

**STRATEGIC PLANNING COMMITTEE MEETING
OF THE BOARD OF DIRECTORS**

**DECEMBER 10, 2013
10:30 A.M.
HHC BOARD ROOM
125 WORTH STREET**

AGENDA

I. CALL TO ORDER **JOSEPHINE BOLUS, RN**

**II. ADOPTION OF NOVEMBER 12, 2013
STRATEGIC PLANNING COMMITTEE MEETING MINUTES** **JOSEPHINE BOLUS, RN**

III. INFORMATION ITEM:

i. UPDATE ON HHC'S OUTSOURCING INITIATIVES

JOSEPH QUINONES
SENIOR ASSISTANT VICE PRESIDENT FOR OPERATIONS

IV. OLD BUSINESS

V. NEW BUSINESS

VI. ADJOURNMENT

JOSEPHINE BOLUS, RN

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

MINUTES

STRATEGIC PLANNING COMMITTEE OF THE BOARD OF DIRECTORS

NOVEMBER 12, 2013

The meeting of the Strategic Planning Committee of the Board of Directors was held on November 12, 2013, in HHC's Board Room located at 125 Worth Street with Josephine Bolus presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Josephine Bolus, NP-BC, Chairperson of the Committee
Alan Aviles
Anna Kril
Robert F. Nolan
Bernard Rosen
Michael A. Stocker, M.D., Chairman of the Board
Andrea Cohen, representing Deputy Mayor Linda Gibbs in a voting capacity

OTHER ATTENDEES

J. DeGeorge, Analyst, New York State Office of State Comptroller
M. Dolan, Senior Assistant Director, DC 37
C. Fiorentini, Analyst, New York City Independent Budget Office
K. Raffaele, Analyst, Office of Management and Budget
E. Schneider, Associate Director, New York State Nurses Association

HHC STAFF

S. Abbott, Assistant Director, Corporate Planning and HIV Services
M. Belizaire, Assistant Director of Community Affairs, Intergovernmental Relations
L. Brown, Senior Vice President, Corporate Planning, Community Health and Intergovernmental Relations

D. Cates, Chief of Staff, Office of the Chairman
L. Guttman, Assistant Vice President, Intergovernmental Relations
T. Hamilton, Assistant Vice President, HIV Services, Corporate Planning Services
L. Haynes, Assistant Systems Analyst, President's Office
C. Jacobs, Senior Vice President, Patient Safety, Accreditation and Regulatory Services
S. James, Assistant Director, Harlem Hospital Center
S. Kleinbart, Director of Planning, Coney Island Hospital
P. Lockhart, Secretary to the Corporation, Office of the Chairman
T. Mammo, Chief of Staff, President's Office
A. Martin, Executive Vice President and Chief Operating Officer, President's Office
H. Mason, Deputy Executive Director, Kings County Hospital Center
K. McGrath, Senior Director, Communications and Marketing
T. Miles, Executive Director, World Trade Center Environmental Health Center
K. Park, Associate Executive Director, Finance, Queens Health Network
S. Penn, Deputy Director, World Trade Center Environmental Health Center
N. Peterson, Senior Assistant Director, Planning, Woodhull Medical and Mental Health Center
E. Russo, Assistant Director, Corporate Planning Services
S. Russo, Senior Vice President and General Counsel, Office of Legal Affairs
W. Saunders, Assistant Vice President, Intergovernmental Relations
D. Shi, Senior Director, Medical and Professional Affairs

CALL TO ORDER

The meeting of the Strategic Planning Committee was called to order at 10:40 a.m. by the Strategic Planning Committee Chairperson, Josephine Bolus, NP-BC. The minutes of the October 15, 2013, meeting of the Strategic Planning Committee were adopted.

SENIOR VICE PRESIDENT REMARKS

Ms. Brown informed the Committee that in lieu of her Senior Vice President's Report, she had requested that Mr. Leonard Guttman, Assistant Vice President, present an update on federal issues. However, due to the delay in the start of the Strategic Planning Committee Meeting, she asked to defer Mr. Guttman's presentation until the next meeting. The Committee agreed.

INFORMATION ITEM**2013 Election Review**

Wendy Saunders, Assistant Vice President, Office of Intergovernmental Relations

Ms. Brown invited Mrs. Wendy Saunders, Assistant Vice President of the Office of Intergovernmental Relations to provide an update on the 2013 Election results and implications for HHC. Mrs. Saunders began her presentation by stating that a lot big changes had occurred as a result of the recent election. She reported on the election results for the following citywide offices:

- Mayor of the City of New York (Bill DeBlasio)
- Public Advocate (Letitia James)
- Comptroller (Scott Stringer)

Mrs. Saunders reported that, in addition to the election of a new Mayor, Bill DeBlasio, a new Public Advocate, Letitia James, and Comptroller, Scott Stringer, there were also some important changes in leadership that would occur at the City Council level. She commented that the next Council Speaker had not yet been determined and that the vote would likely occur in January at the Charter Meeting of the Council. Notwithstanding, the campaign for a Council Speaker is well underway. There are a lot of interested candidates with attention being placed on Dan Garodnick, Mark Weprin, Inez Dickens, Melissa Mark Viverito, Annabel Palma, and James Vacca for that position. She added that there would also be a new Minority Leader. Mrs. Saunders speculated that, since there were only three members, the choice would likely be between Vincent Ignizio and Eric Ulrich.

Mrs. Saunders reported that, in addition to the citywide offices, the Borough Presidencies were also up for re-election. The results of those elections are described below:

- Brooklyn: State Senator Eric Adams replaced Marty Markowitz
- Bronx: Ruben Diaz Jr., was re-elected
- Manhattan: Council Member Gale Brewer replaced Scott Stringer
- Queens: Melinda Katz replaced Helen Marshall
- Staten Island: Council Member James Oddo replaced James Molinaro

Mrs. Saunders informed the Committee that there were also a lot of changes in the New York City Council. She reported that, of the 51 Council Members citywide, a total of 21 Members would be new to the Council.

City Council Members: Bronx

Mrs. Saunders reported that the Bronx will have three new City Council members:

- District 11: Oliver Koppell was replaced by Andrew Cohen. Mr. Cohen is a lawyer. He does not have any government background. He ran on the platform of seniors and talked about more preventive health for seniors. His campaign platform also covered issues including the need for community and government reform.
- District 15: Joel Rivera was replaced by Ritchie Torres. Mr. Torres worked formerly for Council Member Vacca. His campaign platform focused on housing.
- District 16: Helen Foster was replaced by Vanessa Gibson. Ms. Gibson has been in the State Assembly since 2009. She is not on the Assembly Health Committee but has sponsored a variety of health related legislation focusing on issues like Lupus and dialysis training for technicians.

City Council Members: Brooklyn

Mrs. Saunders reported that the Borough of Brooklyn will have the largest turnover with nine new Council members:

- District 34: Diana Reyna was replaced by Antonio Reynoso. Mr. Reynoso was Ms. Reyna's Chief of Staff. His campaign was focused on housing issues.
- District 35: Letitia James was replaced by Laurie Cumbo. Ms. James is the newly elected Public Advocate. Ms. Cumbo does not have any previous government experience. She ran the Museum of Arts and African Diaspora.
- District 36: Al Vann was replaced by Robert Cornegy, Jr. Mr. Vann was replaced after a very close election, by less than 100 votes. Mr. Cornegy, Jr., is a current Council staffer. He is one of the few members who specifically spoke about health care issues during his campaign and was calling for a Central Brooklyn Health Care Summit.
- District 37: Erik Dilan was replaced by Rafael Espinal. Ms. Saunders noted that Mr. Espinal has only been in the State Assembly since 2011. He has attended most of HHC's Legislative Breakfasts and talked about the fact that he was born at Woodhull Medical and Mental Health Center. In addition, his family has a long history in health care.
- District 38: Sara Gonzalez was replaced by Carlos Menchaca. Ms. Gonzalez was the only Council Member who lost the primary election. Mr. Menchaca was a Council Speaker staff member. He seems to be focused on immigrant issues.
- District 42: Charles Barron was replaced by Inez Barron. Mr. Barron will be replaced by his wife Inez Barron. Mrs. Barron is a member of the Health Committee and the State Assembly. While she has not sponsored any health care related bills, it is expected that she will be active in health care issues.
- District 46: Lew Fidler was replaced by Alan Maisel. This longtime friend to HHC is a new addition to the City Council.
- District 47: (Domenic Recchia was replaced by Mark Treyger. Mr. Treyger is a teacher with an interest in community and education issues. In addition, he formerly worked for State Assemblyman Colton.
- District 48: Michael Nelson was replaced by Chaim Deutsch. Mr. Deutsch was Michael Nelson's staffer. Though presumed to be a hotly contested race between him and former State Senator Nelson, it was not a close race.

City Council Members: Manhattan

Mrs. Saunders reported on the four (4) new Council Members in the Borough of Manhattan:

- District 3: Christine Quinn was replaced by Corey Johnson. It was a fairly contested race. Mr. Johnson's campaign focused on housing and health care issues. The closing of St. Vincent's Hospital was a hot issue on his campaign. Mr. Johnson currently works for a state developer and is also one of the few new members who do not have any government experience.
- District 5: Jessica Lappin was replaced by Ben Kallos. Mr. Kallos was an aide to former State Assemblyman Bing. His campaign mostly focused on government transparency issues. Ms. Brown interjected that Mr. Kallos had been a frequent visitor to Bellevue Hospital and Bellevue's Community Advisory Board's meetings on behalf of Ms. Lappin. He also shared some interest in being informed about Coler/Goldwater.
- District 6: Gale Brewer was replaced by Helen Rosenthal. Ms. Rosenthal is a current Office of Management and Budget (OMB) staffer and former Chair of Community Board (CB) 7.
- District 7: Robert Jackson was replaced by Mark Levine. Mr. Levine, a District Leader, leads the Afterschool Corporation and was formerly the head of Teach for America. Education was the centerpiece of his campaign.

City Council Members: Queens

Mrs. Saunders reported on the four newly elected Council Members in the Borough of Queens:

- District 19: Dan Halloran was replaced by Paul Vallone. Mr. Paul Vallone is the Brother of Peter Vallone. This seat was previously held by a Republican and was turned over to a Democratic candidate. Mr. Paul Vallone is a lawyer. He focused his campaign on community and fair share issues as well as jobs and small businesses.
- District 22: Peter Vallone Jr. was replaced by Costa Constantinides. Mr. Constantinides is a Council staffer. Health care was part of his campaign platform along with issues such as expanding Mount Sinai of Queens and the need for a new health clinic.
- District 24: James Gennaro was replaced by Rory Lancman. Mr. Lancman is a former Queens Hospital Center's Community Advisory Board Chairman. Mr. Lancman is very familiar with the Corporation and has been very supportive of HHC.
- District 27: Leroy Comrie was replaced by I. Daneek Miller. Mr. Miller is the head of the Transportation Workers Union. His campaign platform focused on union, transportation, and community issues.

City Council Members: Staten Island

Mrs. Saunders reported on the newly elected Council Member in the Borough of Staten Island:

- District 50: James Oddo was replaced by Steven Matteo. Mr. Matteo was Mr. Oddo's chief of staff. His campaign focused on non-health issues such as development, roads, Hurricane Sandy rebuilding, economic development, and fair share.

Mrs. Saunders reported on the special elections that were held for two Assembly districts:

1. 53rd Assembly District – Brooklyn

- Democrat Maritza Davila replaced Vito Lopez
- Ms. Davila worked for Ridgewood-Bushwick Senior Citizen's Council

- Ms. Davila was Lopez' co-District Leader

Mrs. Saunders informed the Committee that, in her past campaign in 2009 for City Council, Ms. Davila stated that she had served on the Boards of two hospitals, one of them being Woodhull Hospital's Community Advisory Board. While Ms. Davila was not the chairperson, she was a very active CAB member.

2. 86th Assembly District – Bronx

- Democrat Victor Pichardo replaced Nelson Castro
- Mr. Pichardo worked for Senator Schumer and State Senator Rivera

Mrs. Saunders explained that this election was the single closest race in the Democratic Primary as Mr. Pichardo narrowly defeated Hector Ramirez by only 72 votes. Mr. Ramirez claimed that some of the voting machines were defective and challenged the election results by filing a lawsuit. Mr. Pichardo started his career with Senator Schumer as an intern and was most recently a staffer of State Senator Rivera.

Mrs. Saunders stated that, as a result of the election of four Assembly members and one Senator to various city offices, Governor Cuomo would have to call special state elections after January 1, 2014, to fill those State Legislator vacancies which include the following seats:

- Inez Barron (60th Assembly District – Brooklyn)
- Alan Maisel (59th Assembly District – Brooklyn)
- Rafael Espinal (54th Assembly District – Brooklyn)
- Vanessa Gibson (77th Assembly District – Bronx)
- Eric Adams (20th Senate District – Brooklyn)

At the request of Mr. Bernard Rosen, Board Member, Mrs. Saunders clarified that there would be 21 new City Council Members who would join the 30 returning City Council Members.

Mr. Robert Nolan, Board Member, inquired about the Corporation's approach to briefing the newly elected Borough Presidents and City Council Members on HHC's role and mission. He asked if HHC would consider meeting with these representatives together or separately in their district offices. Ms. Brown responded that because HHC already had prior relationships with the newly elected Borough Presidents, the priority would be to reach out to the City Council Members, specifically, those who did not raise health care as an issue in their campaigns. Ms. Brown added that she would ask the Executive Directors to host facility walk-throughs for those Council Members. Ms. Brown noted that they would be very impressed as they learn about HHC's accomplishments, innovations and the growing number of uninsured patients that HHC served. In addition, Ms. Brown urged the Community Advisory Boards (CABs) to schedule their legislative breakfasts and lunches at the beginning of next year. Another strategy is for Mr. Jurenko and Mrs. Saunders to meet the legislators in their Albany offices to introduce HHC. Ms. Brown commented that her favorite presentation slide for the legislators was a bar graph which showed the number of uninsured New Yorkers HHC served compared to all the other hospitals in New York City. She commented that this graph provides a clear understanding/definition of true safety net hospitals. Ms. Brown noted that all the different approaches noted above were very challenging and would be carried out over the course of several days and months.

Mr. Nolan asked Ms. Brown if it would be more efficacious to meet with the three newly elected Bronx Council Members in their respective district offices or together in one location. Ms. Brown responded that when meeting a Council Member for the first time, an individual meeting would always be preferable as it provides a level of comfort for that individual. After that initial visit, if there are issues that are borough-

wide, a group meeting could be scheduled. Ms. Brown noted that a lot of legislators' work hinges on their staff. Therefore, establishing a relationship with their staffers would also be important as there will also be new staffers. Mr. Nolan reassured Ms. Brown that he would be looking forward to working with her on establishing those relationships.

Mr. Nolan volunteered to accompany Ms. Brown to the initial meetings with the new Bronx Council Members. Ms. Brown informed the Committee that Mr. Andrew Cohen had recently visited Jacobi and North Central Bronx Hospitals. Ms. Brown emphasized that it's all about establishing relationships and not assuming that people are already informed about the facilities, even if the facilities are located in their respective neighborhoods. Ms. Brown recalled that several years ago, when Mr. Sampson was elected, Mrs. Bolus had been instrumental in helping HHC to meet with Senator Sampson. Ms. Brown stated that Mrs. Bolus' status in the Borough of Brooklyn had always been helpful in providing an open door for HHC.

Mr. Nolan commented that he agreed with Ms. Brown's approach to go to the City Council Members' individual offices. Ms. Brown quoted that she "will go where the water is," even if they do not have an office. She commented that, in the past, she had had to meet with legislators at their convenience in settings including their living rooms or at the local deli.

Mr. Rosen and Mrs. Bolus thanked Mrs. Saunders for her presentation.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:05 a.m.

NYC Health and Hospitals Corporation

Strategic Planning Committee

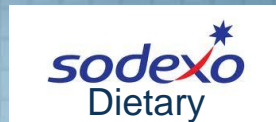
December 2013

Presenter:

Joseph Quinones

Senior Assistant Vice President

Dietary Operations Briefing



The Objectives of the Dietary Initiative

- HHC Executed a Contract in 2005 with Sodexo Dietary Division, US Foods, and GNYHA Ventures (the Consortium)
- The Contract was fully Implemented in early 2006; the Contract Term is for 10 Years and 3 Five Year Renewals
- The Initial Objectives:
 - Improve patient care, quality of food and standardize menus (within first year of the contract)
 - Increase Patient Satisfaction (to be monitored by independent survey every year after full implementation)
 - Reduce corporate-wide meal cost
 - Re-tool the Cook Chill Plant by replacing non-working equipment and using plant to its full capacity
 - Standardize food policy and procedures throughout the Corporation
 - Increase staff productivity

Objectives Achieved

- The following objectives were achieved:
 - Reduced staffing levels from 1,400 FTE's to current level of 963 FTE's
 - Instituted Corporate wide Formulary in 2008 for Nutritional Supplements that resulted in improved patient care and lowered costs
 - Implemented a 21 day menu cycle for all Acute Care and Long Term Care facilities in early 2006
 - Improved Patient Satisfaction scores and sustained improvement every year
 - Staffing assessment identified workflows that improved direct and indirect patient care and resulted in maximizing efficiencies since early 2006
 - Standardized policies and procedures for food delivery, floor stock, supplements, nourishments, and catering in 2005
 - Standardized reporting systems for cost controls and financial analysis resulting in real time information that allows for rapid management corrective action plans since 2006
 - Completed renovation of Cook Chill Plant in late 2005, producing 19K meals/day, 7M meals/yr, and adding capacity for generating potential revenue

Vendor Performance

- How is the Vendor performance monitored?
 - Each facility has a Contract Liaison
 - The Vendor produces reports on a monthly basis to the facility and HHC's Office of Operations that tracks the Vendor's contractual obligation such as staffing, contract expectations and survey readiness.
 - The Vendor and Facility staff do quality assurance audits to assure compliance with Centers for Medicare & Medicaid Services (CMS), Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and Department of Health (DOH) guidelines as directed by each Facility
 - Mock Surveys are done by the Vendor, Central Office, and an independent consultant prior to an anticipated Survey. All results are shared with the Senior Staff of the Facility.

Measuring Patient Satisfaction

- Who conducted the survey and how has HHC assured its reliability?
 - The Corporation entered into an agreement with International Point of Contact (IPC), an independent company specializing in conducting surveys
 - HHC and IPC developed a survey tool made up of 17 questions consistent with survey standards in order to measure the patient experience in a comprehensive way
 - The sample size was statistically validated by the vendor and totals approximately 800 patients surveyed face-to-face
 - A baseline face-to-face patient survey was conducted prior to the Sodexo conversion to the Cook Chill Model in 2006
 - The survey has been conducted each year since 2007 and is compared year over year and to the baseline year

Results of the Patient Satisfaction Survey for FY2013

➤ What were the results of the Patient Satisfaction Survey?

	Survey Period							
	Baseline: I (2005)	II (2006-2007)	III (2007-2008)	IV (2008-2009)	V (2009-2010)	VI (2010-2011)	VII (2011-2012)	VIII (2011-2013)
ACUTE								
Overall Satisfaction Dining & Nutrition	3.5	3.6	3.5	3.5	3.7	3.5	3.7	3.8
Food Quality	3.4	3.8	3.7	4.2	3.6	3.7	3.7	3.7
Food Service	3.7	4.2	4.1	3.7	4.0	4.2	3.9	4.1
Mean	3.5	3.9	3.8	3.8	3.8	3.8	3.8	3.9
LONG TERM CARE (LTC)								
Overall Satisfaction Dining & Nutrition	3.1	3.2	3.1	3.0	2.9	3.0	3.2	3.1
Food Quality	3.1	3.2	3.3	2.9	3.2	3.2	3.1	2.9
Food Service	3.7	3.9	3.7	4.0	4.0	4.0	4.2	3.9
Mean	3.3	3.4	3.4	3.3	3.4	3.4	3.5	3.4
Overall Mean LTC & Acute	3.4	3.7	3.6	3.6	3.6	3.6	3.6	3.7

Score Legend:

5 = Excellent (extremely satisfied), 4 = Above Satisfactory 3 = Satisfactory, 2 = Below Satisfactory, 1 = Poor (not satisfied)

Savings Analysis

- Target savings of \$10 Million per year
- Actual savings of \$43.1 Million from FY2006 through FY2013
- Average annual savings of \$5.4 Million

Note: Actual savings are based on cash analysis of full operation.

Environmental Services Operations Briefing



The Objectives of Environmental Services Initiative

- HHC executed a contract November 2011 with Crothall, Inc.
- The contract was fully implemented in early December 2011; the contract term is nine years
- The Initial Objectives:
 - Assure Regulatory Survey Readiness of Facilities 24/7
 - Increase Worker Productivity (by year one of the contract)
 - Increase Hospital Consumer Assessment of Healthcare Providers & Systems (HCAHPS) Scores for all Facilities
 - Standardize Workflow (within six months)
 - Lower Overtime Costs (within six months)
 - Obtain Capital Equipment from vendor at no cost to Corporation
 - Training Program for Union staff
 - No Union Layoffs

Objectives Achieved

- The following objectives were achieved:
 - Environmental Services Operations retrained and absorbed 156 workers from the Brooklyn Central laundry and Facility Laundry distribution workers throughout first year of contract
 - Attrition objectives have been achieved 300 FTE have been attrited to date
 - Capital equipment totaling \$1.3M has been delivered to EVS HHC facilities at no cost to the corporation completed in 2012
 - All workflows at all facilities have been standardized and worker productivity has increased completed January 2012
 - Total savings for year one and two of the contract were \$16M, exceeding target savings on a cash basis by \$3M.
 - Crothall has absorbed and will be cleaning by Feb. 2014 148,433 square feet of additional HHC space and 153,777 of repurposed space. Financial impact is currently being reviewed by Finance and Operations.
 - No Union workers were laid off

Vendor Performance

- How is the Vendor performance monitored?
 - Each facility has a Contract Liaison
 - The Vendor produces reports on a monthly basis to the facility and HHC's Office of Operations that tracks the Vendor's contractual obligations such as staffing, contract expectations and survey readiness.
 - The Vendor and Facility Staff do "floor rounding" inspecting the areas of the Hospital to assure compliance with Centers for Medicare & Medicaid Services (CMS), Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and Department of Health (DOH) guidelines.
 - Mock Surveys are done by Vendor, Central Office, and an independent consultant prior to an anticipated Survey. All results are shared with the Senior Staff of the Facility.
 - Vendor performance during hurricane Sandy was exceptional. Crothall played a major role in restoring HHC impacted facilities, and assuring HHC met its schedule to reopen its hospitals to the community.

Hospital Consumer Assessment of Healthcare Providers & Systems (HCAHPS)

Cleanliness of the Hospital Environment	Crothall At-Risk Dollars	Baseline 1 st Quarter 2012	Year 1 (YTD: Apr- Sept. 2013)		Year 2
			Target	Actual	Target
North Central Bronx	\$29,099	66%	68%	76%	71%
Queens Hospital Center	\$49,795	64%	67%	71%	70%
Harlem Hospital Center	\$57,079	59%	61%	68%	64%
Metropolitan Hospital	\$67,927	61%	64%	66%	67%
Bellevue Hospital Center	\$95,392	58%	60%	61%	63%
Elmhurst Hospital Center	\$63,712	56%	58%	60%	61%
Jacobi Medical Center	\$70,225	64%	67%	67%	70%
Kings County Center	\$101,830	64%	67%	67%	71%
Lincoln Medical Center	\$80,537	58%	61%	61%	64%
Woodhull Medical Center	\$61,572	67%	70%	68%	73%
Coney Island Hospital	\$49,204	72%	74%	68%	76%
TOTAL:	\$726,372	62%	65%	66%	68%

Savings Analysis

- Target savings for first two years of contract implementation was \$13.2 Million
- Actual savings over the first two fiscal years of contract implementation was \$16.8 Million

Note: Actual savings based on cash analysis of full operation. Fiscal Year 2012 includes partial contract year. Contract began December 2011.

Laundry Operations Briefing



The Objectives of the Laundry Initiative

- HHC Executed a Contract with Sodexo Laundry Division and Nexera Inc. (the Consortium) in July 2011
- The Contract was fully Implemented by November 2011; the term of the contract is 9 years
- The Initial Objectives:
 - Close Brooklyn Central Laundry and Redeploy Staff by October 2011
 - Lower Cost for Supplies and Linen Processing
 - Lower Personnel Services Cost for Laundry Distribution
 - Standardize HHC Laundry Operations Policies & Procedures
 - No Union layoffs

Objectives Achieved

- The following objectives were achieved:
 - Completed 90 day transition of linen distribution & processing on schedule by the end of October 2011
 - Re-deployed 156 full-time HHC employees out of linen & laundry operations
 - Closed Brooklyn Central Laundry (BCL) on schedule in October 2011
 - Standardized policies and procedures for linen and laundry operations by the end of October 2011
 - Implemented Linen Management web based tool to track linen utilization in December 2011

Measuring Vendor Performance

- How is the Vendor performance monitored?
 - Each facility has a Contract Liaison
 - The Vendor produces reports on a monthly basis to the facility and HHC's Office of Operations that tracks the Vendor's contractual obligation such as staffing, contract expectations and survey readiness.
 - The Vendor does Facility "floor rounding" inspecting the areas of the Hospital to assure compliance with Centers for Medicare & Medicaid Services (CMS), Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and Department of Health (DOH) requirements as required by each facility with Administrators of the facility.
 - Mock Surveys are done by the Vendor, Central Office, and an independent consultant prior to an anticipated Survey. All results are shared with the Senior Staff of the Facility.

Results of the Patient Satisfaction Survey for FY2012

➤ What were the results of the Patient Satisfaction Survey?

	Survey Period		
	Baseline: I (July - August 2011)	II (FY 2012)	III (FY 2013)
ACUTE			
Overall Quality	3.9	4.1	4.5
Whiteness / Brightness	4.1	4.1	4.6
Softness	3.9	4.1	4.5
Mean	4.0	4.1	4.5
LONG TERM CARE (LTC)			
Overall Quality	3.9	3.9	4.1
Whiteness / Brightness	4.0	4.1	4.2
Softness	3.9	4.0	4.1
Mean	3.9	4.0	4.1
Overall Mean LTC & Acute	4.0	4.1	4.3

Score Legend:

5 = Excellent (extremely satisfied), 4 = Above Satisfactory 3 = Satisfactory, 2 = Below Satisfactory, 1 = Poor (not satisfied)

Additional Savings Identified

HHC has identified additional savings opportunities in the following areas*:

- To increase efficiency and achieve additional cost savings the Corporation transitioned six facility internal laundries to Sodexo
 - Total pounds processed by the internal laundries was 1.3 million additional pounds of linen
 - 24 additional FTE's were transferred out of Laundry operation to other departments within the facility
- Residential Clothing Processing has been transitioned to Sodexo
 - A total of 640,000 lbs. of Residential Clothing being processed; 26.8 FTE's identified to be transferred to other HHC departments within the facility
- Linen losses are substantially higher than projected. Sodexo and HHC have instituted a linen-loss program throughout HHC facilities

*Finance and Operations are reviewing the financial impact

Savings Analysis

- Target Savings for first two years of contract implementation was \$13.5 Million
- Over first two fiscal years, HHC has achieved savings of \$9.2 Million in Laundry Services

Note: Actual savings based on cash analysis of full operation. Fiscal year 2012 includes ramp-up.

Plant Maintenance Operations Outsource Briefing



The Objectives of the Plant Maintenance Implementation



- HHC executed a contract with Johnson Controls Inc. (JCI) in July 2012 for a term of 9 years
- Objectives achieved:
 - All facilities have a work order system that drives the purchase requisitions and schedules routine plant maintenance testing.
 - All employees participate in safety training seminars
 - Standardize workflow for plant maintenance routine programs
 - Achieved saving of \$900,000
 - Major assessment of useful life completed on plant infrastructure
 - Quick access to needed expertise and equipment in response to emergencies
 - Standardization of regulatory documentation for all facilities meeting code requirements
 - Quick turnaround on procurement of needed plant maintenance materials
 - Standardization of enterprise-wide service maintenance contracts

Measuring Vendor Performance

How is the Vendor Performance Monitored?

- Each facility has a Contract Liaison
- The Vendor produces monthly quality reports to the facility and Central Office OFD
- Central Office OFD has an assigned Team that works with the facility Managers and JCI operations staff to track on going issues and insure contract guarantees are met
- In order to insure survey readiness both JCI and CO perform mock surveys and forward the results to CO and the facility executive administration
- Enterprise wide surveys are distributed to the SVP's and Executive Directors to analyze JCI Performance levels at each facility
- Quarterly meetings with JCI Executive leadership are held with HHC's Chief Executive Operations Officer to discuss areas of success and failure in the implementation of the contract
- JCI has absorbed and will be maintaining additional assets at certain facilities due to certain capital projects that have expanded facility assets. Financial impact is currently being reviewed by Finance and Operations.
- Vendor performance during hurricane Sandy was exceptional. JCI played a major role in restoring HHC impacted facilities, and assuring HHC met its schedule to reopen its hospitals to the community.

Savings Analysis

- Target savings for the first year of JCI contract was \$1.3 Million
- Actual savings after the first year of implementation, was \$900,000 in Plant Maintenance Operations

Note: Actual savings are based on cash analysis of full operation. Fiscal Year 2013 includes ramp-up.

Dialysis Transition Briefing





Status of Dialysis Initiative

Executed February 2013 with Atlantic Dialysis Management Services

- The following facilities have been transitioned to Atlantic Dialysis:
 - Woodhull Medical Center – Mar. 2013
 - Queens Hospital Center – Mar. 2013
 - Coney Island Hospital – May 2013
 - Jacobi Medical Center – Sept. 2013
 - North Central Bronx – Nov. 2013
 - Chronic Facilities: Kings, Harlem, Lincoln, Metropolitan – 1st Quarter 2014
- Atlantic Dialysis has been able to facilitate discharge of approximately 100 inpatients
- New dialysis equipment purchased for all acute units
- Chronic dialysis units to be transitioned to Atlantic Dialysis
 - Proposed dates to transition to Atlantic Dialysis:
 - KCH – Feb. 2014
 - Harlem – Mar. 2014
 - Metropolitan – Apr. 2014
 - Lincoln – summer 2014
 - NCB new facility – 2015
- 57 Additional Dialysis chairs above what HHC had prior to contract
- 31 HHC FTEs have been re-deployed to other existing vacant positions
- Current Savings from Jan. to Oct. 2013 is \$825,000

HHC Total & Projected Savings

Savings: Outsourcing Services Cash Analysis

	Savings-to-date	Target Contract Savings
Dietary	\$43.1M (8 yr.)	\$150M (15 yr.)*
Laundry	\$9.2M (2 yr.)	\$58M (9 yr.)
EVS	\$16.8M (2 yr.)	\$180M (9 yr.)
JCI	\$900K (1 yr.)	\$127M (9 yr.)
Dialysis	\$825K (10 mo.)	\$147M (9 yr.)
Total:	\$70.8M	\$662M

*Contract has three 5-year options remaining

Thank You