



Meeting of the

FINANCE COMMITTEE

Tuesday, July 9, 2009, 3:00-5:00PM

40 Worth Street, room 1519

MINUTES

Members Present: Steve Hemraj (Chair), Victor Benadava, Alex Brussovansky, Marya Gilborn, Matthew Lesieur

Staff Present: *NYCDOHMH:* JoAnn Hilger, Jan Carl Park, David Klotz, Anthony Santella

Public Health Solutions/HIVCS: Gurucharran Kaloo, Peter Chea

I. Welcome/Introductions

Mr. Hemraj opened the meeting, followed by introductions. The minutes of the February 9, 2009 meeting were approved with minor changes clarifying the MAI contract Year and the underspending amount. .

II. FY 2008-9 3rd Quarter MAI Report

Mr. Kaloo reported that, as of April 30, 2009, all but \$34,169 in Year 18 MAI funds had been committed. No budget modifications had been made thus far. Details of the commitment report include:

- Under-commitment in Maintenance in Care was due to a net change resulting a contract negotiated for less and an increase in reimbursement rates.
- Two pilot programs in Treatment Adherence required additional funds, leading to an over-commitment of \$300,417.
- One program in Early Intervention was negotiated for less and an additional \$97K was added to the category in the original Spending Plan which will now be re-programmed.

Spending for the year-to-date (34% unspent) is improved from Year 17 (48% unspent). This is mainly due to the fact that performance-based contracts are no longer in start-up phase. Seven contracts were taken down a total of \$647,000. Along with the previous year's carry-over (\$304,000) and the current uncommitted amount of \$34K resulted in \$958,000 available for reprogramming, of which \$834,000 will go to ADAP and \$151,000 went to other program enhancements. Any under-spending that remains after close-out will become carry-over. The EMA's goal is to keep total MAI under-spending even lower than the 8% threshold from Year 17 (there are no HRSA rules regarding MAI carry-over).

It was noted that ADAP receives most of the reprogrammed MAI funds due to the lack of flexibility in MAI, which only has three different service categories.

III. FY 2008 Base Close-out Report

Mr. Kaloo reported that 100% of base funds were committed in Year 18, and total under-spending was a record low of \$150,093 (0.15%), of which \$140,581 was in Tri-county. This milestone was achieved through aggressive monitoring of spending. Highlights of the modifications to the Year 18 budget include:

- The Mental Health Services category was reduced by \$2.7M. This was the result of 4 contract terminations valued at \$1.1M, one contract negotiated for \$120K less, and \$1.5M in takedowns for under-spending. Mental Health contracts are facing a couple of challenges: 1) in most cases, services they provide are reimbursable, and 2) the cost of required credentialed staff are high and may have been underestimated by agencies.

In order to improve contract performance, Public Health Solutions and DOHMH have provided TA to providers in this category. Public Health Solutions and DOHMH have requested agencies submit updated budgets in order to assess their cost of running these programs. It is possible that after these reviews are concluded, contract reimbursement rates may increase. In addition, service projections may also be adjusted to be more in line with actual services reported over the past two years. There were seven contract enhancements totaling \$340K, two of which were permanent. The category was permanently reduced from the Yr. 18 Spending Plan allocation of \$7,879,538 to \$6,999,206 for Yr. 19.

- This is the first year that Emergency Rental Assistance had any under-spending, due to clients being transitioned to HOPWA-funded programs. Under-spending resulted from starting Year 18 with a largely reduced caseload. Specifically, the program transferred ½ of its caseload to the Sustainable Living Fund. This transfer was predicated by the reduction of funds towards the later part of Year 17. While the program enrolled a significant number of clients, the demand did not allow for full enrollment to materialize immediately (in one shot) in manner to fully absorb the funds. In fact, the program didn't reach full enrollment until the last month of Year 18.

- In Maintenance in Care, reimbursement rates were increased, but the number of service units for a few contracts were reduced to reflect actual service delivery. The reduction in service projections and the increase in reimbursement rates did not result in the anticipated increase to the category of \$1.2M added in the Yr. 18 Spending Plan. These programs are being given intensive technical assistance, and the rate increase was justified by the intensive nature of the work. Three Maintenance in Care programs received enhancements totaling \$212K.

- Emergency Transitional Housing's enhancement was a combination of the permanent addition of a new program to the portfolio and one-time enhancements to the existing programs.

- Early Intervention Services has had performance issues, but TA has begun with these programs. DOHMH and Public Health Solutions are looking to add the CDC-funded model of Social Networking as an option for these programs.

- Many of the categories that had enhancements were cost-based and non-core.

In Year 18 Public Health Solutions managed 199 Base funded programs held by 106 agencies.

It was agreed that the spending reports will try to break out one-time takedowns vs. permanent takedowns such as contract terminations and how the permanent takedowns affect the following year's Spending Plans.

There was a discussion on how much take-downs and enhancements reflect the need for services and should impact PSRA's allocation decisions. It was noted that only Legal Services has had two years of large enhancements, and that the EMA, barring a waiver, must be mindful of the 75% core services requirement.

IV. Assessment of the Administrative Mechanism

Committee members read the description of the Council's role in assessing the administrative mechanism from the HRSA Part A manual. It was decided that the reporting that the Finance Committee receives and shares with the Council fulfill the HRSA requirements, but that the FC needs to meet at least quarterly, with a special meeting to discuss the base close-out report. Mr. Park also recommended expanding the size of the Committee in order to ensure greater Council participation.

There being no further business, the meeting was adjourned.