



January 23, 2017

Dear Independent Assessor:

This is the second letter that sets forth comments from Nassau Queens Performing Provider System (NQP) on the Midpoint Assessment Report (Report) released on November 22, 2016. It includes the response to the revised recommendations made by the Independent Assessor for the second public comment period provided on January 3, 2017.

NQP has found two inconsistencies in the report that do not match up with our records. The first which is the funds flow amounts and the second is the actively engaged numbers that continue to be inconsistent after the redline edits to the Midpoint Assessment Report. Please see our responses below:

1) PPS Funds Flow (through DY2Q2)

The funds distributed per Figure 5 (page 12) of the Midpoint Assessment Report do not include any distributions from DY1Q1 through and including Q3. Those distribution amounts total \$38,549,262, consisting of \$36,000,000 distributed to the Hubs and \$2,549,262 spent on PMO administrative costs, and should be included in the Report. This would bring the total amount distributed to \$64,709,019, rather than the \$26,159,756.26 listed in the Report. It should be noted that the MAPP System initially only permitted reporting of the first level of distribution, i.e., to the three Hospitals that serve as “Hubs” within NQP, and this may have contributed to a lack of understanding of the numbers and of the flow of funds to downstream providers.

- We have included with this letter a packet “Funds Flow DY1 - DY2Q2” that summarizes and details the DSRIP distributions in DY1 through DY2Q2 to the hospitals and downstream partners. The funds flow packet provides support for the following:
 - On June 23, 2015, the NQP Executive Committee approved a \$5,000,000 distribution to each of the three hubs: Nassau University Medical Center (NUMC), Long Island Jewish Medical Center (LIJ), and Catholic Health Services of Long Island, Inc. (CHS). A total of \$15,000,000 was distributed in DY1Q1.
 - On December 17, 2015, a distribution to each hub of \$5,000,000 was approved by NQP. On December 30, a distribution of \$2,000,000 to each hub was also approved. Thus, a total of \$21,000,000 in December, 2015 was distributed in DY1Q3.
 - Due to NUMC’s status as a public hospital and intergovernmental transfer (IGT) regulations, all NQP DSRIP funds are distributed by New York State to NUMC. Per instructions from the New York State Department of Health, funds cannot flow from NQP to NUMC. Thus, NUMC retains amounts to which it is entitled as an NQP Hub, or for reimbursement of administrative expenses for which NUMC is due to be reimbursed.
 - NUMC then transfers the remaining funds to NQP for administrative expenses and distribution to the LIJ and CHS Hubs. Therefore, the \$12,000,000 distribution to NUMC was retained in the NUMC account that receives the IGT funds, while NQP executed electronic transfer fund transactions to NQP for further distribution to LIJ and CHS.



- Additionally, during this time period, as noted above, the NQP Project Management Office (PMO) spent a total of \$2,549,262 on administration and implementation costs.

2) Actively Engaged Numbers for DY1Q2 and DY1 Q4

The patient engagement amounts for the projects are incorrect. The redline revisions made by the IA continue to be inconsistent with what was reported by the NQP.

- There are several different issues we found after further review:
 - All eight projects show incorrect values for patient engagement, which is inconsistent with the PPS' understanding that it received zero credit for DY1Q2 by the IA for the lives reported due to a lack of data.
 - Project 2.b.iv DY1Q2 commitment amounts are incorrect and should reflect a total of 5,392 with an engaged amount of 28,965 for that quarter. DY1Q4 engaged amounts were also incorrectly recorded and should be at a total of 58,814. The total of 58,814 engaged surpassed the committed amount of 10,784 in which NQP successfully received an achievement value for DY1Q4. This was not accounted in the Report.

We appreciate your consideration and request the items described in this letter be corrected, as well as reflected in future reports. If you have any questions or concerns, please do not hesitate to reach out to us to discuss further.

Thank you for your time and attention towards this matter.

Sincerely,

A handwritten signature in black ink that reads 'Robert Hettenbach'.

Robert Hettenbach
Executive Director of NQP