

**HHC ACO INC. BOARD
OF DIRECTORS
ANNUAL MEETING
September 20, 2016
At 8:30 a.m.
125 Worth Street, 5th Floor Board Room
New York City**

AGENDA

CALL TO ORDER

Dr. Ross Wilson

OLD BUSINESS

1. Approve and adopt minutes of the HHC ACO Inc. (“ACO”) Board of Directors meeting held on June, 6 2016 (Exhibit A)

NEW BUSINESS

1. REPORT by Chief Executive Officer Ross M. Wilson, M.D. on the ACO’s 2015 performance and matters related to the allocation of shared savings
2. RESOLUTION authorizing the Chief Executive Officer of the ACO to negotiate and execute an amendment to the ACO Participation Agreements or ACO Agreements currently in place with the New York City Health & Hospitals Corporation (“NYC Health + Hospitals”) and the Non-Corporation Shared Savings Distributees consistent with the savings distribution methodology set forth in the Proposed 2015 Shared Savings Allocation (Exhibit B), and distribute the 2015 Performance Payment in accordance with such agreements as amended
3. CONTINUATION OF REPORT by Chief Executive Officer Ross M. Wilson, M.D., providing a network update
4. RESOLUTION authorizing that the following persons be elected to serve in the offices of the ACO as set forth below, subject to such person’s earlier death, resignation, removal, or termination from his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement, in accordance with the laws of the State of New York until such person’s successor is duly elected and qualified:

Name

Ramanathan Raju, M.D.
Ross M. Wilson, M.D.
Plachikkat V. Anantharam
Salvatore J. Russo

Office

Chairman
Chief Executive Officer
Treasurer
Secretary

ADJOURNMENT

Dr. Ross Wilson

**HHC ACO INC.
MINUTES OF THE
BOARD OF DIRECTORS ANNUAL MEETING
September 20, 2016
125 Worth Street, 5th Floor
Room 532
New York City**

ATTENDEES

BOARD MEMBERS

PV Anantharam
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
Irene Frohlich
James Haven
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 8:30 am.

OLD BUSINESS

Dr. Wilson entertained a motion to adopt the minutes of the June 6, 2016 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

Dr. Wilson provided a brief overview of agenda items for the Board meeting, including a discussion on the HHC ACO Inc.'s (the "ACO's") performance in 2015. As Dr. Wilson informed the Board, the ACO generated the most savings since its establishment, in part due to its quality performance reaching 94 percent. He mentioned that as part of the shared savings distribution process, the ACO must meet with Doctor's Council.

ACO Chief Medical Officer Nicholas Stine, M.D. further informed the Board of the ACO's success, including that the ACO generated shared savings for the third consecutive year and has continuously improved its financial performance. The ACO's percentage of cost savings compared to its benchmark was the largest in the New York State. The ACO saw a \$13 million-dollar savings compared to the benchmark, with a concurrent quality score improvement from 76% to 94%, which is also the largest increase in the State, driven partly by improvements in emergency department visit and hospitalization rates. The ACO will receive approximately \$6 million in shared savings for its 2015 performance; over the last three years, the ACO generated a total savings to Medicare of approximately \$27 million, receiving just over \$12 million in that total shared savings.

Discussion ensued regarding the strength of the ACO team that encourages providers to use provided data to support their provision of care. Dr. Wilson also spoke to the NYC Health + Hospitals' focus on building robust primary care, and the value of the Medicare claims data that CMS provides as part of the MSSP ACO program. Dr. Gary Kalkut spoke to the need to use data from both local and broader sources, and the value of the claims data from CMS. Dr. Stine added that the NYC Health + Hospitals workforce is particularly mission-driven, which he stated is an important asset.

Dr. Luis Marcos questioned how to raise the ACO's attribution. Dr. Stine responded that the ACO's attribution is limited to Fee-for-Service Medicare patients and primary care service delivery. Dr. Wilson spoke to the challenges around how to scale the ACO initiative to apply to the NYC Health + Hospitals system at large and how that system should attract Medicare patients.

Dr. Stine went over the estimated 2015 shared savings distribution to the various ACO Participants, including an explanation of the broad-level breakdown of the distribution. Dr. Wilson further discussed the distribution methodology, including how payments to primary care physicians (PCPs) are to be split between payment

for participation and adjusted payment based on each PCP's quality of care (based on an average of hypertension rates and rate-your-provider CAHPS score). After discussion with Doctor's Council, for the Performance Year 2015 payment, the split between participation and quality is 67% / 33% respectively. For following years, the split will be 50% / 50% between performance and quality.

Discussion ensued on how to reflect the ACO's operational expenses and uses of the ACO Team Fund. Dr. Wilson spoke to the Team Fund, explaining that its purposes are to support the environment for physicians to practice, including the cost of running the various clinics, and to recognize the various facilities' supporting non-physician primary care staff.

Dr. Stine read a resolution, authorizing the ACO to update the savings distribution methodology for Performance Year 2015. A motion was made and duly seconded to adopt the following resolution:

RESOLVED, that the Chief Executive Officer of the ACO is hereby authorized to negotiate and execute an amendment to the ACO Participation Agreements or ACO Agreements currently in place with NYC Health + Hospitals and the Non-Corporation Shared Savings Distributees consistent with the savings distribution methodology set forth in the Proposed 2015 Shared Savings Allocation (Exhibit B), and distribute the 2015 Performance Payment in accordance with such agreements as amended.

The motion was unanimously approved.

Dr. Wilson then invited Dr. Stine to discuss relevant future plans for the ACO. Dr. Stine discussed the goal to develop the ACO network as well as the criteria and authorization to add additional partners to the ACO. Following an extensive review, Brightpoint Health, a network of federally qualified health centers in New York City will be added effective 2017. Brightpoint joins Community Healthcare Network (CHN) as ACO non-Affiliate Participants. Discussion ensued on the impact of Brightpoint Health's addition may have on any future savings distribution. Drs. Wilson and Stine also addressed how various policy changes from CMS may impact the ACO, including CMS's regional benchmarking adjustment, MACRA, and moving to an ACO payment model that includes downside risk (Track 2). The ACO staff will continue to monitor and assess these policy changes and proposals.

Following that discussion, Salvatore Russo read a resolution, authorizing the ACO to update the savings distribution methodology for Performance Year 2015. A motion was made and duly seconded to adopt the following resolution:

RESOLVED, that that the following persons are hereby elected to serve in the offices of the ACO as set forth below, subject to such person's earlier death, resignation, removal, or termination from his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified:

<u>Name</u>	<u>Office</u>
Ramanathan Raju, M.D.	Chairman
Ross M. Wilson, M.D.	Chief Executive Officer
Plachikkat V. Anantharam	Treasurer
Salvatore J. Russo	Secretary

The motion was unanimously approved. There was no further discussion of the motion.

ADJOURNMENT

There being no further business, Dr. Wilson adjourned the meeting at 9:30 am.