadily increasing which is the goal. HHC is working to have its hospital care investigators (HCI) and other staff trained as certified application counselors (CAC) of which 300 staff have been trained against the 450 target by February 28, 2014. The goal is to train 700 staff by March 31, 2014. Based on data reported by HHC facilities, as of 1/26/14 HHC has processed 28,642 applications, 18,500 were Medicaid and the remainder 13,000 was for the Exchanges, Qualified Health Plan (QHP).

Ms. Youssouf asked whether MetroPlus would be refunding its members as a result of a "glitch" in the system that had been reported in the news media.

Mr. Cuda, Chief Financial Officer, MetroPlus was asked to respond to which he stated that the problem had occurred at Empire and that a deal was made with the State to refund those premiums. For NY, MetroPlus has not had a major issue although there have been some but there are no plans to issue any refunds relative to that problem. MetroPlus sent out letters to some of its members when there was a problem with the issuance of their cards informing them that they were MetroPlus members and that their physicians or provider groups could call MetroPlus customer service to verify their coverage.

Ms. Cohen asked whether HHC has an outreach program for its uninsured patients to assist them in getting enrolled in an insurance plan.

Ms. Zurack stated that there are some efforts; however, the first step in the process as it relates to HHC's revenue is on the inpatient side of applications processing, whereby for those patients who have been admitted an application must be completed immediately. There is a problem in that process in that there have been a number of delays that relate to identity and verification for the homeless and the undocumented. Additionally, the emergency Medicaid process is going through the portal and HHC staff who are required to go through the CAC training have incurred a backlog as a result of having to get that certification. Also there has been a delay by the State in hiring 200 staff to assist with that process. The State has committed to having dedicated staff for HHC when that staff is hired.

Mr. Rosen added that as per Mr. Covino HRA is no longer processing applications for HHC after removing its on-site staff from HHC facilities.

Ms. Zurack explained that HRA had on-site offices at each of HHC's facilities but has since vacated those offices. However, HRA is still processing applications for the non-MAGI population and also for retroactive coverage for individuals who were admitted in prior months. For example, if an application was done in March for a patient who was discharged in February that application would go to HRA. HRA still has a function and there is a learning curve for HHC's staff in terms of where the applications should be sent for processing.

Ms. Cohen asked if there is a way for HHC to send letters to uninsured patient on the outpatient side who are in the Options program.

Ms. Zurack stated that HHC has done Breaththrough events and have identified a lot of information on that issue. There are reports such as the daily activity report that the facility reviews prior to the patient visit and phone calls are made to patients who are uninsured. Therefore, those patients who are included in the Options program will be informed about the Exchanges.

Ms. Cohen stated that in addition to those efforts what was being proposed was to have HHC use its list of uninsured patients in NYC for outreach purposes that would provide some type of notification from HHC informing them of their options.

Ms. Zurack stated that HHC has done that on numerous occasions.

Mr. Rosen asked if those individuals who signed up used the internet. Ms. Zurack stated that the majority were done by individuals on-line which many have found to be an easier way to sign-up.

The discussion was concluded.

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

Ms. Olson reported that the total outpatient visits were up by 3.3% or 90,000 visits both the acute and D&TCs are up by the same 3.3%, excluding Coney Island and Bellevue due to the impact of the storm, visits were flat for the acute. The D&TCs, excluding Gouverneur due to the modernization project, visits were down by 2.6%.

Ms. Youssouf asked if there is an explanation for the increase in the visits.

Ms. Olson stated that the increase was due largely to the storm last year. At the D&TCS the increase was due to Gouverneur's completion of its modernization project which is up by 12% and was offsetting the decline in visits at the other D&TCs.

Ms. Youssouf asked if Gouverneur was 100% completed. Mr. Aviles stated that the lobby is the only area yet to be completed.

Ms. Olson added that in the nursing home at Gouverneur the beds are being re-opened. Returning to the report, discharges were up by .3% excluding Bellevue and Coney Island; discharges were down by 5.7%. Nursing home days were down by 16.3% due to the transition that occurred at Coler/Goldwater. Hank J. Carter and Goldwater have been combined on the report.

Ms. Youssouf asked whether the 56.5% decline at Goldwater/HJ Carter is attributable to the move.

Ms. Olson stated that it is related to the move and the decline in beds. The ALOS, there were three facilities above the corporate expected average LOS; Kings County at 6/10; Queens and Coney Island both at 5/10 of a day. There were two facilities less than the corporate expected average, Lincoln at 7/10 and Metropolitan 6/10.

Mr. Covino, continuing with the reporting stated that FTEs were up by 54 in comparison to the base period of 6/15/13 through December 2013 which is a small increase that would be discussed in more detail later on the agenda as part of the PS quarterly report. Receipts were $138 million worse than budget while disbursements were $29 million over budget for a net total deficit of $167 million. A comparison of the actuals through December 2013 to the same period last year, total receipts were $371 million less than last year due to the timing of DSH payments. Last year HHC received $842 million in DSH payments compared to $346 million this FY 14, $497 million less than last year. However, HHC received $531 million in DSH receipts in January 2014 which will reduce the variance next month. Expenses were $32.5 million better due to the timing of City payments. To-date for FY 14, no payments have been made to the City compared to last year $141 million was paid to the City

during the period. PS expenses are down by $16 million compared to last year due to a prior year retroactive collective bargaining payments of $21 million.

Ms. Zurack clarifying that Mr. Covino's reference to the "to-date" was through December 2013 given that there were payments made to the City in January 2014.

Ms. Youssouf asked for clarification of the assumption that the $33 million is better on a cash basis. Mr. Covino stated that the $32 million to-date is less than the actual expense last year. Ms. Youssouf asked if it was related to non-payments to the City, other categories that were underspent; and fringe benefits, etc.

Mr. Covino stated that it was related to all those factors and that the details of that variance would be discussed as part of the PS reporting later on the agenda. Returning to the reporting, PS expenses were less than the prior year. Fringe benefits were up by $95 million, health insurance was also up by $35 million due to a stabilization payment that HHC made to the City and $26 million in equalization payments. Overall, health insurance was up by $35 million relative to the year over year increase of 5.2%. Additionally pension payments were up by $35 million and FICA was up by $20 million compared to last year; whereby HHC received a FICA credit for residents' recovery. OTPS expenses were up by $59 million due in part to a delay in payments to vendors as a result of HHC's cash balance. However, HHC has since released payments as a result of complaints made by vendors for non-payment. Affiliation expenses were $9.6 million less than last year due to the physician UPL payment received which offset the overspending. Bond debt was down $20.8 million due to the debt refinancing. The actuals compared to budget through December 2013, inpatient receipts were down by $106 million due to a decrease in Medicaid fee-for-service that was down by $95 million and a decline in workload, 3,000 paid Medicaid discharges, 15,000 paid psych days and 50,000 skilled nursing facility days. Outpatient receipts were down by $41 million in Medicaid and all other receipts were up by $8 million. PS expenses were up by $9.6 million and OTPS expenses were $27 million worse than budget due to the factors previously stated relative to an increase in payments to vendors. The report was concluded.

PAYOR MIX REPORTS – INPATIENT, ADULT AND PEDIATRICS AS OF 12/2013 **KRISTA OLSON**

Ms. Olson informed the Committee that in addition to the standard quarterly payor mix reports, historical payor mix reports were included as requested by the Committee. The format of the quarterly report is reflective of the revision that was presented to the Committee for the FY 14 1st quarter report. The primarily change in the inpatient category, Medicaid total decreased from 61.2% to 59.3% with a decline in Medicaid fee-for-service and Medicaid managed care as well. There was an upward shift in the uninsured from 8.3% to 9.3% which Ms. Katz would discuss in more detail as part of the Medicaid eligibility report that may be related to a delay in the Medicaid applications processing that Ms. Zurack noted in the reporting. Commercial and other were relatively flat and Medicare was slight up. In the adult outpatient, the percentage of total visits for each facility Medicaid is trending

downward with a slight decline in Medicaid fee-for-service and Medicaid managed care. There was a slight increase in Medicare that may be attributable to variation through December 2013. Commercial was also slightly down and the uninsured was slightly up.

Mr. Rosen asked if the data included the emergency room. Ms. Olson replied that the emergency room was excluded.

Mr. Page asked for clarification of the slightly upward or downward trends. Ms. Olson explained that the shift appears to be occurring between the uninsured and Medicaid as opposed to the Medicaid shifting to Medicare or commercial.

Ms. Katz added that on the inpatient side some of the shifting may be related to timing and the fact that Medicaid decisions are down and are remaining in the uninsured category. Some of it is related to the Exchanges and HRA staff moving out of HHC site locations which has delayed the processing of uninsured cases.

Ms. Zurack added that for background purposes, some patients come to HHC facilities uninsured and HHC staff processes the Medicaid application on behalf of those patients. There is a lag in the data on the inpatient side, whereby the data was run nine months after the service was rendered and the self-pay count would be higher than six month later given that the patient accounting staff and the HCIs would have processed those uninsured cases for submission to Medicaid. Therefore, the data that is being presented is reflective of the flow of the Medicaid application process.

Mr. Page commented that the delay should be prevalent year-end and year-out. Therefore, when comparing year to year there should not be major shifts.

Ms. Zurack interjected that this year there were extraordinary circumstances because of the shift in HRA to the State and the removal of the HRA staff on-site offices at each of the facilities which is representative of a massive change for HHC in its Medicaid application processing program. Therefore, the data for two-thirds of the FY 14 probably will not be updated until April 2014.

Mr. Page stated that it would appear that HHC is losing money and cases covered by Medicaid due to those noted particular circumstances.

Ms. Zurack stated that HHC is losing total cases and there are fewer people coming to HHC. The data that is being presented by Ms. Olson is based on the percentage changes in the various payors; however, the Committee should not overreact to the changes on the inpatient side given that it may only be temporary compared to the outpatient side where there are no processing issues.

Ms. Youssouf added that perhaps the Medicaid issue on the outpatient side may be covered in the presentation that will be presented next month.

Mrs. Bolus asked if Options are half and half. Ms. Katz stated that the Options data is only comprised of uninsured patients who have been fee-scaled by HHC.

Ms. Olson continuing with the reporting stated that the pediatrics outpatient excluding the emergency room, there was a slight upward shift in Medicaid due to an increase in Medicaid managed care; a slight decline in both the commercial and the uninsured. That level of variation may be due to the time period.

Ms. Youssouf asked if the pediatrics data was included in the adult outpatient payor mix.

Ms. Olson stated that the inpatient was combined but pediatrics makes up a small percentage of the overall inpatient. On the outpatient side the adult and pediatrics are separate given that there is a different process for determining eligibility for children compared to the adults.

Ms. Youssouf asked of the two, pediatrics and adult which is the largest.

Ms. Olson stated that the adult visits volume was probably larger but would need to be confirmed. However, the percentage of Medicaid pediatrics is at 80% compared to the adult at 40% due to the difference in the eligibility requirements which is the reason for the separation of the services as opposed to combining the two which would show completely different outcomes.

Ms. Youssouf added that overall the reporting was fine but that the question was to get a better understanding of whether it was more for one than the other and the difference between the two reports.

HISTORICAL PAYOR MIX REPORTS **KRISTA OLSON**

Ms. Olson moving to the historical payor mix reports stated that corporate-wide the share of discharges that are Medicaid increased slightly but remained relatively flat during the four year period.

Mr. Rosen asked if the reports were reflective of the same period as the quarterly payor mix reports. Ms. Olson responded that the historical data is based on year-end data for all of the FYs by payor mix.

Ms. Zurack added that it is service through June 30th run in August of each year.

Ms. Olson continuing with the reporting stated that the transitioning from Medicaid fee-for-service to Medicaid managed care was approximately 7%. Medicare discharges increased slightly during the period and Medicare fee-for-service declined slightly by .2% compared to an increase of 1% in the Medicare managed care plans. The commercial discharges remained flat and other decreased slightly by .6%. The uninsured decreased slightly by .5% primarily in the non-HHC Options category. Overall within the facilities there were some wider swings and difference between facilities. Bellevue for instance had a lower share of Medicaid primarily due to a higher share of the other categories due to the facility's prisoners' population.

Ms. Youssouf asked if the total data was year to year through 2013. Ms. Olson stated that the data was not re-run but rather the same data that was reported to the Committee for the years indicated. If the data had been rerun as previously mentioned some of the self-pays would have moved to Medicaid.

Ms. Cohen asked if there is a breakout of what portion of those were Medicaid managed care, MetroPlus, HealthFirst, etc. and those that were capitated.

Ms. Zurack stated that the largest plan is HealthFirst for Medicare and MetroPlus is the largest for Medicaid.

Ms. Cohen asked what portion of the plans' payments in the discharges is from a capitated payment, capitation versus fee-for-service.

Ms. Zurack stated that in order to respond to those questions a review of the data would be required; however, HealthFirst is the predominant plan for Medicare.

Ms. Cohen asked if there was data for the capitation in relation to the plans, fee-for-service versus capitation.

Mrs. Bolus asked if HealthFirst was a good investment for HHC.

Ms. Zurack stated that the value of HHC's investment was substantial relative to Elmhurst hospital's original investment but the data can be run to see the actual value of the investment. HHC has received distributions year over year from the HealthFirst investment and HHC has an investment of 7% ownership of that company.

Mr. Rosen as a follow-up asked if Ms. Cohen's questions were answered.

Mr. Aviles in response stated that Ms. Cohen questions related to the percentage of the revenue that is capitated based on the various managed care plans. On the managed care side HHC is past the 5% mark in terms of capitation per plans; however, there is a significant amount of emergency Medicaid which continues to be fee-for-service. Therefore in total revenue as HHC is approaching 50%, HHC has not yet crossed that threshold in term of capitated compared to fee-for-service.

Ms. Zurack added that in response Ms. Cohen's request, next month that data will be shared with the Committee the percentages from the various managed care plans for Medicaid and Medicare revenues versus others. However, it is not certain that it would address the question but would be a start in getting to the answer.

Ms. Olson returning to the reporting stated that the adult outpatient payor mix unlike the inpatient, the adult visits shifted downward in Medicaid fee-for-service and manage care due to an increase in

self pay visits. Medicare visits increased slightly which could be attributable to a change in the eligibility requirements and a change in the data base.

Ms. Youssouf stated that the self-pay population was always large but in 2010 there was a significant increase therefore the trend in the data was not clear in that the data appeared to be counterintuitive.

Mr. Rosen added that in confirming with Mr. Aviles the undocumented can get outpatient Medicaid and that when there is a change in the data there is likely to be some major shifts in the data.

Ms. Olson stated that in the outpatient pediatrics there was a slight increase in the Medicaid versus the managed care; a light increase in the uninsured and a slight decline in the Child Health Plus (CHP) percentage.

Mr. Page stated that one of the problems is getting the information and the way in which it is presented so that it is comprehensible. The percentages are a very simplified version of what has taken place; however, the total number of cases were not included.

Ms. Olson stated that this was the first time for that type of report.

Mr. Page added that the data would be available given that the percentages are driven by the data. Ms. Zurack stated that the raw data was reported in the past and was switched to the current format.

Ms. Page stated it was understandable in terms of the change but if possible the raw data should be included, perhaps on the back of each of the reports which would provide what the actual size of the base and the distribution of that base.

Ms. Olson explained that in the past the Key Indicators report did not include the outpatient visits but now that it is included the intent is to focus on the payors specifically the shifts in the various payors.

Mr. Page stated that the issue was not related to that given that the reporting was sufficient in term of the percentage but that the request was simply to have the raw data also included so that it is comprehensible.

Ms. Zurack in response stated that the raw date would be provided. The reporting was concluded.

MEDICAID INPATIENT PROCESSING REPORT **MAXINE KATZ**

Ms. Katz before getting into the reporting informed the Committee that the report would be changing due to issues reported by Ms. Zurack and Ms. Olson that relate to the implementation of the Exchanges. The reports data was through December 2013; however, as of January 2014 the source of that data that has come from HRA and other systems is no longer available and must now be obtained from HHC facilities' dashboards. Going forward, the data will be reported to the Committee in a revised format that captures the processing for the Exchanges. The other important point is that last

year, HRA removed its inpatient staff out of HHC facilities and for a short period of time that action created a backlog in the actual eligibility decisions. HRA has been extremely cooperative with HHC in resolving the backlog. The outcome of those efforts is not reflected in the data that is being reported but will be reflective in the data in the coming months. In terms of data, in comparing 2013 and 2012, there is a decrease in the submissions and decisions from HRA. The largest decrease was in the submissions during the second quarter of FY 14, primarily in November 2013 which was due in part to the holidays during the month and the removal of the HRA staff out of the facilities. The percentage of decisions to the submissions also decreased due in part to the Exchanges and HHC staff getting familiar with the new process.

Mr. Rosen asked if the format would change. Ms. Katz replied that it would and will include the MAGI and non-MAGI and the QHPs.

Ms. Zurack explained that in the old Medicaid processing system with HRA, there was an automated reporting but there were some limitation as reflected in the reporting to the Committee on the data that did not match due to the lag. However, with the new system the data that is going through the Exchanges, to-date HHC does not have an automated reporting to capture and report that data. Therefore, the data must be complied by the facilities from the staff's reports.

Mrs. Bolus asked how long will it take for that type of system to become available for HHC. Ms. Zurack stated that it could take up a year given that the State has to hire the staff and get the Exchanges working.

Ms. Youssouf asked if there are overall statistics available from the State. Ms. Zurack stated that there are statistics; in fact the source of the data that has been reported to the Committee has come from the State's website. HHC can download a report for each of its CACs and there is a customer's support system that is yet to be sufficiently staffed that is available to assist in the process.

Ms. Youssouf asked if HHC's CACs are required to keep a log of all their processing efforts. Ms. Zurack stated that it is available through the portal by each CAC, but the data has to be aggregated by the facilities and corporate-wide which is a very time consuming process at this time.

Ms. Cohen asked if the basic issues relative to the Medicaid application submissions and decisions through December 2013 and the declines are due primarily to data issues or one-time changes or actual declines.

Ms. Katz stated that some of it may be due to an actual decline in submissions but it is yet to be determined and the impact of that change.

Ms. Zurack stated that the decline is related to a number of issues, the removal of the HRA staff from the facilities; the training of HHC staff on the new system and certification of the staff to CACs which

has created a backlog. The time that HRA takes to process HHC applications has increased but it is expected that this will be resolved as the process moves forward.

Mr. Page added that it would appear that the question being asked relates primarily to the size of HHC's overall business in Medicaid, Medicare, Managed Care, etc. The exactness of the information that is being derived makes it somewhat unbalanced in terms of the other factors that causes it to fluctuate and is obscuring the answer to the basic question that relates to the volume of business by facility and corporate-wide. That being said, perhaps consideration should be given to changing the frequency in reporting the data that might alleviate some of the abnormalities in the data so that the trends would be more identifiable and less skeptical as the issues are repeatedly defined. Based on the discussions it would appear that the period is not the problem but rather collecting the data.

Ms. Katz agreed adding that unlike the payor mix reports which at any time the percentage of the overall cases relative to each payor can be determined but the eligibility data is related to productivity. Patients come to HHC facilities as uninsured and the applications are processed by the staff for submission to HRA for processing and approval.

Ms. Zurack added that the Medicaid eligibility reporting is not related to HHC's revenue as opposed to the budget reports that are more specific to revenues and expenses. The eligibility reports were developed to provide the facilities with an incentive to get individuals to qualify for Medicaid. In prior years there was a target for each of the facilities but was eliminated. Based on the current eligibility processing through the Exchanges there is a need to change the reporting formatting.

Mr. Page stated that the issues that were reiterated throughout the reporting were fully understood as well as the reports that relate to HHC's cash. However, the payor mix reports are based on the percentage of cases which as previously stated and requested; the raw data is needed so that the reporting is comprehensible.

Ms. Youssouf added that perhaps a portion of a response to some of the questions raised maybe related to the utilization that may get addressed in next month's presentation to the Committee.

Mr. Page stated that it is a basic question, "how's business." Ms. Zurack in response stated that business is down, expenses have not decreased at the level as the decrease in revenue and more patients are uninsured.

Ms. Brown stated that the presentation will not answer all of the questions but will go a long way toward answering some of the things that have been discussed.

Ms. Youssouf added that although the Committee may not get all of the answers to the questions it would be data that HHC can continue to expand to which Ms. Brown added that it will be a foundation.

The discussion was concluded and the final information item was introduced by Mr. Rosen.

PS QUARTERLY KEY INDICATORS REPORT – 2ND QUARTER **FRED COVINO**

Mr. Covino stated PS disbursement actuals against the budget bottom-line, expenses were $9.6 million over budget due to the carrying cost of those employees at Coler/Goldwater who were not transferred out and were not budgeted. There were 232 employees transferred to other facilities and absorbed into the facilities budgets.

Ms. Youssouf asked if HHC absorbed all of the staff. Mr. Covino responded that there were no layoffs.

Mr. Rosen asked if the overspending was due primarily to Coler/Goldwater.

Ms. Youssouf asked if in the budget the assumption was that those employees would not be off the payroll. Mr. Covino stated that the budget did include that assumption.

Ms. Youssouf stated that it did not appear that the budget included those employees remaining on payroll as a result of being transferred to other facilities and if that had been the assumption then the variance would not be as significant as stated.

Mr. Covino stated that the only place there was a deviation was at HJ Carter/Goldwater given that there was no contingency budgeted for those staff to remain on payroll.

Ms. Zurack added that the budget is a plan and as such was reflective of the plan to have those employees off the payroll. Therefore, the budget did not include any provision for having that staff remain on payroll beyond the plan.

Mr. Covino added that it was budgeted that way to show the required reduction.

Ms. Youssouf in an effort to understand what had been reported stated that in actuality there must have been some indication where the staff would go; therefore bottom-line there should not have been an overage if those employees were included in the budget as transfers to other facilities into budgeted vacancies.

Mr. Covino attempting to explain stated that the plan included a reduction over a period of time and the plan was not finalized at the time those employees were still on payroll.

Ms. Youssouf stated that based on what was said the plan/budget assumed that those employees would be off the payroll.

Ms. Covino stated that was not the plan but rather those employees would go into vacancies at other facilities. The plan includes an increase of 250 employees not related to the reassignment of those employees.

Mr. Page added that it appeared that based on the explanations given the vacant slots at other facilities were used to move that staff into and that the $9.5 million is the delay in identifying the

vacant slots or even the slots becoming vacant. Consequently, the vacant positions were not available at the time they were expected when the last patient left Goldwater.

Both Ms. Zurack and Mr. Covino agreed that it was exactly as Mr. Page had stated.

Mr. Aviles added that the reason for the increase in staff is related to funded programs through grants and or State and Federal funded programs for specific initiatives such as the Patient Centered Medical Home (PCMH). In order to comply with the certification of the PCMH initiative, the hours of operations were extended which requires additional staff. Additionally, the implementation of the electronic medical record (EMR) also requires additional IT personnel.

Ms. Youssouf stated that it is somewhat confusing in that it was reported earlier that staffing increased by 54 FTEs that does not appear to be related to the staff that was transferred from Goldwater.

Ms. Zurack stated that the 54 FTEs were not against the budget but rather against the base period of June 15, 2013 which at that time there were some vacancies. The actual reporting is against the actual base. HHC ended last year under its FTE target by 700 and to get back up to budget the plan includes an increase in FTES of 250.

Mr. Covino getting back to finalizing the reporting stated that the increase in staffing was in nursing, managers and residents. Mr. Aviles added that the increase in managers was due to the IT staff hired to meet the competitive market.

Mr. Covino stated that the overtime budget versus actuals was up by $3.3 million against the budget. There were some improvements since the last reporting in September 2013 and in January 2014 the increase has lessened. Overtime compared to year over year increased by $3.8 million of which 3.3% was in nursing; 13.7% in plant maintenance; and 3.4% in all other. The plant maintenance overtime is being addressed by JCI and is expected to decrease in the months ahead. Nurse registry increased due to the timing of payments of $5.8 million of which $4 million was due to payments on behalf of prior months. Allowances were up by 5.8% due to the replacement of temporary employees. The reporting was concluded.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss the meeting was adjourned at 10:28 a.m.

ACA/EXCHANGE UPDATE

Finance Committee Report, March 11th

New York State Health Exchange Enrollment

As of March 5th, the state Exchange enrolled 557, 840people in the Qualified Health plans. In addition 312,755 people submitted insurance application, for a total of 870,595. The statewide target for this year is 1 million residents, thus New York State is well on the way to meet the target. Overall the activity of the State Health Exchange is quite impressive. It is one of the best in the country.

Training of HHC Staff

We have trained approximately 400 staff to become Certified Application Counselors. So far more than 200 have received official certifications form the NYS Department t of Health and are enrolling patients on the New York state of health portal. The balance of the certifications is expected by the end of March. There are still more sessions scheduled for March, one is running as we speak.

MetroPlus Enrollment

As of March 3rd MetroPlus enrolled 19,499 members in Qualified Health Plan , (QHP). MetroPlus defines membership as a paid contract. There are additional 7, 821 applicants pending finalization of the payments. Medicaid and CHP enrollment totaled 11,710. SHOP, small business insurance, attracted 356 applicants. Thus entire enrollment activity for MetroPlus totaled 39, 386 patients.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS

KEY INDICATORS
FISCAL YEAR 2014 UTILIZATION

Year to Date
January 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	246,744	258,005	-4.4%	11,752	11,019	6.7%	5.7	6.1	0.9936	1.0511
North Central Bronx	114,243	127,254	-10.2%	2,679	4,595	-41.7%	5.5	5.8	0.8694	0.7106
Generations +										
Harlem	195,594	179,971	8.7%	6,560	6,787	-3.3%	5.4	5.8	0.9509	0.9167
Lincoln	321,500	323,464	-0.6%	14,100	13,761	2.5%	4.6	5.3	0.8245	0.8596
Belvis DTC	31,330	33,712	-7.1%							
Morrisania DTC	47,613	46,507	2.4%							
Renaissance	27,908	33,257	-16.1%							
South Manhattan										
Bellevue	332,290	271,736	22.3%	13,575	8,253	64.5%	6.5	6.3	1.1044	1.1072
Metropolitan	228,488	241,627	-5.4%	6,893	7,610	-9.4%	4.5	5.1	0.7499	0.7687
Coler				162,845	136,030	19.7%				
Goldwater/H.J. Carter				70,240	167,506	-58.1%				
Gouverneur - NF				27,134	30,629	-11.4%				
Gouverneur - DTC	157,036	143,493	9.4%							
North Central Brooklyn										
Kings County	401,765	415,492	-3.3%	13,484	14,788	-8.8%	6.6	6.1	0.9771	0.9341
Woodhull	284,339	276,163	3.0%	7,571	8,429	-10.2%	5.0	5.0	0.7928	0.7957
McKinney				67,215	66,790	0.6%				
Cumberland DTC	49,379	52,291	-5.6%							
East New York	42,317	43,644	-3.0%							
Southern Brooklyn / S I										
Coney Island	197,757	158,976	24.4%	8,172	5,850	39.7%	6.7	6.2	1.0039	1.0102
Seaview				64,065	63,942	0.2%				
Queens										
Elmhurst	363,122	379,772	-4.4%	12,813	14,267	-10.2%	5.5	5.3	0.8785	0.9020
Queens	239,242	240,618	-0.6%	7,209	7,564	-4.7%	5.8	5.3	0.8472	0.8700
Discharges/CMI-- All Acutes				104,808	102,923	1.8%			0.9223	0.9114
Visits-- All D&TCs & Acutes	3,280,667	3,225,982	1.7%							
Days-- All SNFs				391,499	464,897	-15.8%				

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)

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KEY INDICATORS

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

Year to Date
January 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	27.5	$ 335,788	$ (7,010)	$ 330,683	$ (2,131)	$ (9,140)	-1.4%
North Central Bronx	(9.5)	114,536	(12,693)	104,983	17,737	5,044	2.0%
	18.0	$ 450,324	$ (19,703)	$ 435,666	$ 15,606	$ (4,097)	-0.4%
Generations +							
Harlem	4.0	$ 218,683	$ (6,693)	$ 199,184	$ (2,536)	$ (9,229)	-2.2%
Lincoln	(3.0)	318,015	5,334	287,078	(2,171)	3,163	0.5%
Belvis DTC	(2.0)	11,020	(529)	9,413	1,699	1,170	5.2%
Morrisania DTC	1.5	15,575	686	15,346	2,385	3,071	9.4%
Renaissance	(4.0)	9,148	(1,372)	12,617	188	(1,183)	-5.1%
	(3.5)	$ 572,441	$ (2,573)	$ 523,637	$ (436)	$ (3,009)	-0.3%
South Manhattan							
Bellevue	19.5	$ 415,833	$ (28,590)	$ 435,824	$ (18,999)	$ (47,589)	-5.5%
Metropolitan	(6.0)	198,694	(2,582)	181,582	8,362	5,781	1.5%
Coler	41.0	33,642	(9,098)	80,452	(12,328)	(21,426)	-19.3%
Goldwater/H.J. Carter	(308.5)	38,092	(17,636)	92,614	(28,682)	(46,318)	-38.7%
Gouverneur	32.0	42,153	(3,076)	52,773	1,624	(1,452)	-1.5%
	(222.0)	$ 728,413	$ (60,982)	$ 843,245	$ (50,023)	$ (111,005)	-7.0%
North Central Brooklyn							
Kings County	39.5	$ 458,362	$ (12,817)	$ 411,748	$ 2,156	$ (10,662)	-1.2%
Woodhull	54.0	238,442	(16,347)	236,609	(8,475)	(24,822)	-5.1%
McKinney	3.5	20,678	864	26,820	(125)	739	1.6%
Cumberland DTC	(4.0)	13,189	(2,697)	18,747	2,264	(433)	-1.2%
East New York	4.0	13,126	(1,329)	14,292	363	(966)	-3.3%
	97.0	$ 743,798	$ (32,327)	$ 708,218	$ (3,817)	$ (36,144)	-2.4%
Southern Brooklyn/SI							
Coney Island	113.0	$ 193,490	$ (13,751)	$ 213,286	$ 616	$ (13,135)	-3.1%
Seaview	(8.0)	20,837	1,200	31,129	146	1,347	2.6%
	105.0	$ 214,327	$ (12,551)	$ 244,415	$ 762	$ (11,789)	-2.5%
Queens							
Elmhurst	(1.0)	$ 365,686	$ 2,400	$ 328,047	$ 3,058	$ 5,459	0.8%
Queens	15.0	237,010	(2,343)	217,115	(9,093)	(11,436)	-2.6%
	14.0	$ 602,695	$ 57	$ 545,162	$ (6,034)	$ (5,977)	-0.5%
NETWORKS TOTAL	**8.5**	**$ 3,311,999**	**$ (128,079)**	**$ 3,300,342**	**$ (43,942)**	**$ (172,021)**	**-2.6%**
Central Office	64.0	225,692	3,098	151,964	(845)	2,254	0.6%
HHC Health & Home Care	5.0	7,997	(9,053)	21,643	(3,588)	(12,642)	-36.0%
Enterprise IT	28.5	7,775	1,775	99,514	5,412	7,188	6.5%
GRAND TOTAL	**106.0**	**$ 3,553,463**	**$ (132,259)**	**$ 3,573,462**	**$ (42,962)**	**$ (175,221)**	**-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)

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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 January 2014			Fiscal Year To Date January 2014		
	actual 2014	actual 2013	better / (worse)	actual 2014	actual 2013	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 92,097	$ 73,310	$ 18,787	$ 494,252	$ 513,604	$ (19,352)
Medicaid Managed Care	61,058	45,913	15,145	380,222	368,474	11,748
Medicare	65,867	62,263	3,605	326,715	321,111	5,604
Medicare Managed Care	33,690	15,098	18,592	173,344	134,816	38,528
Other	22,205	12,549	9,656	134,525	123,654	10,871
Total Inpatient	$ 274,918	$ 209,134	$ 65,784	$ 1,509,058	$ 1,461,660	$ 47,398
Outpatient						
Medicaid Fee for Service	$ 12,370	$ 13,693	$ (1,323)	$ 117,679	$ 98,139	$ 19,540
Medicaid Managed Care	28,596	25,507	3,089	349,275	246,196	103,078
Medicare	5,720	4,668	1,052	30,184	33,791	(3,607)
Medicare Managed Care	5,728	7,760	(2,033)	59,448	57,447	2,001
Other	13,906	10,809	3,097	104,758	85,524	19,234
Total Outpatient	$ 66,320	$ 62,438	$ 3,881	$ 661,344	$ 521,097	$ 140,246
All Other						
Pools	$ 95,380	$ 8,815	$ 86,565	$ 323,302	$ 234,761	$ 88,541
DSH / UPL	531,000	-	531,000	876,600	842,200	34,400
Grants, Intracity, Tax Levy	19,061	40,328	(21,267)	142,004	147,720	(5,716)
Appeals & Settlements	(2,048)	24,337	(26,385)	3,744	23,629	(19,885)
Misc / Capital Reimb	9,789	6,225	3,564	37,412	50,516	(13,105)
Total All Other	$ 653,181	$ 79,705	$ 573,476	$ 1,383,062	$ 1,298,827	$ 84,235
Total Cash Receipts	**$ 994,419**	**$ 351,277**	**$ 643,142**	**$ 3,553,463**	**$ 3,281,584**	**$ 271,879**
Cash Disbursements						
PS	$ 276,200	$ 182,083	$ (94,117)	$ 1,487,437	$ 1,409,190	$ (78,247)
Fringe Benefits	248,388	74,910	(173,477)	697,356	428,456	(268,900)
OTPS	129,464	163,462	33,998	790,981	765,266	(25,715)
City Payments	19,403	-	(19,403)	19,403	141,363	121,960
Affiliation	86,110	74,778	(11,332)	534,715	532,942	(1,773)
HHC Bonds Debt	6,327	8,405	2,078	43,570	66,458	22,888
Total Cash Disbursements	**$ 765,891**	**$ 503,638**	**$ (262,253)**	**$ 3,573,462**	**$ 3,343,674**	**$ (229,788)**
Receipts over/(under) Disbursements	**$ 228,528**	**$ (152,361)**	**$ 380,889**	**$ (19,999)**	**$ (62,090)**	**$ 42,091**

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

	Month of January 2014			Fiscal Year To Date January 2014		
	actual 2014	budget 2014	better / (worse)	actual 2014	budget 2014	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 92,097	$ 98,831	$ (6,733)	$ 494,252	$ 596,582	$ (102,330)
Medicaid Managed Care	61,058	62,507	(1,448)	380,222	414,047	(33,825)
Medicare	65,867	55,515	10,352	326,715	302,572	24,144
Medicare Managed Care	33,690	21,250	12,440	173,344	147,644	25,700
Other	22,205	21,736	468	134,525	139,022	(4,498)
Total Inpatient	$ 274,918	$ 259,839	$ 15,079	$ 1,509,058	$ 1,599,867	$ (90,809)
Outpatient						
Medicaid Fee for Service	$ 12,370	$ 20,346	$ (7,976)	$ 117,679	$ 146,650	$ (28,971)
Medicaid Managed Care	28,596	31,171	(2,575)	349,275	352,677	(3,403)
Medicare	5,720	8,058	(2,339)	30,184	46,241	(16,057)
Medicare Managed Care	5,728	6,838	(1,110)	59,448	57,662	1,785
Other	13,906	14,191	(285)	104,758	113,158	(8,401)
Total Outpatient	$ 66,320	$ 80,604	$ (14,284)	$ 661,344	$ 716,389	$ (55,045)
All Other						
Pools	$ 95,380	$ 95,518	$ (138)	$ 323,302	$ 325,433	$ (2,131)
DSH / UPL	531,000	531,000	(0)	876,600	876,600	(0)
Grants, Intracity, Tax Levy	19,061	17,555	1,506	142,004	139,696	2,308
Appeals & Settlements	(2,048)	(2,325)	277	3,744	(11,263)	15,007
Misc / Capital Reimb	9,789	6,107	3,681	37,412	39,000	(1,588)
Total All Other	$ 653,181	$ 647,855	$ 5,327	$ 1,383,062	$ 1,369,466	$ 13,596
Total Cash Receipts	**$ 994,419**	**$ 988,298**	**$ 6,121**	**$ 3,553,463**	**$ 3,685,722**	**$ (132,259)**
Cash Disbursements						
PS	$ 276,200	$ 275,811	$ (389)	$ 1,487,437	$ 1,477,457	$ (9,980)
Fringe Benefits	248,388	248,504	116	697,356	703,725	6,369
OTPS	129,464	119,483	(9,981)	790,981	749,974	(41,007)
City Payments	19,403	19,403	(0)	19,403	19,403	(0)
Affiliation	86,110	84,631	(1,479)	534,715	534,716	0
HHC Bonds Debt	6,327	6,961	634	43,570	45,225	1,655
Total Cash Disbursements	**$ 765,891**	**$ 754,792**	**$ (11,099)**	**$ 3,573,462**	**$ 3,530,500**	**$ (42,962)**
Receipts over/(under) Disbursements	**$ 228,528**	**$ 233,505**	**$ (4,978)**	**$ (19,999)**	**$ 155,222**	**$ (175,221)**

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)

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FINANCIAL PLAN UPDATE

New York City
Health & Hospitals Corporation

Financial Plan Update

Operating Financial Plan – Cash Basis

January 15 Plan (in $ millions)

	Actuals	*Projected*				
RECEIPTS:	FY13	FY14	FY15	FY16	FY17	FY18
Third party receipts						
Medicaid Fee for Service	$ 1,005.42	$ 926.18	$ 818.65	$ 711.45	$ 666.36	$ 647.00
Medicaid Managed Care	1,086.49	1,228.61	1,348.59	1,472.50	1,498.52	1,542.36
Supplemental Medicaid	2,063.88	3,033.31	2,098.79	2,009.02	1,959.36	1,825.24
Disproportionate Share (DSH)	1,791.00	1,328.94	1,348.89	1,292.36	1,128.37	1,096.79
City	848.80	616.67	624.43	632.34	640.41	648.62
State	46.70	47.80	50.00	51.00	52.50	52.50
Federal	895.50	664.46	674.46	609.01	435.46	395.66
Other Supplemental Medicaid	272.88	1,704.37	749.90	716.66	830.99	728.46
City	128.94	844.80	392.40	390.75	473.38	440.92
State	7.50	7.38	7.38	7.38	7.38	7.38
Federal	136.44	852.18	350.11	318.53	350.23	280.15
Medicare Fee for Service	533.88	607.37	566.01	535.38	512.44	516.92
Medicare Advantage	353.57	375.30	416.26	384.68	381.91	384.44
Fully Integrated Duals Advantage (FIDA)	-	-	12.87	27.18	41.49	42.92
Commercial/Other Mged Care	346.31	364.65	384.34	394.32	400.19	406.71
Assessments	(18.90)	(18.70)	(18.70)	(18.70)	(18.70)	(18.70)
Subtotal: Third Party Receipts	$ 5,370.64	$ 6,516.73	$ 5,626.80	$ 5,515.83	$ 5,441.58	$ 5,346.89
City Services Total	$ 204.06	$ 205.85	$ 181.40	$ 181.45	$ 181.50	$ 181.50
Grants/FEMA Related Grants	238.20	380.83	271.74	101.25	97.01	97.01
FDNY/EMS	168.80	199.50	199.50	199.50	199.50	199.50
Other	207.61	179.23	177.24	179.69	182.20	184.76
Subtotal: Other/Grants	$ 614.61	$ 759.56	$ 648.48	$ 480.45	$ 478.72	$ 481.27
Total Receipts	**$ 6,189.31**	**$ 7,482.14**	**$ 6,456.69**	**$ 6,177.73**	**$ 6,101.80**	**$ 6,009.67**

(Continue on next page)

Operating Financial Plan – Cash Basis

January 15 Plan (in $ millions)

	Actuals	*Projected*				
	FY13	FY14	FY15	FY16	FY17	FY18
DISBURSEMENTS:						
Personal Services	$ 2,487.92	$ 2,490.10	$ 2,522.03	$ 2,553.55	$ 2,675.47	$ 2,617.79
Fringe Benefits	1,212.90	1,381.61	1,390.83	1,456.77	1,534.89	1,602.12
Other Than Personal Services	1,442.18	1,745.01	1,649.54	1,688.98	1,729.61	1,755.51
Malpractice Settlements	113.60	237.47	135.90	135.90	135.90	135.90
Affiliation Contracts	924.98	915.68	950.98	983.93	1,013.75	1,044.46
Other City Services and Charges	1.40	1.35	1.33	1.33	1.33	1.33
Debt Service Costs	96.24	385.92	234.19	236.81	254.31	255.05
Total Disbursements	6,279.21	7,157.14	6,884.80	7,057.27	7,345.26	7,412.16
Receipts over (under) Disbursements	$ (89.88)	$ 324.99	$ (428.11)	$ (879.54)	$ (1,243.46)	$ (1,402.50)
Capital Receipts over (under) Disbursements	(47.52)	(5.70)	7.90	(9.00)	35.00	5.00
Corrective Actions						
HHC Savings Initiatives/Cost Containment	-	10.65	10.65	10.65	10.65	10.65
Restructuring	-	81.85	79.20	75.15	72.34	72.34
Additional HHC Actions	-	-	200.00	300.00	350.00	400.00
State and Federal Actions	-	-	400.00	400.00	400.00	400.00
Subtotal: Corrective Actions	$ -	$ 92.50	$ 689.85	$ 785.80	$ 832.99	$ 882.99
Opening Cash Balance	$ 460.55	$ 323.10	$ 734.90	$ 1,004.54	$ 901.80	$ 526.33
Closing Cash Balance	$ 323.10	$ 734.90	$ 1,004.54	$ 901.80	$ 526.33	$ 11.82

Note: Numbers may not sum due to rounding.
Sources: The City of New York and HHC (January 15 Cash Plan)

ACUTE INPATIENT TRENDS & FACTORS

CY 2010 – CY 2013

New York City Health and Hospitals Corporation
Acute Inpatient Utilization Trends and Factors
CY 2010 to CY 2013

A Report to the Finance Committee of the Board, March 2014
Prepared by Corporate Planning Services

A review of HHC Inpatient Utilization Trends and Factors

- Data Sources and Methodologies
- New York State and City Utilization Trends
- HHC Utilization and Payer Trends
- HHC and New York City Medicaid Market
- Impact of One Day Stays
- Facility Specific Reviews (Bellevue, Coney Island, Elmhurst, NCB, Queens and Woodhull)
  - Utilization by Service and Payer
  - Service Area Competitors
- Summary

Data Sources and Methodologies

Index	Type	Source	Run Date	Period	Notes
1	HHC Inpatient Utilization	Siemens Data Warehouse	2/11/14	2010 - 2013 CY - by month	Excludes Psych, Rehab and Prisoner Services
2	Non-HHC Utilization	SPARCS - Market Expert	1/14/14	2010 - 2012 CY - by year	Excludes Psych DRG Product Line, Rehab DRG 860 and Correctional Payer
3	Non-HHC Utilization	SPARCS - Market Expert	1/14/14	2013 CY	Linear Regression-trended from 2010-2012 CY data
4	Medicaid Managed Care Enrollment	NYS DOH Website	1/24/14	2010 - 2014 CY - by quarter	Managed Care Enrollment reports (Jan, Apr, July, Oct)
5	HHC ED Utilization	Siemens Data Warehouse	2/11/14	CY 2010 and CY 2013	Excludes Psych ED Clinic Codes
6	Patient Satisfaction	HCAHPS	1/16/14	April 2012 - March 2013	Patients who gave their hospital a rating of 9 or 10 (0 Low -10 High)

New York State and City
Inpatient Hospital Utilization Trends

Hospital Discharges	Calendar Year		Δ 2010 to 2012		Adjusted for Sandy[I]	
	2010	2012	Volume	Percent	Δ Volume	Δ Percent
All HHC [1]	197,830	181,463	(16,367)	-8.3%	(8,689)	-5.6%
All Other NYC [2]	905,670	882,543	(23,127)	-2.6%	(18,504)	-2.1%
Total NYC [1+2]	1,103,500	1,064,006	(39,494)	-3.6%	(27,193)	-2.6%
Total NYS [2]	2,154,269	2,081,176	(73,093)	-3.4%	(60,792)	-2.9%

- From CY 2010 to CY 2012, total NYC hospital discharges decreased by 3.6%
- NYC Health and Hospitals Corporation inpatient volume, comprising approximately 20% of NYC discharges, decreased by 8.3% during the same time period; a decline 2.3 times greater than NYC as a whole.
- After adjusting for Sandy, NYC discharges decreased by 2.6% while HHC discharges decreased by 5.6%; a decline 2.1 times greater than NYC as a whole.

I) Excludes Bellevue, Coney Island and NYU

HHC experienced a 13.0% decrease in total discharges from 2010 to 2013.

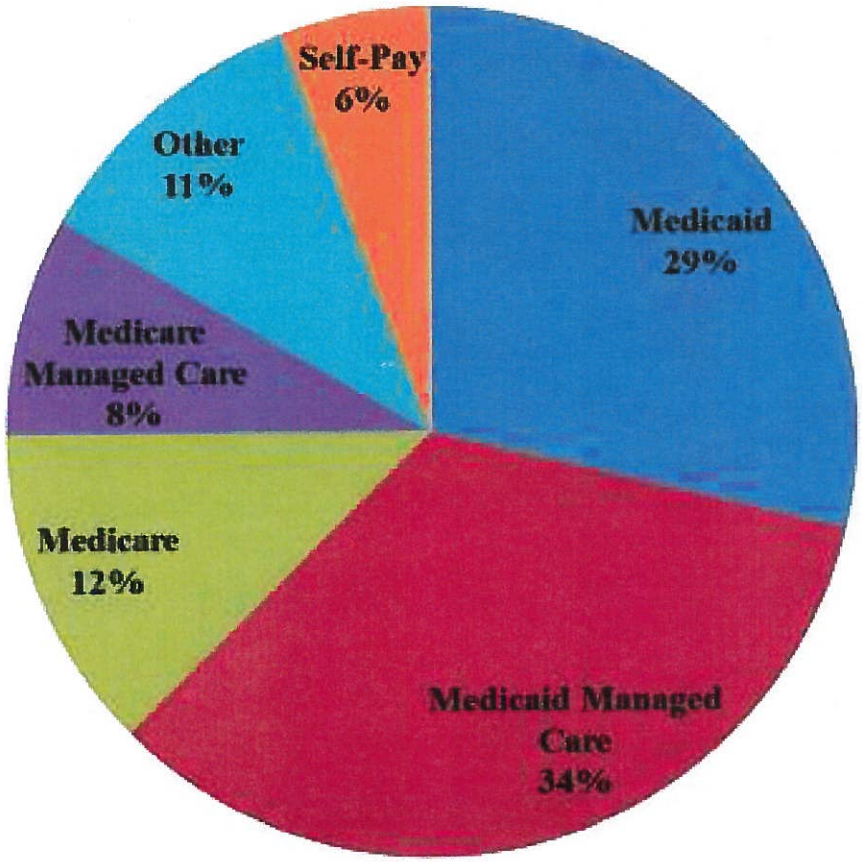
HHC [1]	Calendar Year Discharges				Δ Volume				Δ Percent			
	2010	2011	2012	2013	10-11	11-12	12-13	10-13	10-11	11-12	12-13	10-13
Coney Island	18,042	17,231	14,388	10,550	(811)	(2,843)	(3,838)	(7,492)	(4.5)	(16.5)	(26.7)	(41.5)
NCB	8,109	7,900	7,799	5,982	(209)	(101)	(1,817)	(2,127)	(2.6)	(1.3)	(23.3)	(26.2)
Woodhull	15,955	14,323	13,550	12,727	(1,632)	(773)	(823)	(3,228)	(10.2)	(5.4)	(6.1)	(20.2)
Queens	15,493	14,167	12,710	12,401	(1,326)	(1,457)	(309)	(3,092)	(8.6)	(10.3)	(2.4)	(20.0)
Bellevue	23,436	23,586	19,412	19,340	150	(4,174)	(72)	(4,096)	0.6	(17.7)	(0.4)	(17.5)
Elmhurst	25,442	24,842	23,824	22,235	(600)	(1,018)	(1,589)	(3,207)	(2.4)	(4.1)	(6.7)	(12.6)
Lincoln	25,373	24,213	23,086	23,550	(1,160)	(1,127)	464	(1,823)	(4.6)	(4.7)	2.0	(7.2)
Jacobi	20,582	20,105	19,112	19,131	(477)	(993)	19	(1,451)	(2.3)	(4.9)	0.1	(7.0)
Harlem	11,745	10,795	10,935	11,345	(950)	140	410	(400)	(8.1)	1.3	3.7	(3.4)
Metropolitan	11,749	11,479	12,223	12,117	(270)	744	(106)	368	(2.3)	6.5	(0.9)	3.1
Kings County	21,904	22,710	24,424	22,804	806	1,714	(1,620)	900	3.7	7.5	(6.6)	4.1
Grand Total	197,830	191,351	181,463	172,182	(6,479)	(9,888)	(9,281)	(25,648)	(3.3)	(5.2)	(5.1)	(13.0)

More than half of HHC hospitals experienced **double digit losses** in volume from **2010 to 2013.**

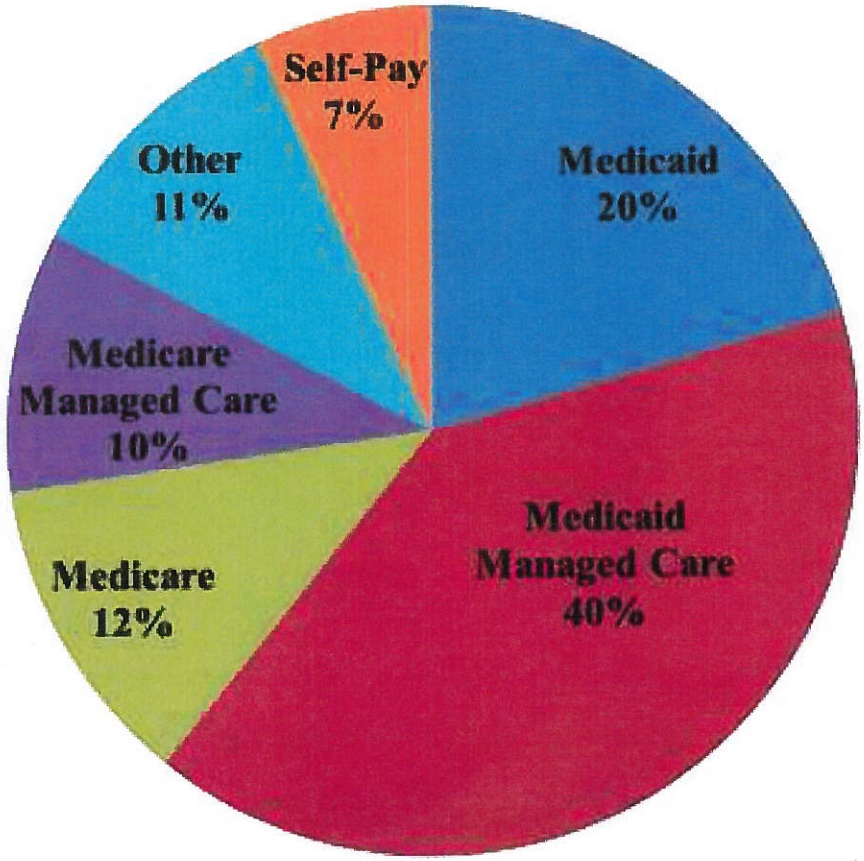
- Coney Island, North Central Bronx, Woodhull, Queens, Bellevue and Elmhurst were examined at the facility level.

HHC Inpatient Payer Mix [1]

Overall from 2010 to 2013, the payer mix for HHC has not changed with the exception of a shift from Medicaid Fee-For-Service to Medicaid Managed Care.



2010 Discharges: 197,830



2013 Discharges: 172,182

Trends in Medicaid
(Fee-For-Service and Managed Care)

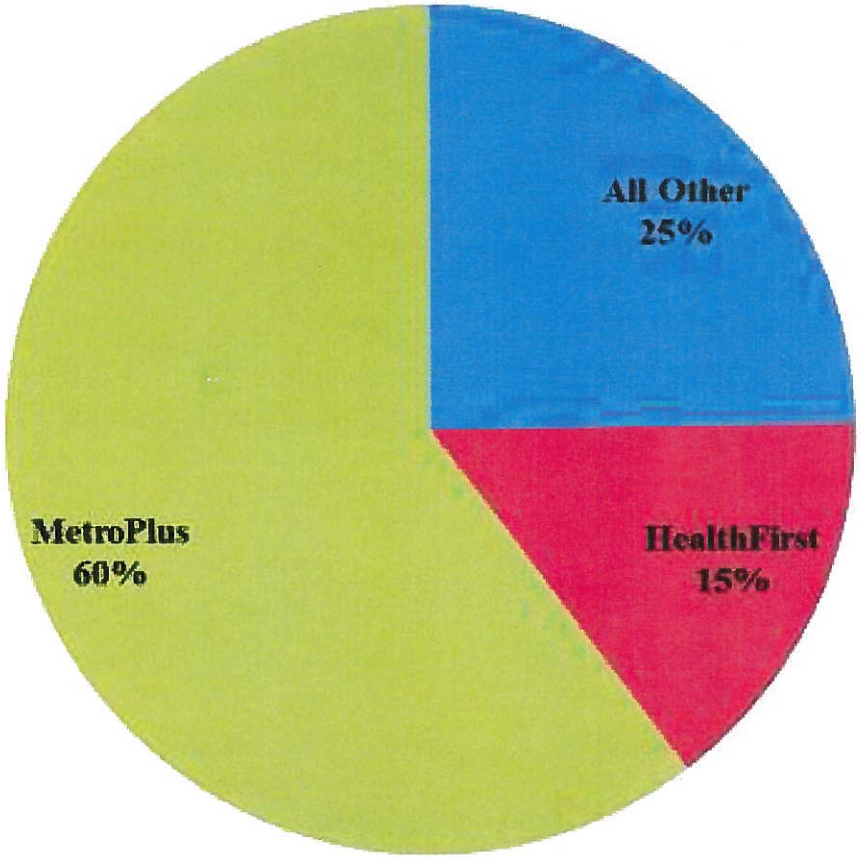
HHC [1]	Calendar Year		Δ 2010 to 2013		Distribution		Market Share	
	2010	2013	Volume	Percent	2010	2013	2010	2013
Medicaid FFS	56,787	35,356	(21,431)	-37.7%	28.7%	20.5%	34.4%	37.5%
Medicaid MC	66,993	69,448	2,455	3.7%	33.9%	40.3%	25.6%	23.4%
Total Medicaid	123,780	104,804	(18,976)	-15.3%	62.6%	60.9%	29.0%	26.8%
All Other Payers	74,050	67,378	(6,672)	-9.0%	37.4%	39.1%	10.9%	10.3%
Total HHC	197,830	172,182	(25,648)	-13.0%	100.0%	100.0%	17.9%	16.5%

All Other NYC [2, 3]	Calendar Year		Δ 2010 to 2013		Distribution		Market Share	
	2010 [2]	2013 [3]	Volume	Percent	2010	2013	2010	2013
Medicaid FFS	108,399	58,896	(49,503)	-45.7%	12.0%	6.8%	65.6%	62.5%
Medicaid MC	194,671	227,790	33,119	17.0%	21.5%	26.2%	74.4%	76.6%
Total Medicaid	303,070	286,686	(16,384)	-5.4%	33.5%	32.9%	71.0%	73.2%
All Other Payers	602,600	584,294	(18,306)	-3.0%	66.5%	67.1%	89.1%	89.7%
Total All Other NYC	905,670	870,980	(34,690)	-3.8%	100.0%	100.0%	82.1%	83.5%

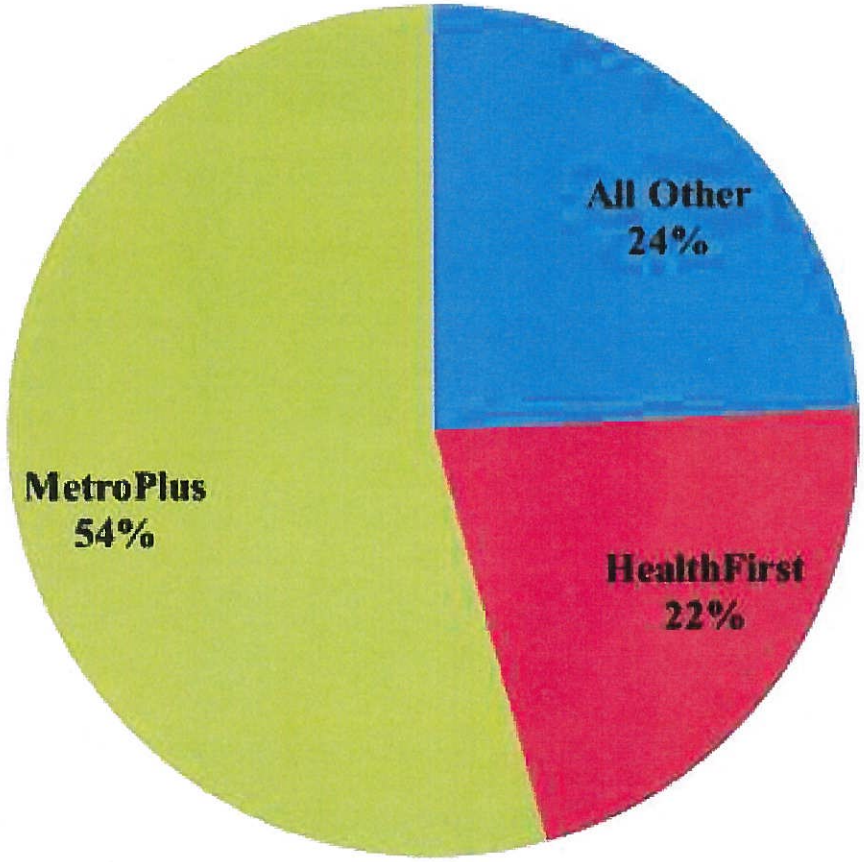
- HHC is losing Medicaid (FFS + MC) volume at nearly three times the rate as other NYC hospitals (-15.3% vs. -5.4%)
- Growth in Medicaid Managed Care for all other NYC hospitals is 4.6 times greater than at HHC facilities (17% vs. 3.7%)

HHC Distribution of Medicaid Managed Care Discharges [1]

From 2010 to 2013, the distribution of Medicaid Managed Care discharges has shifted between MetroPlus and HealthFirst.



2010 Discharges: 66,993



2013 Discharges: 69,448

Medicaid Managed Care New York City Enrollment [4] and HHC Medicaid Managed Care Utilization [1]

Plan	Medicaid Managed Care Enrollment [4]							HHC Discharges [1]			
	Enrollment		Δ 2010 to 2014		Market Share			Calendar Year		Δ 2010 to 2013	
	Jan-10	Jan-14	Members	Percent	Jan-10	Jan-14	Δ	2010	2013	Volume	Percent
HealthFirst	508,779	643,143	134,364	26.4%	26.9%	28.4%	1.5%	11,218	15,544	4,326	38.6%
MetroPlus	326,612	372,914	46,302	14.2%	17.2%	16.4%	-0.8%	40,384	37,684	(2,700)	-6.7%
Amerigroup/HealthPlus	315,523	339,748	24,225	7.7%	16.7%	15.0%	-1.7%	3,597	2,885	(712)	-19.8%
Fidelis	189,249	313,939	124,690	65.9%	10.0%	13.8%	3.9%	3,636	4,681	1,045	28.7%
United Healthcare	156,903	217,857	60,954	38.8%	8.3%	9.6%	1.3%	691	2,365	1,674	242.3%
Affinity	148,293	152,608	4,315	2.9%	7.8%	6.7%	-1.1%	2,231	1,911	(320)	-14.3%
HIP	188,870	150,916	(37,954)	-20.1%	10.0%	6.7%	-3.3%	2,881	2,258	(623)	-21.6%
Other	60,595	76,578	15,983	26.4%	3.2%	3.4%	0.2%	2,355	2,120	(235)	-10.0%
Total	1,894,824	2,267,703	372,879	19.7%	100.0%	100.0%	0.0%	66,993	69,448	2,455	3.7%

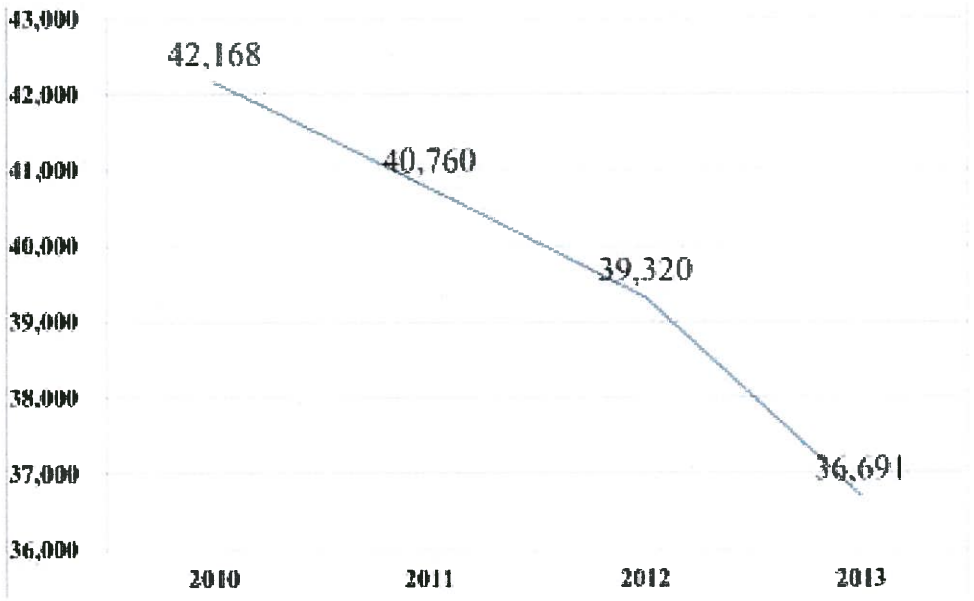
Medicaid MC Discharges	Calendar Year		Δ 2010 to 2013		Market Share	
	2010	2013	Volume	Percent	2010	2013
HHC [1]	66,993	69,448	2,455	3.7%	25.6%	23.4%
All Other NYC [2, 3]	194,671	227,790	33,119	17.0%	74.4%	76.6%
Total NYC	261,664	297,238	35,574	13.6%	100.0%	100.0%

- 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 (-.8%) in market share
  - ➢ MetroPlus discharge volume at HHC decreased by 6.7%
- HealthFirst is the Medicaid Managed Care market leader, with 28.4% market share, and had the largest growth in members (+134,364)
  - ➢ HealthFirst discharge volume at HHC increased by 38.6%

Reducing Avoidable Hospital Admissions/One-Day Stays

- Federal and New York State Policy
  - Federal goals focus on reducing medically unnecessary inpatient admissions to improve patient care and decrease costs
  - New York State currently ranks 50th among states in avoidable hospitalizations and 40th in Ambulatory care-sensitive admissions
  - New York State target is to reduce avoidable hospital admissions and readmissions by 25% within 5 years
- Hospital Financial Implications:
  - Reduced revenue in delivery system shift from inpatient hospital-centric business model to outpatient community-based care model
  - $8 billion over 5 years federal investment into NYS Medicaid 1115 Waiver Amendment (Delivery System Reform Incentive Payment Program) to transform health system to achieve health policy objective of reduced avoidable hospital use and partially offset lost revenue

Reducing One-Day Stays is **Positive**



HHC [1]	One-Day Stays		Δ 2010 to 2013	
	2010	2013	Volume	Percent
Woodhull	3,164	1,611	(1,553)	-49.1%
Coney Island	3,025	1,620	(1,405)	-46.4%
Queens	3,052	1,755	(1,297)	-42.5%
Jacobi	4,788	3,432	(1,356)	-28.3%
Elmhurst	5,579	4,290	(1,289)	-23.1%
NCB	1,296	998	(298)	-23.0%
Bellevue	4,792	4,226	(566)	-11.8%
Lincoln	7,809	7,743	(66)	-0.8%
Harlem	2,474	2,550	76	3.1%
Metropolitan	3,058	3,487	429	14.0%
Kings County	3,131	4,979	1,848	59.0%
HHC Total	42,168	36,691	(5,477)	-13.0%
Non- HHC NYC Total	156,071	146,512	(9,559)	-6.1%

At the facility level, there is wide variation in the change of One-Day stays from 2010 to 2013.

- System-wide, there was a 13% decrease in One-Day stays, representing 21.4% of the overall loss in volume
- Woodhull experienced the greatest **decline** at 49.1%, representing 48% of their overall decline in volume
- Kings County experienced the greatest **increase** at 59.0%

Adjusting for the Reduction of One-Day Stays

HHC [1]	Discharges		Δ 2010 to 2013		W/O One-Day Stays		Δ 2010 to 2013	
	2010	2013	Volume	Percent	2010	2013	Volume	Percent
Coney Island	18,042	10,550	(7,492)	-41.5%	15,017	8,930	(6,087)	-40.5%
NCB	8,109	5,982	(2,127)	-26.2%	6,813	4,984	(1,829)	-26.8%
Bellevue	23,436	19,340	(4,096)	-17.5%	18,644	15,114	(3,530)	-18.9%
Queens	15,493	12,401	(3,092)	-20.0%	12,441	10,646	(1,795)	-14.4%
Woodhull	15,955	12,727	(3,228)	-20.2%	12,791	11,116	(1,675)	-13.1%
Lincoln	25,373	23,550	(1,823)	-7.2%	17,564	15,807	(1,757)	-10.0%
Elmhurst	25,442	22,235	(3,207)	-12.6%	19,863	17,945	(1,918)	-9.7%
Harlem	11,745	11,345	(400)	-3.4%	9,271	8,795	(476)	-5.1%
Kings County	21,904	22,804	900	4.1%	18,773	17,825	(948)	-5.0%
Metropolitan	11,749	12,117	368	3.1%	8,691	8,630	(61)	-0.7%
Jacobi	20,582	19,131	(1,451)	-7.0%	15,794	15,699	(95)	-0.6%
Grand Total	197,830	172,182	(25,648)	-13.0%	155,662	135,491	(20,171)	-13.0%

After adjusting for One-Day Stays:

- **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**

ED Utilization and One-Day Stays

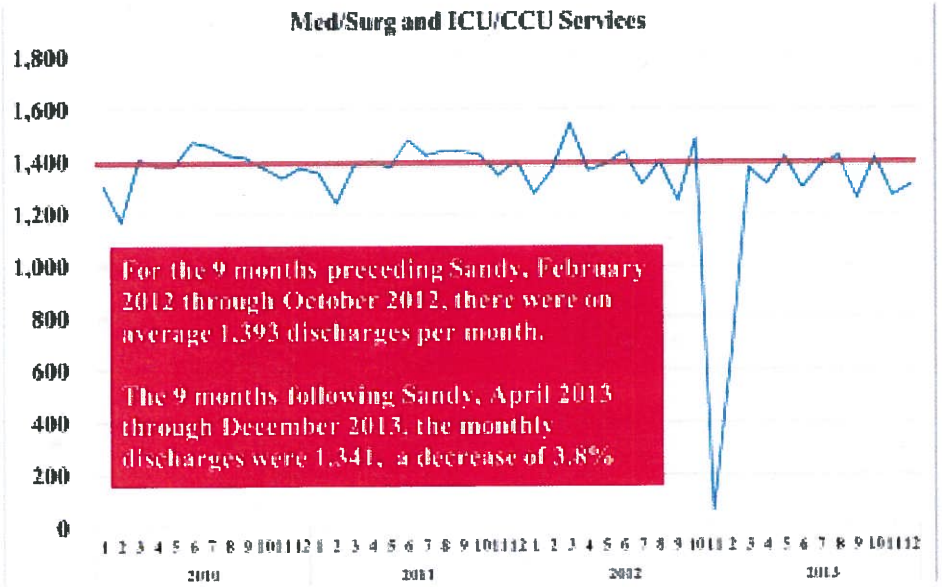
Facility	ED Visits [5]				ED Visits Treated & Released [5]					One Day Stays [1] ÷ ED Admissions [5]		
	2010	2013	2010 to 2013		2010	2013	Percent of Total ED					
			Δ #	Δ %			2010	2013	Δ	2010	2013	Δ
Woodhull	106,831	114,971	8,140	7.6%	95,221	105,118	89.1%	91.4%	2.3%	27.3%	16.4%	-10.9%
Queens	90,905	96,361	5,456	6.0%	78,802	85,699	86.7%	88.9%	2.2%	25.2%	16.5%	-8.8%
Jacobi	106,692	104,121	(2,571)	-2.4%	91,107	89,340	85.4%	85.8%	0.4%	30.7%	23.2%	-7.5%
North Central Bx	57,380	53,923	(3,457)	-6.0%	52,627	49,337	91.7%	91.5%	-0.2%	27.3%	21.8%	-5.5%
Elmhurst	133,761	139,335	5,574	4.2%	114,642	121,694	85.7%	87.3%	1.6%	29.2%	24.3%	-4.9%
Coney Island	71,021	58,618	(12,403)	-17.5%	55,332	48,504	77.9%	82.7%	4.8%	19.3%	16.0%	-3.3%
Lincoln	151,910	162,702	10,792	7.1%	131,011	142,359	86.2%	87.5%	1.3%	37.4%	38.1%	0.7%
Bellevue	111,867	103,945	(7,922)	-7.1%	93,848	89,382	83.9%	86.0%	2.1%	26.6%	29.0%	2.4%
Harlem	71,218	73,520	2,302	3.2%	62,143	64,972	87.3%	88.4%	1.1%	27.3%	29.8%	2.6%
Kings County	135,688	131,645	(4,043)	-3.0%	117,153	113,573	86.3%	86.3%	-0.1%	16.9%	27.6%	10.7%
Metropolitan	64,934	62,387	(2,547)	-3.9%	54,223	54,278	83.5%	87.0%	3.5%	28.6%	43.0%	14.5%
HHC Total	1,102,207	1,101,528	(679)	-0.1%	946,109	964,256	85.8%	87.5%	1.7%	27.0%	26.7%	-0.3%
Adjusted for Sandy	919,319	938,965	19,646	2.1%	796,929	826,370	86.7%	88.0%	1.3%	28.1%	27.4%	-0.7%

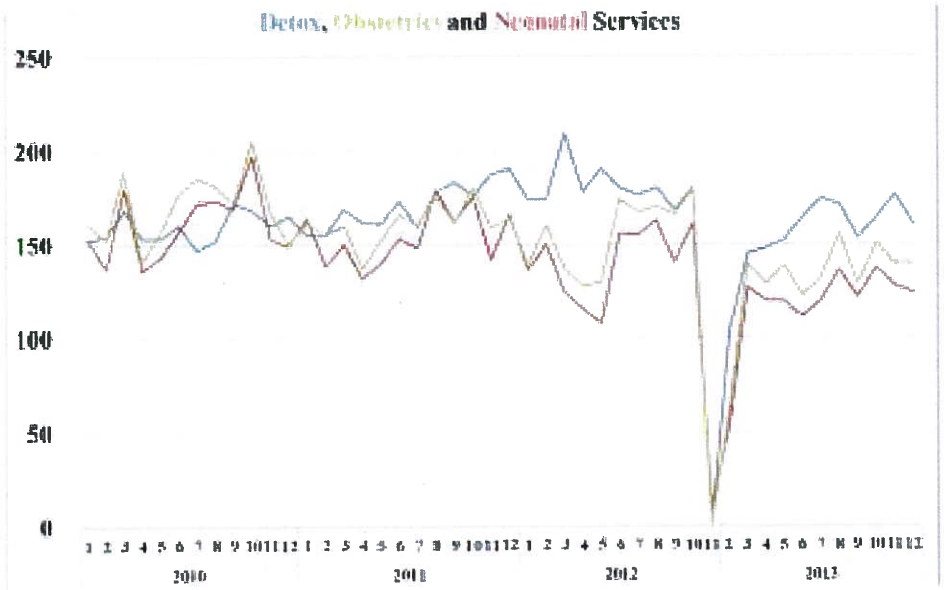
- Overall, there has been a slight increase in ED utilization after accounting for the impact of Sandy.
- All HHC facilities other than Kings and NCB have increased their rate of ED visits that were treated and released.
- More than half of HHC facilities have decreased the rate of one day stays as a percent of total ED admissions.
  - Woodhull experienced the greatest reductions at **-10.9%**
  - Metropolitan Hospital experienced the greatest increase at **+ 14.5%**

Bellevue [1]

	Total Discharges		Change in	
	2010	2013	Volume	Percent
Bellevue	23,436	19,340	(4,096)	-17.5%

- Due to Sandy, Bellevue suspended all inpatient programming from October 31, 2012 and did not fully resume IP services until March 2013.
- Med/Surg and intensive care services recovered to near pre-Sandy volumes. Pediatric services fully recovered.
- Detox (-11%), Obstetrics (-12%) and Neonatal (-12%) services are below pre-Sandy levels.

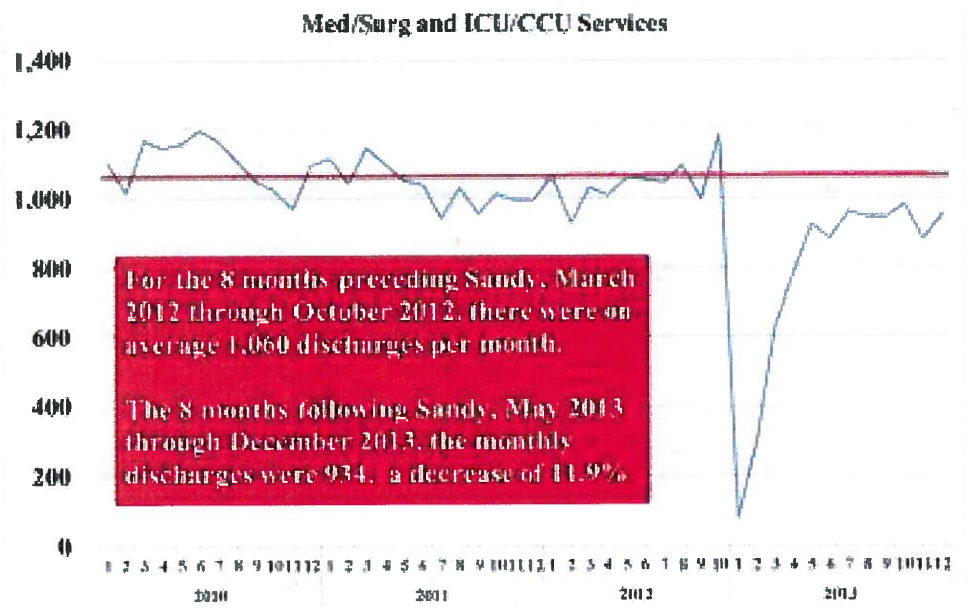


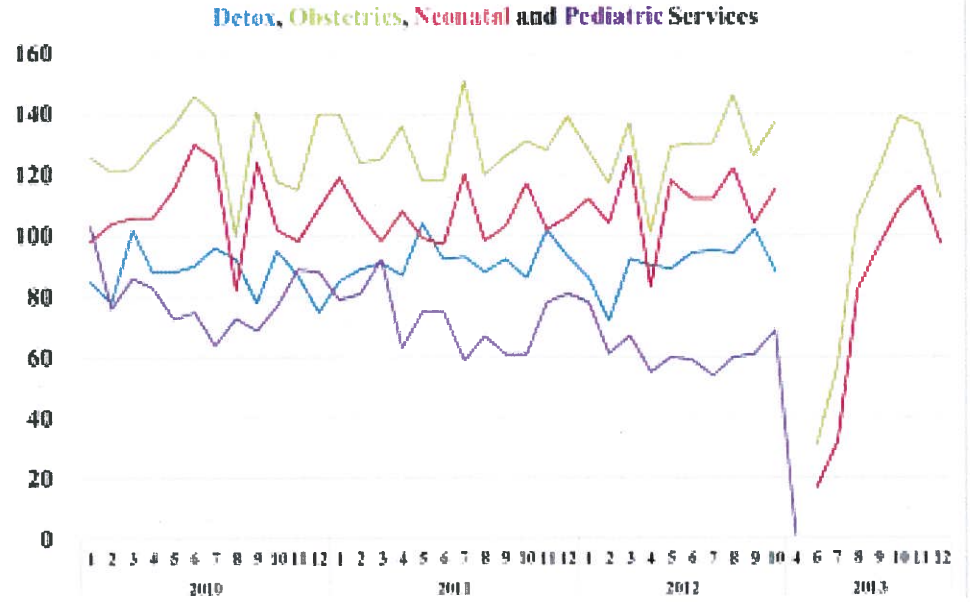


Coney Island [1]

	Total		Change in	
	2010	2013	Volume	Percent
Coney Island	18,042	10,550	(7,492)	-41.5%

- Due to Sandy, Coney Island suspended all inpatient programming in October 2012. Many services remained offline until mid-2013.
- Med/Surg and intensive care services remain 12% below pre-Sandy levels.
- Pediatrics and Detox services that historically accounted for 11% of total discharges only resumed December 2013.





Elmhurst [1]

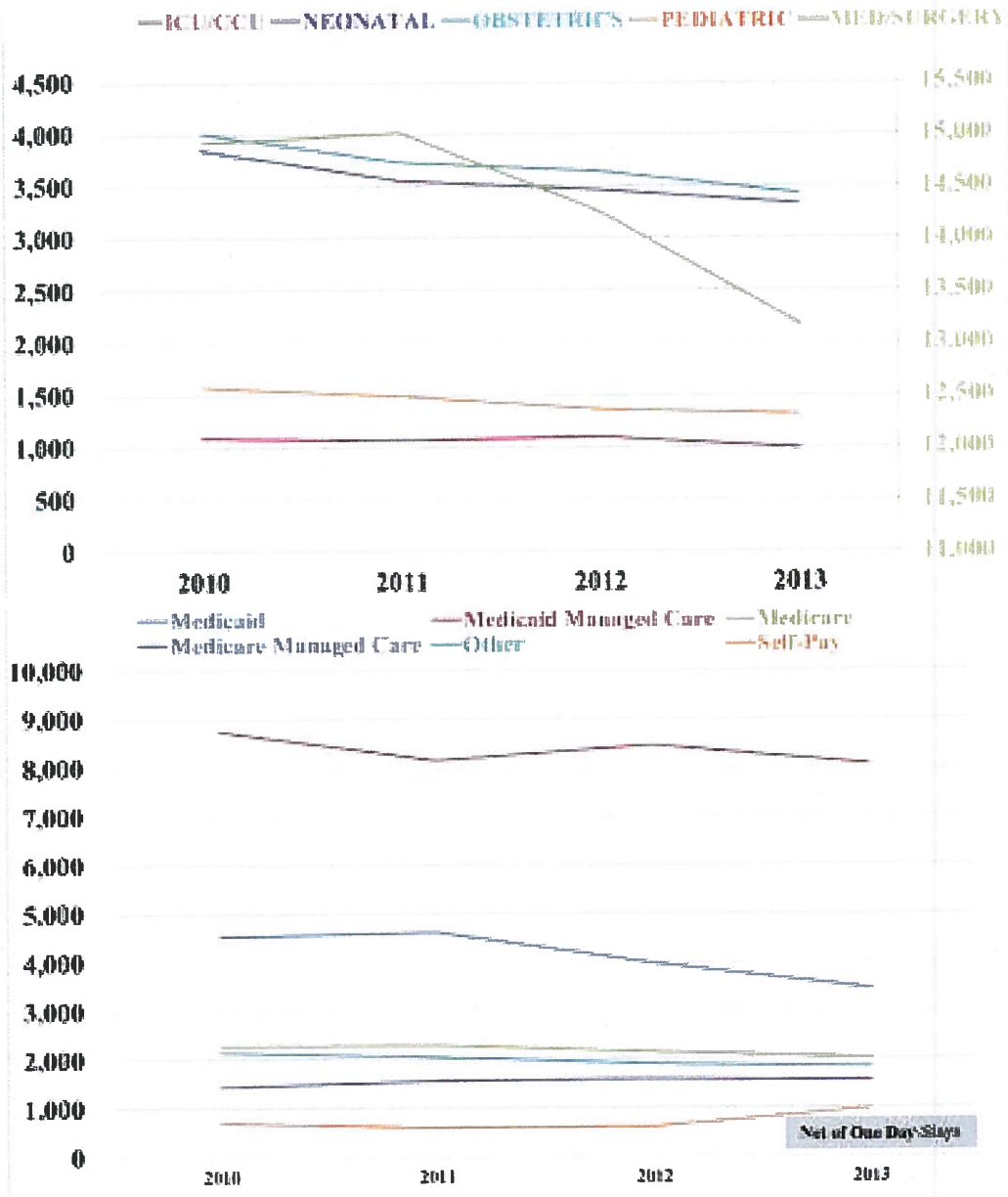
	Total		Change in	
	2010	2013	Volume	Percent
Elmhurst	25,442	22,235	(3,207)	-12.6%

From CY 2010 to CY 2013:

- All services lines declined in volume from 10% to 17%.

- Med/Surg volume declined by 1,738 discharges or 11.7%.
  - ➢ 61% of M/S decline is related to decline in One-Day Stays.
  - ➢ Excluding One-Day Stays, M/S volume declined by 6.5% from CY 2010 to CY 2013.

- Overall, excluding One-Day Stays, Medicaid FFS declined by 24% (1,073 discharges) and Medicaid Managed Care declined 8% (678 discharges) from CY 2010 to CY 2013.



Elmhurst Service Area Market Share

	Market Share [2]				Medicaid Managed Care W/O One-Day Stays [2]				Patient Satisfaction [6]
	Total		W/O One-Day Stays		Volume		Market Share		
	2012	Δ	2012	Δ	2012	Δ	2012	Δ	
New York Queens	10.4%	0.7%	11.2%	1.1%	2,419	14.4%	10.7%	0.4%	61
Forest Hills Hospital	7.8%	0.8%	8.2%	0.7%	1,594	8.4%	7.0%	-0.1%	54
Wyckoff Heights	5.8%	0.3%	5.5%	0.2%	1,302	13.1%	5.7%	0.1%	49
Flushing Hospital	6.3%	-0.2%	6.7%	-0.3%	2,421	-3.0%	10.7%	-1.5%	45
Mount Sinai Queens	8.7%	-0.4%	9.0%	-0.4%	1,014	1.1%	4.5%	-0.4%	n/a
Elmhurst Hospital [1]	23.6%	-0.6%	22.7%	-0.7%	7,069	-4.8%	31.1%	-5.0%	46
All Other Hospitals	37.3%	-0.7%	36.6%	-0.6%	6,878	40.5%	30.3%	6.5%	n/a
Total Discharges	**100%**	**0%**	**100%**	**0%**	**22,697**	**10.4%**	**100%**	**0%**	

- New York Queens (+1.1%) and Forest Hills (+0.7%) had the greatest increase in market share, after accounting for One-Day Stays.
- 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.

North Central Bronx [1]

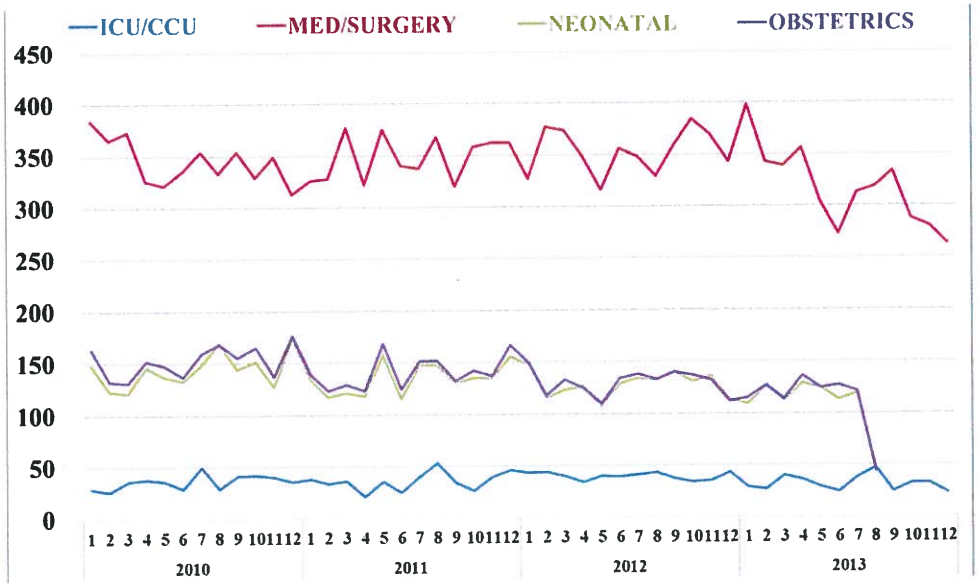
	Total		Change in	
	2010	2013	Volume	Percent
NCB	8,109	5,982	(2,127)	-26.2%

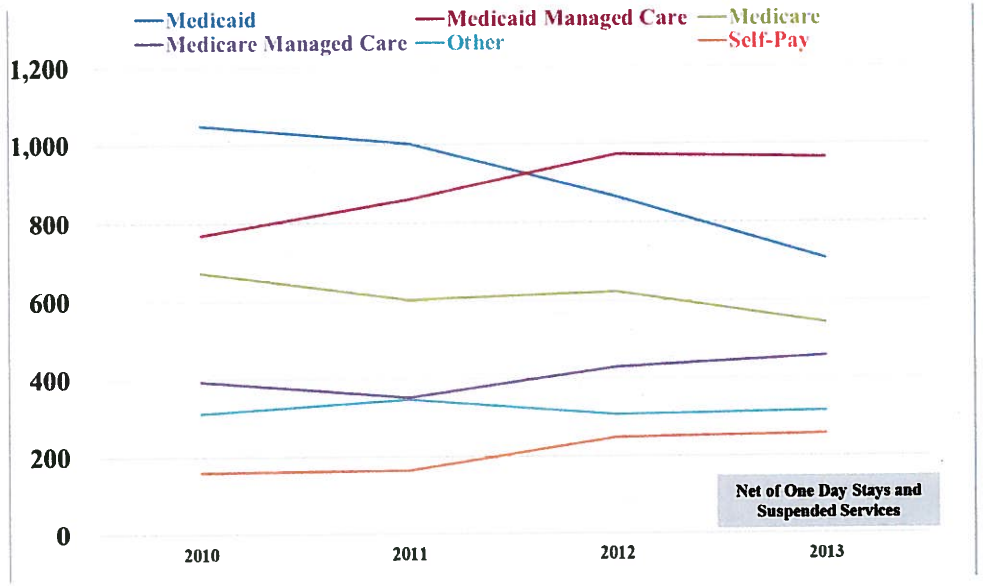
- In 2012, obstetrical and neonatal services accounted for 40% of the total acute care (excluding psych) discharges.
  - ➢ In August 2013, these services were consolidated at Jacobi, though are expected to re-open in Summer 2014.
  - ➢ More than 60% of NCB total volume loss can be attributed to the service suspension ≈ 1,300 discharges.

- The decline in One-Day Stays accounted for 12% (255 discharges) of the of total facility-wide volume decline from CY 2010 to CY 2013 (excluding OB/NEB).

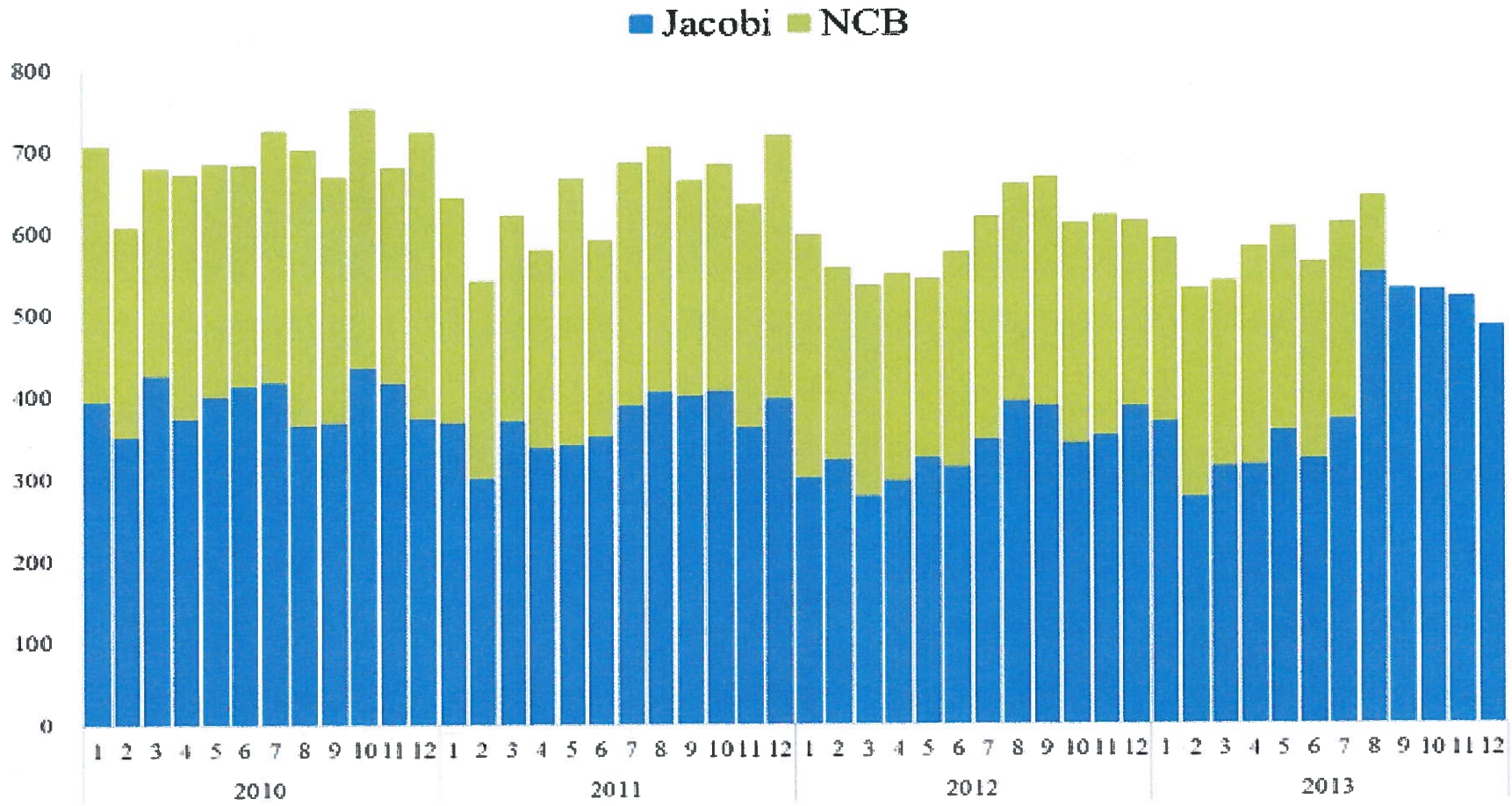
- Excluding One-Day Stays, Obstetrics and Neonatal services, total acute care discharges declined 3.5%.

- After adjusting for suspended services and one day stays, Medicaid volume (FFS and Managed Care) declined by 148 cases, representing 7% of the total decline at NCB, from CY 2010 to CY 2013.





Obstetrical and Neonatal Services at North Bronx Health Network [1]



- Obstetrical 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 Aug. 2013.
- Both hospitals combined, volume declined -6.7% in CY 2011, -7.6% in CY 2012 and -6.0% in CY 2013.

NCB Service Area Market Share (ex. OBS/NEB/PED/PSY/REH)

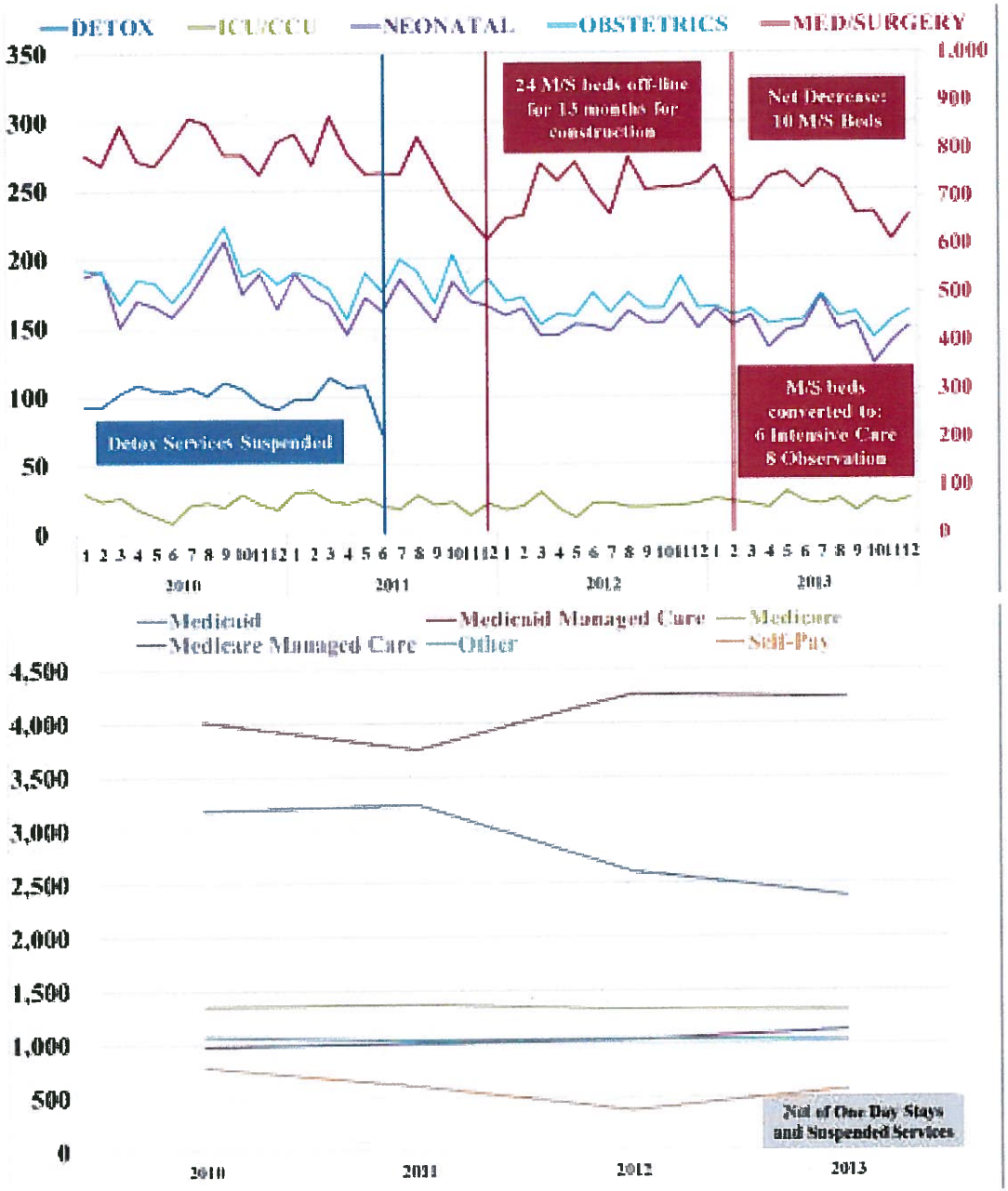
	Market Share [2]				Medicaid Managed Care W/O One-Day Stays [2]				Patient Satisfaction [6]
	Total		W/O One-Day Stays		Volume		Market Share		
	2012	Δ	2012	Δ	2012	Δ	2012	Δ	
St. Barnabas Hospital	12.9%	0.5%	12.1%	0.2%	2,924	35.4%	15.8%	0.5%	51
Montefiore - Einstein	5.9%	0.0%	6.3%	0.2%	792	31.1%	4.3%	0.0%	n/a
Montefiore -- Moses	25.6%	0.0%	26.8%	0.2%	4,790	27.3%	25.9%	-0.7%	65
Jacobi Medical Center	4.9%	-0.1%	4.6%	0.2%	911	6.7%	4.9%	-1.1%	51
North Central Bronx [1]	3.9%	0.2%	3.6%	0.1%	735	18.0%	4.0%	-0.4%	50
Montefiore -- Wakefield	6.9%	-0.1%	7.3%	0.0%	1,089	35.4%	5.9%	0.2%	n/a
Lincoln Medical	3.9%	-0.3%	2.9%	-0.2%	720	18.2%	3.9%	-0.4%	51
Bronx-Lebanon	11.4%	0.4%	11.7%	-0.3%	2,809	25.1%	15.2%	-0.7%	55
All Other Hospitals	24.6%	-0.5%	24.6%	-0.5%	3,690	50.1%	20.0%	2.6%	
Total Discharges	**100%**	**0%**	**100%**	**0%**	**18,460**	**30.7%**	**100%**	**0%**	

- Total Medicaid Managed Care service 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 HHC hospitals combined, Medicaid managed care volume increased 13%, or a net decline in market share of 1.9% within NCB's service area.

Queens

	Total		Change in	
	2010	2013	Volume	Percent
Queens	15,493	12,401	(3,092)	-20.0%

- 39% of the overall loss in volume can be attributed to closing detox services (1,218 cases in CY 2010)
- One day stays (excluding Detox) declined 40% (1,150 cases) from CY 2010 to CY 2013, accounted for 37% of the total decline (3,092 cases).
- After adjusting for detox services and one day stays, overall Medicaid (FFS and Managed Care) declined by 574 cases from CY 2010 to CY 2013, representing 19% of the total decline.



Queens Service Area Market Share

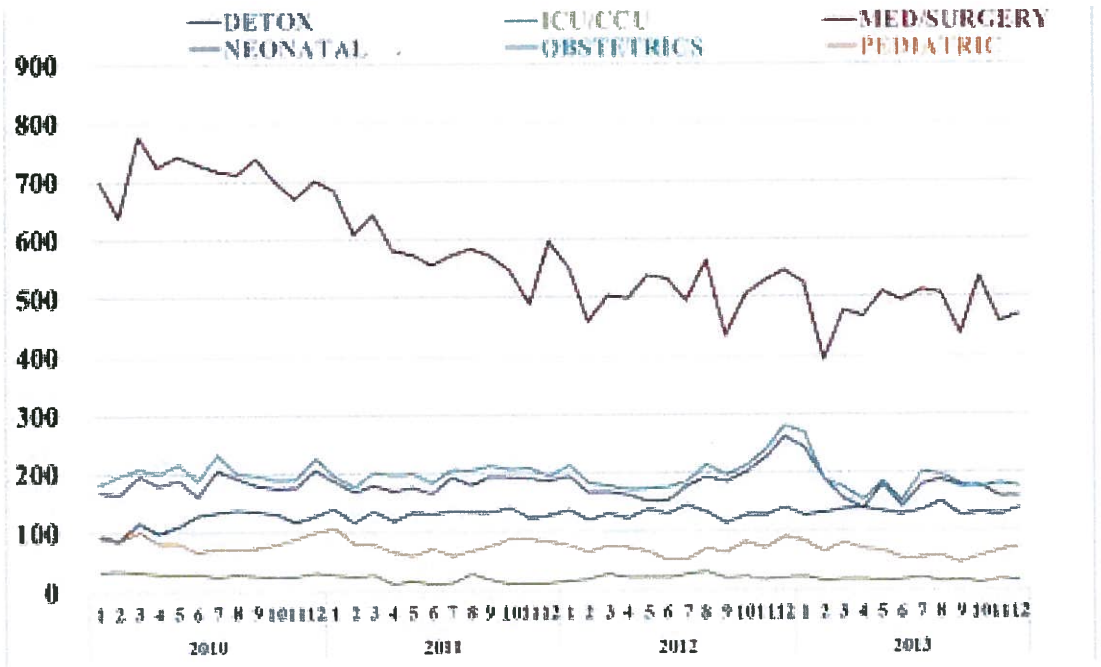
	Market Share [2]				Medicaid Managed Care W/O One-Day Stays [2]				Patient Satisfaction [6]
	Total		W/O One-Day Stays		Volume		Market Share		
	2012	Δ	2012	Δ	2012	Δ	2012	Δ	
Long Island Jewish	13.9%	1.4%	14.1%	1.9%	1,658	35.5%	8.5%	1.1%	75
New York Queens	14.2%	0.7%	15.3%	1.0%	2,984	27.2%	15.4%	1.1%	61
North Shore LIJ	7.3%	0.5%	7.6%	0.6%	571	16.1%	2.9%	-0.1%	74
Flushing Hospital	4.7%	0.2%	5.1%	0.1%	1,706	26.8%	8.8%	0.6%	45
Forest Hills Hospital	5.0%	-0.1%	5.0%	-0.4%	1,203	17.3%	6.2%	-0.1%	54
Queens Hospital [1]	12.6%	-1.1%	12.6%	-0.8%	3,403	7.6%	17.5%	-1.7%	52
Jamaica Hospital	15.7%	-1.4%	14.5%	-1.8%	3,812	2.4%	19.6%	-3.0%	48
All Other Hospitals	26.6%	-0.3%	25.9%	-0.6%	4,074	31.5%	21.0%	2.1%	
Total Discharges	**100%**	**0%**	**100%**	**0%**	**19,411**	**18.3%**	**100%**	**0%**	

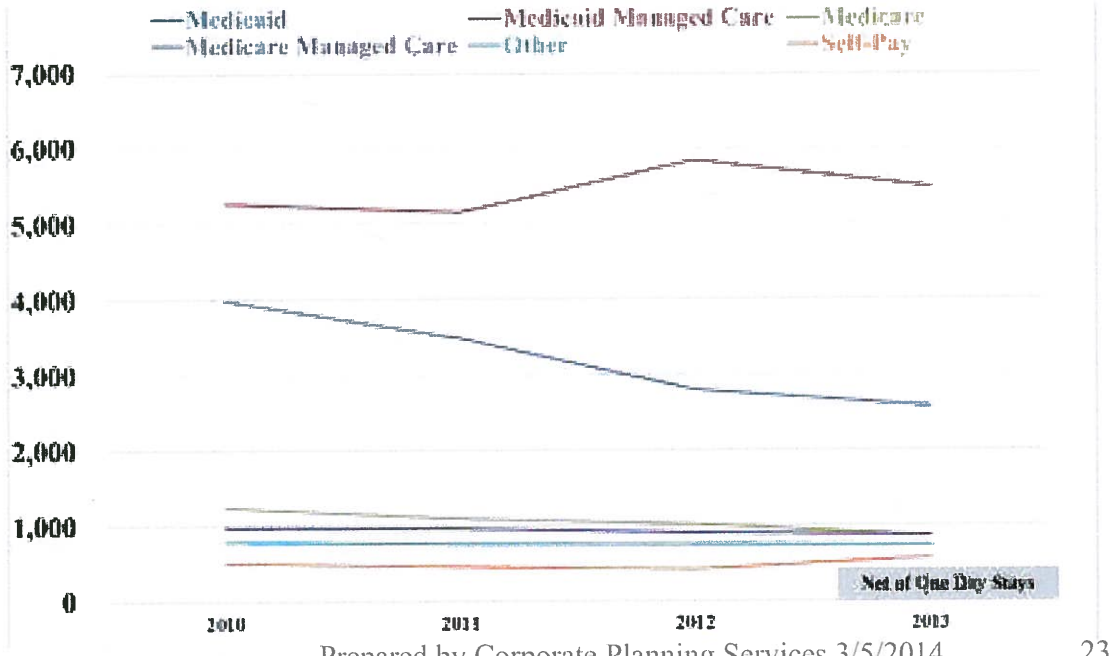
- Long Island Jewish (+1.9%), NY Hospital of Queens (+1.0%) and North Shore LIJ (+0.6%) had the highest increase in market share after accounting for One-Day Stays.
- Overall Medicaid Managed Care volume (excluding One-Day Stays) within Queens Hospital service area increased 18.3%, with the highest growth 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.

Woodhull

	Total		Change in	
	2010	2013	Volume	Percent
Woodhull	15,955	12,727	(3,228)	-20.2%

- One day stays declined 49% (1,553 cases) from CY 2010 to CY 2013, accounting for 48% of the total volume decline (3,228 cases).
- Med/Surg volume (excluding one day stays) declined 23%, representing 43% (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 CY 2010 to CY 2013.





Woodhull Service Area Market Share

	Market Share [2]				Medicaid Managed Care W/O One-Day Stays [2]				Patient Satisfaction [6]
	Total		W/O One-Day Stays		Volume		Market Share		
	2012	Δ	2012	Δ	2012	Δ	2012	Δ	
New York Methodist	5.1%	0.6%	5.3%	0.7%	1,474	28.0%	4.6%	0.5%	55
Beth Israel -- Petrie	6.2%	0.4%	6.2%	0.5%	2,829	21.2%	8.7%	0.5%	55
Brooklyn Hospital	8.1%	0.5%	8.5%	0.5%	2,699	30.4%	8.3%	1.0%	50
Wyckoff Heights	14.9%	0.6%	14.3%	0.4%	5,014	9.0%	15.5%	-0.8%	49
Kings County [1]	5.2%	0.9%	4.9%	0.4%	1,885	34.0%	5.8%	0.8%	50
Brookdale Hospital	5.7%	-0.9%	5.5%	-0.9%	1,799	-1.7%	5.6%	-0.9%	40
Woodhull Medical [1]	9.9%	-1.7%	10.3%	-1.0%	4,593	8.2%	14.2%	-0.9%	47
All Other Hospitals	44.8%	-0.5%	45.0%	-0.5%	12,056	14.4%	37.3%	-0.1%	-
Total Discharges	100%	0%	100%	0%	32,349	14.8%	100%	0%	

- NY Methodist (+0.7%), Beth Israel (+0.5%) and Brooklyn Hospital (+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.

Summary

Inpatient volume declined citywide, however HHC losses were more than twice as great as voluntary hospitals.

- In shrinking markets, several HHC hospitals lost market share, however not all HHC hospitals followed this trend.

1. 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.
2. 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.
3. 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.

QUARTERLY STATEMENT OF REVENUE & EXPENSES
AS OF DECEMBER 31, 2013 AND 2012

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

(A Component Unit of the City of New York)

Statement of Revenue and Expenses

For the six months ended December 31, 2013 and 2012

(in thousands)

	HHC		MetroPlus		Inter-Company Elimination Entries		Totals		
	2013	2012	2013	2012	2013	2012	2013	2012	Variance
Operating revenues:									
Net patient service revenue	$ 3,037,284	2,651,986	-	-	(378,877) (1)	(394,218) (1)	2,658,407	2,257,768	400,639
Appropriations from (remittances to) the City, net	1,439	(12,179)	-	-	-	-	1,439	(12,179)	13,618
Premium revenue	-	-	1,149,709	1,139,725	(9,558) (2)	(8,458) (2)	1,140,151	1,131,267	8,884
Grants revenue	154,241	143,409	-	-	-	-	154,241	143,409	10,832
Other revenue	22,510	20,224	3	2	-	-	22,513	20,226	2,287
Total operating revenues	3,215,474	2,803,440	1,149,712	1,139,727	(388,435)	(402,676)	3,976,751	3,540,491	436,260
Operating expenses:									
Personal services	1,229,148	1,208,360	28,481	28,042	-	-	1,257,629	1,236,402	21,227
Other than personal services	732,480	730,153	1,069,398	1,034,294	(378,877) (1)	(394,218) (1)	1,423,001	1,370,229	52,772
Fringe benefits and employer payroll taxes	607,973	582,148	12,260	10,651	(9,558) (2)	(8,458) (2)	610,675	584,341	26,334
Postemployment benefits, other than pension	153,371	195,493	4,355	3,647	-	-	157,726	199,140	(41,414)
Affiliation contracted services	450,305	458,163	-	-	-	-	450,305	458,163	(7,858)
Depreciation	131,284	130,349	1,342	999	-	-	132,626	131,348	1,278
Total operating expenses	3,304,561	3,304,666	1,115,836	1,077,633	(388,435)	(402,676)	4,031,962	3,979,623	52,339
Operating income (loss)	(89,087)	(501,226)	33,876	62,094	-	-	(55,211)	(439,132)	383,921
Nonoperating revenues (expenses):									
Investment income	122	1,665	977	699	-	-	1,099	2,364	(1,265)
Interest expense	(56,364)	(49,412)	-	-	-	-	(56,364)	(49,412)	(6,952)
Noncapital contributions	455	1,271	-	-	-	-	455	1,271	(816)
Total nonoperating revenues (expenses)	(55,787)	(46,476)	977	699	-	-	(54,810)	(45,777)	(9,033)
Income (Loss)	$ (144,874)	(547,702)	34,853	62,793	-	-	(110,021)	(484,909)	374,888

(1) Represents payments by Metroplus to HHC for medical services. Revenue and expenses are eliminated for consolidation purposes.

(2) Represents health benefits paid to Metroplus for HHC employees. Revenue and expenses are eliminated for consolidation purposes.