



Meeting of the

FINANCE COMMITTEE

Thursday, July 31, 2008, 1PM
40 Worth Street, Rm. 1502B

MINUTES

Members on Conference Call: Edward Telzak, M.D. (Chair), Sharen Duke, Matthew Lesieur
Staff in Attendance: NYCDOHMH: Jo Ann Hilger, Jan Carl Park, Anthony Santella, DrPH, Darryl Wong.
Public Health Solutions: Gurucharran Kaloo, Peter Chea

I. Welcome/Introductions

Dr. Ed Telzak opened the meeting, followed by introductions. The minutes of the May 29 meeting were reviewed and approved with the following modifications (in bold italics) to those minutes:

Mr. Kaloo reported that the NYC EMA has demonstrated a record low for under-spending. For the year 3/1/07 through 2/29/08, the NYC EMA has under-spent the total Grant (Formula and Supplemental) by only ***\$861,549 or 0.83%*** (less than 1%). This is especially commendable in view of the fact that last year, Year16, we demonstrated a record low under-spending rate of 2.12%.

100% of the Supplemental Grant funds of \$25,998,357 were expended and of the total \$77,535,669 in Formula Grant funds, ***\$76,674,120, or 98.9%*** was spent. Our Formula Grant under-spending of ***1.1% is .9%*** less than the minimum under-spending of 2% allowable by HRSA. It was noted that the Housing Placement and the Maintenance in Care Programs, which are performance-based contracts, had relatively large unspent balances, 8.84% and 4.55% respectively, as a percentage of funds committed.

Mr. Kaloo distributed a Year 17 summary sheet highlighting the carryover from Year 16, current year contract takedowns (contracts reduced due to patterns of underperforming and/or under-spending) and contract enhancements (contracts with additional funding due to meeting and exceeding deliverables). The shift to performance-based contracting may result in an increased number of contract takedowns in the future. It was noted that the Early Intervention Services category had a low level of spending in Q3 compared to the previous quarter. However, it was also noted that in Year 16, the Treatment Adherence ***start-up*** contracts, which were cost-based, under-spent its committed award by 8.82%. ***In Year 17, there was 0 underspending.***

As the focus of the discussion addressed MAI spending as of the 3rd quarter (2/1/08 - 4/30/08 and May 2008, there was no formal agenda distributed. The suggestion was made that an annual schedule for spending reports be established.

MAI – As of the Q3 (February – April 2008) and May 2008

Gucci Kaloo announced that the MAI spending rate increased to 8% for May 08. An amendment to add \$1.3 million to the State ADAP (\$700,000)/ADAP+ (\$600,000) pools will be executed today, with the funds going to ADAP+, to then be apportioned. Last year, we gave ~\$600,000 to ADAP+.

The goal is to limit underspending to no greater than 8%; HRSA has advised us to keep it below 8% in order to not draw attention to the EMA. Last year, with 9.3% underspending, \$1.6 million from the MAI award of \$10,900,000 was available for reprogramming, with carryover of \$157,000. The current year's over- commitment of \$1,017,095 will be covered by underspending of contracts at closeout.

Dr. Telzak noted the pattern of underspending in the Maintenance in Care contracts and the need to monitor them carefully, while acknowledging that the service is valuable and that the spending does not demonstrate the program's success.

Matt Lesieur inquired as to the strategies we could employ to monitor the spending of \$24,000,000 in base and MAI funds in that service category.

Joann Hilger announced that NYCDOHMH will meet in the Fall 2008 with contractors to discuss strategies to improve services and increase spending. On September 10, there will be a meeting convened by FITA; technical assistance addressing closeout performance procedures will continue through 2008. The next meeting will focus on mental health providers.

Matt Lesieur asked if these spending challenges were a reflection of 1) not finding clients or not bringing them back into care, 2) billing issues, or 3) a service model issue, to which Joann Hilger responded that these challenges warrant closer examination and scrutiny. Jan Park suggested that this be made a standing agenda item over the course of the next several meetings, in order to bring focus on this issue. Sharen Duke underscored the importance of Finance Committee members attending these discussions, while both Joann Hilger and Jan Park countered that these meetings might be contract-specific discussions and therefore not within the purview of the Planning Council.

In response to Sharen Duke's inquiry regarding spending reports for MAI, Gucci said that close-out documents were expected this week and that final spending reports will be available mid-October, with preliminary numbers available by mid September. It was therefore agreed that the first meeting of the next planning cycle should be in late September; the group agreed on Monday, September 29. It was also noted that because Chairs are not voted in until October, this first meeting would be without a Chair in place.

There being no further business, the meeting was adjourned.