

**HHC ACO INC.  
BOARD OF DIRECTORS  
MEETING  
June 6, 2016  
At 1:00 p.m.  
125 Worth Street, 4<sup>th</sup> Floor Room 405  
New York City**

**AGENDA**

**CALL TO ORDER**

**Dr. Ramanathan Raju**

**OLD BUSINESS**

1. Approve and adopt minutes of the HHC ACO Inc. (“ACO”) Board of Directors meeting held on October 29, 2015 (Exhibit A)

**NEW BUSINESS**

1. REPORT by Chief Executive Officer Ross M. Wilson, M.D. on the ACO’s recent activities
  - a. Performance Update
  - b. ACO Team Fund
  - c. KPMG Audit
  - d. Network Development

**ADJOURNMENT**

**Dr. Ramanathan Raju**

**HHC ACO INC.  
MINUTES OF THE  
BOARD OF DIRECTORS MEETING  
June 6, 2016  
125 Worth Street, 5<sup>th</sup> Floor  
Board Room  
New York City**

**ATTENDEES**

**BOARD MEMBERS**

Jeromane Berger-Gaskin  
David Gross  
Gary Kalkut, M.D.  
Balavenkatesh Kanna, M.D.  
Luis R. Marcos, M.D.  
Jasmin Moshirpur, M.D.  
Salvatore J. Russo  
Ross M. Wilson, M.D.

**HHC STAFF / OTHER ATTENDEES**

Nancy Barnicle  
Sherry Cirilo  
Megan Cunningham  
Hilton Marcus  
Nicholas Stine, M.D.

**CALL TO ORDER**

The meeting of the Board of Directors of HHC ACO Inc. (the “Board”) was called to order by Dr. Ross Wilson, Chief Executive Officer of HHC ACO Inc. at 1:00 pm.

**OLD BUSINESS**

Dr. Wilson entertained a motion to adopt the minutes of the October 29, 2015 meeting of the Board. A motion was duly made and seconded. There being no corrections to the minutes offered by the members of the Board, the motion to adopt the minutes was unanimously approved.

**NEW BUSINESS**

The next agenda item was an announcement by Dr. Wilson that Megan Cunningham would be leaving NYC Health + Hospitals (“NYC H+H”) effective June 10, 2016, and Hilton Marcus would be her successor as Senior Director of Operations effective June 20, 2016. Dr. Wilson

thanked Ms. Cunningham for her work for the ACO and spoke of her extraordinary work during her tenure, and Mr. Marcus introduced himself and provided brief overview of his experience. Dr. Wilson and Ms. Cunningham then introduced Board member David Gross of Community Healthcare Network (CHN), who represents Affiliated Participants. Ms. Cunningham clarified that to date CHN is the sole Affiliated Participant, and as additional Affiliated Participants are added, the various Affiliated Participants will have one voting seat on the Board.

Following introductions, Dr. Wilson provided a brief status update of the ACO's external audit conducted by KPMG. That audit is underway, taking longer to complete than anticipated.

Following that update, ACO Chief Medical Officer Dr. Nick Stine provided a presentation on the ACO's performance. The presentation included available data on performance during Calendar Years 2013 and 2014, and while preliminary data for 2015 is available, he anticipates CMS to provide more detailed performance data for 2015, including financial outcome information, by September 2015.

Dr. Stine then presented on the ACO's population health measures and goals. Since the ACO first started, the core population health management measures have been to reduce avoidable emergency department (ED) visits and hospital admission rates while improving quality. During this time, the ACO has reduced the inpatient admission rate for its attributed population by about 20 percent, reduced cost by about eight percent, and ED visits by about eight percent. The ACO has therefore shown steady improvement in its core operational measures. Drs. Wilson and Stine spoke to broader positive implications of these results, including system-wide potential cost-saving and hospital capacity effects. Dr. Stine then addressed multiple issues, including patient turnover, risk adjustments and claim/charge capture, and the impact of managed care growth, particularly MetroPlus, on the ACO's membership size.

Dr. Stine then provided an overview of the quality performance reporting processes. Board member David Gross asked whether Dr. Stine finds either meeting the quality metrics or reporting on those metrics as the ACO's bigger challenge. Dr. Stine responded that capturing structured fields in the electronic medical record (EMR) is relatively straightforward, but the EMR abstraction process for free-text entries is more complicated; the Epic EMR system developers are aware of, and should incorporate into the EMR system, ACO reporting metrics. Dr. Stine then went over more detailed quality data from 2013, 2014, and 2015 (partial), including the distinction between pay-for-performance and pay-for-reporting measures, and new and retired measures.

Dr. Stine addressed "Team Funds" to each ACO participant site's population management team to acknowledge each of the site's care team's and practice's contribution to the ACO's overall success. He and Ms. Cunningham provided examples of how sites have used the Team Funds to date. Dr. Wilson emphasized the broader issue of supporting non-physician contribution to the ACO's activities. Mr. Gross addressed CHN's particular focus on and role of nurse practitioners.

Ms. Cunningham then addressed the status of the audit. She confirmed that the ACO financial statements for 2014 and 2015 have been audited as part of NYC Health and Hospital's auditing process, and that this process is the first instance of separate and discreet auditing for the ACO.

While the ACO's original intent was to perform separate audits of 2014 and 2015 financial results, KPMG recommended to consolidate those years into a single audit. Following extensive education to KPMG by ACO staff, issues around the treatment of revenue for a Medicare Shared Savings program have to date been resolved. Dr. Wilson confirmed that when the ACO receives the finalized audit, the ACO's Audit Committee will convene, review the findings with KPMG, and present the audit to the Board at its next meeting.

Dr. Stine then discussed the ACO's network development plan, including alignment with both the OneCity Health DSRIP Performing Provider System (PPS) and MetroPlus, and the recent addition of CHN. Dr. Stine then spoke to criteria by which the ACO will evaluate potential partners: any existing relationships with the PPS and MetroPlus; provision of quality care with high patient satisfaction; primary care capacity and growth potential; the size of the organization's Medicare fee-for-service population; and experience with risk- and value-based structures and payment models. Dr. Stine will keep the Board updated on the ACO's network expansion.

Dr. Stine addressed the likely impact of the Centers for Medicare and Medicaid Service's (CMS's) patient assignment/attribution criteria, including its inclusion of visits to nurse practitioners in its attribution algorithm and exclusion of visits to specialists, including infectious disease specialists, in that same algorithm. Dr. Wilson mentioned the challenges presented by the Electing Teaching Amendment (ETA) when arriving at an ACO attribution.

Finally, Dr. Stine and the Board addressed CMS's benchmarking rules. Due to the ACO's and partners' success in reducing costs, the ACO beat its benchmark in its first two years, generating savings shared among its participants. CMS's currently bases its benchmarking methodology on an ACO's historic performance. This disadvantages ACOs, such as the HHC ACO, that have successfully reduced costs while improving quality. As such, CMS proposed to incorporate regional costs in its benchmarking methodology at some point going forward, which would benefit the HHC ACO. Dr. Wilson added that until the rules change, the opportunity of generating savings shrinks year over year, and that while the ACO will continue to drive quality up and costs down, there are challenges in generating significant savings given the current benchmarking methodology. Dr. Gary Kalkut then asked what CMS's overall MSSP strategy may be going forward. Dr. Stine responded that CMS has been pushing providers to take on two-sided or full risk, and the ACO will continue to evaluate what approaches make sense for the organization. Dr. Wilson added that there are political implications around CMS's approach to ACOs and which payment models CMS may emphasize in the coming years, and underscored the value of the ACO as a learning tool to inform those models.

**ADJOURNMENT**

There being no further business, Dr. Wilson adjourned the meeting at 1:40 p.m. *sine die*.

Respectfully submitted,

Salvatore J. Russo  
Secretary

Adopted \_\_\_\_\_