

**HHC ACO INC.  
MINUTES OF THE  
BOARD OF DIRECTORS MEETING  
June 13, 2017  
125 Worth Street, Room 405  
New York City**

**ATTENDEES**

**BOARD MEMBERS**

PV Anantharam  
Stanley Brezenoff  
Christina Jenkins, M.D.  
Gary Kalkut, M.D.  
Luis R. Marcos, M.D.  
Jasmin Moshirpur, M.D.  
Ross M. Wilson, M.D.  
Balavenkatesh Kanna, M.D. (dialed in)

**HHC STAFF**

Nancy Barnicle  
Sherry Cirilo  
Irene Frohlich  
Rob Houston  
James Linhart  
Hilton Marcus  
Salvatore Russo  
Nicholas Stine, M.D.  
Jay Weinman

**OTHER ATTENDEES**

Michael Breen – KPMG  
Steven Katz – Katten Muchin Rosenman LLP  
Mavis Pacheco – Community Healthcare Network  
Stephen Williams – Brightpoint Health

## **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 2:30 pm.

## **OLD BUSINESS**

Dr. Wilson entertained a motion to adopt the minutes of the September 20, 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 put forth a resolution to name Stanley Brezenoff to replace Dr. Ramanathan Raju as the Chairman of HHC ACO Inc. A motion was made and duly seconded to adopt the following resolution:

**RESOLVED**, that Stanley Brezenoff is hereby elected to serve in the office of Chairman of the ACO, subject to Mr. Brezenoff’s earlier death, resignation or removal, in accordance with the laws of the State of New York and the ACO’s Certificate of Incorporation and By-Laws, until Mr. Brezenoff’s successor is duly elected and qualified.

The motion was unanimously approved.

Dr. Wilson and Dr. Nicholas Stine informed the Board about the ACO’s intention to apply for New York State’s ACO Certificate of Authority that will allow it to become an All-Payor ACO (APACO). This structure will allow the ACO to enter into value-based contracts with payors outside of its existing Medicare fee-for-service population, including Medicaid MCOs, Medicare Advantage Plans, and Commercial MCOs. Dr. Stine highlighted the ACO’s successful performance to date and its learned experience as key factors in moving forward with a more robust ACO scope. At the outset, the APACO intends to enter into upside-only shared savings contracts with payors, similar to the one the ACO currently has with Medicare. The existing Medicare Shared Savings Program agreements will stay intact. Dr. Stine emphasized that the Board’s decision to submit an application does not commit its participants to any specific contracts or obligations, but that the ACO cannot put these contracts in place until it is approved by the State. However, the ACO Participants will be requested to sign

letters of interests to indicate that these organizations are supportive of the application and interested in contracting. There would also need to be some changes to the Board structure and Bylaw changes to meet state requirements.

Discussion ensued regarding details of the APACO structure. Mr. PV Anantharam inquired whether the ACO Board would need to change its composition to include a Medicaid beneficiary even if it did not have Medicaid contracts. Dr. Stine confirmed that this was true. Dr. Wilson noted that the APACO would be helpful to sustain the population health model initiated by the DSRIP program after the grant period.

Dr. Wilson then put forth the following resolution authorizing the CEO to submit an APACO application to the State, which was duly seconded:

**RESOLVED**, that the Chief Executive Officer of the ACO is hereby authorized to submit to DOH, on behalf of the ACO, an application to participate in the Program in such form as is prescribed by the Program and approved by the Chief Executive Officer of the ACO.

The motion was unanimously approved.

Dr. Stine then informed the Board that certain adjustments would need to be made to and by the ACO Board to meet requirements set forth by ACO Certificate of Authority regulations. This includes: (1) The Board must expand to seventeen members to include a Medicaid beneficiary, a person representing the interests of the uninsured, and clear representation of federally qualified health centers (FQHCs), while also preserving the composition of the Board to be at least 75% participants, and H+H majority as the sole member; (2) slight modification to the ACO Bylaws.

Discussion commenced and Dr. Wilson emphasized that while seventeen Board members would be larger than preferred, it was the minimum number to meet the state requirements, and that the ACO Board would be making this as a recommendation to the NYC Health + Hospitals Board of Directors, which ultimately has the authority to make these changes to the Board structure and the Bylaws. Mr. Brezenoff asked what the state's definition of a "participant" is and Dr. Stine replied that it is a provider entity that bills the payor for services provided, such as NYC Health + Hospitals, the faculty practice plans, Community

Healthcare Network, and Brightpoint Health. Dr. Gary Kalkut asked whether the percentage of participant control and Health + Hospitals control were consistent with the current configuration of the Board, and Dr. Wilson confirmed that they were, though not down to the exact percentage.

Dr. Wilson then put forth the following resolution, which was duly seconded:

**RESOLVED**, that the ACO recommends that NYC Health + Hospitals authorize, effective upon the ACO's receipt of a certificate of authority from the New York State Department of Health to participate in the Program, that the number of Directors of the ACO's Board of Directors be fixed at seventeen (17) and that the following persons be elected by NYC Health + Hospitals to serve as additional Directors of the ACO's Board of Directors, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York and the ACO's Certificate of Incorporation and By-Laws, until such person's successor is duly elected and qualified:

- (i) a Director representing persons without health coverage;
- (ii) a Director representing recipients of Medicaid or Child Health Plus;
- (iii) a Director representing Gotham Health; and
- (iv) three (3) additional Directors representing NYC Health + Hospitals; and

**BE IT FURTHER RESOLVED**, that the ACO recommends that NYC Health + Hospitals designate, effective upon the ACO's receipt of a certificate of authority from the New York State Department of Health to participate in the Program, the existing seat of the Director representing the Non-affiliated Participants to be hereafter a seat of the Director representing all of the ACO's FQHC participants in the Program other than Gotham Health, which Director shall be specified in a writing signed by a majority of such FQHCs that is delivered to the Chairman of the ACO; and

**BE IT FURTHER RESOLVED**, that the ACO recommends that NYC Health + Hospitals adopt further amended and restated By-Laws of the ACO, which modify Article 4 (Directors), to conform with the requirements of the Program.

The motion passed unanimously.

Dr. Wilson then turned the meeting over to the Controller's office and KPMG team to present on the 2014-2015 ACO audit. Jay Weinman the Health + Hospitals Corporate Controller and Mike Green from KPMG walked through the financial

statements produced via the audit. Mr. Weinman emphasized that the audit was a voluntary audit, as the ACO's financials are already routinely reviewed as part of the Health + Hospitals audit. Mr. Green provided KPMG's view that the financial statements were complete, consistent, and appropriate and a clean opinion was issued from KPMG. There were no uncorrected misstatements, though there were some adjustments that were made and reported. KPMG recommended that internal controls be enhanced including having an account analysis of all records backed up by supporting documentation and reviewed by a second individual, and conducting a formal review of the financial statements. Dr. Jenkins asked how long the audit took, and Mr. Green replied that it took from December 2015 and ended June 2017, as it was delayed by personnel turnover and working out specific details of the audit. Mr. Anantharam asked whether Mr. Green believed that the 2016/17 process would be smoother, and Mr. Green said it should be.

Dr. Wilson then put forth the following resolution to accept the audit report, which was duly seconded:

**RESOLVED**, that the ACO Board of Directors hereby accepts the independent auditors' report on the audited financial statements of the ACO for the fiscal years ended June 30, 2014 and June 30, 2015, respectively.

The motion was unanimously approved.

Dr. Wilson then moved on to a discussion on what the ACO does in case it finds a miscalculation of the amount of shared savings that has already been distributed. Dr. Wilson indicated that it may be prudent to apply such adjustments to future shared savings distributions rather than making adjustments on the existing distribution after the fact. Dr. Kalkut asked what would need to happen to cause a readjustment and Mr. Green and Dr. Wilson explained that it was likely to be a miscalculation of ACO operating expenses.

Dr. Wilson then put forth the following resolution, which was duly seconded:

**RESOLVED**, that in the event it is finally determined, as a result of an internal audit, external audit, or by other means, that the ACO has incorrectly determined the amounts of shared savings to be retained by the ACO and/or distributed to other ACO participants pursuant to participation agreements that the ACO has entered into with such ACO participants under the Medicare Shared Savings Program or

similar shared savings program, the ACO shall correct any resulting incorrect retention or distribution to ACO participants by adjusting amounts to be retained by the ACO and/or distributed to ACO participants from future shared savings payments received by the ACO.

The motion was unanimously approved.

Dr. Wilson then put forth a motion to fill two vacant seats on the audit committee with Mr. Anantharam and Dr. Wilson, which was duly seconded:

**RESOLVED**, that, pursuant to § 4.14 of the Amended and Restated By-Laws of the ACO, Antonio D. Martin and Salvatore J. Russo are hereby removed as members of the ACO's Audit Committee; and

**BE IT FURTHER RESOLVED**, that, pursuant to § 4.14 of the Amended and Restated By-Laws of the ACO, Ross Wilson, MD is hereby designated to serve as a member of the ACO Audit Committee, as successor to Antonio D. Martin, subject to Dr. Wilson's earlier death, resignation or removal, in accordance with the laws of the State of New York and the ACO's Certificate of Incorporation and By-Laws; and

**BE IT FURTHER RESOLVED**, that, pursuant to § 4.14 of the Amended and Restated By-Laws of the ACO, Plachikkat Anantharam is hereby designated to serve as a member of the ACO Audit Committee, as successor to Salvatore J. Russo, subject to Mr. Anantharam's earlier death, resignation or removal, in accordance with the laws of the State of New York and the ACO's Certificate of Incorporation and By-Laws.

The motion carried unanimously.

## **ADJOURNMENT**

There being no further business, Dr. Wilson adjourned the meeting at 3:05 pm.