



Health Information and Analysis Oversight Council Administration & Finance Committee

Executive Office for Administration and Finance
State House Room 373, Boston, MA
February 27, 2017 9:30 AM

MEETING MINUTES

The meeting began at 9:35 a.m.

Present were Lauren Peters (designee of Secretary Kristen Lepore), Undersecretary Alice Moore (designee of Secretary Marylou Sudders), Health Policy Commission Executive Director David Seltz, and CHIA Executive Director Ray Campbell.

Noting the presence of a quorum, Ms. Peters called the meeting to order at 9:35 a.m.

Ms. Peters requested a motion to approve the Committee's meeting minutes from November 16, 2016. Undersecretary Moore moved to approve the minutes. Mr. Seltz duly seconded the motion. The Committee unanimously voted to approve the minutes.

Mr. Campbell led the Committee through a discussion of CHIA's midyear fiscal year (FY) 2017 spending. He explained that the agency had been focused on closely managing its budget in order to facilitate the \$5 million transfer to the Community Hospital Reinvestment Trust required under Chapter 115. Mr. Campbell stated the agency was on track to fulfill this transfer, primarily through reductions in IT spending and employee and contractor headcount, with a small surplus. He added that the agency was exploring the option of applying this surplus toward its FY18 transfer to the trust.

A brief discussion of CHIA's FY17 spending followed. Undersecretary Moore asked that Mr. Campbell elaborate on an anticipated reduction in payroll spending and how it related to staffing levels. Mr. Campbell explained that the reduction in payroll was associated with attrition, freezing backfills, the use of a voluntary separation incentive payment, and forgoing a cost of living adjustment for managers. Mr. Seltz asked whether any unspent funds would be used for staff retention. Mr. Campbell stated that he expected this money to be applied toward CHIA's FY18 transfer. However, he added, retention efforts would be considered when making a final decision. Undersecretary Moore requested that Mr. Campbell consider any potential pay raises in the context of agency increases over time in order to ensure such decisions were appropriately understood.

Mr. Campbell then moved to discuss CHIA's plans for FY18 spending. He explained that the agency's FY18 budget included a small deficit. He added that this deficit was overstated because the budget did

not account for any offset in rent associated with subleasing CHIA's office space or any FY17 funds applied toward FY18. Mr. Campbell described that he was investigating the possibility of capitalizing certain eligible projects, which would account for the remaining deficit. He added this option would allow CHIA to revisit taking on new endeavors, including the development of a hospital efficiency measure. Ms. Peters asked whether a particular department had been affected by FTE reductions over the past two years. Mr. Campbell stated that reductions had mostly been spread across departments, including administrative staff.

The Committee briefly discussed its upcoming budget hearing.

There being no other business to discuss, the meeting adjourned at 10:05 a.m.