

Budget and Financial Plan presentation.

Each budget or financial plan shall be accompanied by:

- (a) an explanation of the public authority's relationship with the unit or units of government, any, on whose behalf or benefit the authority was established;

The Nassau Health Care Corporation ("NHCC") is considered to be a component unit of Nassau County and is included as a discretely presented component unit in the general purpose financial statements of the County.

- (b) a description of the budget process, including the dates of key budget decisions;

NHCC's fiscal year is consistent with the calendar year – (January 1 – December 31). The budget is approved by NHCC's Board of Directors. The Board has 15 voting members. The budget for 2015 was adopted on December 17, 2014. The process commences in September.

- (c) a description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining cost, and programmatic goals;

NHCC is a public (Safety Net) hospital, skilled nursing facility, and co-operates a community health care system. Its primary revenue is derived from net patient service revenue. Net patient service revenue is the net realizable amounts due from patients, third-party payers and others for services rendered. Medicaid and Medicare are nearly three-quarters of NHCC's net patient service revenue and volume.

Substantially all of the Corporation's employees are union employees who are covered under the terms of a collective bargaining agreement with the Civil Service Employees Association. The current agreement was ratified in February 2013, effective January 1, 2010 and expires on December 31, 2015. The contract contains no retroactive adjustments to years prior to 2013. It contained two bonus payments, one in 2013 and one in 2014, and a 4% wage increase effective January 1, 2015.

NHCC's mission is to provide the best possible care to the residents of LI, particularly to its most vulnerable patients, and to offer the best possible education to the nation's next generation of medical professionals.

- (d) a self-assessment of budgetary risk;

In April 2014, the federal Centers for Medicare and Medicaid Services (CMS) approved New York State's Medicaid waiver request in the amount of \$8 billion over five years. Most of the new funding will go toward an ambitious new initiative designed to achieve a 25% reduction in avoidable hospitalizations and restructure the health care delivery system, called the Delivery System Reform Incentive Payment (DSRIP) program.

The DSRIP program seeks to transform the health care safety net at the system and state levels by improving population health, reducing unnecessary admissions/readmissions, and reducing unnecessary emergency department visits in an effort to manage the cost of health care. This evolving model provides a challenge to NHCC.

- (e) a revised forecast of the current year's budget;

NHCC issues monthly financial statements to monitor the budget.

- (f) a reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan;

NHCC's monthly financial statements identify and discuss all significant variances from the adopted budget.

- (g) a statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan;

This information is contained in the Corporation's audited financial statements.

- (h) a projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classification;

Provided in the Corporations budget and reported in the monthly financial statements.

- (i) a statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing;

This information is contained in the Corporation's adopted budget.

- (j) a statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year;

This information is contained in the Corporation's adopted budget.

- (k) a statement of any transactions that shift material resources from one year to another and the amount of any reserves;

This information is contained in the Corporation's audited financial statements.

- (l) a statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount

of proposed debt and assumed interest rate(s); debt service for each issuance as percentage of total pledged revenues, listed by type of category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met; and

[This information is contained in the Corporation's audited financial statements and fully explained in the Notes to the Statements, and NHCC's Official Statements.](#)

- (m) a statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

[This information is contained in the Corporations' capital budget that was approved by its Board of Directors on December 17, 2014.](#)