

<p><u>CALL TO ORDER - 4 PM</u></p> <p>Call for a Motion to Convene in Executive Session</p> <p><u>Executive Session / Facility Governing Body Report</u></p> <p>➤Kings County Hospital Center ➤Dr. Susan Smith McKinney Nursing & Rehabilitation Center</p> <p>Semi-Annual Governing Body Report (Written Submission Only)</p> <p>➤Elmhurst Hospital Center</p>	<p>Dr. Barrios-Paoli</p>
<p><u>OPEN SESSION – 5 PM</u></p> <p>1. Adoption of Minutes: December 17, 2015</p>	<p>Dr. Barrios-Paoli</p>
<p><u>Chair’s Report</u></p>	<p>Dr. Barrios-Paoli</p>
<p><u>President’s Report</u></p> <p>➤Information Item: ✳ Executive Search Process Update</p>	<p>Dr. Raju</p>
<p>>>Action Items<<</p>	
<p>2. RESOLUTION authorizing the President of the NYC Health + Hospitals or his delegate to enter into an agreement with Lightower Fiber Networks to build, deploy and support an enterprise-wide area Network and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency, for the initial five-year term. (Information Technology Committee – 01/14/2016)</p>	<p>Dr. Barrios-Paoli</p>
<p>3. RESOLUTION authorizing the President of NYC Health + Hospitals to execute a 99 year sublease (including tenant renewal options) with Comunilife, Inc. or an affiliate formed for the transaction, of a parcel of approximately 13,000 square feet within the parking lot of Woodhull Medical and Mental Health Center to be used for the development of a six story building with 89 studio apartments including 36 for low income individuals and 53 for low income individuals living with mental illness who are appropriate for independent living in the community at an annual rent of \$75,000. (Capital Committee – 01/14/2016)</p>	<p>Ms. Youssouf</p>
<p>4. RESOLUTION authorizing the President of NYC Health + Hospitals to execute a Customer Installation Commitment with the New York City Department of Citywide Administrative Services and the New York Power Authority for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project at NYC Health + Hospitals Kings County. (Capital Committee – 01/14/2016)</p>	<p>Ms. Youssouf</p>
<p>5. RESOLUTION authorizing the President of the NYC Health + Hospitals to execute Job Order Contracts (JOC) with two (2) firms: MSR Electric; and, Arcadia Electrical Company; that were pre-qualified through the Health Care System’s public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million. (Capital Committee – 01/14/2016) EEO: / VENDEX: Approved</p>	<p>Ms. Youssouf</p> <p>(over)</p>

<p>6. RESOLUTION authorizing the President of NYC Health + Hospitals to execute Job Order Contracts (JOC) with two (2) firms: Startec Mechanical, LLC.; and Volmar Construction, Inc.; that were pre-qualified through the Health care system’s public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million. (Capital Committee – 01/14/2016) EEO: Approved / VENDEX: Startac-Approved / Volmar-Pending</p>	<p>Ms. Youssouf</p>
<p>7. RESOLUTION authorizing the Executive Director of MetroPlus Health Plan, Inc. to negotiate and execute a contract with Milton Samuels Advertising & Public Relations, to provide media buying and advertising services for a term of three years with two 1-year to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year. (MetroPlus Board – 12/08/2015) EEO: / VENDEX: Approved</p>	<p>Mr. Rosen</p>
<p><u>Committee Reports</u></p> <ul style="list-style-type: none"> ➤ Capital ➤ Equal Employment Opportunity ➤ Finance ➤ Governance ➤ Information Technology ➤ Medical & Professional Affairs 	<p>Ms. Youssouf Mrs. Kril Mr. Rosen Mr. Campbell Dr. Barrios-Paoli Dr. Calamia</p>
<p><u>Subsidiary Board Report</u></p> <ul style="list-style-type: none"> ➤ HHC Accountable Care Organization (ACO) <p>>>Old Business<< >>New Business<<</p>	<p>Dr. Raju</p>
<p>Adjournment</p>	<p>Dr. Barrios-Paoli</p>

NEW YORK CITY HEALTH + HOSPITALS

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 17th day of December 2015 at 4:00 P.M. pursuant to a notice which was sent to all of the Directors of the NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

Mr. Gordon J. Campbell
Dr. Ramanathan Raju
Dr. Mary T. Bassett
Dr. Gary S. Belkin
Josephine Bolus, RN, NP
Dr. Jo Ivey Boufford
Dr. Vincent Calamia
Ms. Anna Kril
Ms. Barbara A. Lowe
Mr. Mark Page
Mr. Bernard Rosen
Ms. Emily A. Youssouf

Jennifer Yeaw was in attendance representing Commissioner Steven Banks; and Udai Tambar was in attendance representing First Deputy Mayor Anthony Shorris, each in a voting capacity. Mr. Campbell chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

Mr. Campbell received the Board's approval to convene an Executive Session to discuss matters of personnel and quality assurance.

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Mr. Campbell reported that, 1) the Board of

Directors, as the governing body of NYC Health + Hospitals/ Bellevue, received an oral report and written governing body submission and reviewed, discussed and adopted the facility's report presented; and 2) as governing body of NYC Health + Hospitals/Jacobi and North Central Bronx, the Board reviewed and approved their semi-annual written reports.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on November 17, 2015 were presented to the Board. Then on motion made by Mr. Campbell and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on November 17, 2015, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

Mr. Campbell stated that the annual membership meeting of NYC Health + Hospitals Accountable Care Organization would convene following the conclusion of the Board meeting, and asked Board members to remain for the meeting.

Mr. Campbell updated the Board on approved and pending Vendex.

Mr. Campbell announced two public hearings: 1) January 5, 2016 at NYC Health + Hospitals/Metropolitan regarding a proposed long-term lease for the development of Draper Hall; and 2) January 7, 2016 at NYC Health + Hospitals/Woodhull regarding a

proposed lease for the development of housing for adults with persistent mental illness who have been determined suitable to reside in the community independently, as well as housing for low income adults who qualify under the Low Income Housing Tax Credit program.

Mr. Campbell also announced that NYC Health + Hospitals will hold its annual Joint Commission orientation on February 22, 2016, and the Joint Commission Survey Team Leader, Rosemarie D. Pierce, will join the Board at the opening session. The hospitals scheduled to be surveyed in 2016 are Elmhurst, Jacobi, Metropolitan, Gouverneur, Susan Smith McKinney and Harlem.

PRESIDENT'S REPORT

Dr. Raju's remarks were in the Board package and made available on HHC's internet site. A copy is attached hereto and incorporated by reference.

Dr. Raju noted the impending retirement of Network Senior Vice Presidents Chris Constantino, George Proctor, Denise Soares, and Arthur Wagner; as well as Caroline Jacobs, Senior Vice President for Safety and Human Development, and LaRay Brown, Senior Vice President for Corporate Planning, Community Health and Intergovernmental Relations, and thanked them all for their service.

Dr. Raju welcomed the First Lady of the City of New York, Chirlane McCray. He announced that NYC Health + Hospitals has

recognized Ms. McCray as Person of the Year for her tireless efforts to push behavioral and mental health issues to the forefront.

Ms. McCray thanked Dr. Raju, as well as others who have joined her in her efforts, including Board Chairman Dr. Lilliam Barrios-Paoli, and Board members Drs. Gary Belkin and Mary Bassett.

INFORMATION ITEM

Dr. Ross Wilson, Senior Vice President, provided an overview of the changes being made at NYC Health + Hospitals which focus on identifying the population served and proactively keeping people healthy.

ACTION ITEMS

RESOLUTION

2. **Amending the By-Laws** of the New York City Health and Hospitals Corporation (NYC Health + Hospitals) with respect to certain standing committees to better enable NYC Health + Hospitals to conduct its business.

Dr. Calamia moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

RESOLUTION

3. **Approving the NYC Health + Hospitals Annual Board Committee Assignments** effective January 2016.

Mr. Campbell moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

RESOLUTION

4. Authorizing the President of the New York City Health + Hospitals to execute a five year contract with **Mythics, Inc.** to provide **software, maintenance and training for an Enterprise Resource Planning System** with one, five-year option to renew, exercisable solely by NYC Health + Hospitals, in an amount not to exceed \$31,301,712.

Dr. Calamia moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

RESOLUTION

5. Authorizing the President of the NYC Health + Hospitals to execute an agreement with **Urgicare Medical Associates PC** for the provision of **urgent medical services not requiring hospitalization to inmates** in the custody of the **New York City Department of Correction** for one year with two one-year options to renew for an amount not to exceed \$1,828,591 per year with annual increases of not greater than 6%.

Discussion among the Board members clarified that the authorization was for a not to exceed amount of \$1,828,591 for the first year and that the amount could be increased up to 6% in each option year.

Dr. Calamia moved the adoption of the resolution as amended which was duly seconded and unanimously adopted by the Board.

6. Authorizing the President of the New York City Health + Hospitals to execute a five year **lease agreement** including one five year option with **850 Longwood Avenue Housing Development Fund Corporation** for approximately 2,200 square feet of ground floor space at 850 Longwood Avenue, Borough of the Bronx, to house the **Special Supplemental Nutrition Program for Women, Infants and Children (the "WIC Program")** operated by **Morrisania, a Gotham Health Center** at a rate of \$22.72 per square foot inclusive of utilities, or \$50,000 per year to be escalated by 2% per year for a total rent amount over the five year initial term of \$260,202.

Ms. Youssouf moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

7. Authorizing the President of the New York City Health + Hospitals to execute a one-year revocable **license agreement** with the **New York City Department of Health and Mental Hygiene (DOHMH)**, renewable for successive one-year periods until terminated, for NYC Health + Hospitals to occupy portions of the DOHMH properties listed in the attached Exhibit A consisting of 54,682 square feet in total for the operation of ambulatory care clinics with the occupancy cost waived but with NYC Health + Hospitals responsible for certain after-hours charges not to exceed \$500,000 per year.

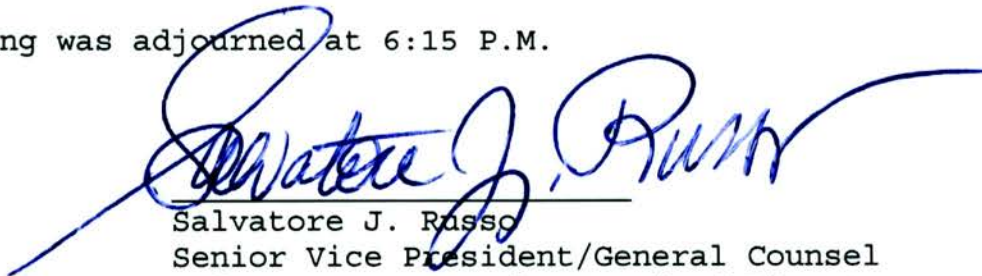
Ms. Youssouf moved the adoption of the resolution which was duly seconded and adopted by the Board by a vote of twelve in favor with Dr. Bassett and Dr. Belkin recusing.

SUBSIDIARY AND BOARD COMMITTEE REPORTS

Attached hereto is a compilation of reports of the NYC Health + Hospitals Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by Mr. Campbell at the Board meeting.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:15 P.M.


Salvatore J. Russo
Senior Vice President/General Counsel
and Secretary to the Board of Directors

COMMITTEE REPORTS

Audit Committee – December 1, 2015

As reported by Ms. Emily Youssef

Ms. Youssef called the meeting to order at 1:02 P.M. Ms. Youssef then turned the floor over to KPMG personnel and asked them to introduce themselves. Ms. Maria Tiso introduced herself as the Audit Partner and she introduced Joseph Bukzin, Senior Manager and Jim Martell, the Account Executive.

Ms. Tiso began with page one which is the opinion that summarizes that there were no significant deficiencies or material weaknesses in our observations. The observations in here are to improve the internal controls of the corporation.

Ms. Tiso continued by stating that the next page is a table of contents. The management letter is broken into six sections. There is a matrix of observations by network which we will go through. We have a corporate section, of which five of the comments relate to the corporate office. We will have some comments around information technology. We have comments over site visits that we did in early summer. We also have a section on the prior year's comments that have been cleared and remediated by the management team. Lastly, we have industry comments that are helpful to your governance committees and we have actually added them to a lot of our health systems. Mr. Martell and I will touch upon those as well. Page three and four is the matrix of observations. If you see the X you will see that most of the comments relate to corporate offices. There are two comments relating to Gouverneur and one to Woodhull and those two comments came from our site visits in June.

Ms. Tiso stated that she will turn the presentation over to Mr. Bukzin to go through the specific comments.

Mr. Bukzin saluted everyone and stated that the first comment on page five is the review of approval of consultant costs. This relates largely to the IT project related to the EMR implementation and really tightening up controls over approval and authorization and just good recordkeeping of consultant-related expenses. A lot of this was derived from our additional procedures that we performed, reviewing the OIG report, speaking with Mr. Telano and his team about his preliminary observations as well. In terms of the management response, they are actually working on automating and implementing some processes to remediate that matter. On the bottom of the page related to the financial statement preparation of the cash flows, that is one of the important elements of the financial statement and there are two versions. There is an indirect and a direct method cash flow statement. During the course of the audit we did work collaboratively with the management team. There were some changes to it and our recommendation is to enhance the review process and ensure that there is a due diligence review of the statement of preparation of the cash flow statement.

In terms of the affiliation contracts, this has been tailored down quite a bit to what it is been historically. This focuses on the status of the recalculations, which is a key component of the process in shoring up the expenses. Management has taken quite a jump from last year this time to this year through 2014. There has been a lot of progress made. There is still a little bit of catching up to do to in terms of getting through the 2015 recalculations.

Ms. Tiso mentioned that the comments that have an asterisk are comments that are repeats from last year. If you recall, there was a repeat comment relating to affiliations. Part of it has been remediated, and this is the piece that we felt needed to still have management's attention in the current year.

Mr. Bukzin continued with page seven. We have again another carry forward comment related to a sub ledger versus a general ledger reconciliation process. Management does have reports and controls to make sure there is appropriate capturing of expenses and accruals. But as a best practice if they could work with their IT department whether it's through a new system that may get implemented or if it's an ad hoc report that there should be some process put in place to reconcile a sub ledger to a general ledger for accounts payable.

Third party reimbursement estimates. As you may recall, we did have a corrected audit adjustment when we presented the results for about \$20 million. This echoes that. That there was a control review that should be put in place to more formally document that evidence of review to ensure that there are not those kinds of things identified during the course of the audit process.

Next is the IT section of our observations. The first one relates to leading practices around passwords. There are several components of password best practices I'll say in terms of complexity, length, lockout attempts. This is again echoed in the management response

that they would try to implement where possible. But again, that there are some system limitations with some of the applications that prevent them from doing it at this point in time.

Committee member, Josephine Bolus, RN, NP asked if the password should be eight characters. To which Ms. Tiso responded that what they are saying here is that best practice, what you see in the industry is the password should be eight characters versus six. They think there is some limitations with the systems that it has to be six. It is something that if your systems change, it would be something that you want to look at.

Mr. Bukzin continued with page eleven in terms of user access review. This revolves around two concepts; one is timely removal of terminated employees. When an employee is terminated there should be process and controls in place to ensure that all their access is remediated, I mean removed and disabled appropriately. The other recommendation here is to periodically review the user access rights and privileges of existing employees just to make sure that if job responsibilities and functions change that the rules associated with their level of access of particular systems mirrors that and is appropriate.

Review of site visits. The first one is titled purchase order process. This was identified as a result of noticing that the purchase order was actually dated subsequent to the invoice date. Upon further review it was not that it was an unauthorized purchase, it was authorized. There were contracts in place, but it was more of a process of making sure if you are approaching the limit of a PO that someone is reviewing that limit. If it needs to be an addendum or modification to a limit, that there is a process there to make sure that is happening.

Next is where we pick up on the status of prior year comments that have been addressed. The first one relates to the financial reporting package that gets posted publicly on EMMA, an external website for others to view the financial statements. The recommendation last year was to just ensure that what gets posted is actually in fact the version of the financials that was reviewed and approved by the Finance Committee and management has put that process in place.

Accrued expenses. Last year there was something with the cutoff. About \$8 million was identified from a cutoff perspective that management caught. So, the control and the observation here was let's take a closer look at the accrual process more frequently than just at the end of the year and to implement a process perhaps on a quarterly basis, which they have done.

As Ms. Tiso alluded to before, there were certain elements of affiliations observations that have been addressed during the year. The first one revolves around time studies for graduate medical education. Doing the internal audit review of PAGNY related expenses that did transpired. That did occur this past year, and we included I'll say a catch-all observation comment here that we recognize that the internal audit group is working closely on making sure that there are other things that are being remediated on a timely basis.

Ms. Youssouf stated that we appreciate that.

Mr. Bukzin stated that on page sixteen is capitalization of software costs. This was an accounting piece of the pie if you will. That if you are going through a construction project certain salaries and benefits as part of that should be recorded and capitalized on the balance sheet. Management did implement a process to do that appropriately this year.

Account analysis received from other departments. The finance team often receives account analysis and documentation outside of their core group of individuals, and the recommendation here was to make sure there is thorough analytical review of what you are receiving from other departments. This did pop up again indirectly in our current year observation around reimbursement. This comment does acknowledge that there has been enhancements and improvements in policies and training and review but that there are still some refinements in the reimbursement area.

We had an observation around the benefits of centralization of certain functions, possible cost reduction, enhancing controls through centralization. We understand that this is something that is continuing to evolve as the organization itself continues to evolve with its 2020 Vision.

The vendor listing comment. This was a procedure that we had done for the '14 audit, a review of vendors on the master listing as compared to employees. There really should not be a master list identified as vendors. Management did implement a process to do that review throughout the year.

Site visits to Goldwater. This is related to the closure of the Goldwater facility and tracking assets when you close a facility or even just asset tracking between the organizations. Management has implemented policies and procedures and training to make sure things are tagged and properly recorded and tracked in its asset system.

Custodial funds. In the '14 audit there was a change in accounting policy of how to handle custodial funds at Kings County. That was reverted and remediated back to the original policy that was handled by the Corporation.

The fixed assets. This was an isolated matter during the 2014 audit where there was an asset that was received and then removed because of Super Storm Sandy. The vendor actually retook possession of it. However, for accounting and bookkeeping purposes it did actually show up as a depreciable asset. So management has addressed that and they are actually using the asset.

Mr. Bukzin stated that that covers the current year and status of prior year observations. Ms. Tiso will go through the industry comments.

Ms. Tiso stated that there are about eight comments we consider industry comments. The first one talks about convergence and health care, and obviously it talks about the significant changes that are happening in the health care industry. The organization needs to continue to identify ways and initiatives to improve operating margin and to adjust to these changes. We know there is the 2020 Vision, this comment talks about what the organization is doing going forward to try to sustain all these changes.

The New York State Delivery System Reform Incentive Payment (DSRIP). We all know this is the hot topic these days. It is obviously a five-year DSRIP period beginning April 1, 2015. HHC is the lead participating provider. This comment talks about a lot of the risks that are going forward. You are going to have a lot of these participating providers that you will be dealing with and really talking about making sure that you continue having a good governance structure, a good financial reporting mechanism, ensuring that the reporting is accurate since going forward there is going to be metrics and other areas that you are going to need to opine upon. Again, making sure a lot of these areas are addressed going forward.

Mr. Martell stated that when you think about convergence in DSRIP you think about 2020 Vision. The medical industry has changed. We have seen it change and it is going to change even more relatively quick. People are going to be serviced and the medical services will be more out-patient. Ambulatory care, you are controlling the dollars for all services, you have a managed care company that has already accepted risk in some form or fashion.

In some cases you are ahead of some of the other organizations. However, as you go forward for the next three to five years it is going to change quickly. Telemedicine is going become real hot. It is going to be, how do I control the patients and the dollars and the services that we provide and other organizations provide. You are going to have the medical side of the business but then you're going to have what I will call the infrastructure. How do you manage the provision of those medical services?

All this comes together and your corporate finance team, your operational team, the skill sets are going to be different. The requirements to implement 2020 today, I make you a bet 50 percent of what the plan is today, when you get halfway through you will change because you will have updated information and it will be a continuing process. So that is what convergence is. It's already started with DSRIP and already started with the population health medical service aspect. This to me is the biggest thing that will affect HHC going forward. How well do you perform and how well can you monitor costs and maximize revenues.

Ms. Youssouf asked when you said about the telemedicine, have you actually seen that -- you see little spurts and information about it but have you seen it practically being used? Mr. Martell answered that he has seen two health systems who have actually opened up I would call them clinical sites and things of that nature where there is a physician assistant at the location and the physician is somewhere else and they do everything over the computers with visuals obviously.

Mr. Martin said that he does not want to give the impression that we are not doing it. We are doing it, we just are not as far along as I think we would like to be. But certainly, particularly for our chronic disease patients, we are very much into it.

Mr. Martell commented that staying with that is part of the vision. As you move forward you walk, you run, you go backwards. I have one client that has a similar vision, they also call it 2020. Their view was that by the year 2020 they will have 60 percent of their operating revenue stream on the ambulatory care and on the outpatient side. They are a \$5 billion revenue stream organization, eleven hospitals. Their view is what we call the bricks and mortars are ultimately going to come down in some form or fashion. Your vision is not wrong, it is how you compete and continue to progress with the other health systems around.

Mr. Martin stated that he thinks that is Dr. Raju's vision and that is why he structured us in the way he has with the service lines and CEOs and the facilities so that we can be nimble. That we really react very quickly to these changing times.

Ms. Youssouf stated that she agrees because when you look at the convergent points in your letter it sounds like it is a grand slam. Thankfully we have great leadership that is on the same path and it is just being able to get there.

Ms. Tiso continued with page twenty-seven. We have a comment about cyber security. I am sure everybody here hears about cyber security continuously. So, cyber security is not just a significant risk to health care organizations but it affects every single organization. People say is it going to affect my organization? The question is when is it going to happen? So, it's something serious that the organization – I know it's a significant risk to HHC but to continue to make sure you have policies and update policies as you move along.

Mr. Martell added that the key thing is not if it's going to happen, when it's going to happen and what process you have in place to remediate and deal with that because it's going to happen good, bad or indifferent. If you go back, when we talk about our top ten Audit Committee issues in the beginning of every year, this was on the list but this was very low. It was like seven or eight. I would argue to say that if KPMG came out with the revisit of the top ten this would be in the top three just because of all the breaches we have seen. Not only in the health care but in others. Unfortunately you got a lot of people who are looking for the information you have which is very, very valuable.

Ms. Tiso continued with the next comment – data analytics. This is another hot topic. This also tends to dive into the 2020 Vision. You're getting all of this data. How are you going to improve patient satisfaction? Improve the patient's experience? Once you get that data what are you going to do with it? How do you measure it? How are you going to address data analytics going forward? Again, it's part of this whole 2020 Vision.

Mr. Anantharam asked what the star referred to. Ms. Tiso responded that anything that had a star was a comment that we also included in the prior year.

Mr. Martell stated that as part of our top ten items for audit committees is to at least understand, read, and know about, this has not changed from prior years. Data analytics was identified last year and it's identified this year.

Ms. Tiso continued with page twenty-nine – disaster readiness. We all know that disaster response and recovery is also a significant risk to every organization. Again, just making sure that the organization educates their personnel and that they have policies and procedures around disaster readiness.

Privacy. Making sure you continue to monitor compliance with the new privacy, security and breach notification rules under the HIPAA and high tech rules. Those are still continuing to evolve. Making sure you have policies and procedures that you are monitoring compliance.

The last comment on talks about the electronic personal health information. Obviously mobile devices are being use by physicians. How is the organization making sure that patient information is being protected? What policies and procedures do you have in place to make sure that all the PHI information is secured?

Ms. Tiso stated that that completes their presentation on the management letter. Again, none of these comments are a significant deficiency or material weakness but observations that would improve the operations of the entity.

Ms. Youssouf thanked them for their hard work on this and for a very thorough and very helpful explanation in this meeting. We are recommending this letter and hopefully next year those comments will all be addressed. She then turned the meeting to internal audits for an update.

Mr. Telano saluted everyone and stated that the audits to be discussed at this meeting are the ones conducted of the six NYU affiliation facilities. The audits will be discussed at one time due to the minimal number of issues noted at each site. Although the affiliates and corresponding facilities are operating at an efficient level, there are a few areas in which internal controls need improvement. One of the most common issues that we find during the course of all our audits is system access. And once again, terminated employees at all six locations still had access to either our operating systems or they had active identification badges. Usually we are finding that it is due to lack of communication and timely communication starting from the departments that are supposed to send notice to the human resources department which then forwards it to the IT department and then they go forward with that. It is something that is corporate-wide that we have been addressing.

Board Chair, Dr. Lilliam Barrios-Paoli stated that it is not a difficult thing to resolve. It seems to me when someone is terminated at that point in time you collect their stuff. That is how it is done in every other agency in the city.

Mr. Antonio Martin, Executive Vice President / COO, stated that there was an operating procedure that was developed that said exactly what you said. That once an employee is let go HR takes the information and they notify IT and they deactivate them from the system. It just has not worked – I am at a loss. This keeps coming up audit after audit.

Dr. Barrios-Paoli asked if we could develop it from ascension to the deactivation. To which Mr. Martin responded that it is not just the affiliations.

Mr. Telano said that it is very difficult to hone in on who is responsible. These particular audits, Woodhull, Cumberland and Coler/Carter, we were able to determine that the NYU Human Resources Department were delayed in notifying the appropriate individuals. But on most of our audits we cannot isolate it as to who is responsible because many parties are involved.

Ms. Youssouf asked if there is any way to cut down the number of parties involved. Mr. Martin responded that he is going to commit to visit this because this is very distressing. This has been a year and it keeps coming up.

Dr. Barrios-Paoli added if somebody really wanted to commit some mischief they can.

Mr. Martin said that that is the issue. That they still have access when they should not. If you would give me to the next audit committee meeting, I can come back with an updated plan.

Mr. Telano continued with page five of the briefing, comment B, quarterly reports of the Roster were not being submitted to the Office of Professional Services and Affiliations timely and the feedback was that this is an unrealistic expectation and that the contract, when they are renewed, should be changed to address this to a more realistic commant.

Ms. Youssouf asked if this is normal in all of our contracts. Mr. Telano answered yes. It seems to be very delayed throughout the various affiliations. It is not limited to NYU, we have found this issue at all the affiliations.

Mr. Martin commented that he believes the data that you need to make the reconciliation really comes in at around three months. I believe all the parties need more time. I do believe in the current affiliation agreement we are making it a six-month period so that we can actually have adequate time to actually do the work that needs to be done.

Ms. Youssouf asked if this is for the Roster Contract Service Provider. Mr. Telano responded that this is the listing of the Roster – individuals that are on the roster.

Ms. Youssouf then asked if they really need six months to figure out who is working. Mr. Telano answered that there is a lot of activity and turnover.

Mr. Nelson Conde, Senior Director for Affiliations answered that with regards to the roster, the roster comes to us annually and quarterly. In terms of getting quarterly updates some facilities are better than others in giving us the data. Going forward we are looking at changing the time due to 60 days instead of the current 45 days.

Dr. Barrios-Paoli asked are any of these things automated and why is it difficult to get timely information? Mr. Conde responded that it is a process that data comes from the affiliate to the facility to us. We are all working with one of our affiliates with a shared database that facilitates the information of that data and we are working with other affiliates to see where we can implement that shared database methodology to all of our affiliates at this point in time. We expect that once that is in place it will facilitate us accessing information at any point in time

Ms. Youssouf commented that it seems like a relatively easy fix for something that we should be on top of, right?

Mr. Telano continued and said moving on to comment C, at Woodhull/Cumberland the background check for numerous subcontracted residents could not be verified. The feedback on that was from the HHC credentialing office that they did not keep copies on file and they assured us that it was conducted and they believe they sent the paperwork to the affiliation but that could not be confirmed. So they will look to get the information.

Ms. Youssouf asked that you are saying that the HHC credentialing office at the facilities do not keep copies? To which Mr. Telano responded yes, this is at Woodhull, for these individuals they did not have copies. They believe they forwarded them to the affiliation.

Ms. Youssouf then asked isn't it on the computer? Mr. Telano answered that these are subcontractors, it is a little more unique than residents that are provided directly by the affiliations.

Mr. Martin asked if a Woodhull representative were present.

Ms. Charmaine Cross, Director of the Graduate Medical Education Department, thanked the Audit Committee for their recommendation. Specifically to your question, we do have affiliated residents rotating at Woodhull Hospital. The way business was conducted during that time, we had certain must-haves in terms of credential process, which is employee health clearance, flu vaccination. Background was noted where it is conducted by the sponsored paid institution. We were not receiving a copy from the facility such as SUNY or NYU. We had a verbal agreement that it was done because it is a requirement of the residency program. But we did not accept a written copy. Thus, when the audit was conducted, it was not in the resident's file at the time. But we took corrective action immediately and moving forward we did a retro-review starting July 1, 2015 and we now are requesting it and it is in the resident's file.

Ms. Youssouf said thank you very much. That's a happy ending.

Mr. Telano said moving on, one last issue was at Coler/Carter. We had looked at 17 subcontractors throughout the six NYU facilities and we found that there was only one in which they did not provide time sheets. This is in contrast to the other affiliations in which this was a very common finding. But there was only one issue that they were being paid without the documentation.

Mrs. Bolus stated that it says \$10,000 each month. How much is that? Mr. Telano said 12 months.

Mrs. Bolus said that that is a big amount.

Ms. Youssouf asked if that's been fixed as well. Mr. Telano responded yes.

Mrs. Bolus asked how it was addressed. We got the paperwork or the money back? Mr. Telano stated that will be utilizing paperwork.

Ms. Youssouf asked if they guaranteed the work was done at the facility. Mr. Telano answered yes, they feel comfortable.

Mr. Martin asked if the work was done. For the record the work was done.

Mr. Telano stated that that concludes his presentation.

Ms. Youssouf turned the meeting over to Mr. McNulty.

Mr. McNulty introduced himself as Wayne McNulty, Chief Corporate Compliance Officer and Senior Assistant Vice President and said that if you turn to page three of the corporate compliance report. Record Management -- we will provide the Audit Committee with a year-end update. The New York City Health + Hospitals System operates and maintains the corporate-wide record management program as governed by operating procedure 120-19 Corporate Record Management Program and Corporate Record Retention and Disposal.

There are three goals of the program. To maintain records generated and kept by H and H in the normal course of business in a manner consistent with federal and state law. To assess the value of any record prior to determining its disposition and to encourage the systematic disposal of unneeded records. Currently we have numerous records that are stored not only on-site but we have records stored off site with a third-party vendor. If you look at paragraph two on page three, currently we have 569,000 boxes or records stored at our vendor recall at a cost of \$310,000 a month. If you look at the bottom of page three going on to the top of page four the three top facilities with the number of boxes is Kings 67,000 boxes, Woodhull 63,000 boxes at Bellevue with 51,000 boxes.

Please kindly turn to paragraph nine on page five. I would like to talk about the fire that occurred at the beginning of this year with respect to Recall and City Storage. On January 31, 2015 a fire destroyed the Recall facility located in Brooklyn. There were two

buildings. There was a north tower and the north tower was the building that was heavily destroyed. HHC, along with other agencies statewide, city and private companies' records were destroyed. A portion of the records. If you please turn to page seven paragraph 13. This is a breakdown of the different records, H and H records that were destroyed. Over 144,000 boxes. That is the breakdown by facility, central office and MetroPlus.

If you kindly turn to page eight paragraph 14. I would like to talk about our long term record management plans going forward. We have instituted a record retention counsel, which is chaired by myself and the acting CIO. It has members of legal affairs and members from the different divisions of central office and members from each facility throughout the Corporation. The purpose of the record retention counsel is to discuss different areas of record retention law and to develop practices and policies system wide that are consistent.

One of the programs that I will introduce to the record retention counsel in December is a proposal that we purchase a record management system that will help inventory and categorize the H and H records corporate-wide. And also to procure a system that will help us meet our state regulatory requirement. I will have this discussion with the acting CIO and we will discuss it with the Record Retention Counsel and follow the recommendation of the Record Retention Counsel which is required under the law that we bring these types of proposals to the counsel.

Ms. Youssouf asked if he has any idea how much would something like that cost.

Mr. McNulty responded that my research shows between \$100,000 and \$200,000. There are grants that we may be able to apply for through the Department of Education.

Ms. Youssouf stated that I think it might be good if you just took a moment to refresh everyone's memory why we have so many boxes, what the requirements are.

Mr. McNulty stated that under the state's Arts and Cultural Affairs Law and the implemented Department of Education regulations, because we are a public benefit corporation, we are required to maintain records in accordance to a schedule that the commissioner of the Department of Education has set forth. In that schedule they have numerous categories from employee health records to medical records to the records of this particular meeting right here. Any record that we create in the normal course of business we have to maintain for a specific period of time outlined in the schedule.

We follow the schedule that the state had put together and we had that schedule adopted by the Audit Committee in June of 2014 and the full board in June of 2014. Our operating procedure is 288 pages long. That covers all of the different record retention requirements that we have. For example, patient records under the Education Law and under CMS regulations and DOH regulations we have to maintain for seven years. And if it's a minor we have to maintain for 22 years. However, because of the False Claims Act any record that we utilize to submit a claim to be reimbursed for Medicaid and Medicare we have to maintain all patient records for at least ten years. Then we get to a category like employee health records, we have to maintain those records 30 years after the employee dies. Thirty years after death which means we have to keep the records forever basically.

The schedule differs based on the type of laboratory tests. Certain laboratory tests you may have to keep for 10 years. Certain laboratory tests you have to keep for 30 years. We took the schedule and arranged it into different categories. If you looked at our operating procedure and you wanted to know how long to keep an employee record you would see it broken down in a particular area. The same thing for health records. The same thing for research related records and the same thing for administrative records, which we broke those particular categories down.

Some options are in the future going forward. It is to digitize records when they no longer need it for immediate use but have not met the period of retention. We will discuss that also at the Record Retention Counsel. We will also look at whether or not we can go back and digitize some of the records stored. However, that will probably be more costly than where the records are at.

Ms. Youssouf asked if there is a point in time where there is a plan to digitize all of this?

Mr. Sal Guido, Interim Corporate Information Officer, said that from a digitalization of the records, all of our records from our standpoint or a patient standpoint are already digitized. They have been digitized for about 20 years. Some of the other things that Mr. McNulty had alluded to was some of the paper that we have around. With the introduction of the EMR system a lot of that paper will automatically be digitized as well. As we roll out the EMR a large percentage of that paperwork that we currently have in these boxes will be digitized and catalogued so that we can retrieve those when required.

Going forward, we actually priced out digitizing the paperwork that we have. It is about a penny, a penny and a half per page. Think about how many pages are in each one of those boxes and how many boxes. It is a massive undertaking to do. And again, to categorize the paperwork in the different categories that Mr. McNulty had talked about, you know, what is for an employee medical record, 30 years, we have to put that to the side and so on and so forth. Just sorting that out would probably take us a year or two. We have been working very closely with Mr. McNulty and his office on coming up with the best strategies moving forward.

Mr. Russo stated that it is a Herculean task, and above and beyond that, these schedules were not intended really for hospitals. They are for state agencies. The categories do not say medical record. They list components that you have different time frames, it is very complicated. I applaud Mr. McNulty and Mr. Guido for tackling this in the way they have.

Dr. Barrios-Paoli asked if there is any way of negotiating that different standards be applied for hospitals.

Ms. Youssouf commented that it would take legislative action to change.

Mr. McNulty stated that it would take legislative action to change some of the standards. Some of the laboratory standards and some of the employee standards they just copy from OSHA, from the federal regulations. They also require the City of New York to create a schedule, so the City of New York has a schedule that is just as comprehensive as all these state agencies. Any public authority basically has to have a record retention schedule.

Dr. Barrios-Paoli asked if they all agree with each other.

Mr. McNulty said they are very close to each other. There are fine nuances. One is six years, another seven years. But nothing that would be substantial that would affect our program. For example, the employee records for 30 years after death, that's actual federal requirement. That is Occupational Safety Health Act requirement that the Department of Education just copied that particular requirement.

Mr. Martin said that I am going to be a little provocative here Sal, but why couldn't we challenge it? And why couldn't we at least be asked to be held to the same standard as the not-for-profit hospitals? Because from what I understand the not-for-profit hospitals aren't held to as strict a standard as we are.

Ms. Youssouf asked if their standard is determined by whom?

Mr. McNulty responded that by different regulations, the CMS regulations, the False Claims Act Statute and so forth. For example, retention of emails, if you are a not-for-profit hospital that is not a government hospital, you just have to retain emails based on your legitimate business purpose. Where we have to retain emails based on all of these particular categories which makes it very difficult.

Ms. Youssouf stated that she is not as worried about emails. Mr. McNulty added that the point I was making, the state requires us to take each email and put it into one of those categories. We may have to save an email for seven or ten years. Where if you are Columbian Presbyterian you can get rid of that email in 30 days if you want.

Mrs. Bolus asked that if it's somebody's job to look at every email and decide which category it is?

Mr. Guido replied that we can automate the process. When you say we shouldn't worry about emails, we have emails for 25 years.

Ms. Youssouf stated that it is controversial. So, I think it is a great idea. We talked about this in the pre-committee and everybody said we could not do it. But I think if we can do it. We should try.

Salvatore J. Russo, Senior Vice President & General Counsel, added that legal action would not be something we could do, but a legislative action would be the area that can be done. There is also, as Mr. McNulty is well aware, you can seek to have waivers of certain parts but they are only good for a year and you have to do them every year. But I think a legislative attack would be something that's better. The public benefit corporations such as the public hospitals that are in Nassau, Westchester, all of them would be under the same regulations. Maybe we can get them together. We should try to get LaRay Brown while she's still here to work on that.

Ms. Youssouf said that that is a great idea if they're all under the same.

Dr. Barrios-Paoli suggested that we should also talk to the city legislative people. There is a health committee person that probably would be helpful to us in Albany.

Mr. Russo stated that there will still be a number of records that have to be kept. Thank you. We will follow-up. Mr. McNulty you will spearhead that.

Mr. McNulty added that the Department of Education coincidentally contacted me last week and they want me to sit on their state-wide committee with respect to the recommendations of the schedules – it is right in line. I will address it then.

Mr. McNulty continued on to page ten of the report. I want to briefly discuss our monitoring, our ongoing monitoring of excluded providers. Since the last time the Audit Committee convened there are no reports of excluded providers. With regard to the H and H acute care, long-term care and ambulatory care sites. There was one excluded provider with regard to a possible DSRIP partner. It involved two physicians in an Article 28 health clinic. The two physicians were under a 199 count indictment handed down by the Kings County grand jury. They were excluded from the program. The Article 28 has since been put back into the Medicaid program and no longer are excluded.

I confirmed with the executive director of One City Health, which is our wholly-own subsidiary that handles DSRIP, Dr. Jenkins, and she confirmed that no DSRIP payments were made to the excluded physicians or the Article 28 health clinic. I will be working closely with Dr. Jenkins and legal affairs as we go forward with regard to any contracting matters pertaining to that particular health clinic. We are currently reviewing all H+H employees who provide prison health services as it relates to exclusion checks.

Moving along to section three, the staffing plan. We have recently presented to H and H President CEO Dr. Raju our new staffing plan for calendar year '16. Every year pursuant to Operating Procedure 50-1 Corporate Compliance Program we present a new staffing plan. This year our focus is to move forward with the Corporation's vision and focus on long-term care, ambulatory care, compliance activities. Therefore we are restructuring the Office of Corporate Compliance to focus on those particular areas. With regard to the acute care facilities focus on a regional basis. The Bronx facilities, Brooklyn facilities, Queens facilities and the Manhattan acute care facilities and we will have compliance officers dedicated to the long-term care facilities and to all the ambulatory care sites. We are also moving forward with our staffing plan to create positions. A .4-FTE for the Gotham Health FQHC and a .4-FTE for the HHC ACO. We are also moving forward with a 1-FTE for the DSRIP compliance. The DSRIP compliance has been posted and we have engaged in the recruitment process for that particular compliance officer.

Moving forward to the National Government Services Reviews (NGS). NGS is a Medicare contractor and they look at our claims that are submitted. There have been several recent claims that have been denied in particular categories. I am looking at that very closely with revenue management and we will have a report at the next Audit Committee as to the detail of these particular denials.

Moving forward to the HHC, ACO Inc. As previously discussed with the Audit Committee in June of 2015 HHC ACO is a wholly-own subsidiary that was selected by CMS to participate in the Medicare Shared Savings Program (MSP). It's a three-year term that began on January 1, 2013. Under the MSP, the ACO is accountable for improvement and quality of care for approximately 13,000 Medicare fee for service beneficiaries who received primary care at H and H.

If you would kindly turn to paragraph three on page twelve. Under the Affordable Care Act, the ACOs are groups of providers and suppliers of services and hospitals, physicians and others involved in patient care that agree to work together to coordinate care for the Medicare fee-for-service patients. The goal of ACO is to ensure that patients, especially the chronically ill, get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.

If you would turn to page thirteen paragraph five. There are four different key categories or quality performance standards in four different categories that the ACO must satisfy to earn savings. It is patient caregiver experience. There are seven measures in that category. Care coordination and patient safety. There are six measures. At risk population there are five measures and two composites consisting of an additional seven measures. Preventive care there are eight measures. In paragraph seven, in October the Office of Corporate Compliance and HHC ACO senior management received a warning letter from CMS stating that the HHC ACO didn't meet certain of its performance standards in one of the categories that I mentioned above.

Three of the quality measures that HHC failed to meet were in the care coordination patient safety domain. Specifically ambulatory care sensitive admissions for COPD. Ambulatory care sensitive admissions for heart failure. A percent of primary care physicians who qualify for the Electronic Health Records Incentive Payment Program. Which is usually referred to as meaningful use. CMS is requiring HHC ACO to have a corrective action plan. Particularly that it should institute policies and process changes to prevent

failures to new performance standards going forward and that they review, the CMS ACO spotlight for information regarding ACO trainings.

Mr. McNulty asked for the representatives from the HHC ACO present and IT present to approach the table so they can discuss going forward how we will address the performance considerations and the meaningful use incentive program.

Mr. Russo asked them to identify themselves. They did as following: Ross Wilson, Chief Executive of the HHC ACO and Mr. Sal Guido, Interim Corporate Information Officer.

Senior Vice President / CMO, Dr. Ross Wilson stated that first, to link this discussion with the management letter conversation, there are two things that have just occurred here that you heard from the previous presenters. One is the issue of data analytics. The other one is the issue of population health. The ACO is one of the mechanisms that we are using to bring those so-called convergence issues together. We have been successful in hitting the quality targets in aggregate and saving money for two consecutive years. We are the only public ACO in the whole country that has achieved that and only one of 14 percent of all ACOs that have achieved that. So this is a success.

The warning letter has occurred because CMS has now moved its view from just the aggregated quality score, where we were at the 76 percentile across the country. It is great to be in the top quarter of performance for our patients. But not only do we have to get the aggregate score we actually have to get the sub scores in each area. So the rules changed a little bit. So, in one of the sub scores, in the care coordination domain, they put the meaningful use physician at a station indicator. It is not really a quality indicator, it is a measure of whether our physicians separately from whether we as a corporation have gone through the meaningful use requirements and provided those requirements, this is an attestation from physicians that they have attested that to meaningful use in their own practice. CMS changed the rules on how the scoring works in this area. We are not as far developed as we have been at the corporate level. I might ask Mr. Guido to fill in the details about where we're up to.

Ms. Youssouf asked when did they change the rules. Dr. Wilson responded that they amended the measurement rules between year one and year two of the three year MMSP. They did not change the indicator, they changed how it was required to be scored. Initially the requirement was you got the aggregate score. Now you have to have the aggregate score but you also have to have essential sub scores as well.

Ms. Youssouf asked how long ago? Was it a year ago? Dr. Wilson answered months. The reason this is a warning letter is because they just changed the rules and they then responded to our last set of results. They are not excluding us or penalizing us. At the same time we got the warning letter we also got the funds distribution for doing well. We got the good news story as well, and this is like a heads-up to say we have changed the rules and in the next 12 months you are going to have to get it right.

Mr. Guido stated that because of the rule changes we had some prerequisites that had to be put in place in order to meet the meaningful use to eligible provider requirements. Those prerequisites one was the e-prescribe which we had to put in place, and the second was to upgrade our existing EMR system to what they call a certified MU-2 quality operating system. Meaning we had to upgrade QuadraMed in order to be certified under the new rules. We have achieved both. We have rolled out the e-prescribe and we have met the requirements from an e-prescribe standpoint. We also rolled out to all of our eight QuadraMed instances the new upgrade to satisfy that requirement. We will attest to MU-2 eligible provider October through December and will report out to CMS in January. We are on track and no problems to report at this time.

Dr. Wilson added that in summary on this issue, this is a direction we were going. There are some structural reasons why we were a little bit behind. The plan is in place, the solution is identified and occurring and we don't envision this will be a problem in the subsequent years.

Mr. McNulty said that I will be following up with the Office of Legal Affairs just to determine if there are any potential overpayment issues here which at this juncture appears to be highly unlikely. And I will be working closely with the HHC ACO to look at all the performance indicators to ensure going forward that all the mitigation plans are implemented.

Mr. McNulty continued with page seventeen, the privacy incidents and related reports for the third quarter of calendar year 2015 which is July 1st to September 30th. During the third quarter we had 21 complaints that were entered into our ID Experts HIPAA tracking system. Out of the 21 complaints 7 were found to be violations of H and H HIPAA privacy operating procedures. Three were determined to be unsubstantiated, 5 were found not to be a violation of our policies and procedures and 6 are still under investigation. With regard to the 7 violations of H and H policies and procedures, it was determined that all 7 were breaches of protected health information.

Overview of the seven breaches. The majority of the breaches were records that were sent to the wrong patient from our HIM department. But if you look at page 19, the first and second bullet, there are two significant breaches. One occurred at Woodhull Hospital where an electromyogram machine, the laptop that was connected to an electromyogram machine was stolen from the patient examination room within the hospital. Although the laptop was secured to the machine, someone cut the -- it was like a wire secured to it and it was cut and was stolen. The laptop was password protected but it was not encrypted. Because it was not encrypted we had to treat it as a breach of the protected health information and had to send out notification to 1581 patients. The second occurred at Lincoln Medical and Mental Health Center. This incident consisted of disclosure of protected health information for 48 patients who were treated at Lincoln. One of the physicians there improperly used the protected health information to conduct an unauthorized research project which the physician transmitted the protected health information of the patients to a private lab in Torrey, Pennsylvania.

The Office of Civil Rights of the Department of Health and Human Services, that particular office they investigate and enforce the HIPAA rules and regulations. They have contacted us with regard to a breach that occurred in Metropolitan Hospital in September 2015 where an employee, through our Data Loss Prevention Program, we learned that an employee was sending emails with protected health information to his personal email account. We then learned that that email account was the email account of his second employer. He was at the second employer when he was supposed to be at H and H, he was terminated. A breach notification letter was sent to affected individuals in June of 2015. The other two inquiries that OCR has made are past breaches that we previously reported to the Audit Committee. At Bellevue Hospital Center there was a breach involved with an employee who sent an email spreadsheet to her brother to assist her with her Excel spreadsheet. But the spreadsheet had protected health information on it. There were 3700 patients that were affected and we had to send out notification letters. The employee received disciplinary action. The third involved Jacobi Medical Center. This involved an employee who was voluntarily separated from services and then six days later went into her account, which was not turned off, and she accessed the protected health information of over 90,000 patients. Which led to us spending over \$220,000 to send out breach notifications and providing credit monitoring to those affected patients.

Ms. Youssouf asked if he knew why she did that. Mr. McNulty answered that she said she wanted to have access to the information in case she was asked questions after she left H and H.

Mr. Martin added that she left and went to work for the Department of Health and she transferred that information. I think she felt she could utilize the information. This is very complicated, she is still within city government.

Mr. McNulty continued by stating moving along to Section 7, the compliance report for the third quarter of calendar year 2015. We had 74 compliance-based reports. None of those reports were priority A. We had 18 priority B and 56 priority C reports. Priority A reports that require immediate attention and there is a compromise of patient or employee safety. We had no priority A reports for that particular period. I think that is the first time we have no priority A reports in a particular period. In paragraphs 2 and 3 on page 21 going on to page 22 is just the different breakdown of different classes of reports and whether we received the reports through our confidential helpline or through mail or email and the different types of reports. We are working with our vendor currently to change the different analysis of reports because we believe that we can work on different categories and have greater details. So we are working on that.

Update on DSRIP compliance activities. As stated previously, the report, we have posted a new DSRIP compliance officer and commenced a recruitment process. Once hired this individual will be solely responsible for DSRIP related compliance, privacy and record management activities and initiatives. We are also working on expanding our compliance helpline to accommodate DSRIP related compliance complaints, queries and other reports. Turning to Section 9, compliance with the Public Authorities Accountability Act of 2005 and Reform Act of 2009. We are working with the Office of Legal Affairs with regard to our assessment of H + H's compliance with PAAA compliance.

Ms. Youssouf asked does that mean that we were not in compliance. To which Mr. McNulty responded no, we are just doing an assessment to ensure the Corporation is in compliance and also looking at every subsidiary. The rules for the subsidiaries are different than the rules for the Corporation. We did an assessment of the Corporation in the past and I think that we are in good shape.

Fiscal year '16 Corporate Compliance Work Plan Status Update. We have developed a draft confidential corporate compliance work plan which will be submitted to the Office of Legal Affairs' outside counsel Katten, Muchin, Rosenman for review early next week. Once reviewed as to acceptability as to legal form by Katten the work plan will be finalized and submitted to H and H president, CEO Dr. Raju in December 2015. The work plan will absolutely be finalized in December because it has to be finalized before Dr. Raju can

certify to Medicaid in December that we have an effective compliance program which occurs every December at the end of the calendar year.

Mr. Russo added that Legal Affairs has worked with Mr. McNulty's office in developing the work plan, but it was a recommendation by our outside auditors that outside counsel also take a look at that. That's why Katten is looking at that.

Mr. McNulty stated that if there are no further questions that concludes my report.

Ms. Youssouf thanked him then stated that they are going into executive session.

Ms. Youssouf said that they are back from the executive session; they discussed matters of potential litigation.

Capital Committee – December 1, 2015

As reported by Ms. Emily Youssouf

Senior Assistant Vice President's Report

Roslyn Weinstein, Senior Assistant Vice President, Operations, advised that there would be two action items on the agenda, and one information item, a presentation by the Energy Department. She noted that there would be two public hearings held in January, as mentioned at the November meeting; one for Draper Hall II on January 5, 2016, and one on January 7, 2016, regarding the anticipated residential construction by Communitlife on the Woodhull Hospital Center campus.

That concluded Ms. Weinstein's report.

Action Items:

Authorizing the President of NYC Health + Hospitals (the "Health care system") to execute a five year lease agreement including one five year option with 850 Longwood Avenue Housing Development Fund Corporation (the "Landlord") for approximately 2,200 square feet of ground floor space at 850 Longwood Avenue, Borough of the Bronx, to house the Special Supplemental Nutrition Program for Women, Infants and Children (the "WIC Program") operated by NYC Health + Hospitals/Morrisania, a Gotham Health Center (the "patient care site") at a rate of \$22.72 per square foot inclusive of utilities, or \$50,000 per year to be escalated by 2% per year for a total rent amount over the five year initial term of \$260,202.

Caswell Samms, Chief Financial Officer, Lincoln Medical and Mental Health Center, read the resolution into the record. Mr. Samms was joined by Anita Lee, Chief Operating Officer, Gotham Health, and Dion Wilson, Director, Legal Affairs.

Ms. Youssouf asked for a description of the program. Ms. Lee explained that the site was under the administrative oversight of Morrisania Diagnostic and Treatment Center and had been operating for nearly 20 years, 10 in the current site and had since forged relationships with the schools and other organizations within the community. She noted that lease charges were paid for through program grants, and the most recent grant would fund the program from 2016 – 2020. The program grant provided the location, nutrition services, breast feeding education and counseling, in addition to medical and social services referrals at Morrisania and its satellite sites. She said the location served 2,000 WIC participants.

Ms. Youssouf asked if any improvements would be done to the site, at the cost of the landlord. Mr. Wilson said yes, he believed that the landlord would be doing some interior work; painting, plumbing, ceiling repair, installation of a new vestibule and other minor repair work to the main entrance.

Ms. Youssouf asked whether the annual occupancy fee was a fair market value rate. Mr. Wilson said yes, it was on the lower end of the market.

Committee member Josephine Bolus, RN, NP, asked if there would be any obesity prevention/education by the program. Ms. Lee said yes, the breastfeeding program is the early end of that, and that would be offered, and there would also be nutritionists on site. She added that any other conditions that were of concern would be referred to Morrisania.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a one-year revocable license agreement with the New York City Department of Health and Mental Hygiene (“DOHMH”), renewable for successive one-year periods until terminated, for NYC Health + Hospitals to occupy portions of the DOHMH properties listed in the attached Exhibit A consisting of 54,682 square feet in total (the “DOHMH Sites”) for the operation of ambulatory care clinics with the occupancy cost waived but with NYC Health + Hospitals responsible for certain after-hours charges not to exceed \$500,000 per year.

LaRay Brown, Senior Vice President, Corporate Planning and Community Outreach, read the resolution into the record.

Ms. Brown explained that NYC Health + Hospitals was expanding primary care access throughout the five boroughs, as part of the Mayor’s Caring Communities initiatives, which included expansion outside of NYC Health + Hospitals as well, to expand care in high need areas. The Health + Hospitals strategy was to first look in the neighborhoods identified as in need, where we already provide services. In most of those cases we were operating in City owned buildings where there was an opportunity to expand our footprint and therefor expand service lines. In doing so the NYC Health + Hospitals worked with the Department of Health and Mental Hygiene (DOHMH) to determine whether they were amenable to increasing our space for the expansion. Within those discussions it became apparent that we had no Memorandum of Understanding (MOU) that clearly codified what we were doing in those buildings and what our future plans were. It was also important to us that as we expanded service lines and increased space, we would also be needing to expand hours and days of operations. We quickly discerned that DOHMH operated sites held particular hours (typically not operating in evenings or on weekends) and the added security, stationary engineers, or other general operating costs that were outside of the normal daily operations, would be paid for by NYC Health + Hospitals and not incurred by DOHMH. This resolution spoke to those additional costs, which are believed to be fair, and which NYC Health + Hospitals would assume. NYC Health + Hospitals would not be charged any occupancy fee but would pay the additional costs related to the operations of our services, beyond the business hours of the department.

Ms. Youssouf asked if that scenario represented all sites, or if there were additional sites that were not within DOHMH buildings. Ms. Brown said yes, there were some sites that were new, at least one in Brooklyn (Fluke Avenue) where NYC Health + Hospitals did not currently operate but were in an area which had been determined to need expanded services.

The second part of the project was working to identify lease sites, which was only an option for locations in which NYC Health + Hospitals did not already have a presence. There were at least seven or eight locations that NYC Health + Hospitals would like to be in. Of those, there were approximately five for which sites had been identified. There were on-going site visits for the remaining space(s).

It would be a combination of expansion of existing sites and new locations, said Ms. Brown.

Ms. Youssouf asked if any of the funding provided to the Economic Development Corporation (EDC) would be used for NYC Health + Hospitals expansion. Ms. Brown said she did not believe that any of the \$8 million was available to NYC Health + Hospitals but the City of New York had provided \$12 million in Capital funding to assist in the expansion that was being planned. EDC, in addition to the \$8 million grant, would be providing technical assistance and in-kind support for other Federally Qualified Health Centers.

Committee member, Mark Page asked what the buildings looked like and whether they were identifiable as NYC Health + Hospitals sites and not DOHMH. Ms. Brown said the buildings varied in type but for the most part there were single entrances. She noted that signage had been a very important topic of discussion, both interior and exterior. She explained that NYC Health + Hospitals had made the argument that if we were making the effort to expand services we needed to be able to show people where we were and how to navigate within the building to find the site, as well as how to see the site from out on the street, whether it be by flying flags or other noticeable signifiers.

Mrs. Bolus noted that the Bayview Houses in Canarsie housed 72 families in each building, with 24 buildings and required multiple bus lines to reach the nearest patient care site(Kings County). She said that the Brookline Houses were in a similar situation and asked that Ms. Brown and her staff investigate why they had not been identified as areas in need of expanded services.

Ms. Brown said that they had investigated and although there were needs in a number of neighborhoods throughout the City, those specific areas were identified on the forefront of this process as a location for NYC Health + Hospitals to expand. She noted that the work would be ongoing and there would hopefully be (provided resources were available) continuous assessment of where services were needed and what could be done to provide them. Perhaps, she offered, they don’t need to be brand new sites, but discussions about where there is space available that would be adequate for providing basic services such as screenings, etc. She again

acknowledged that there were a number of neighborhoods, in Brooklyn and elsewhere, that did not have easily accessible care, and this first effort at expansion was not able to reach them all.

Ms. Youssouf said she was pleased that an MOU had been put in place, and surprised that there had not been one already. Ms. Brown said credit was due to Jeremy Berman for his efforts.

Ms. Youssouf recommended a conversation with the New York City Housing Authority (NYCHA) take place at some time to discuss what space may be available within some of their sites and what resources NYC Health + Hospitals may have available.

Mr. Page said that it was clear that there were acute needs in a number of areas and he hoped that NYC Health + Hospitals remained alert as to whether the inundation with patients that is expected in these high need areas actually happened. He asked that we monitor the anticipated service levels.

Ms. Brown said that it was taken into account what other services were available nearby and what was happening in terms of population growth. Communities are not static, she said, so our services cannot be. Mr. Page agreed.

There being no further questions or comments, the Committee Chair offered the matter for a Committee vote.

On motion by the Chair, the Committee approved the resolution for the full Board's consideration.

Information Items:

Energy Presentation

Cyril Toussaint, Director, Ruby Cruz, Assistant Director: Energy Manager, and Marcus Lewis, Assistant Director: Energy Analyst, Office of Facilities Development, provided a brief presentation.

Ms. Cruz advised that NYC Health + Hospitals/Lincoln had received \$10.8 million in funding that would result in \$1.5 million savings, and the chiller project at NYC Health + Hospitals/Bellevue had been funded with \$3.8 million in grants, and would result in a \$1 million anticipated annual savings. Ms. Youssouf said she was pleased to hear that.

Mr. Lewis explained that his major finding over the past few fiscal years was the lack of cohesion between NYC Health + Hospitals/Central Office and the patient care sites that resulted in overpayment of utility charges and resulted in more open lines of communication when it came to usage and cost. Ms. Youssouf and Mrs. Bolus thanked Mr. Lewis.

Ms. Weinstein introduced a video that the Office of Facilities Development had compiled, on completion of energy projects, financial savings to date, and plans for continuing conservation measures.

Ms. Weinstein asked Mr. Lewis to elaborate on the batteries that were discussed in the video presentation.

Mr. Lewis explained that in the event of a natural disaster, or when the patient care site needed or wanted to operate off of the electrical grid, the batteries would allow for the patient care site to continue to operate and be resilient. Ms. Weinstein added that the battery program, which would be an experiment at NYC Health + Hospitals/Jacobi and NYC Health + Hospitals/Queens, would allow for continued operation of a portion of the patient care site, without the need of generators.

Mr. Louis Iglhaut, Office of Facilities Development, explained that solar energy was another program being tested, and that at present that source provided for 2.6 megawatts of power from panels, maintenance free. That, he explained, was equal to energy needed to power 250 homes for a year or taking approximately 380 cars off the road. The panels would be monitored and if determined to be beneficial may be coupled with the battery project to reduce the demand on the grid and make patient care sites more self-reliant.

Mrs. Bolus asked how long the batteries stay charged. Mr. Iglhaut said they were constantly charging, until utilized, and once utilized, they could power a piece of the patient care site for approximately four (4) to eight (8) hours. Mr. Iglhaut noted that the batteries were not meant to power the entire building but to supplement a portion of the energy used, and if this worked out then the program may be expanded.

Mr. Page asked where the funding was coming from. Mr. Toussaint said it came from the Department of Citywide Administrative Services (DCAS). Ms. Weinstein added that it was debt free money. Mr. Page asked, for whom. Ms. Youssouf said, for NYC Health + Hospitals.

Ms. Youssouf asked what savings had actually been realized. Ms. Weinstein said that between all the energy projects to date, over fiscal year 2014 – 2015, there had been a savings of \$11 million and the next year an \$8 million savings was anticipated. That may be a smaller number, but that is on top of the \$11 million already realized, said Ms. Weinstein.

Ms. Weinstein noted that there was a more thorough power point presentation included in the package, with additional information.

Mr. Page asked if Federal Emergency Management Association (FEMA) funding had been provided for the NYC Health + Hospitals/Coney Island boilers. Ms. Weinstein said no, because there was money in place prior to the disaster, and the project had already been approved by the board, we did not receive emergency funding.

Ms. Youssouf acknowledged that the energy team was doing great work and asked for a reminder as to what award Marcus Lewis had received. Ms. Weinstein said that he had been awarded the Energy Analyst of the year award for New York. The audience applauded Mr. Lewis.

Ms. Youssouf thanked the team and said she looked forward to quarterly updates.

Finance Committee – December 1, 2015
As reported by Mr. Bernard Rosen

Senior Vice President's Report

Mr. PV Anantharam informed the Committee that Julian John, Corporate Comptroller would provide an update of Health + Hospitals cash flow and Linda Dehart, Assistant Vice President, Reimbursement Services would follow-up with an update on the DSH and UPL payments followed by the monthly reporting of the Utilization and Cash Receipts & Disbursements reports by Krista Olson, Assistant Vice President, Corporate Budget and Fred Covino, Senior Assistant Vice President.

Mr. John reported that Health + Hospitals ended the month of November 2015 with a cash balance of \$485 million or 30 days of cash on hand (COH) that included \$150 million in DSH payments that were received last week. The projected FY 16 year-end balance is \$102 million or slightly over six days of COH. However, during the next two months, December 2015 and January 2016, there are some DSH and UPL payments expected, in December 2015, UPL payments of \$468 million and \$279 million and \$381 million in DSH/maximization payments that Ms. Dehart would report the status of those payments.

Ms. Dehart stated that ongoing discussions with the local State and CMS on finalizing the approval of Health + Hospitals outstanding UPL payments for prior years that include four years of outpatient. Dr. Raju recently contacted CMS regarding the status of those payments that prompted an intensity in their movement in resolving the issues surrounding those payments and resulted in a positive action by CMS in moving that process forward. The approval of the outpatient UPL payments are expected during the month of December 2015 of which \$250 million is expected of the amount Mr. John mentioned earlier. Those payments are expected between December 2015 and January 2016. The next focus on the UPL payments are the 2015 for the current year for both the Inpatient and outpatient. There are some methodology issues that must be addressed with CMS; however, there has been some progress in this area in that there has been some good exchange of information and would appear to be currently on target based on the flow of that information and communications in comparison to the past.

Committee member, Emily Youssouf asked if there is anything about the consideration or negotiations that the Board should be made aware of relative to some of the questions that are being asked by CMS.

Ms. Dehart stated that the questions relate to technical and methodology issues some between the State and CMS regarding data definitions and the methodology on how certain actions were counted.

Committee member, Mark Page asked if it was both the State and CMS or just one of two that is not moving.

Ms. Dehart in response stated that Health + Hospitals must work through the State to CMS and the State is responsible for the submission to CMS. Health + Hospitals works with the State on putting together a response to CMS on the information requested.

CMS views their relationship with the State and therefore is not accustomed to working with providers but have made exceptions for Health + Hospitals given the unique set of circumstances and their relationship with Health + Hospitals.

Mr. Anantharam added that in response to Mr. Page's question it is not with the State but rather CMS.

Ms. Dehart continuing with the reporting stated that another issue that the SDOH has brought to Health + Hospitals attention is that there are some risks to the DSH funding. In the current FY 16, these risks are related to an increase in prior year DSH payments to voluntary hospitals that is relate to an over estimation that the State had made in the size of UPL payments that would be available to those hospitals and to the reconciliation payments that would be made to other public hospitals which would result in the maximum allowable DSH funding that those hospitals were eligible to receive. Consequently, Health + Hospitals would receive what would be left after those payments were made to the voluntaries. Therefore, those prior year increases are posing a risk to Health + Hospitals' current DSH payments. Health + Hospitals is in discussions with the State regarding the size of that risk as well as the timing of those payments that could mitigate how that affects Health + Hospitals which should become more definitive in the coming months.

Ms. Youssouf asked if the other public hospitals would be getting the guaranteed maximum given that the State has identified the miscalculation and how that is going to work for Health + Hospitals.

Ms. Dehart stated there are two issues. One was that in 2010 Health + Hospitals got the provision that allowed for the receipt of the remaining DSH funds available to the State. One of the ways that the State created room for that payment was by starting a UPL payment to the voluntaries that was a swop of DSH funds for UPL for them and the same type of delays Health + Hospitals is experiencing in the calculation of the UPL payments the voluntaries are also experiencing. Based on an estimation, the State calculated what those payments to the voluntaries would be for prior years and payments were made based on the assumption that those amounts would be approved which resulted in a DSH payment to HHC based on those assumptions of what those payments would have been. Consequently, CMS has determined that those payments were over-estimated and there are statutory requirements to essentially keep those hospitals whole. Therefore CMS has to replace the swop UPL that was paid for DSH.

Committee member, Josephine Bolus, RN, NP asked how much that would cost our system. Ms. Dehart stated that particular piece having to do with the voluntary UPL a maximum of \$187 million. However, the timing of that impact is currently under review.

Mrs. Bolus asked if CMS would allow the take-back of those funds to be spread over a period of time as opposed to a one-time take-back.

Ms. Dehart stated that issue is being addressed with the State and CMS and until that issue is resolved in terms of how it will be done, the amount of the impact at this time is unknown for Health + Hospitals in the current FY.

Key Indicators/Cash Receipts & Disbursements Reports

Ms. Krista Olson stated that utilization thru October 2015 in comparison to last year for the same period continued with a slight downward trend. Ambulatory care visits were down by 3.2%; acute care hospitals' visits were down by 2.9%; D&TCs were down by 6.0%. Discharges were down by 3.1% and nursing home days were down slightly by 1.1%. The LOS, a comparison of hospitals to the corporate wide average, two hospitals were above the expected LOS, Coney Island has consistently exceeded the expected as reported in the past and Elmhurst was recently above the expected. A review of this issue is underway by the hospital to identify the factors that are contributing to this change. The CMI was up by 2.5% over last year.

Mr. Fred Covino continuing with the reporting stated that the global FTEs comparison showed the prior year-end status as of FY 15 was at 48,406 global FTEs compared to the current level of 49,160, an increase of 754 FTEs. The bulk of that increase was in full time staffing with a slight increase in overtime which was offset by a reduction of 254 allowance line due to a transitioning of employees from hourly into full time. The categories where the increases have occurred included, tech/specs, 265 which include pharmacy techs, creative arts therapists, lab techs, behavioral tech, patient reps and social workers; environmental hotel, 150 primarily in housekeepers; patient care techs up by 142; 113 RNs, 95 clericals, 89 managers and 64 residents. A comparison of the current status to the budget, the global FTE target for current year-end is 47,292, a reduction target of 1,868. The targeted FTE reduction by Network is as follows: North Bronx 71 FTEs, or 1.2%; Generation Plus 723 FTEs or 9%; South Manhattan 295 or 2.5%; North Central Brooklyn, 236 FTEs or 2.4%; Queens, 96 FTEs or 1.3%; and Southern Brooklyn, 454 or 12%.

Mrs. Bolus asked if the reduction targets included the new restructuring. Mr. Covino stated that the targets do not include any new initiatives/programs but would be added where applicable.

Mr. Page asked if there is a general sense of where those reductions are expected to occur as opposed to the actual reductions to-date.

Mr. Covino stated that the focus has been to reduce temporary staff and overtime.

Mr. Rosen stated that the global FTE has been expanded to include the conversion of all expenses to FTEs; therefore the reduction can be in overtime as oppose to an FTE. Mr. Covino responded in the affirmative adding that it can also be in temporary staffing as well.

Ms. Youssouf asked if central office was included in the total reduction target and whether it also included a reduction in the IT consultants' temporary staff.

Mr. Covino stated that IT was below the target and has an increase for the implementation of the EMR.

Mrs. Bolus asked if agency nurses were included as part of the reduction target. Mr. Covino responded in the affirmative.

Ms. Youssouf asked if there would be enough in overtime to make up the difference. Mr. Covino stated that approximately \$150 million was spent in overtime annually. The global reduction target is \$100 million and approximately another \$100 million was spent in temporary employees.

Mr. Page asked how the value of the headcount was determined whereby some employees are more expensive than others and overtime is paid at a higher rate but does not carry any fringe benefits.

Mr. Covino stated that in addition to the FTEs the dollars are also being monitored as a global dollar amount that is embedded in the budget as well. This month, expenses were \$5 million over the PS budget due partly to the increase in the FTEs. The FTE was only a component of the calculation. There is a dollar component as well.

Ms. Youssouf stated that it appears to be a huge goal to achieve by the end of FY 16.

President Dr. Ram Raju stated that it is a major task; however, the hospitals' local leaderships have been given the latitude to manage their budget. It is important to note that inpatient utilization is down by 3.3% which is important to the process in achieving the targets.

Mr. Page stated that it is equally important that by giving the local leadership total control; however, it is equally important that they deliver the product given that level of responsibility.

Dr. Raju stated that was completely understood and the performance evaluations will be linked to their ability to manage the budget.

Mr. Covino continuing with the reporting stated that for the month year-to-date receipts were \$22 million worse than budget and disbursements were \$68 million over budget. Receipts and disbursements in comparison to last year for the same period, receipts were up by \$446 million due to an increase in the DSH and UPL payments, up by \$314 million of which approximately \$201 million was in DSH and \$257 million in inpatient UPL. Grants revenue was up by \$194 million and intracity due to an advance by the City of tax levy payments for the years that included collective bargaining increases. There was a \$20 million increase in prior year grants and EBOLA recurring funds. Inpatient receipts were up by \$12 million and outpatient receipts were flat. Personal services were down by \$7.6 million which was an artifact of collective bargaining payments with a considerable amount of retroactivity for DC37 and NYSNA. Fringe benefits were up by \$8.7 million due to an increase in welfare payments and health insurance benefits. OTPS expenses were up by \$34 million due to a reduction in the number of days in accounts payable currently at 54 days compared to 72 days last year which represented \$27 million of the \$34 million. City payments were up by \$309 million due to payments made to the City on behalf of FY 14 for medical malpractice and debt service. Affiliations expenses were up by \$26 million due to collective bargaining and the implementation of the new contracts with the affiliates.

Mr. Page asked if the lag in accounts payable was due to Health + Hospitals being more gratuitous and whether that was within the normal for the industry. Mr. Covino stated that one of the areas where Health + Hospitals have fallen behind has been in Cardinal and efforts have been in catching up in that area. The average has been approximately 60-65 days. There are significant discounts that must be taken into account as part of the payment process. The actual in comparison to the budget, inpatient receipts were \$26 million less than budget and all other was up by \$30 million for a net deficit of \$22 million. Disbursements were \$15 million over budget which was a direct result of the increase in the PS. The fringe benefit deficit was related to FICA and other fringes paid during the year. OTPS expenses were \$47 million over budget due to as previously stated a reduction in the number of days in

accounts payable. Affiliation expenses were \$2.8 million over budget due to a \$2.5 million prior year payment to PAGNY for the recruitment of physicians.

Mr. Page asked if the cost for recruitment of physicians was against a prior year claim. Mr. Covino stated that it was an agreement to fund the cost for that expense as there was a negotiated settlement for the payment.

Mr. Page commented that PAGNY spent the money to recruit and Health + Hospitals finally made good on what was initially agreed upon. Mr. Martin replied in the affirmative.

Dr. Raju stated that going forward, a few search firms have been contracted that will be used and the determination of when to use those search firms will be made by Health & Hospitals. The process has been streamlined and controlled.

Ms. Youssouf asked if that was only with PAGNY to which Dr. Raju responded that it was only PAGNY given that the medical schools have ways of recruiting effectively.

Information Items:

Network Global FTE Reduction Plan

Mr. George Proctor, Senior Vice President, North and Central Brooklyn Network, stated that the purpose of the presentation to the Committee was to provide an overview of some of the actions the Network has taken and have continued to address for achieving the target. Mr. Proctor was accompanied by Rick Walker and Anthony Saul, Network CFOs. Mr. Proctor stated that the first slide showed the achievement status relative to the actions taken by Network in achieving the global FTE and dollar targets by year end. All of the hospitals within the Network are engaged in routine staffing assessments, monitoring and productivity assessment of global FTE coordination. The efforts have been focused on sustaining quality services delivery while improving the patient experience and effectively managing limited resources while encouraging sustainable growth opportunities. These opportunities are explored through Breakthrough for potential revenue enhancements and notwithstanding continuous reductions in costs while increasing efficiencies. There are challenges for achieving the global FTE plan and mostly driven by regulatory mandates and requirements and programs that may have been proposed that were not included in the global FTE cap. In those instances, the Network financial staff work very closely with corporate budget, Mr. Covino and his staff on addressing the appropriate adjustment to the global FTE target. As shown on the second slide, the biggest challenge in achieving the target, the Network over the past five years has been addressing the outcome of the settlement that took place in 2009 between the US Department of Justice (DOJ) and Hirschfeld, the plaintiff. As a result of that settlement, Kings County was required to add an additional 475 FTEs to the Behavioral Health services, over the last six years based on the terms of the settlement with DOJ. During that period Kings County Behavioral Health worked very closely with DOJ to comply with 200 specific provisions ranging from IM medication policies to group therapy sessions. Those were a few of the issues that were identified and the Network's current status relative to those requirement mandates. The initial assessment of the staffing needs was made as part of the settlement agreement with DOJ resulting in the development of initial reconfiguration of staffing plans and models throughout the various modalities of behavioral health. Based on those need assessments and the staffing compliance, the ongoing staffing levels were reassessed with regular six month visits from DOJ to ensure full compliance with those required plans. Currently clinical needs are being assessed as part of the ongoing efforts to ensure sustainability of the goals achieved to-date and the focus to achieve the full compliance with the settlement agreement to avoid any slippage in the process. As of today, the Network is pleased to report that the progress in achieving the terms of the settlement agreement have been successful and most recently the hospital received substantial compliance which is a major accomplishment.

Ms. Youssouf asked how many additional FTEs were hired as a result of the DOJ settlement requirement.

Mr. Proctor stated that 475 FTEs had been added in behavioral health only. Moving to the next slide, which showed each of the hospitals within the Network and the current status against the target as of the first quarter of the current FY 16. As part of the base period, FY 14, the Network staffing totaled 9,713 FTEs compared to 9,663 as of 9/30/15. The global target is 9,434 for a net reduction target of 229 FTEs for the Network. In terms of the dollars associated with the target, the Network status as of that period relative to that FTE variance was \$1.139 million. Some of the actions taken by the Network to address the expense variance have included but not limited to ongoing close monitoring of overtime and have successfully reduce usage in that area. Over the past three year the network has been under the overtime target and continue to trend in that direction in the currently FY 16. A significant number of temporary staff were converted to full time staff that has resulted in significant savings as well. All vacancies are assessed to ensure that prior to any backfill, a productivity assessment is conducted and if it is an expansion of a program calculation of the return on the investment is done in terms of a metric. A detailed justification must be provided that includes the documented need for the replacement. Meetings are held with the departments making the request to review the need relative to

the departmental functional needs and workload and a reconciliation of that need in comparison to the target. A review of the departmental performance against the personal services indicators are done on a regular basis which allows for feedback from the various services and divisions.

Ms. Youssouf asked if the required vacant positions assessment are conducted and whether it is done for existing personnel as well.

Mr. Proctor stated that all vacancies are reviewed prior to any approval of a replacement or backfill in conjunction with factors that would generate savings as well.

Network Chief Financial Officer, Rick Walker added that one of the tools that the Network uses to review performances is the profit and loss statement by service and departments and that recommendations are made accordingly relative staffing requests and other than personal services (OTPS).

Dr. Raju stated that it has created a lot of confusion amongst the labor departments. This global FTE is about the dollars and if the FTE reduction target is not achieved but the dollar target is achieved that would be appropriate by cutting costs to achieve the target as long as it is sustainable. This process is reviewed by some as a primary focus in reducing 1,000 FTEs which is not the driving force but rather the local leadership has been given an opportunity to decide how that dollar target will be achieved and sustained. The Network's presentation clearly displayed the relation between dollars and FTEs. The most important take-away as previously reported by Marlene Zurack, former Corporate CFO is that the dollars is the primary focus and from a corporate perspective it is not our role to dictate how that gets achieved as long as the local leadership has demonstrated that it has a plan for meeting their target. Dr. Raju asked Mr. Covino to confirm that the focus and understanding are as described to which Mr. Covino responded in the affirmative.

Ms. Youssouf asked for confirmation that the target was not directly tied to the FTE to which the response from Mr. Covino was in the affirmative.

Mr. Proctor stated that as previously stated there are two programs that have been developed for implementation that are outside of the initial global FTE target. The Network has received capital funding of \$1.6 million to fund the opening of three Comprehensive Psychiatric Emergency Program (CPEP) beds that were recently opened on 11/18/15 to expand the current psych emergency department as well that required ten additional FTEs. These FTEs are not included in the global target. The second program relates to HIV services that had been provided by Brookdale but have been re-established at NYC Health + Hospitals | East New York to maintain the delivery of those services for those Brookdale patients who are now a part of the Network patient population program at ENY. Consequently, in order to meet the requirements of the program for providing the services to those patients, eleven FTEs were added. The Network is working very closely with Corporate Finance on making the appropriate adjustment to the Network's global FTE target for these two initiatives.

Mr. Page asked if / when the Network does program expansions and additional staffing is required is there a revenue adjustment calculated as well. Mr. Proctor replied in the affirmative.

Dr. Raju added that the hospital must show an increase in revenue as part of the budget adjustment process in adjusting the expense authority for those types of initiatives. The appropriate increase would be made to the budget based on the approved expense authority.

Mr. Proctor stated that as part of the process before the authorization of staffing is made a revenue assessment is conducted. Part of the original global FTE management efforts include departmental regular meetings that include representation from Human Resources, finance, key departmental staff and senior level management where applicable to review trends, issues and staffing needs for replacements prior to the submission to the local level VCB for review. The process also include a thorough review of the justification to ensure that it support the need requests; routine budget meetings with the stakeholders are conducted with the Chiefs of Services and administrative staff to discuss trends relative to services utilization expenses and revenue increases. Ongoing monitoring of agency staff whereby there is start and an end date for all temporary staff. Finally, through the monthly Joint Oversight Committee (JOC) affiliation staffing is review and vacancy requests that have resulted in a shift in dollars in the service area to where there has been an increase in workload/volume. This was achieved by having a very close relationship with NYU and Downstate SUNY on that process and it has worked very favorably.

Mr. Page asked if it is more costly to use temps as opposed to hiring permanent staff. Mr. Walker in response stated that the hourly rate paid to employees is basically 50% of what the employee received. The benefit to the hospital as well as the employee has been the conversion of those temps to FTEs. The hourly rate which is a major factor in determining the amount paid to the employee through the agency and as a permanent employee.

Ms. Youssouf asked how much would it be with fringes. Mr. Walker stated that the fringe rate varies by Network but for the North Brooklyn it is approximately 51%.

Mr. Page added that in specific circumstances it would appear that there would be a level of temp labor that actually would be a part of the hospitals optimal staffing pattern that would result in less spending.

Mr. Walker agreed adding that a staff nurse on Tour III and I, as part of the collectively bargaining agreement there are incremental payments for working the later shifts; therefore, when those factors are incorporated into the rate against the agency cost the agency cost is slightly less. There are opportunities for the Network to review those situations in terms of when it would be appropriate to use temps as opposed to hiring permanent staff in those operations.

Network CFO Anthony Saul added that in looking at the nurses staffing ratios there are a number of things that must be factored in as well. Specifically, with certain titles such patient care associates who are an important part of the mix for coverage during the weekends and holidays.

Mr. Page added that it would appear that analogy would be appropriate as part of the mix given the decline in workload, it would have some benefit.

Mr. Saul added that it is difficult to recruit part time staff due to the lack of benefits. There is a need to complement the staff to fill the need.

Ms. Youssouf asked if the plan for the Network is to eliminate all temps and besides FTEs are there other expenses that should be considered relative to meeting the reduction target.

Dr. Raju interjected that in addition to the FTE/dollar target there are some projected savings on the OTPS side as well.

Mr. Walker added that the focus by the Network has not been solely on the expense side but rather there are revenue enhancements that are also factored in as part of achieving that target and maximizing the business practices to ensure complete maximization. For example, in evaluating vacancies, the review includes a profit and loss statement, productivity reports by service and are shared with the medical staff in addition to the coding practices by physicians/services are all part of the evaluation process to determine how well the capturing of the secondary tertiary diagnosis that drives the revenue when the bills are dropped are being done. It is a collaborative effort on multiple fronts that tie-in to maintaining and managing the overall plan.

Mr. Rosen asked Mr. Covino if there are reduction dollars targets by facility to which Mr. Covino responded in the affirmative adding that those are inherent in the PS budget. Each month that the headcount decreases, if the target is not achieved the dollar cost becomes greater over the course of the year.

Ms. Youssouf asked if the facilities are able to find savings in other areas without achieving the FTE target would that be acceptable.

Dr. Raju reiterated in conjunction with Mr. Covino's affirmation that it would be acceptable as long as those reductions are sustainable.

Mr. Covino added that it was important to note that for example there are prior year revenues that are received as a one-time payment and would not be sustainable given that those revenues would be one-time only and non-recurring. It is important to note that the Network has done exceptional well over the years in reducing cost and FTEs as reflected in their presentation.

Payor Mix Report

Ms. Olson reported that the first quarter Payor Mix Report comparing FY 16 to FY 15 thru September 2015. The inpatient payor mix continued to show improvement which is consistent with last year's trend with a reduction in the uninsured of 2.5% an increase in Medicaid and a 1% increase in Medicare. The outpatient payor mix showed a slight drop in Medicaid and 1.4% increase in commercial. Pediatrics payor mix showed a slight increase in commercial and a slight decline in Medicaid and the uninsured.

Ms. Youssouf commented that FY 16 looked better with less self-pay and uninsured which could be a combination of actions from at both the State and Federal levels. Ms. Olson responded in the affirmative.

The Committee convened in executive Session to discuss the appointment of Plachikkat V. (PV) Anantharam to the corporate officer position of Senior Vice President / Chief Financial Officer replacing Marlene Zurack who will be retiring the end of November.

Dr. Raju presented his rationale for selecting Mr. Anantharam for the position, which includes his 28-years of experience in the City's Office of Management and Budget (OMB) with the last 17 years serving as OMB's Deputy Director for Health and Social Services.

The Committee agreed with Dr. Raju and unanimously approved his recommendation for consideration by the full Board.

**Medical & Professional Affairs / Information Technology Committee –
December 3, 2015 – As reported by Dr. Vincent Calamia**

Chief Medical Officer Report

Ross Wilson MD, Senior Vice President/Corporate Chief Medical Officer, reported on the following initiatives.

Influenza & Vaccination

- Influenza activity in NYC is minimal
- Influenza-like-illness visits are at 1.7% of all weekly visits (ED and clinics)

Office of Population Health

- In collaboration with IT, the Patient Registry for Diabetes was updated. The system enables facilities and care teams to access their performance metrics and other data needed for population health management. This update sets the scene for a concerted focus on improving diabetes care
- The Health Leads program was relaunched at Harlem, Bellevue and Woodhull to systematically screen patients for social resource needs and connect patients with services. The number of families served per month has doubled since the relaunch. This is a two year program with a built in evaluation to inform future plans as we test tools to more effectively screen for and address the social determinants as well as the clinical determinants of health.
- HHC successfully partnered with NYU in the renewal application for their Clinical & Translational Science Award. These funds are part of a 5-year grant award and will support research infrastructure at HHC and assist in successfully studying the effectiveness of health service interventions in the patients that we serve.

Office of Ambulatory Care Transformation (OACT)

- Through a collaborative effort across M&PA, Finance, and IT, our first set of facilities have begun billing NYS Medicaid for the Collaborative Care for depression program. OACT is supporting the facilities by providing monthly lists of billing-eligible patients and working with facilities on standardized operational billing workflows.
- M&PA submitted a grant proposal entitled Preserving Primary Care Access to Specialty Care Expertise at NYC Health + Hospitals in response to an NYSDOH Essential Health Care Provider Support Program (Innovators Fund) Request for Applications. In anticipation of increased patient volume due to the Primary Care Expansion initiative, DSRIP, and NYC Health + Hospitals increased market share goals for 2020, we are proactively seeking to implement an innovative eConsult program to improve patient access to specialty care expertise.
- OACT is working closely with MetroPlus to enhance the way that new MetroPlus members are assigned a primary care physician. Going forward, detailed individual provider-level data on available panel capacity and available appointments will be gathered/refreshed on a monthly basis and provided to MetroPlus. MetroPlus in turn is revising its assignment algorithm to direct more patients to the providers that have availability. This is an important initiative in our ongoing effort to improve access across the system. The improved approach is anticipated to go live this December and will roll out in a few phases over the subsequent months, starting with adult medicine primary care.

Question from Dr. Calamia: regarding OACT work with MetroPlus, CMO was asked to clarify whether MetroPlus would have ability to directly schedule appointments for primary care? Answer: Yes

IMSAL

IMSAL is currently in phase II of a 2-year grant with Live On New York, the Organ Procurement Organization (OPO) for the New York City area. Under the terms of the grant, IMSAL collaborated with Live On clinical educators to infuse simulation into their current

curriculum, particularly in the areas of high stress and low frequency events of Donation After Cardiac Death (DCD) and Donor Management. The final result is two distinct courses which incorporate simulation into organ donor care with overwhelmingly positive evaluations to date. The Live On New York team and IMSAL have entered into discussions to market these courses to other OPOs on the eastern seaboard, providing a potential additional revenue stream for IMSAL.

On Wednesday, October 18, 2015, the NYC Health + Hospitals Simulation Center participated in an Active Shooter Symposium presented by Jacobi Medical Center. The symposium was held at the Corporate Training Center, while the drill was held at The Simulation Center as symposium participants watched the events unfold in real-time through The Simulation Center's 72-camera Audio-Visual System. The innovative use of The Simulation Center allowed for realistic drilling in a hospital-like setting, without disrupting day to day operations at Jacobi. In all, 7 victims plus the shooter were shot, 3 of them fatally, Hospital Police were able to render aid to 2 victims in need of bleeding control, and all "patients", both real and manikin, were safely evacuated from the floor. A surgical case that was already in progress at the time of the shooting was also safely completed.

The use of The Simulation Center for the drill was a unique opportunity to drill a high-stakes, high-stress event on a large scale without causing unintended psychological trauma to real patients, family members and staff. The drill was filmed using the Audio-Visual system and will be edited into a training video after the symposium. The drill also tested some of the unique capabilities of The Simulation Center's Audio/Visual system, and highlighted the potential of live-streaming simulation events within the Simulation Center to participants of conferences, symposiums, or trainings hosted at the Corporate Training Center.

Question from Dr. Barrios-Paoli: Asked for clarification of why there might be trend of different clinical presentation of K-2 abuse (in past, hyperactivity and manic behavior, how, OV plus neuro depression). Question from Dr. Calamia: how to best work with law enforcement. Answer: Continue multi-agency approach to determine direction. HHC to determine clinical response, and policy-setting equally important. Answer from Kunins: Confirmation of trend and more work needed.

MetroPlus Health Plan, Inc.

Arnold Saperstein, MD Executive Director, MetroPlus Health Plan Inc. Presented to the Committee. Dr. Saperstein informed the Committee that the total plan enrollment as of November 1, 2015 was 472,366. Breakdown of plan enrollment by line of business is as follows:

Medicaid	414,692
Child Health Plus	12,331
MetroPlus Gold	3,735
Partnership in Care (HIV/SNP)	4,602
Medicare	8,431
MLTC	922
QHP	22,991
SHOP	456
FIDA	180
HARP	4,026

Full open enrollment began November 15, 2015. As of the end of the second week of enrollment, we have received over 17,000 applicants with an effective date of January 1, 2016. Historically, the end of the open enrollment period is more productive in terms of the number of members we get.

We continue our aggressive advertising efforts to attract new members, as well as focus on retaining our existing members.

I would like to inform this committee of the collaboration between MetroPlus and Memorial Sloan Kettering Cancer Center (MSK) as it regards the former Health Republic members undergoing cancer treatment. In an effort to enable these members to continue their cancer treatment at MSK, MetroPlus, (with support from the Mayor's Office and NYC Health and Hospitals), has agreed to provide coverage to the members who are NYC residents and will not self-enroll in other plans. The special Memorial Sloan-Kettering coverage will be available only to this group of patients (114). As MSK is not a contracted facility with MetroPlus, we have signed a Letter of Agreement with MSK. We will work closely with the cancer center team to answer any questions and provide enrollment assistance as needed. Patients are being enrolled in MetroPlus for coverage beginning December 1, 2015, with no interruption of services at a rate more affordable than what they were paying for Health Republic Insurance of New York. With both 2015 and 2016 monthly rates for MetroPlus lower than current rates for Health Republic, these patients, and any other former Health Republic enrollees who enroll in MetroPlus, will be able to save \$46 for the month of December, 2015 and \$117 per month in 2016 for the Silver level plan; the savings for the Platinum level plan are \$73 in December 2015 and \$163 per month in 2016.

There are approximately 20,000 New York City residents in Health Republic. Unfortunately, Health Republic clients who do not choose a new insurer by November 30, 2015, will be automatically enrolled by the State into Fidelis Care.

Sal Guido, Acting Senior Vice President/Corporate CIO Enterprise Information Technology Services reported to the committee the following updates of the Transforming NYC Health + Hospitals Business Functions through PeopleSoft Enterprise Resources Planning: Obsolete NYC Health +Hospitals' Business Systems, current state of Business Infrastructure, future state of enterprise resources planning(ERP) system along with ERP Implementation Timeline. Projected Expenses for Implementation & Post-Implementation and procurement methodology for third party contract.

Action Items:

Sal Guido, Acting Senior Vice President/Corporate CIO Enterprise Information Technology Services and PV Anantharam, Senior Vice President/Chief Financial Officer, Finance presented to the committee the following resolution:

Authorizing the President of the New York City Health + Hospitals ("NYC Health + Hospitals") to negotiate and execute a five-year contract with Mythics, Inc. to provide software, maintenance and training for an Enterprise Resource Planning ("ERP") System with one, five-year option to renew, exercisable solely by NYC Health + Hospitals, in an amount not to exceed \$31,301,712.

Question from Committee member Josephine Bolus, RN, NP: how does automated system help with workforce planning, especially for nurses? Why will it take so long to understand nurse scheduling, and when will we see benefits? Answer: send quarter FY 2018, potential for savings from; d/c maintenance of legacy system, supply chain improvement, and better planning. Question from Ms. Bolus: asked for clarification of storage costs, Dr. Raju stated storage costs for ERP are different than for EMR. Clarification of budget categories and difference between them. Question from Dr. Calamia: asked for clarification of timing of decrease in cost of maintain legacy system.

The resolution was approved for consideration by the full board.

Patsy Yang, Senior Vice President, Correctional Health Services presented to committee the following resolution:

Authorizing the President of the New York City Health + Hospitals ("NYC Health + Hospitals") to negotiate and execute an agreement with Urgicare Medical Associates PC ("Urgicare") for the provision of urgent medical services not requiring hospitalization to inmates ("Inmates") in the custody of the New York City Department of Correction ("DOC") for one year with two one-year options to renew for an amount not to exceed \$1,828,591 per year with annual increases of not greater than 6%.

Question: FTE count + qualification/certification of profiles staffed. Comment from CMO: we have a system in place, we do not have bandwidth to determine if it's perfect, resolution to continue with services uninterrupted while evaluating.

The resolution was approved for consideration by the full board.

Information Item:

Ross Wilson MD, Senior Vice President/Corporate Chief Medical Officer, Medical and Professional Affairs and Sal Guido, Acting Senior Vice President/Corporate CIO Enterprise Information Technology Services presented to the committee the following update:

Business Continuity/Disaster Recovery EITS Disaster Recovery Milestone. Detailed explanation of the emergency communications system "Send Word Now" and its functionality.

Strategic Planning Committee – December 1, 2015

As reported by Josephine Bolus, RN, NP

Senior Vice President Remarks

Announcements

In lieu of Senior Vice President remarks, Ms. Brown announced that she will be leaving NYC Health + Hospitals in mid-January to assume the role of President and Chief Executive Officer (CEO) at Interfaith Medical Center.

Ms. Brown reminded the Committee that today, December 1, 2015 was World AIDS Day and that NYC Health + Hospitals is playing a significant role both at the state and the national levels in efforts to eradicate the AIDS epidemic. She stated that Ms. Terry Hamilton, Assistant Vice President for HIV services was being honored by the Governor for her contribution towards ending AIDS in the State of New York. Ms. Brown applauded Ms. Hamilton, as well as the work of NYC Health + Hospitals' clinicians and staff who

have toiled for many years to improve patients' lives and strengthen the system's services to affected communities. She invited Ms. Eunice Casey, Director of HIV services to share with the Committee the latest "hot off the press" news about AIDS transmission to newborns.

Ms. Casey reported that, on November 30th, the NYC DOHMH announced that for the first time since the start of the HIV epidemic in New York that there were no infants born HIV positive this year. This means that HIV positive pregnant women in the state received high quality care, which helped to keep them and their babies healthy. As a result there were no transmissions of HIV to their infants. Ms. Casey added that DOHMH released data that also showed that all of the system's acute facilities and Gouverneur were below the transmission threshold. Six of the twelve facilities are above the goal for viral load suppression (85%), and six facilities are between 80% and 84%. Ms. Casey noted that both points demonstrate that the facilities are significantly contributing to the goal of ending the HIV epidemic in the state. Ms. Brown added that AIDS was miraculously identified in the 1980's and that in 2015 one can see the end of this disease on the horizon. Having babies not being born with the HIV virus is a major milestone.

Information Items:

NYC Health + Hospitals' Journey towards "Leader in Healthcare Equality for LGBT Patients"
Mark G. Winiarski, Ph.D., Assistant Director, Corporate Planning Services

Ms. Brown explained that considerable progress had been made NYC Health + Hospitals' path towards being deemed a leader in healthcare equality for LGBT patients. Not only is NYC Health + Hospitals considered a leader from the perspective of the larger national advocacy organization, but also is increasingly considered a leader in the communities where the system's services are provided. It is in the spirit of attempting, not only as a health care provider but as an organization that can bring about change, which Dr. Winiarski will discuss in his presentation. Ms. Brown emphasized that this work is very much supported by Dr. Raju. Dr. Winiarski has been Corporate Planning Division's stalwart leader and has provided support for this work by working closely with all the facilities including long term care and diagnostic and treatment centers in helping them on this journey.

Dr. Winiarski began his presentation by stating that the goal to achieve LGBT health equity embodies the mission of NYC Health + Hospitals, which is "to extend equally to all New Yorkers, regardless of their ability to pay, comprehensive health services of the highest quality in an atmosphere of human care, dignity and respect." Dr. Winiarski stated that he has been an advocate for LGBT Health equity since 2008. He reminded the Committee that, in 2014, Dr. Raju's made a three-part commitment to the Committee, which included achieving the benchmarks of LGBT care from the national organization, creating foundational policies and to provide training. Dr. Winiarski quoted a recent statement that was made by Dr. Raju, which states that "We need to own every patient's experience. We need to put ourselves in their shoes every day, every time, and make sure we do no less than what we would expect for ourselves, for our families, for our mothers and our own children."

Dr. Winiarski explained that the Human Rights Campaign (HRC) is the largest LGBT advocacy group in the country. HRC provides "Leader in LGBT Health Equality" designation to health care facilities. To achieve this designation, a survey comprised of 150-200 questions is completed by facilities across the country and performance is measured against the national benchmarks, and allows NYC Health and Hospitals' facilities to compare its results with those of 1,500+ health care systems. Dr. Winiarski noted that one out of three (427 health care facilities) in the US met HRC's "Leader" criteria in 2014.

Dr. Winiarski described NYC Health + Hospitals' journey. He reported that in 2008, the Public Advocate had issued a report on LGBT health access. The key findings of the report included that:

- The healthcare environment is heterocentric, gender-normative
- Providers lack knowledge about health disparities affecting LGBT people
- LGBT individuals experience hostility and discrimination in care
- Concerns about homophobia and transphobia keep LGBT individuals from using healthcare services
- Voluntary training does not reach all staff

NYC Health and Hospitals' achievements for the period 2008-2013 is described below:

- Internal working group is convened and makes recommendations
- Curricula developed, training launched and is made mandatory in 2012
- Gouverneur opens LGBT clinic
- Metropolitan becomes the first NYC Health and Hospitals facility to obtain HRC Leader designation

Ms. Brown clarified that when the curricula and the training was launched, it was a major milestone because NYC Health + Hospitals was the first health care system in the nation to require this training for new and incumbent employees. Around the same time,

the Centers for Medicaid and Medicare (CMS) and the Joint Commission were just releasing their educational information around health care for the LGBT community. NYC Health + Hospitals was lauded for taking that step as a healthcare organization. Dr. Winiarski added that by 2014, NYC Health + Hospitals' initiatives focusing on LGBT care had expanded in the following ways:

- Seven acute care facilities, one network, and one diagnostic and treatment center earned Leader designation
- Metropolitan LGBT Clinic opens
- LGBT Advisory Group established by LGBT colleagues and allies
 - Enlists board members, executives and managers to acknowledge the special challenges of serving LGBT patients and to commit to a policy of informed and respectful treatment
 - Advocates for creation of a safe space in the healthcare system for the LGBT community
 - Fosters a respectful environment for LGBT employees
 -

Dr. Winiarski informed the Committee that in 2015 more facilities worked to meet HRC's criteria, which are outlined below:

- *Criterion One:* Patient non-discrimination statement includes "sexual orientation" and "gender identity"
- *Criterion Two:* Statement of equal visitation rights for LGBT patients and their visitors
- *Criterion Three:* Employment non-discrimination policy includes "sexual orientation" and "gender identity" and must be publicly promulgated
 - Shared with patients and public
 - Employees educated
 - Policies posted on facility websites
- *Criterion Four:* Training on LGBT patient-centered care
 - Nearly 1,000 employees trained

Dr. Winiarski reported that to be designated, the facility had to work with the Office of Legal Affairs, to add the City's anti-discrimination paragraph below to the Patient Bill of Rights and with the Office of Culturally and Linguistically Appropriate Services to translate it in 13 different languages. The anti-discrimination paragraph reads:

In addition, HHC is committed to compliance with the New York City Human Rights Law that states it is unlawful to discriminate on the basis of actual or perceived sex, including a person's "*gender identity, self-image, appearance, behavior or expression, whether or not different from that traditionally associated with the legal sex assigned to that person at birth.*" **Administrative Code of the City of New York Title 8**

Dr. Winiarski described the journey to become designated an HRC Leader. This body of work includes:

- Working with EEO and HR to inform job seekers about NYC Health + Hospitals' EEO policy
- Working with the Communications Office to create links to Patient Bill of Rights on all facility websites and posters
- Working with facilities to ensure that all criteria are met
- Working with HRC to explain our complicated system

Dr. Winiarski reported that 21 facilities were named "Leader in LGBT Healthcare Equality" for 2015 and 2016:

- **First time:** Belvis, Carter, Coler, East New York, Gouverneur, McKinney, Kings, Morrisania, Queens, Renaissance, Sea View
- **Second year:** Bellevue, Coney Island, Cumberland, Elmhurst, Harlem, Jacobi, North Central Bronx, Lincoln, Woodhull
- **Third year:** Metropolitan

Dr. Winiarski announced that for 2017 HRC will raise the bar. New benchmarks will include:

- Organization's plan to reduce health disparities must include LGBT patients
- Updated on-line training for employees
- LGBT information added to corporate website
- Clinical services are reviewed and gaps addressed
- LGBT-responsive facilities are publicized
- Practice changes are disseminated
- Brochures are published for patients
- For employees, insurers add clear statements regarding transition services to insurance summary plan documents

Dr. Winiarski distributed the post card provided below which had been distributed across the system so that the LGBT population can feel welcome. The message to staff is that this alliance is not distinct from the mission of the system but is with the same spirit as the mission.



Dr. Winiarski concluded his presentation by acknowledging the following NYC Health + Hospitals' facility representatives who worked on the 2015-16 survey:

- **Evelyn Borges:** Bellevue
- **Shelay Alava & Dennise Alvarado:** Belvis
- **Jeannette Rosario & Nelson Cabrera:** Coler
- **Young Lee:** Coney Island
- **Glenn Zuraw:** Elmhurst
- **Steve Hemraj:** East New York
- **Mark Baehser:** Gouverneur
- **Mary Caram:** Harlem
- **Jeannette Rosario & Nelson Cabrera:** Henry J. Carter
- **Vivian Nolan:** Jacobi
- **Natasha Burke:** Kings
- **Hyacinth Johnson:** Lincoln
- **Sarah Bender:** Metropolitan
- **Olayemi Abioye:** Dr. Susan Smith McKinney
- **Deborah Mabry:** Morrisania
- **Vivian Nolan:** North Central Bronx
- **Gertie Brown & Carolyn Adderley:** Queens
- **Gregory Atwater & Sandra Sanson:** Renaissance
- **George Taylor:** Sea View
- **Anthony Divittis:** Woodhull

Ms. Brown reassured Mrs. Bolus that contact information for the above representatives will be provided as per her request. Ms. Brown explained that the focus is to ensure that on NYC Health + Hospitals' website there is information highlighting that NYC Health and Hospitals' facilities has been designated as an Health Care Equity Leader, services are being provided and that the public and the community, especially patients, know which facilities have LGBT clinics and provide the contact information. The idea is not to rely on a specialized clinic in a single facility but to ensure that there is a foundation of informed staff, respectful policies and practices and an environment in which no matter where an individual who is LGBT goes in the system, that individual would get the needed care. Ms. Brown stated that health care equality for LGBT patients aligns with Dr. Raju's 2020 vision by focusing on increasing patients' engagement, and growing our patient population. As such, NYC Health + Hospitals should be serving more LGBT individuals in NYC and create that excitement on the part of that community that NYC Health + Hospitals' facilities are places to get care. In addition, NYC Health + Hospitals will be working with its health plan, MetroPlus to create opportunities. Together, they will create the message that NYC Health + Hospitals facilities, as well as MetroPlus as the principal insurer, are responsive to the needs of the LGBT community.

Mr. Nolan asked if there is any follow-up training for new and current employees to help to continue the education of the needs of the LGBT community. Dr. Winiarski responded affirmatively. Ms. Brown emphasized that Dr. Winiarski had been working with Office of Safety and Human Development staff to develop an online training module. Ms. Carolyn Jacobs, Senior Vice President, Safety and Human Development, added that there is currently an online cultural competency module which includes information on working with LGBT patients. She informed the Committee that she is working with Dr. Winiarski to create a specific LGBT awareness module that would be available electronically to all employees on an as needed basis. The goal is to make an annual employee training program mandatory for all employees.

Mrs. Bolus inquired about a brochure or pamphlet with contact information for our LGBT clinics and services that would be useful to share at health fairs. Dr. Winiarski responded that this project is on next year's agenda. He added that as part of NYC Health + Hospitals integration with the community, the system's LGBT program has been advertised in health fairs and for the first time in public libraries.

Mr. Nolan asked if the system's facilities have gone beyond educating their employees about LGBT patients by also reaching out to the community through tenant association and local community association meetings. Dr. Winiarski answered positively and stated that Metropolitan had just sponsored a LGBT community event in Harlem. In addition, Dr. Winiarski stated that he is also working with Community Advisory Boards members to reach out to the communities. Ms. Brown built upon Mr. Nolan's suggestion and invited the facilities, including Gotham that have met the HRC designation, to involve their local community stakeholders, tenant associations, community planning boards and community-based organizations.

Presentation: Forces Driving the Future of Post-Acute and Long Term Care Services

Scott Amrhein, President, Continuing Care Leadership Coalition

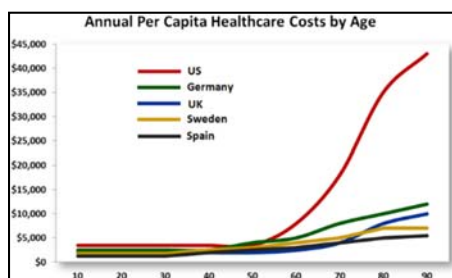
Gabriel Oberfield, J.D., M.S.J, Vice President of Policy and Operations, Continuing Care Leadership Coalition

Ms. Brown stated that this presentation would provide a learning opportunity concerning the importance of the post-acute care services and long term care facilities and services that NYC Health + Hospitals provide as a system. Ms. Brown stated that while we have not leveraged that capacity that we have, these services will more and more play a critical role, in terms of the health care reimbursement, health care service delivery and transformation strategies. She introduced Mr. Scott Amrhein, President, and Gabriel Oberfield, J.D., M.S.J, Vice President of Policy and Operations for the Continuing Care Leadership Coalition and asked them to present the overarching environmental policy and reimbursement framework from which NYC Health + Hospitals will built its strategy. Ms. Brown reminded the Committee of the new Office for Long Term Care that will be created as part of NYC Health + Hospitals restructuring. She assured the Committee that this information combined with the work that was prepared by the Planning staff working with Mr. George Proctor, Senior Vice President, North/Central Brooklyn Network, will help to inform that new Corporate Leader.

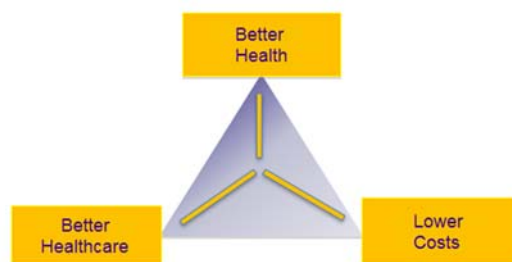
Mr. Amrhein greeted committee members and began his presentation by first stating that the forces of change for long term care will be based on the market, policy and regulatory changes. During his presentation, Mr. Amrhein will discuss how the facilities of NYC Health + Hospitals are very well positioned to take advantage of a lot of the changes that are taking place.

Mr. Amrhein stated that all the forces of change relate to the Triple Aim (see below). In the face of increasing annual per capita health care costs by age, all seek to achieve better health care, better health and lower costs. It is amazing to see what countries spend on health care per capita. For those in the range of 80-85 years old, we spent 4.5 times as much as any other developed countries. Mr. Amrhein stated that we have a long way to go to achieve good care for less. The Triple Aim focuses on how to deliver better health care experiences at lower cost.

In the face of this:



All seek to achieve this:

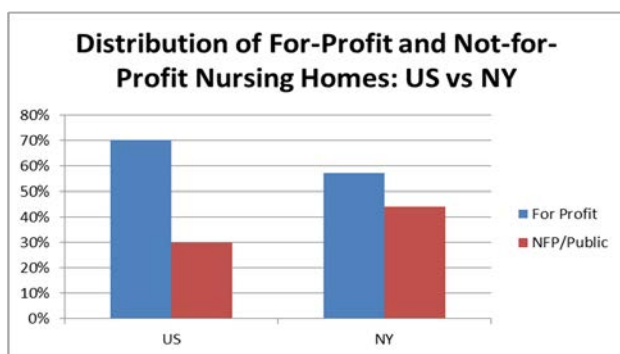


Mr. Rosen asked about the big disparity of healthcare costs for older individuals living in the US versus other countries. Mr. Amrhein explained that in the US, a lot of money is spent on heroic measures at the end of life trying to keep people alive an extra two or three months in lieu of adapting a palliative care model. Mr. Amrhein explained that there are two sides of the same coin. On one hand, there is a tendency to focus on length of life rather than quality of life. On the other hand, the approach to treating individuals who are of advanced age mirrors too often the approach that medicine follows across the board which is in a very specialized way and very disease-specific, but not dealing with the person holistically. He added that without that holistic view, the research indicates that a lot of money is spent for outcomes that are not in the best interest of the patient. Furthermore, it is also in the

amount of dollars spent on institutional care such as skilled nursing facilities for long periods of time in addition to end of life and heroic methods at all costs. Mr. Oberfield added that it was also important to take into account the patient's needs and wants. He applauded NYC Health + Hospitals for doing a terrific job to that effect, which has been recognized nationally and for its robust palliative care programming. He noted, however, that across the country there is not the same appreciation for directing care toward patient-directed needs and that also has a way of affecting costs.

Mr. Amrhein referred to the forces of change in three buckets: market driven forces, policy and regulatory forces. Policy and regulatory forces are two different views of the same thing. Policy forces are innovative and disruptive, which are changing the way things are happening. The regulatory forces are trying to get some of the same goals but oftentimes by very old school ways. It is very difficult to operate in an environment where all these crazy changes are happening, which are driven by the state, the federal government and at the same time embedded regulatory structures. In spite of all of that, you have to live up to the same very strict standards in different areas.

Mr. Amrhein reported that the not-for-profit and public provider communities have been essential to keeping the quality bar high in NYS. The distribution of for-profit and not-for profit nursing homes in the US versus New York State and NY's performance on selected measures are provided below



NY Performance on Selected Measures

- 6% better than the US on CMS Quality Measures
- 11% more facilities achieve 5 star status than in the US overall
- 11% better performance than the US on anti-psychotic medication use

Mr. Amrhein reported that New York had a much greater proportion of long term care being delivered in the public and not-for-profit sector. If the clock were set back 10 to 15 years earlier, the blue and the red bar would have been equivalent. As such, there has been a reduction of not-for-profit and public nursing homes in New York. He informed the Committee that the Continuing Care Leadership Coalition (CCLC) is striving to keep the state's commitment at the highest level around supporting the not-for-profit and public long term care facilities. Mr. Amrhein emphasized that NYS scores 6% better than the US on CMS quality measures. NYS has 11% more facilities that achieve a 5-star rating than the US overall and 11% better performance than the US on antipsychotic medication use. He reported that there is a lot of attention at CMS on reducing the extent to which nursing homes utilize antipsychotic medication off label, not for a particular severe mental diagnosis, but to manage behaviors in patients with dementia in particular. The Continuing Care Leadership Coalition, the long term care affiliate of Greater New York Hospital Association (GNYHA), has been functioning as the leader within New York State of the Dementia Improvement Initiative, which is focused on reducing the inappropriate use of antipsychotic medications. There is a leveling effect by having a strong not-for-profit and public sector and we do not want to lose that leveling effect as we navigate changes in the environment.

Mr. Amrhein reported on the four major market trends listed below:

1. Shifting Demographics (driving demand for more services)
 - Continued growth of an aging population
 - Changes in disease and disability prevalence
 - Persistent needs of a population in poverty
 - A worsening caregiver ratio
2. Changing Consumer Preferences
 - A more informed population is seeking greater control, more person-centered care models
 - Consumers want to receive care in their homes and communities for as long as possible
3. Demand for Efficiency in an Ever More Costly Care Environment
 - Labor costs – facing upward pressure – remain the preponderance of LTC service delivery costs
 - Resource needs will rise as patient needs become more acute at every level of care
 - Simultaneously, Medicaid payment levels remain well below actual costs

Mr. Amrhein stated that according to a yearly research from a national organization, NY has the biggest gap in the country between what it costs to pay for a day of nursing home care and what the Medicaid program actually pays. The differential on a per day basis per patient is \$40. By multiplying that number with the number of Medicaid patients in NYC Health +Hospitals' system, the result is a dramatic challenge for a system that is so Medicaid-involved.

Ms. Brown added that the gap and this challenge noted by Mr. Amrhein did not include the additional challenge of a significant number of uninsured individuals being served by NYC Health + Hospitals Long Term Care facilities.

Mr. Rosen asked if the Medicaid payments were global across all Long Term Care institutions. Ms. Brown answered that it is across the board notwithstanding ownership. The \$40 a day differential is inclusive of not-for-profit/public and for-profit long term care facilities. Mr. Amrhein noted that because labor and negotiation contracts for the for-profit institutions are leaner than the other providers and the cost structures are less, they may be losing less than \$40. In addition, the for-profit facilities make it up by in-boarding as many patients with Medicare Part A as possible to ensure payments (profits).

4. A Shifting Mix of Provider Types in NYS

**Table 1.
Number of Nursing Facilities by Year and Sponsorship, New York State**

	1996	2000	2005	2010
For-Profit	312	313	310	310
Not-for-Profit	295	298	290	258
Public	48	51	49	44
Total	655	662	649	612

Source: RCF4 nursing facility cost reports filed with the New York State Department of Health, 1996-2010, obtained through HANYS/FACETS.

Mr. Amrhein commented that the equilibrium between for-profit and not-for-profit is changing in New York. He added that there is a greater decline trend on the not-for-profit and the public side. He commented that in the last five to six years, the pattern has been one not-for-profit or public closure about every two months and that closure has resulted in a conversion to a for-profit organization.

For the enlightenment of Mr. Rosen, Ms. Brown clarified that all NYC Health + Hospitals nursing homes were included in the public number.

Mr. Amrhein turned to his colleague, Mr. Gabriel Oberfield, and invited him to present the policy and regulatory forces that are impacting Long Term Care. Mr. Oberfield started his presentation by making a distinction between policy and regulatory changes. He stated that while the regulatory changes were less responsible for some of the dynamic changes occurring in the market place, the policy changes are affecting care for NYC Health + Hospitals and other similar institutions. Mr. Oberfield noted that the following three dominant policy themes were important to emphasize:

- Moving financial risk downstream
- Managing health at the population level
- Shifting care delivery to the lowest cost, least restrictive sites

Mr. Oberfield stated that some of the specific policy trends that are affecting the Long Term Care continuum in New York State include:

- Migration of the long term care population and benefit to managed care
 - Mandatory Managed Long Term Care (MLTC)

Effective as of February 2016 in New York City with expansion to the other surrounding counties during the summer. The Medicaid benefit which had been carved out and was fee-for-service is now carved in and is included within a broader capitated rate. A myriad of operational issues derived from that shift. According to the State, by bringing care into closer coordination and alignment, it can be delivered efficiently.

Transitional issues include:

- The Payer mix has moved more into Managed care side than the fee-for-service side.
- Paying on time is a big issue.
- Denials have increased because the nomenclature is not necessary uniform across plans.
- With a difference in payer sourcing where it has been fee-for-service in generations, there are new payer setter directly involved in providing the funding for the administration of Long Term Care.

- Expansion of the Medicare Advantage programs
 - They are increasingly prevalent in the market place.
 - There is a lesser prevalence of fee-for-service in the Medicare program.
- Implementation of the Fully-Integrated Dual Advantage Program (FIDA) in NYS
 - Due to operational challenges and other issues, this demonstration project projected to include as many as 50,000 to 60,000 members at a minimum, currently has 6,000 enrollees.
 - Both CMS and the State have invested in seeing this demonstration through.
 - CMS and the State have convened some active working sessions earlier this fall in which there were soliciting community feedback in order to employ adjustments to the demonstration.
- Organization of care for the Medicaid population through DSRIP Performing Provider Systems (PPSs)
 - Through OneCity Health, NYC Health + Hospitals is well positioned to move forward in this new paradigm with the largest PPS in the City.
 - Across the State, there is a move to integrate and coordinate care through the expenditures of \$8 billion that would infuse itself through the broader system throughout the next five years.
- Implications for payment
 - PPS's will play a much more coordinated role among those who are seeking to provide care to individuals who are attributed to those PPS's.

Implications for care delivery models and approaches

- PPS will serve as a locus of care.
 - Within that locus, there is a continuum play for that Long Term Care suite of services.
- Emergence of aggressive value-based purchasing agendas at the state and federal levels
 - The State has taken an invested approach in developing sub-committees. These sub-committees concluded their activities this month and made formal conclusions and recommendation for programming that would guide the State as it moves toward the implementation of value-based payment. That approach has been tied to expectations that were aligned in the agreement that the State executed with CMS at the time of its agreement to receive DSRIP funds. There is also analogous activity at the federal level. CMS, under Secretary Burwell, Medicare is moving to the value-based payment space as well. In the next two to four years it is a trend that will be worth watching closely.
 - Value-based purchasing is an approach at looking at care delivery at the nexus of cost and highest quality. To do that in a Long Term Care setting is a conversation that is evolving. In order for PPSs and others that would be involved in the arrangements of delivering value-based payments to otherwise ensure the quality of care of the individual under their watch, there will be a need to identify target partners who have emphasized quality as a key component of the care that they already are delivering.

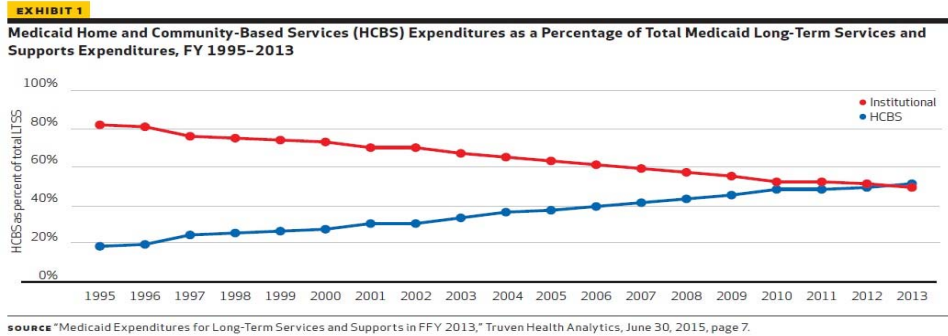
Mr. Amrhein added that the Nursing Quality Improvement (NQI) Program, a \$50 million program redistributed to providers based on achieving top performance outcomes. You earn that money back if you are one of the better providers. Through the CMS' vision of value-based purchasing, the payment to the nursing facility is predicated on what role does the nursing facility plays in a capitated environment with the system to keep the overall cost of care for that patient down.

Ms. Brown clarified that NYC Health + Hospitals Seaview's, McKinney's, HJC's and Coler's will be increasingly important not just for the services they have been providing historically, but important to the PPSs and the managed care plans in how they contribute to the service delivery and the cost of services to a patient throughout his/her entire health care experience. It is increasingly important to have strong connections between an NYC Health + Hospitals' acute care facilities, long term care facilities and home care services because the entirety of a patient's health care services will be counted as part of value-based purchasing and the length of stay in an acute care facility can be significantly lowered if there is a very close link to that patient getting services in post-acute care within the NYC Health + Hospitals system.

Ms. Brown added that NYC Health + Hospitals has been very lucky in having a number of post-acute care facilities and services. It is apparent that the patient that comes in for an operation will be in need of post-acute care. Therefore, the patient should be offered a package of services including the post-acute care services as opposed to just getting paid for the acute care.

- Shifting Care to the Community; Cumulative Effect of Array of Factors:

- ADA · Olmstead decision - money follows the person
- Balancing Incentive Program - community first choice option



Mr. Oberfield stated that over the last 20 years, the prevalence of institutional care has diminished. By contrast, home and community-based services have expanded in its overall percentage of presence in terms of the delivery of services and support; and we have now reach a point where these two lines have crossed. He added that the integration of different service paradigms representing some of the changes in patient preference as well as ways of delivering services in a cost effective way is increasingly critical.

Mr. Oberfield reported on the regulatory forces and actions below:

- Array of new regulatory actions will impose new expectations on providers, in tension with policy emphasis on transitioning greater risk and accountability to providers
 - CMS “Conditions of Participation Rule:” Sweeping changes for nursing facilities
 - CMS Rule on “Changes to discharge planning regulations for hospitals, LTCHs and home health”
 - New overtime pay expectations for home care
 - Minimum wage changes, also with implication for home health sector
- Other regulatory actions will reinforce the direction of current policy thinking
 - CMS Final Rule on Bundled Payment for Joint Replacement
 - In-process changes to the NYS nursing home bed need methodology
- Further observations
 - Environmental regulations continue to challenge providers (e.g., sprinkler regulation, smoking and e-cigarettes)
 - Providers are challenged by overlapping and duplicative regulations for providers and managed care plans

Mr. Amrhein concluded his presentation by sharing a path to success, which included:

- Leveraging NYC Health + Hospitals Resources
 - Unique alignment between Health + Hospitals Experience and Assets and the demands of the emerging health environment
 - Experience operating as a “true system”
 - Expertise in dealing with prevalent chronic diseases of the population
 - Leadership in the patient-centered medical home model
 - Engagement with the community, through communication, collaboration
 - Leadership position in delivery of behavioral health services
 - Deep experience with home health and telehealth services
 - Award-winning system-wide palliative care program
 - Documented track record of attaining superior quality outcomes
- Risks and Challenges
 - Sustaining effective communications across system elements
 - Measuring what works; tweaking practices based on experience
 - Ensuring a strong voice for the system’s long term care components in planning, decision-making, in the PPS context and beyond
 - Remaining both “entrepreneurial” and attentive to the regulatory/compliance environment simultaneously

Ms. Brown stressed that the administrators of the Long Term Care facilities have to manage within this hugely and increasingly complicated regulatory and reimbursement environment with the expectations of quality care. There is a need for someone to look at opportunities and innovative changes to help the facilities make those changes. She emphasized that no single Chief Operating Officer (COO) can do all of that at the same time. She explained that to ensure a strong voice not just within the hospital system for long term care but also within the policy and state regulatory system, we need someone at those tables making sure with our partners at CCLC and other trade associations are making sure that the populations that NYC Health + Hospitals serve and the services that are being rendered by the public post-acute care providers are being taken into serious consideration.

Mrs. Bolus asked if there was anything being done to encourage people at a young age to apply for long term care insurance. Mr. Amrhein responded that New York has been getting better incentives in place. Senator Jeff Klein has been a real proponent and one of his initiatives has been to encourage people to get a rider in their life insurance policy that would convert some of the value of a life insurance policy into long term care insurance in order to pay for long term care expenses. He informed the Committee that Part II of that bill has not been passed yet. By doing so, the Senator is seeking to bump up the tax benefit. Mr. Oberfield agreed that a lot more need to be done to make it happen. Mrs. Bolus recommended a trip to Albany to support this initiative.

Mr. Nolan asked Mr. Oberfield to elaborate on CMS' final rule on bundled payment for joint replacement. Mr. Oberfield answered that, CMS recognizing the fact that these are both common place and expensive procedures, is trying to bring into alignment the various care providers to contribute to the overall cost of care. By bundling, the notion is that there will be a locus of payments that will be distributed among the providers who would contribute to the care of individuals needing these specific procedures. That level of coordination is coming through the regular avenue at the federal level by way of mandate. Mr. Oberfield stated that NY and a number of different major jurisdictions across the country are being told, not asked, that this is the payment approach that the federal government is accepting in order to reimburse for these activities.

Mr. Oberfield further clarified for Mr. Nolan that if one were to have a right hip replacement surgery, it is not the federal government's responsibility to anticipate that the left hip would need to be replaced soon, but to ensure that, after the right hip replacement, the various care providers will contribute to the patient's recovery. As such, not solely the hospital, but also the long term care provider are working together and the payment for that coordination will be as well coordinated. Mr. Amrhein added that it is about changing the incentives. He explained that during the old regime, it had been in the hospital's best interest under fee-for-service to keep the patient in the hospital for a realistic number of six days. However, if medical evidence indicates that the patient could be discharged from the hospital in three or two days and receive post-acute care services in a long term care facility or at home, now the hospital is saying that we control the bundle and retain any excess if the patient can be moved out of the hospital after two days to a post-acute care facility after one week and home as quickly as possible thereafter for much less cost than it would have been in the old regime, ideally it means better care for the patient and lower cost for the system.

SUBSIDIARY BOARD REPORTS

HHC Capital Corporation – November 17, 2015

As reported by Dr. Lilliam Barrios-Paoli

Dr. Barrios-Paoli introduced Linda DeHart, Assistant Vice President of Debt Finance and Corporate Reimbursement Services who will speak about the System's Short Term Equipment Financing Program.

Short Term Financing Program:

Ms. DeHart directed everyone's attention to the first page of the presentation which describes the short term financing program that was first authorized by the Health and Hospitals Board of Directors on April 30, 2015. On September 24, 2015, the Board approved an amendment to increase the authorization by \$60 million, bringing the total to \$120 million. The program provides access to capital funds with banks over multiple years. The first loan under this program was attained only after a Secondary Health Care reimbursement Revenue Lien security was developed. The JP Morgan Chase financing for up to \$60 million closed on July 9, 2015. The Citibank revolving loan for up to \$60 million closed on October 14, 2015. Under the Security Structure shown on the second page, holders/buyers of HHC Bonds have first priority access to the System's Healthcare Reimbursement Revenues. Banks participating in the Short Term Financing Program have a secondary or subordinate pledge on Healthcare Reimbursement Revenues which is only triggered if the System defaults on its loan payments. Mr. Rosen asked if the Banks could request first priority access to revenues. Ms. Zurack explained that only the owners/holders of the HHC bonds have access to the HHC Capital Lock Boxes.

Citibank Transaction:

Discussions with Citibank to access additional funds were underway at the same time that Debt Finance was finalizing the details of the JPM Chase loan. Ms. DeHart stated that the second \$60 million loan will be used to finance CRA (Community Reinvestment Act) – eligible capital projects. Examples are the upgrade, purchase and installation of information and medical technology systems, routine renovation projects and costs of issuance. An analysis of the System’s services by payor mix or insurance type for the 12 month period starting March 2014 through February 2015 shows that 52% of all service encounters are with Medicaid patients. This result exceeded Citibank’s CRA minimum requirement of 50% for the sum of Medicaid and Medicare patients.

As mentioned earlier, the secondary or subordinate pledge on Healthcare Reimbursement Revenues is not triggered unless there is a payment default. The Citibank agreement is structured as a three year revolving loan whereby funds can be drawn down or repaid at any time, in \$1 million increments. The loan must be repaid in full by the maturity date, October 18, 2018. Similar to the JPM Chase agreement, this financing provides maximum drawdown flexibility and minimizes negative arbitrage on borrowed funds that are unused.

Interest on the funds is calculated weekly. The rate for the week of November 4 was 0.71%. Unlike the JPM Chase loan, Citibank charges a commitment fee of 0.15% on unused funds because the Citibank loan’s structure is similar to a three-year line of credit.

Subsidiary Board member, Ms. Emily Youssouf asked if there is a penalty for early payment to which Ms. DeHart said no. Ms. Youssouf followed up by asking if the Citibank is similar to the JPM Chase loan. Ms. Zurack stated that the JPM Chase loan expires in 12 months while the Citibank loan expires in 36 months and is a revolving loan agreement.

Loans - Planned Spending:

Ms. Nini Mar, Director, Corporate Reimbursement, explained that this is a graphical presentation of the planned spending by category for the two financing agreements. The JPM Chase loan is to be used primarily for equipment purchases while the Citibank loan is more flexible and will be used mainly for IT and routine reconstruction projects. On a combined basis, nearly 44% of the funds will be used for equipment, 32% for IT and 19% for routine reconstruction. The remainder will be spent on the Enterprise Resource Planning project, costs of issuance and other Central Office initiatives.

Subsidiary Board Member Mr. Mark Page asked for the useful life term on the JPM Chase loan. Ms. Marlene Zurack, Senior Vice President & CFO stated that it was a five year loan which nearly matches the useful life of five years on most equipment financed under the loan. The useful life for most IT projects is five to seven years. In response to Ms. Youssouf’s request for examples of routine reconstruction funded with the loans, Ms. Mar named projects such as roof replacements, boiler upgrades, structural improvements and electrical system enhancements. Ms. Youssouf asked if hospital executive directors are free to put forth whatever project they want. Ms. Roslyn Weinstein, Senior Assistant Vice President, Office of Facilities Development, explained that the selection of capital projects for funding is an ongoing process between the Facilities, Finance, Procurement and the Office of Facilities Development. At times, other areas such as Central Office Strategic Planning and the Lab Committee are involved.

Loans – Cash Flows:

Ms. Mar provided an overview of the cash flows for the two loans. The JPM Chase loan closed on July 9, 2015. As of October 31, 2015, only \$5.9 million was vouched or paid out. The Citibank loan closed on October 14, 2015. At closing, \$10 million was drawn down from each loan which means that interest expense is being incurred on both loans. Asked if Facilities are allowed to encumber the funds ahead of spending, Ms. Mar answered that on the JPM Loan, nearly \$20 million has been encumbered but spending to-date is less than \$6 million.

HHC Bonds - Issuance History:

Ms. DeHart presented the chart listing the various bond series issued by the System since 1993. The par amount of bonds outstanding is \$833.4 million and comprises of 80% fixed rate bonds and 20% variable rate bonds.

Construction Fund Balance on the 2010 Bonds:

Ms. DeHart said that page 8 shows the status of the Series 2010 bond construction fund. Of the total approximate \$200 million, \$4.8 million remains unspent.

Mr. Page asked if there are any interest earnings on the construction fund. Ms. DeHart said that the amount being earned is minimal. Nini Mar added that from inception, the cumulative interest earned on the 2010 Series bonds is nearly \$983,000.

MetroPlus Health Plan, Inc. – December 8, 2015
As reported by Mr. Bernard Rosen

Chairperson’s Remarks

Chair Rosen welcomed everyone to the last Board of Directors meeting for year 2015. Mr. Rosen stated that the meeting would start with the Executive Director’s report presented by Dr. Saperstein followed by the Medical Director’s report presented by Dr. Dunn. Mr. Rosen stated that there would be seven resolutions for approval. Mr. Rosen reminded the Board that the Annual Public meeting would follow at 5 PM. Mr. Rosen wished everyone a happy and healthy holiday and all the best for the coming year.

Total plan enrollment as of November 1, 2015 was 472,366. Breakdown of plan enrollment by line of business is as follows:

Medicaid	414,692
Child Health Plus	12,331
MetroPlus Gold	3,735
Partnership in Care (HIV/SNP)	4,602
Medicare	8,431
MLTC	922
QHP	22,991
SHOP	456
FIDA	180
HARP	4,026

Members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans were supplied.

Full open enrollment began November 15, 2015. As of the end of the second week of enrollment, we have received over 17,000 applicants with an effective date of January 1, 2016. Historically, the end of the open enrollment period is more productive in terms of the number of members we get.

We continue our aggressive advertising efforts to attract new members, as well as focus on retaining our existing members.

I would like to inform this committee of the collaboration between MetroPlus and Memorial Sloan Kettering Cancer Center (MSK) as it regards the former Health Republic members undergoing cancer treatment. In an effort to enable these members to continue their cancer treatment at MSK, MetroPlus, (with support from the Mayor’s Office and NYC Health and Hospitals), has agreed to provide coverage to the members who are NYC residents and will not self-enroll in other plans. The special Memorial Sloan-Kettering coverage will be available only to this group of patients (114). As MSK is not a contracted facility with MetroPlus, we have signed a Letter of Agreement with MSK. We will work closely with the cancer center team to answer any questions and provide enrollment assistance as needed. Patients are being enrolled in MetroPlus for coverage beginning December 1, 2015, with no interruption of services at a rate more affordable than what they were paying for Health Republic Insurance of New York. With both 2015 and 2016 monthly rates for MetroPlus lower than current rates for Health Republic, these patients, and any other former Health Republic enrollees who enroll in MetroPlus, will be able to save \$46 for the month of

December, 2015 and \$117 per month in 2016 for the Silver level plan; the savings for the Platinum level plan are \$73 in December 2015 and \$163 per month in 2016.

There are approximately 20,000 New York City residents in Health Republic. Unfortunately, Health Republic clients who do not choose a new insurer by November 30, 2015, will be automatically enrolled by the State into Fidelis Care.

Dr. Saperstein stated that this would be Mr. George Proctor’s last Board meeting since he is retiring from NYC Health and Hospitals (H+H). Dr. Saperstein stated that he will be sorely missed and not just here on the Board but all across H+H. Mr. Proctor stated that it has been a privilege to serve on the MetroPlus Board of Directors.

Dr. Saperstein reported that after three weeks of open enrollment the Plan has received transactions for 22,000 members, some of which are renewals but most are for new members coming in. The rate of enrollment is exceeding the last two years during the equivalent time of open enrollment.

Medical Director's Report

As part of MetroPlus Health Plan's continuing efforts to provide health education and valuable information to our members and providers, we completed the following quality management activities:

Quality Management

- Provider Satisfaction Survey Reminder – This is a reminder to our network providers about the annual provider satisfaction survey. This survey relates to the level of satisfaction within the network, provider services, and other important areas.
- Gaps in Care Provider Report and Member Reminder – These reports/reminders are based on claims for specific periods of time (usually from six months to a year) in which we remind our providers and members about the importance of preventive screenings and regular medical care.
- Advance Directives, Flu, Exercise, and Depression – The purpose of this mailing is to educate our Medicare members about these important topics and provide them with resources and tools.
- Medicare Birthday Card (September, October) - These monthly birthday cards remind our Medicare members to contact their PCP to schedule their annual wellness visit.
- Non-User List – In order to improve our rates related to Quality Assurance Reporting Requirements (QARR) and HEDIS measures, QM mails out the non-user lists to the 17 HHC hospitals and Diagnostic and Treatment Centers.
- Facilities Member Satisfaction Survey Reports - The 2015 member satisfaction survey results for HHC facilities were mailed out. The results are based on responses from the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) survey.

Stars Program:

- The Medicare Stars workgroup meets on a weekly basis to discuss and update interventions.
- Doctors on call have completed to date 431 home visits and continues with their visits.
- QM is in the process of developing a Wellness Program for Older Adults which will be a telephonic assessment completed by a Nurse Practitioner who will outreach to members who have not had an annual wellness visit.
- Network Relations is also assisting with member outreach for eye exams, 1,067 members were contacted to schedule an eye exam and network representatives were able to schedule 58 appointments.
- Medication Adherence (Diabetes, HTN, Cholesterol): CVS outreaching members who can attain 80% PDC (proportion of days covered) threshold, coaching members on the importance of med adherence
- Flu interventions: member and provider portal updates, customer service and network to remind all members of the importance of the flu shot, brochures distributed through marketing and Network Relations, high touch calls completed by TMG

HEDIS:

- QM initiated monthly reporting of HEDIS results to the providers.
- Results are available On-line with last year's rates.
- QM is working with Network Relations and Provider Contracting to develop interventions for poor-performing provider interventions.
- QM is also working with Beacon to try to introduce new interventions for the Follow-up mental health measure.
- Also, we are working with Network Relations and HHC to do a final push to get non-compliant diabetic and hypertensive members in to see their providers before the end of December.

Quality Improvement Projects for URAC:

- a. Asthma Medication Ratio
 - Coordination of Care for members with persistent asthma
 Measurement Year 2014 rate: 5-18 years was 55%, our goal is 69% by 2016
 Measurement Year 2014 rate: 19-64 years was 46%, our goal 59% by 2016
- b. Diabetic Eye Exams
 - Eye screening for diabetic retinal disease of 18-75 years of age with diabetes
 Measurement Year 2014 rate was 51.24%, our goal is 56% by 2016
- c. Postpartum Visits
 - Continuity of postpartum care visits between 21 and 56 days after a live birth

Measurement Year 2014 rate was 64.23%, our goal is 70% by 2016

World AIDS Day:

- December 1st is World AIDS Day and the month is HIV Awareness Month. We are being asked to participate in a number of different ways in the community.
- The Community Outreach team met with us to help them organize a Town Hall around PrEP in Manhattan in December.
- We are developing brochures or promotional material about PrEP and the HIV SNP at MetroPlus.
- We plan to have something included about PrEP in one of the issues of the provider newsletter for 2016.

Behavioral Health & HARP Update:

- The Behavioral Health/HARP Department, in keeping with the HARP and QMP RFQ requirements, has added several staff members. A half time Associate Medical Director, an Administrative Coordinator and a Behavioral Health Data Analyst now complete the on-site MetroPlus staff.
- The Health Home Liaison Unit has gained access to both Psyckes and HCS (the Health Commerce System). Psyckes provides us with member utilization history both within health plan coverage and through fee for service Medicaid.
- HCS is the most accurate source of the truth as far as Health Home enrollment status, downstream provider assignment and historical information about the member throughout the enrollment process. Our liaisons are spending one day per week out in our highest volume substance abuse facilities to help facilitate discharge planning and Health Home enrollment. While they meet with members to educate them on health homes, more importantly, they are training facility staff to help facilitate health home referral and enrollment as well.
- Plans are underway for liaison's to spend time in the shelters. The reorganization of HHC's Health Home Central Office has been a very positive development. We now feel that we have a partner whose mission and vision is consistent with our own and that outreach and enrollment is their top priority.
 - Beacon Health Options staff delivered their third quarter UM/CM/QM presentation.
 - Inpatient Mental Health admissions have decreased for Medicaid by 17%.
 - Inpatient Substance Abuse admissions have decreased for both Medicaid and Medicare by 18%.
 - Outpatient utilization is trending higher from the second quarter to the third quarter by approximately three days per thousand.
 - Thirty-day readmission rates have decreased for all lines of business.
 - The HEDIS results for Ambulatory Follow-up after Discharge need substantial improvement. A joint Metro/Beacon interdepartmental task force meets regularly to work on improving results.
 - Beacon is continuing a proactive approach to identification of high-utilizing members and referring them to Case Management as well as to Health Homes (HARP & HIV).
 - MetroPlus has advised Beacon that we are expecting a significant increase in number of members in active case management. It is expected that every HARP member receive some level of case management and that every HARP member is educated on Health Home and encouraged to enroll in Health Home Care Coordination.

As the Beacon/MetroPlus delegation relationship is nearing its first year completion (Jan.1 for FIDA, Feb.1 for all other lobs) plans are underway for both a desk audit and an on-site audit. Mr. Martin asked Dr. Dunn if the providers can view their HEDIS performance scores and if yes, do they know that. Dr. Dunn replied yes they are sent that information from the Plan. Mr. Martin stated that this is valuable information and asked Dr. Dunn if he attends Dr. Wilson's Medical Directors meeting every month. Dr. Dunn replied that he attends every other month.

Action Items

The seven resolutions were introduced by Mr. Dan Still, Chair of the MetroPlus Finance Committee.

Adopting the Annual Operating Budget and Expense Authority of the MetroPlus Health Plan, Inc. (the "Plan"), for Fiscal Year 2016

Mr. John Cuda, MetroPlus' Chief Financial Officer gave a brief overview of the 2016 budget. Mr. Cuda advised that this budget was discussed in great detail at the Finance Committee that was held in November. There was a brief discussion regarding the 2016 member target. Mr. Martin asked that since one of the priorities for the Plan is the retention of its members, is there an extra cost

for that. Mr. Seth Diamond, MetroPlus' Chief Operating Officer, replied that the Retention Department is being restructured with the help of a consultant whose expertise is in workflow efficiencies and that is where the cost is for this project.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus" or the "Plan") to negotiate and execute a contract with Health Management Systems, Inc. ("HMS") to provide third party health insurance (TPHI) identification and recovery services for a term of three years with two 1-year options, solely exercisable by MetroPlus, for an amount not to exceed \$4,750,000 for the total 5 year term.

Mr. Cuda gave the Board a detailed overview of the services that HMS provides to the Plan. Mr. Cuda stated that two vendors responded to the RFP but the other organization did not have New York experience.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Advanced Medical Reviews (AMR), to provide independent medical reviews by specialty-matched physicians for a term of three years with two options to renew for a 1-year term, each solely exercisable by MetroPlus, for an amount not to exceed \$1.5 million per year.

Dr. Saperstein stated that the Plan used to use one entity for chart reviews, specialty reviews and DRG reviews and this time around the Plan decided to break the services up to get a better deal for services and cost. That is why there are several resolutions being presented at this meeting for services that used to be done by one vendor. Mr. Martin asked if the cumulative amount is cheaper and Dr. Dunn replied yes. A brief discussion was held on the Plan's intention to obtain URAC accreditation.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

Authorizing the submission of a resolution to the Board of Directors of the New York City Health and Hospitals Corporation ("HHC") to authorize the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Milton Samuels Advertising & Public Relations ("MSA"), to provide media buying and advertising services for a term of three years with two 1-year to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year.

Dr. Saperstein advised the Board that this resolution will be presented to the H+H Board in January 2016. Mr. Still stated that this contract is integral to MetroPlus' growth plan. Dr. Saperstein stated that the reason this contract is more than previous years is due to the addition of television ads. Mr. Diamond stated that when the resolution is presented to H+H Board of Directors in January, Dr. Raju has requested more information about open enrollment and how the new ads tie into the Plan's success during that period of time.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors. This resolution will be presented at the January 2016 H+H Board of Directors meeting.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with New York County Health Services Review Organization ('NYCHSRO') to provide HEDIS/QARR medical record review services for three years with two 1-year options to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$800,000 per year.

Dr. Dunn stated that the Plan is required by the State to submit data based on HEDIS/QARR. Dr. Dunn gave a brief review of NYCHSRO's experience with medical record reviews and the services they will provide to the Plan.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute contracts with two UAS Assessment firms to provide UAS-NY Assessment services on an as-needed basis for MetroPlus. The firms are Greater New York Nursing Services and New York County Health Services Review Organization ("NYCHSRO"). The contract shall be for a term of three years with two 1-year options to renew, solely exercisable by MetroPlus, for a cumulative amount not to exceed \$1,000,000 per year.

Dr. Dunn stated that the Plan does about 20,000 UAS Assessments annually. Dr. Dunn stated that Assessment takes between 2 and 2 ½ hours per visit. Dr. Dunn explained to the Board the process in which the Assessments would be distributed to in-house staff and then to the vendors selected.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus" or the "Plan") to negotiate and execute a contract with VARIS, LLC to provide diagnosis-related group ("DRG") validation services for all lines of business for a term of three years with two options to renew for a 1-year term, each solely exercisable by MetroPlus, for an amount not to exceed \$700,000 per year.

Dr. Dunn stated that the Plan has been very successful in the past with DRG reviews. This is when the billing has been found to be incorrect for mostly community doctors, non-H+H. Varis has over 10 years' experience and has been very successful in this field.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan Board of Directors.

HHC Insurance Company / Physicians Purchasing Group – December 10, 2015
As Reported by Dr. Ram Raju

The Health Care System initiative to reduce costs associated with medical malpractice claims includes efforts to identify cost-effective insurance strategies. The NYC Health + Hospitals Board of Directors authorized the formation and operation of a subsidiary captive insurance company, the HHC Insurance Company ("HHCIC") that would insure attending physician staff and provide access to excess insurance coverage provided by a state-funded pool. The HHC Physicians Purchasing Group ("PPG") was formed as an insurance purchasing group for HHC affiliated physicians.

Reports from the recent meetings of the HHCIC and PPG Boards held on December 10, 2015 are summarized below:

HHC Insurance Company

The HHC Insurance Company was licensed as a captive insurance company by the New York State Department of Insurance on December 16, 2004. It became active on January 1, 2005. The company underwrites primary professional liability coverage for attending physicians affiliated with HHC in the specialties of Obstetrics/Gynecology and Neurosurgery. Excess coverage for these specialties, obtained through the New York State Excess Liability Pool, began on July 1, 2005.

The Board of Directors of HHCIC held its annual meeting on December 10, 2015. It conducted all business necessary for captives in the State of New York including the election of officers; the issuance of primary insurance policies to the members of the HHC Physicians Purchasing Group as well as the re-appointments of Aon Risk Consultants, Inc. as actuaries and KPMG, LLP as auditors. At present, there are 321 Obstetrician/Gynecologists and Neurosurgeons insured through HHCIC.

Premium in the amount of up to \$5.6 million was deposited for the benefit of HHCIC by HHC and is held in reserve for the payment of any claims with the exception of any amounts needed for payment of any outstanding claims against HHCIC.

The Company was required to sign up as a plan or pool participant in the Medical Malpractice Insurance Pool (MMIP). The company opted to join the Pool so that it could be consistent with all of the other medical malpractice carriers in the State of New York. The September 30, 2015 session statement from the Pool indicates that the Company has a net liability to the Pool of \$210,445.

All Regulatory matters are current.

HHC Physicians Purchasing Group

The Board of Directors of the HHC Physicians Purchasing Group held its annual meeting on December 10, 2015. The business of the Group is to obtain primary medical malpractice insurance from HHCIC on behalf of its members who are employees of NYC Health + Hospitals Affiliates. The physician members of the group have obtained primary medical malpractice insurance coverage for 2015 in the amount of \$1.3 million/ \$3.9 million from the HHCIC, the New York captive insurance company. The members of the group have also received excess coverage in the amount of \$1 million / \$3 million from the Medical Malpractice Insurance Plan.

The Board conducted all business necessary for a Purchasing Group in the State of New York including the election of officers.

******* End of Reports *******

RAMANATHAN RAJU, MD
HHC PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
December 17, 2015

Good afternoon. I will highlight just a few items from the full version of my report to the board. The full version is available to all here and will be posted on our website.

NYC HEALTH + HOSPITALS PERSON OF THE YEAR

As is customary at every board meeting we feature the work of one or more individuals who demonstrate the true spirit of what the public hospital system means to New York City.

During the month of December we recognize an individual who has championed the things that we in the public hospital system care most about.

Tonight I am delighted to recognize Chirlane McCray, the First Lady of New York City as New York City Health and Hospitals' Person of the Year.

For so long, issues of mental health have been a source of indifference, or shame, or fear. These issues were not talked about. Instead they were like mere whispers;

Mere whispers suggesting that people were suffering, but leaving them ---and their families--- to fend for themselves.

All too often this country has postponed addressing mental health issues until social tragedy spurs us to action. But the public consciousness of such tragedies usually fades away, as do the cries for mental health solutions.

For so long, mental health needs have been left to be addressed by the criminal justice system, which has often been unprepared and inadequate to the task.

For so long patients with mental health needs have been left untreated. They've aroused misunderstanding and hostility, rather than intelligence and compassion.

Finally however, things are beginning to change in New York City. Today, there is growing recognition that a community's well-being is tremendously impacted by how it addresses mental health issues.

This shift is in no small part, due to the First Lady's tireless efforts to push mental health issues to the forefront. Issues of stigma, of access, and of treatment have become a part of the conversation across the city, and the nation. It's about time.

This topic couldn't be more important to us. As the largest provider of mental health services in New York, our commitment to a strengthened mental health infrastructure is strong and longstanding.

When other health systems built profitable service lines, we built socially responsible service lines.

However, we can't shoulder the burden alone. It is too big... Too complicated for one system to address. We need strong partners to help us constantly develop better, more effective ways of addressing the mental health needs of New Yorkers.

That is why we have such respect for Chirlane McCray's work as a knowledgeable advocate.

That is why we are so appreciative of her candor in sharing her personal life story.

That is why we are so supportive of her commitment to change the culture when it comes to more openly discussing mental health.

We congratulate the First Lady for spearheading Thrive NYC! It's a dynamic plan of action...one that issues a clarion call for sorely needed new initiatives. It strengthens existing programs that are designed to promote the mental well-being of New Yorkers.

We applaud the First Lady's commitment to building a community of solutions, like improving connections between medical and mental health --- that will enable us to deliver care in a more integrated, more coordinated, more effective manner.

We are so pleased tonight to have this opportunity to tell Chirlane McCray how greatly we appreciate her leadership on mental health issues. On behalf of the 1.4 million patients we serve annually...on behalf of our 42,000 employees... I am delighted to tell you that you can depend on our partnership. We stand with you in this great effort to guide the city toward a more effective and holistic mental health system. And we offer you our heartfelt congratulations for the brave and necessary work that you are doing.

PROGRAM OF THE MONTH NYC HEALTH + HOSPITALS BEHAVIORAL AND MENTAL HEALTH PROGRAMMING

In keeping with the theme of the First Lady's phenomenal work, we are highlighting the continuum of mental health services offered by New York City Health and Hospitals, as our Program of the Month. We are truly the backbone of mental health care in New York City. Approximately 40% of all psychiatric, psychological, chemical dependency and substance abuse services delivered in the five boroughs are provided by our expert and compassionate care givers.

This evening, to better appreciate our work in this critical area, I've requested that the Office of Medical and Professional Affairs offer the Board an Informational Item on mental health programming, which will be presented by Senior Vice President and Chief Medical Officer, Dr. Ross Wilson.

Returning to the regular agenda order, as customary I will now highlight one item from the full version of my report to the board.

FAREWELL TO LONGTIME NYC HEALTH AND HOSPITALS LEADERS

I'd like to take a moment to note the impending retirements of several esteemed leaders of our system: This evening marks the occasion of the final Board meeting at which six longtime, loyal and committed public servants of our health system will be present.

Senior Network Vice Presidents Christopher Constantino, George Proctor, Denise Soares, and Arthur Wagner will be departing at the end of this year, after many years of exemplary service.

Caroline Jacobs, Senior Vice President for Safety and Human Development and LaRay Brown, Senior Vice President for Corporate Planning, Community Health and Intergovernmental Relations will be leaving also, after many years of exemplary service.

Each of these members of our NYC Health + Hospitals family have given decades and decades of their lives to improving the public hospital system, and to safeguarding the health of our patients. They will be missed.

NYC SETS GOAL TO SCREEN, TREAT ALL PREGNANT WOMEN AND NEW MOTHERS FOR MATERNAL DEPRESSION

NYC Health + Hospitals, Maimonides, Greater New York Hospital Association to lead effort

On November 17, 2015 First Lady of NYC Chirlane McCray, Deputy Mayor for Strategic Policy Initiatives Richard Buery and New York City Health + Hospitals President and CEO Dr. Ram Raju announced that New York City is setting a goal to screen and treat all pregnant women and new mothers for maternal depression. As the first step toward this goal, NYC Health + Hospitals and Maimonides Medical Center – who together perform approximately one-quarter of all deliveries in New York City – have committed to achieve universal screening and connection to treatment for maternal depression within two years.

Recognizing that maternal and postpartum depression often go undiagnosed, this initiative emphasizes the importance of being attentive to mental, as well as physical health. And by performing well visits for babies, and for mothers. NYC Health + Hospitals' practice has long been to screen for depression before and after birth, because depression can affect not just the mother but also how parents care for their children. We are glad to partner with private health systems and the Greater New York Hospital Association to make this practice universal in New York City.

NYC HEALTH + HOSPITALS/HARLEM NAMED A "TOP HOSPITAL" NATIONALLY BY THE LEAPFROG GROUP

NYC Health + Hospitals|Harlem is the only hospital in New York State to be named by The Leapfrog Group to its list of the nation's "Top Hospitals" for 2015. Just 62 urban hospitals received the recognition which gauges hospital performance on

measures of patient safety and quality, from prevention of medical errors to physician staffing levels to performance on high-risk surgeries and procedures.

The award is based on the results of The Leapfrog Group's annual hospital survey, which measures hospitals' performance on patient safety and quality, focusing on three critical areas of hospital care: how patients fare; resource use; and prevention of medical errors. The performance of each eligible hospital care is reviewed by Leapfrog's Top Hospital Selection Committee to ensure it embodies the highest standards of excellence.

Inclusion on this list validates the idea that public hospitals, with limited resources and complex patient populations, can also perform at the top level nationally. Credit goes to the hospital's leadership and its culturally diverse workforce. This is an endorsement of their hard work for the Harlem community.

PLACHIKKAT V. ANANTHARAM APPOINTED CHIEF FINANCIAL OFFICER OF NYC HEALTH + HOSPITALS

NYC Health and Hospitals has announced the appointment of Plachikkat (P.V.) Anantharam as Chief Financial Officer following his unanimous approval by the Board of Directors on November 17, 2015. Prior to coming to NYC Health + Hospitals, Mr. Anantharam served as Deputy Director for Health and Social Services at the New York City Office of Management and Budget (OMB) since 1998. Mr. Anantharam replaces former Chief Financial Officer Marlene Zurack, who retired after 15 years of service at NYC Health + Hospitals.

DOI AND NYC HEALTH + HOSPITALS ANNOUNCE AGREEMENT TO ESTABLISH AND SUPERVISE NEW OFFICE OF THE INSPECTOR GENERAL

On December 7, 2015 NYC Health + Hospitals President and CEO Dr. Ram Raju and Mark G. Peters, Commissioner of the New York City Department of Investigation ("DOI"), jointly announced the signing of a Memorandum of Understanding ("MOU") giving DOI control over a new Office of the Inspector General for NYC Health + Hospitals ("NYC Health + Hospitals OIG"). Under the agreement signed last week, NYC Health + Hospitals' existing internal inspector general's office, which previously reported to NYC Health + Hospitals' President and Board of Directors, will now be under the full authority and supervision of DOI.

A new inspector general will report to DOI Commissioner Peters. The move was prompted by NYC Health + Hospitals Board of Directors and Dr. Raju, who requested that DOI provide independent and transparent oversight. The Inspector General's oversight will allow the highest levels of integrity and transparency by giving full control to Commissioner Peters and the Department of Investigation.

FEDERAL UPDATE

Immigration

The Department of Justice has filed a Writ of Certiorari requesting the U.S. Supreme Court Review a federal appeals court decision (Texas et al v. United States et al) that temporarily blocks President Obama's executive orders on immigration.

The President executive initiatives would provide work permits and protection from deportation to nearly 5 million undocumented immigrants. If the Supreme Court decides to hear the case, it will be early in 2016 and a decision might be expected by June 2016.

WTC Health-Zadroga

The James L. Zadroga 9/11 Health and Compensation Act is included in omnibus legislation anticipated to be approved by Congress this week.

The bill extends the Zadroga medical program, which includes Health and Hospitals' World Trade Center Environmental Health Center program, for 75 years. The bill extends the companion Victims Compensation Fund for 5 years.

I want to thank and congratulate all those who are working so hard for passage, which includes our City Hall partners, the New York Congressional delegation especially Senators Gillibrand and Schumer along with Representatives Nadler, Maloney and King, the many responders and survivors who advocated for themselves and their compatriots, and certainly the patients and staff of the World Trade Center Environmental Health Center here at the New York City Health + Hospitals. The World Trade Center Health Program is an absolute priority at the New York City Health + Hospitals and we are proud to continue this noble program to render 9/11-related care and services for decades to come.

ONE-CITY HEALTH UPDATE

The OneCity Health Centralized Services Organization (CSO) is on track to submit its December 31 DSRIP quarterly report to NYS DOH. The report details our PPS' progress in reaching its DSRIP commitments as defined by NYS DOH mandated milestones.

Site-level planning and implementation for three clinical projects across the entire OneCity Health network have been initiated.

For Project 11, as part of the initial pilot, OneCity Health has trained representatives from over 15 community-based organizations and seven NYC Health + Hospitals sites in the use of a survey tool to measure patient activation (PAM ®). Survey administration is one of the earliest steps in the project, and the overall goal is to engage uninsured and Medicaid low- and non-utilizing New Yorkers and link them effectively to primary care.

For asthma home-based self-management, OneCity Health has engaged three NYC Health + Hospitals sites, including the ED and pediatrics clinics of each, as well as DOHMH and community based organizations to provide the clinical care, home-based services, and education needed to prevent asthma attacks.

For integration of palliative care into the Patient Centered Medical Home (PCMH), we have engaged 3 of our Gotham sites for pilot and are currently evaluating five OneCity Health partner organizations who self-identified as wishing to provide palliative care training and education.

Over the next three months, OneCity Health will pilot the remainder of projects across the network, with sites selected according to community need, site readiness, and our commitments to NYS DOH.

For two population- or public health focused projects, our OneCity Health PPS has spent the last year in close collaboration with other NYC PPSs in planning, and will seek to begin implementation over next 3 months:

For collaborative HIV work, NYC Health + Hospitals and its OneCity Health partners will work on a collection of six discrete projects intended to improve HIV care and prevention. During project implementation, this collaborative group will be convened by DOHMH.

For the collaborative Mental Health and Substance Abuse (MHSA) project, a consortium of four PPSs will work to improve adolescent mental health by identifying behavioral health needs, implementing preventive interventions, and creating effective linkages to community support resources. Project implementation will occur within 100+ middle schools throughout the city under governance of the consortium, and DOHMH and OMH will continue to serve in an advisory capacity throughout implementation.

The MHSA project, which will be carried out collaboratively with other NYC PPSs, DOHMH and OMH serve in advisory capacity. The Department of Education is also an advisor as this work will be carried out in middle schools.

OneCity Health is in the process of executing the Master Services Agreements for all partners and the payment schedules for each project in which a partner will participate. We expect to flow funds first to our community partners and are working relentlessly to distribute funds beginning in January, 2016.

NYC HEALTH + HOSPITALS IN THE MEDIA HIGHLIGHTS

BROADCAST

- NYC sets goal of screening all new mothers for depression, NY1 News
- IDNYC service offered at NYC Health + Hospitals/North Central Bronx, News 12 Bronx
- NYC First Lady urges postpartum depression screening, WNBC
- Bronx residents rally against gun violence, News 12 Bronx
- Mayor Bill de Blasio unveils mental health initiative. WABC
- NYC Health + Hospitals/Kings County receives new cancer treatment machine, News 12 Brooklyn

PRINT

- Op-Ed: Yes, doctors and lawyers can work together, Crain's New York Business
- Danny Meyer explains how to put the hospitality in hospitals, Crain's Health Pulse
- A New York initiative to promote mental health, The Wall Street Journal
- The important thing Hospitals have pledged to do for new moms, HuffPost Life Handbook
- NYC Health + Hospitals to overhaul its patient-experience strategy, Crain's Health Pulse
- NYC Health + Hospitals avoids consultants for patient experience overhaul, Becker's Hospital Review
- NYC's public health care system rebrands to unify 70+ patient care locations, Queens Latino
- NYC Health + Hospitals names new CFO, Modern Healthcare
- NYC Health + Hospitals names CFO: 4 things to know, Becker's Hospital Review
- IDNYC Service offered at NYC Health + Hospitals/North Central Bronx, Norwood News
- NYC Health + Hospitals/Harlem to earn the Leapfrog Group's "Top Hospital", Harlem World
- NYC Health + Hospitals reminds New Yorkers to get tested, Amsterdam News
- NYC Health + Hospitals/Jacobi celebrates 60th Anniversary, Bronx Times
- MetroPlus COO Seth Diamond, City & State

RESOLUTION

Amending the By-Laws of the New York City Health and Hospitals Corporation (NYC Health + Hospitals) with respect to certain standing committees to better enable NYC Health + Hospitals to conduct its business

WHEREAS, the By-Laws of NYC Health + Hospitals may be altered by vote of majority of the whole number of the Board; and

WHEREAS, in accordance with the requirements of the By-Laws, Board members will be given at least a 14-day notice of the intent to vote to amend the By-Laws; and

WHEREAS, the By-Laws currently designate Medical and Professional Affairs/Information Technology, Community Relations, and Strategic Planning as a standing committees; and

WHEREAS, by resolution adopted on July 26, 2007, the Governance Committee was established as a special committee of the Board of Directors; and

WHEREAS, it is in the interest of NYC Health + Hospitals and in the governance and oversight role of the Board of Directors that Medical and Professional Affairs and Information Technology be subject to the Board's regular oversight and reviews as separate committees; and

WHEREAS, it is in the interest of NYC Health + Hospitals and in the governance and oversight role of the Board of Directors that the role of the Community Relations Committee be expanded to include discussion of advocacy for NYC Health + Hospitals on relevant legislative and political developments on a local, state and national level that effects the health care delivery environment and specifically NYC Health + Hospitals; and

WHEREAS, it is in the interest of NYC Health + Hospitals and in the governance and oversight role of the Board of Directors that the role of the Strategic Planning Committee be more appropriately described; and

WHEREAS, it is in the interest of NYC Health + Hospitals and in the governance and oversight role of the Board of Directors that the Governance Committee be made a standing committee and that its role and responsibilities be more appropriately described; and

WHEREAS, these amendments of the By-Laws will better enable NYC Health + Hospitals to conduct its business.

NOW, THEREFORE, be it

RESOLVED that that Article VI, Section 2 shall be amended (1) to replace the "Medical and Professional Affairs/Information Technology Committee" with the "Medical and

Professional Affairs Committee” and the “Information Technology Committee” and (2) to add the “Governance Committee” and,

BE IT ALSO FURTHER RESOLVED that Article VI, Section 4, which describes the duties and responsibilities of the Medical and Professional Affairs/Information Technology Committee shall be replaced with the following:

“Section 4. Medical and Professional Affairs Committee. The duties and responsibilities of the Medical and Professional Affairs Committee shall include the following:

A) review issues dealing with the quality and composition of professional services provided in the Corporation’s facilities, including nursing services, pharmacy, dietary services, laboratories and social services, and recommend policies and actions to the Board concerning these services;

B) review and recommend to the Board contractual arrangements for professional services with particular emphasis on monitoring and providing policy direction to corporate staff with respect to the services provided to the Corporation pursuant to its affiliation contracts with voluntary hospitals, medical schools and professional corporations;

C) review education and training issues for clinical personnel in the Corporation’s institutions;

D) formulate and recommend to the Board plans for delivery of comprehensive health care to the community;

E) promulgate policies rules and regulations with respect to medical and to other research conducted at the Corporation’s facilities; and

F) review strategic issues related to information management and technology and the management of clinical care.”

BE IT FURTHER RESOLVED that Article VI, Section 8, which describes the duties and responsibilities of the Community Relations Committee, shall be amended to add the following:

“E) discuss advocacy for the Corporation on relevant legislative and political developments on a local, state and national level that effect the health care delivery environment and specifically the Corporation.”

BE IT ALSO FURTHER RESOLVED that Article VI, Section 10, which describes the duties and responsibilities of the Strategic Planning Committee shall be replaced with the following:

“Section 10. Strategic Planning Committee. The duties and responsibilities of the Strategic Planning Committee shall include the following:

- A) to share and monitor metrics established for measuring goals and initiatives;
- B) to develop and monitor long term and strategic plans for the Corporation that are consistent with its mission and that reflect the needs of the population and health care industry needs;
- C) to recommend strategic directions to ensure the ability of the Corporation to carry out its mission;
- D) to evaluate Corporation policies and programs as these relate to long-term goals and objectives ;
- E) to review and evaluate all system-wide initiatives and plans to ensure consistency with the Corporation’s strategic plan, mission and demographic and health care industry trends.
- F) to report on relevant legislative and political developments on a local, state and national level that effect the health care delivery environment and specifically the Corporation.”

BE IT ALSO FURTHER RESOLVED that Article VI, Section 12 shall be renumbered as Section 14.

BE IT ALSO FURTHER RESOLVED that a new Article VI, Section 12 shall be included as follows:

“Section 12. Information Technology Committee. The duties and responsibilities of the Information Technology Committee shall include the following:

- A) review, appraise and monitor the Corporation’s IT strategy and significant IT related projects and investments;
- B) ensure that the Corporation’s IT programs effectively support the Corporation’s clinical and business objectives and strategies;
- C) review the financial, tactical and strategic benefits of proposed major IT related projects and technology architecture alternatives;
- D) review the progress of significant IT related projects and technology architecture decisions;

E) review and recommend to the Board contractual commitments for significant IT related projects that will be submitted to the Board for consideration; and

F) monitor the quality and effectiveness of the Corporation's IT security and IT disaster recovery capabilities.”

BE IT ALSO FURTHER RESOLVED that a new Article VI, Section 13 shall be included as follows:

“Section 13. Governance Committee. The duties and responsibilities of the Governance Committee shall including the following:

A) keep the Corporation's Board of Directors informed of current best governance requirements and current trends;

B) update corporate governance principles;

C) advise appointing authorities on skills/requirements of Board members.

D) evaluate the performance of the President;

E) review appointments of corporate officers.”

BE IT ALSO FURTHER RESOLVED that in Article IV, Section 1, “Goldwater Specialty Hospital and Nursing Facility” shall be replaced by “Henry J. Carter Specialty Hospital and Nursing Facility.”

RESOLUTION

Approving the NYC Health + Hospitals
Annual Board Committee Assignments
Effective January 2016.

WHEREAS, Article VI, Section 1(C) of the bylaws of NYC Health + Hospitals provide that the Chair of the Board shall annually appoint, with the approval of the majority of the Board, members of the Board to the standing committees,

WHEREAS, the Chair has proposed the appointments set forth in the attachment hereto.

NOW, THEREFORE, be it

RESOLVED that the NYC Health + Hospitals Board of Directors approves the appointments of the members assignments for the standing committees as reflected in the attachment, which appointments shall be effective from January 2016 until such time as any changes are approved by the Board.

BOARD OF DIRECTORS

Standing Committees

Proposed Committee Assignments

(Effective 01/01/2016)

STANDING COMMITTEES OF THE BOARD	
<u>Executive</u>	<p>Chair: Dr. Lilliam Barrios-Paoli</p> <p>Members: Mr. Bernard Rosen Mr. Gordon Campbell Mr. Anthony Shorris Josephine Bolus, RN Dr. Ramanathan Raju</p>
<u>Audit</u>	<p>Chair: Ms. Emily A. Youssouf</p> <p>Members: Josephine Bolus, RN Dr. Jo Ivey Boufford Mr. Mark Page</p>
<u>Capital</u>	<p>Chair: Ms. Emily A. Youssouf</p> <p>Members: Josephine Bolus, RN Mr. Mark Page Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>
<u>Community Relations</u>	<p>Chair: Josephine Bolus, RN</p> <p>Members: Mr. Robert F. Nolan Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>
<u>Equal Employment Opportunity (EEO)</u>	<p>Chair: Ms. Anna Kril</p> <p>Members: Josephine Bolus, RN Mr. Robert Nolan Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>
<u>Finance</u>	<p>Chair: Mr. Bernard Rosen</p> <p>Members: Josephine Bolus, RN Ms. Emily A. Youssouf Mr. Mark Page Mr. Anthony Shorris Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>
<u>Governance</u>	<p>Chair: Dr. Lilliam Barrios-Paoli</p> <p>Members: Mr. Bernard Rosen Dr. Vincent Calamia Mr. Gordon Campbell</p>

(over)

STANDING COMMITTEES OF THE BOARD (cont'd)

<p align="center"><u>Information Technology (IT)</u></p>	<p>Chair: Dr. Lilliam Barrios-Paoli Members: Dr. Vincent Calamia Barbara Lowe, RN Mr. Anthony Shorris Mr. Steven Banks Dr. Ramanathan Raju</p>
<p align="center"><u>Medical & Professional Affairs (M&PA)</u></p>	<p>Chair: Dr. Vincent Calamia Members: Josephine Bolus, RN Dr. Mary T. Bassett Dr. Gary S. Belkin Barbara Lowe, RN Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>
<p align="center"><u>Quality Assurance</u></p>	<p>Chair: Dr. Mary T. Bassett Members: Josephine Bolus, RN Dr. Gary S. Belkin Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>
<p align="center"><u>Strategic Planning</u></p>	<p>Chair: Mr. Gordon Campbell Members: Josephine Bolus, RN Mr. Bernard Rosen Ms. Anna Kril Mr. Robert F. Nolan Mr. Anthony Shorris Dr. Lilliam Barrios-Paoli Dr. Ramanathan Raju</p>

HHC Bylaws: Article VI Section 1(C) states: "The Chair of the Board shall annually appoint, with the approval of the majority of the Board, members of the Board to the standing committees."

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to negotiate and execute a five-year contract with Mythics, Inc. to provide software, maintenance and training for an Enterprise Resource Planning (“ERP”) System with one, five-year option to renew, exercisable solely by NYC Health + Hospitals, in an amount not to exceed \$31,301,712.

WHEREAS, NYC Health + Hospitals’ financial management applications currently in operation are over 30 years old and would require upgrades, consisting of five different software vendors and home grown systems to support NYC Health + Hospitals’ healthcare programs; and

WHEREAS, NYC Health + Hospitals’ financial management applications do not integrate with NYC Health + Hospitals’ procurement management or human resources systems; and

WHEREAS, without an ERP system joining together NYC Health + Hospitals’ disparate financial, procurement and human resource systems, NYC Health + Hospitals will be required to maintain outdated systems; and

WHEREAS, NYC Health + Hospitals requires an ERP system to replace other independent financial systems in operation and to integrate procurement and human resources functions corporate-wide; and

WHEREAS, a request for expression of interest was issued as a result of which a decision was made to enter into a contract with Mythics, Inc.; and

WHEREAS, the overall responsibility for monitoring the contract shall be under the Senior Vice President of Finance and the Executive Vice President & Chief Operating Officer.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute a five-year contract with Mythics, Inc. to provide software, maintenance and training for an Enterprise Resources Planning with one, five-year option to renew, exercisable solely by NYC Health + Hospitals, in an amount not to exceed \$31,301,712.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to negotiate and execute an agreement with Urgicare Medical Associates PC ("Urgicare") for the provision of urgent medical services not requiring hospitalization to inmates ("Inmates") in the custody of the New York City Department of Correction ("DOC") for one year with two one-year options to renew for an amount not to exceed \$1,828,591 for the first year with annual increases of not greater than 6%.

WHEREAS, NYC Health + Hospitals is responsible for providing health services to inmates ("Inmates") in the custody of the New York City Department of Correction ("DOC"); and

WHEREAS, NYC Health + Hospitals desires to ensure the provision of high quality medical services to Inmates; and

WHEREAS, NYC Health + Hospitals requires the services of an organization willing and able to provide high quality emergency health services to Inmates on site for conditions which do not require hospitalization; and

WHEREAS, Urgicare, has successfully provided urgent medical services to Inmates over the previous five years during which it has reduced the number of patients requiring admission to acute care facilities and has received high satisfaction reports; and

WHEREAS, Urgicare is willing to, and capable of, continuing to provide such services; and

WHEREAS, Urgicare is a professional service corporation organized under the laws of New York, all of whose physicians are residency trained and Board Certified in Emergency Medicine and all are duly licensed to practice in New York State; and

WHEREAS, NYC Health + Hospitals, in the exercise of its powers and fulfillment of its corporate purposes, desires that Urgicare provide urgent medical services to Inmates and Urgicare is ready and willing to do so.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals ") is hereby authorized to negotiate and execute an agreement with Urgicare Medical Associates PC for the provision of urgent medical services not requiring hospitalization to inmates in the custody of the New York City Department of Correction for one year with two one-year options to renew or an amount not to exceed \$1,828,591 for the first year with annual increases of not greater than 6%.

RESOLUTION

Authorizing the President of NYC Health + Hospitals (the "Health care system") to execute a five year lease agreement including one five year option with 850 Longwood Avenue Housing Development Fund Corporation (the "Landlord") for approximately 2,200 square feet of ground floor space at 850 Longwood Avenue, Borough of the Bronx, to house the Special Supplemental Nutrition Program for Women, Infants and Children (the "WIC Program") operated by Morrisania, a Gotham Health Center (the "Facility") at a rate of \$22.72 per square foot inclusive of utilities, or \$50,000 per year to be escalated by 2% per year for a total rent amount over the five year initial term of \$260,202.

WHEREAS, pregnant, breastfeeding and postpartum women, infants and children less than five years of age who are determined to be at nutritional risk are eligible for WIC Program services which include nutrition education and counseling, breastfeeding support, high risk counseling, social service referrals and issuance of vouchers to purchase specific, nutritious foods through the retail market; and

WHEREAS, the Facility has been operating a WIC Program at this location since 2007 and the New York State Department of Health ("NYSDOH") has provided a grant which will allow the program to continue to provide services to the community.

NOW, THEREFORE, be it

RESOLVED, that the President of NYC Health + Hospitals Corporation (the "Health care system") be and hereby is authorized to execute a five year lease agreement including one five year option with 850 Longwood Avenue Housing Development Fund Corporation (the "Landlord") for approximately 2,200 square feet of ground floor space at 850 Longwood Avenue, Borough of the Bronx, to house the Special Supplemental Nutrition Program for Women, Infants and Children (the "WIC Program") operated by Morrisania, a Gotham Health Center (the "Facility") at a rate of \$22.72 per square foot inclusive of utilities, or \$50,000 per year to be escalated by 2% per year for a total rent amount over the five year initial term of \$260,202.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a one-year revocable license agreement with the New York City Department of Health and Mental Hygiene (“DOHMH”), renewable for successive one-year periods until terminated, for NYC Health + Hospitals to occupy portions of the DOHMH properties listed in the attached Exhibit A consisting of 54,682 square feet in total (the “DOHMH Sites”) for the operation of ambulatory care clinics with the occupancy cost waived but with NYC Health + Hospitals responsible for certain after-hours charges not to exceed \$500,000 per year.

WHEREAS, NYC Health + Hospitals currently uses the spaces in all but one of the DOHMH Sites to provide the ambulatory care services described in Exhibit A; and

WHEREAS, at the buildings where the DOHMH Sites are located, DOHMH maintains regular hours from 8:00 AM to 6:00 PM Monday through Friday excluding union holidays (“Regular Hours”); and

WHEREAS, NYC Health + Hospitals intends to operate certain of the DOHMH Sites beyond Regular Hours; and

WHEREAS, although DOHMH will waive any occupancy fee for the DOHMH Sites, it requires reimbursement for the cost of supplying security guards, stationary engineers and custodians, when appropriate and necessary during operations outside of Regular Hours which charges shall be pro-rated if other occupants of the DOHMH properties are also operating after Regular Hours; and

WHEREAS, NYC Health + Hospitals intends to renovate the DOHMH Sites but will return to the Board of NYC Health + Hospitals for authority to do so once a firmer budget is established.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals (“NYC Health + Hospitals”) is hereby authorized to execute a one-year revocable license agreement with the New York City Department of Health and Mental Hygiene (“DOHMH”), renewable for successive one-year periods until terminated, for NYC Health + Hospitals to occupy portions of the DOHMH properties listed in the attached Exhibit A consisting of 54,682 square feet in total (the “DOHMH Sites”) for the operation of ambulatory care clinics with the occupancy cost waived but with NYC Health + Hospitals responsible for certain after-hours charges not to exceed \$500,000 per year.

Neighborhood	Site	Address	Services Currently Provided	Services to be Added	Usable Sq Ft Current	Usable Sq Ft. Post-expansion	Anticipated New Visits	Anticipated New Patients	Current Visit Volume FY'15
NYC H+H Primary Care Expansion Initiative locations									
Bed Stuy - Crown Heights	Crown Heights CHC	1218 Prospect Place. 11213	Pediatrics	Women's Health, Behavioral Health	2,308	no change	9,143	2,857	
Williamsburg - Bushwick	Bushwick Communicare	335 Central Ave. 11221	Women's Health, Family Planning	Behavioral Health, Diagnostics (Cardiovascular Ultrasound, General Ultrasound), Podiatry, Optometry, Cardiology	3,000	6,820	12,135	3,792	
West Queens	Junction CHC	34-33 Junction Blvd 11372	Pediatrics	Women's Health, Behavioral Health	2,530	4,110 and in negotiation concerning additional 2,000 sq ft	11,533	3,604	
Crotona - Tremont	Tremont Clinic	2nd flr 1826 Arthur Ave. 10457	Adult Medicine, Pediatrics, Women's Health, Behavioral Health	None	6,453	no change	7,360	2,300	
Bed Stuy - Crown Heights	Brownsville CHC	259 Bristol S. 11212	Pediatrics	Adult Medicine, Women's Health, Behavioral Health, Optometry, Podiatry, Cardiology, General Ultrasound, Mammography	2,445	4,522, and in negotiation concerning additional 1600	17,875	5,586	
Williamsburg - Bushwick	Bedford Clinic	485 Throop Ave. 11221	n/a	Adult Medicine, Behavioral Health	N/A. New location	2,550	8,560	2,675	
Jamaica	Parsons Blvd	90-37 Parsons Blvd., 11432	Adult Medicine, Pediatrics, Women's Health	Behavioral Health	16,800 and basement	no change	16,676	5,211	
NYC H+H Additional locations									
Long Island City-Astoria	Astoria	12-26 31st Ave., Queens 11106	ACT - Behavioral Health	n/a	1,819	n/a	n/a	n/a	
Washington Heights-Inwood	Washington Heights	600 W 168th St, Manhattan 10032	Pediatrics - Well Baby	n/a	2,300	n/a	n/a	n/a	1094
Downtown - Heights - Park Slope	Fort Greene	295 Flatbush Ave. Ext. Brooklyn 11201	Pediatrics - Well Baby	n/a	5,000	n/a	n/a	n/a	2244
Coney Island - Sheepshead Bay	Homecrest	1601 Avenue S, Brooklyn 11229	Pediatrics - Well Baby	n/a	2,000	n/a	n/a	n/a	
Total					44,655	54,682			

NYC Health + Hospitals Executive Search

January 28, 2016



SEARCH VALUES

- Seek servant leaders and strong communicators
- Stay above politics to find the best person for the job
- Establish an inclusive process that...
 - Honors the diversity of our workforce and the communities that we serve
 - Gives equal opportunity to internal and external candidates
 - Involves labor and community stakeholders
- Protect confidentiality of all deliberations and particularly identity of candidates



DHR INTERNATIONAL

- Retained executive search firm, selected through robust RFP process
- Assists with the development of search process, position profiles, candidate materials, interview guide, evaluation forms
- Manages position postings and publicity
- Cultivates, interviews, and prepares candidates
- Conducts background and reference checks
- Supports committee operations and facilitates discussion



SEARCH TIMELINE



SEARCH PROCESS – 6 Hospital CEOs



- **DHR** identifies strong applicants
- **Search Committee** vets candidates, recommends 5 per hospital for further consideration
- **Hospital Committee** interviews and evaluates candidates
- **Executive Committee** interviews the top candidates and makes final hiring decisions



SEARCH PROCESS – Inpatient, Ambulatory Care, and Long Term/Post-Acute Service Line SVPs



- **DHR** identifies strong applicants
- **Search Committee** vets candidates, recommends 3-4 per service line for further consideration
- **Service Line Committee** interviews candidates and recommends 1-2 finalists per service line
- **Executive Committee** interviews the top candidates and makes final hiring decisions



SEARCH STATISTICS

ACTIVITY	TOTAL
DHR Candidate Prospecting	
Response to Job Postings	480
Internal Candidates	54
Email & Phone Outreach by DHR	3950
DHR Candidate Review	
Credentials Reviewed, Not Interviewed	265
Interviewed	110
Search Committee Vetting	
Credentials Reviewed, Not Interviewed	65
Interviewed	45
Candidates Identified for Second Round*	
SVP - Inpatient	4
SVP – Ambulatory Care	4
SVP – Long Term/Post-Acute Care	3
Hospital CEO	24
*Includes 6 internal candidates	



CANDIDATE DIVERSITY

- Of the candidates interviewed by the search committee, approximately 45% are women and/or people from diverse backgrounds.
- To recruit candidates, DHR utilizes the following channels:
 - Institute for Diversity in Health Management
 - Asian Health Care Leaders Association
 - Network of Ethnic Physician Organizations
 - ACHE—Diversity Chair
 - American Hospital Association—Diversity Section
 - The National Black Nurses Association
 - The National Alaska Native American Indian Nurses Association
 - The National Association of Hispanic Nurses
 - The Philippine Nurses Association of America
 - Asian American Pacific Islander Association



RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) or his delegate to enter into an agreement with Lightower Fiber Networks (“Lightower”) to build, deploy and support an enterprise-wide area Network (“Network”) and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency, for the initial five-year term.

WHEREAS, NYC Health + Hospitals currently uses Verizon as its provider for enterprise wide voice and data circuits pursuant to a contract that is expiring; and

WHEREAS, a solicitation was conducted to ensure that a vendor would be in place to continue to provide these critical telecommunications services upon the expiration of the current contract; and

WHEREAS, Lightower will build, deploy and support a new Network at no cost to NYC Health + Hospitals to consist of (3) separate and completely isolated and independent network infrastructures that will allow for the overall expansion of the infrastructure to additional Clinics and Rikers Island and provide the speed, bandwidth, security and stability to support traffic consuming applications such as telemedicine, telehealth, video and imaging; and

WHEREAS, the contract will be managed and monitored under the direction of the Senior Assistant Vice President/Interim Corporate Chief Information Officer.

NOW, THEREFORE, BE IT:

RESOLVED, that the President of New York City Health and Hospitals Corporation or his delegate be and hereby is authorized to enter into an agreement with Lightower Fiber Networks (“Lightower”) to build, deploy and support a NYC Health + Hospitals Area Network and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency for the initial five-year term.

EXECUTIVE SUMMARY

The accompanying Resolution requests approval to enter into a contract with Lightower Fiber Networks (“Lightower”) for a NYC Health + Hospitals Area Network in an amount not to exceed \$51,259,674 (includes a 20% contingency) for the contract term of 5 years with 2 one-year options to renew. The contract spending authority is for the first 5 years of the contract term.

Enterprise IT Services (EITS) is contracting with Lightower to upgrade the existing NYC Health + Hospitals Area Network, to consist of (3) separate and completely isolated and independent network infrastructures. Hospital and data center locations will have multiple protected high capacity fiber circuits. Clinic locations will also have multiple, high performance circuits.

Currently, NYC Health + Hospitals uses Verizon as the primary telecommunication provider among all the hospital and clinic facilities and information technology service centers which are located at Jacobi Data Center in the Bronx and Sungard Data Center in New Jersey. Since the contract with Verizon is expiring, EITS conducted a solicitation to ensure that a vendor would be in place to continue to provide these critical telecommunications services upon the expiration of the current contract.

Lightower will provide a network infrastructure with 10x the bandwidth of the current network that will position NYC Health + Hospitals to keep up with advances in healthcare delivery models such as telehealth and telemedicine that drive more traffic over the network. The increased bandwidth will support the voice, video and wireless capabilities needed for remote visits, remote clinics and consultations, video conferencing and telepsychiatry.

The new network infrastructure design and the redundancy of the circuits make the infrastructure very stable, secure and highly robust with a resilient architecture that is built for growth, allowing for the overall expansion of the infrastructure to additional locations, including new Clinics and Rikers Island.

A solicitation was issued using the New York State OGS contract to three (3) vendors, Lightower, Verizon and AT&T, NYC Health + Hospitals received proposals from all 3 vendors. The proposals were evaluated and scored by a selection committee. Upon review of the technical and price proposals, the evaluation committee determined that it would be in NYC Health + Hospitals’ best interests to have further price discussions with the two highest ranked vendors, Lightower and Verizon.

Lightower was selected as it was the highest ranked responsive and responsible proposer that demonstrated the experience, organizational capacity and technical solution necessary to provide the services required and their proposed pricing was below the other proposers and offered NYC Health + Hospitals substantial discounts from industry standard rates.

Lightower will build the Networks at no cost to NYC Health + Hospitals. The effective date of the initial five year term commences upon completion and acceptance of the Networks so that NYC Health + Hospitals will have the benefit of the full 5 years of service.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Metropolitan Area Network
Project Title & Number: Metropolitan Area Network
Project Location: HHC Corporate and Facilities
Requesting Dept.: Enterprise IT Services

Successful Respondent: Lighttower Fiber Networks
Contract Amount: \$51,259,674 (includes 20% contingency)
Total Not to Exceed:
Contract Term: five (5) years effective upon acceptance of the Network with two (2) one-year renewal terms

Number of Respondents: Three (3)
(If Sole Source, explain in Background section)

Range of Proposals: \$39 million-\$45.5 million (best and final offers)

Minority Business Enterprise Invited: No If no, please explain: used vendors available on NYS contract

Funding Source: General Care Capital
 Grant: explain
 Other: explain Operating Budget

Method of Payment: Lump Sum Per Diem Time and Rate
 Other: Monthly Recurring Usage Fees

EEO Analysis: N/A

Compliance with HHC's McBride Principles? Yes No

Vendex Clearance Yes No Pending N/A

(Required for contracts in the amount of \$100,000 or more awarded pursuant to an RFP, NA or as a Sole Source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

Background (include description and history of problem; previous attempts, if any, To solve it; and how this contract will solve it):

Enterprise IT Services (EITS) is contracting with Lightower Fiber Networks (“Lightower”) to upgrade the existing NYC Health + Hospitals Area Networks, to consist of (3) separate and completely isolated and independent network infrastructures. Hospital and data center locations will have multiple protected high capacity fiber circuits. Clinic locations will also have multiple, high performance circuits.

Currently, NYC Health + Hospitals uses Verizon as the primary telecommunication provider for all facilities and information technology service centers which are located at Jacobi Data Center in the Bronx and Sungard Data Center in New Jersey. Since the contract with Verizon is expiring, EITS conducted a solicitation to ensure that a vendor would be in to continue to provide these critical telecommunications services upon the expiration of the current contract.

Lightower will replace the current network infrastructure by building out three separate infrastructures with 10x the bandwidth of the current network. NYC Health + Hospitals will also gain significant growth, speed, security and stability that exceeds the current networks capabilities.

The increase in bandwidth capacity of the Networks will position NYC Health + Hospitals to keep up with advances in healthcare delivery models such as telehealth and telemedicine that drive more traffic over the network. The increased bandwidth will support the voice, video and wireless capabilities needed for remote visits, remote clinics and consultations, video conferencing and telepsychiatry.

The new network infrastructure design and the redundancy of the circuits make the infrastructure very stable and highly robust with a resilient architecture that is built for growth, allowing for the overall expansion of the infrastructure to additional locations, including new Clinics and Rikers Island.

Specifically, the new contract will provide circuits with greater speed and bandwidth; the clinics will increase from 4.5Mbps to 100Mbps; the connections between the Data Centers and facilities will increase ten-fold from 1 Gb to a 10 Gb bandwidth; and, the link between Data Centers will increase from 10Gb to a 100Gb circuit. Moreover, the new contract will add Fiber Channel circuits which allows for high-bandwidth/traffic consuming applications such as telemedicine, telehealth, video, imaging.

Contract Review Committee

Was the proposed contract presented at the Contract Review Committee (CRC) (Include date):

Not applicable, this is a third party contract

Contract Review Committee

Was the proposed contract presented at the Contract Review Committee (CRC) (Include date):

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC?

N/A

Selection Process (attach list of selection committee members, list of firms responding to RFP or NA, list of firms considered, describe here the process used to select the proposed contractor, the selection criteria, and the justification for the selection):

Solicitation Information:

The solicitation was sent to three vendors, Verizon, Lighttower and AT&T , using the NYS OGS contract on May 28, 2015 with a proposal due date of June 29, 2015. All 3 vendors submitted proposals by the due date.

The evaluation committee evaluated the proposals based on the following criteria included in the solicitation:

Component	Relative Weight of Each Component
Price & Conditions	20%
Technical Proposal	35%
Response & Commercial Support	10%
Implementation Plan	10%
Installation Lead Times	10%
Ability to Provide Entire Solution	10%
References	5%
Total	100%

The evaluation committee reviewed and scored all proposals. Below are the initial scores:

DWDM Evaluation Committee Evaluator Scores and Averages	
Vendor	Average Score
Lighttower	66.25
Verizon	60.75
AT&T	47.5

All 3 vendors were asked to provide presentations to the evaluation committee. After the presentations, the evaluation committee asked the vendors to submit their best and final technical proposal and price proposal. After review of the technical and price BAFOs, the evaluation committee decided to conduct price discussions with the 2 highest ranked vendors, Lighttower and Verizon. Both vendors were asked to submit final pricing.

Based on the technical BAFO and revised pricing, the evaluation committee, scored the Lighttower and Verizon proposals. Below are the final scores:

Vendor	Average Score	Final Price
Lighttower	69.75	\$39,000,000
Verizon	66.12	\$45,499,996

The evaluation committee selected Lighttower, their technical proposal met all the requirements specified in the solicitation and they offered the best price.

Scope of work and timetable –

The vendor has 12 months to build and deploy this solution – Networks #1, #2 and #3. During this build period NYC Health + Hospitals does not pay monthly usage charges; once the build is completed and accepted, the monthly usage charges will commence. The contract is structured so that the five year term commences upon acceptance of the Networks so that we receive the full five year benefit of the Networks. NYC Health + Hospitals is not paying the vendor for the build.

CONTRACT FACT SHEET (continued)

Provide a brief costs/benefits analysis of the services to be purchased.

Lighttower will build the Networks at no cost to NYC Health + Hospitals. Upon completion and acceptance of the 3 Networks, there will be a 90 day cutover from the existing Verizon Network to the new Network. Payments to the new vendor will commence upon completion of cutover to the Network.

The annual spend for the current Network is approximately \$7.2 million. Although the annual price under the new contract is an increase over the current spend, the new Network includes an additional 12 Clinics (for a total of 90 compared to the 78 Clinics covered by Verizon), adds Rikers Island and provides 10x the bandwidth than the current network. Specifically, as noted above, the new contract will provide circuits with greater speed and bandwidth; the clinics will increase from 4.5Mbps to 100Mb; the connections between the Data Centers and facilities will increase ten-fold from 1 Gb to a 10 Gb bandwidth; and, the link between Data Centers will increase from 10Gb to a 100Gb circuit. Moreover, the new contract will add Fiber Channel circuits which allows for high-bandwidth/traffic consuming applications such as telemedicine, telehealth, video, and imaging. Finally, redundancy – that is duplicate/parallel circuits connecting to alternative data centers -- provides continuity of service in the case of catastrophic hazards or events.

The total contract amount of \$51,259,674 consists of the following components:

\$39,000,000 - Total usage charges for 5 years

\$3,716,395- Estimated Surcharges*

\$8,543,279 - 20% percent contingency**

**amount is an estimated amount based on historical spend. We will only pay the actual pass-through amounts assessed*

***contingency is for additional locations and upgrades*

Provide a brief summary of historical expenditure(s) for this service, if applicable.

The average annual spend is approximately \$7.2 million a year.

Provide a brief summary as to why the work or services cannot be performed by the Corporation's staff.

These are utility voice and data services that traverse the New York City telephone infrastructure; which is beyond the capacity and authority of NYC Health + Hospitals staff to implement.

CONTRACT FACT SHEET (continued)

Will the contract produce artistic/creative/intellectual property?

No

Will a copyright be obtained? Will it be marketable? Did the presence of such property and ownership thereof enter into contract price negotiations?

Not applicable.

Contract monitoring (include which Senior Vice President is responsible): Sal Guido Interim, Senior VP / Corporate CIO

This contract will be administered by *Sal Guido Interim*, Senior VP / Corporate CIO.

Equal Employment Opportunity Analysis (include outreach efforts to MBE/WBE's, selection process, comparison of vendor/contractor EEO profile to EEO criteria. Indicate areas of under-representation and plan/timetable to address problem areas):

Received By E.E.O. _____
Date

Analysis Completed By E.E.O. _____
Date

Name

**ATTACHMENT A
EVALUATION COMMITTEE MEMBERS**

The Selection Committee Members Are:

Kevin Brown – Senior Director, Unified Communication

Jeffrey Lutz – Senior Director, User Engagement

Joseph Gallo - Senior Director, IT Program Management Office

Vincent Smith – NCIO, Queens/Elmhurst

**ATTACHMENT B
VENDORS**

Verizon
AT&T
Lightower Fiber Networks



Lighttower Voice and Data Circuits

January 28, 2016

Live Your Healthiest Life. **NYC
HEALTH+
HOSPITALS**



Background Summary



Current Scenario

- Verizon contract is expiring
- Primary Circuit Provider is Verizon
- Alternate Circuit Provider is Optimum Lightpath
- Dual Carrier Scenario Provides Network Redundancy in the Event of a Failure by Either Carrier

Contract Scope/Benefits



In Scope Contract Solution

- Circuits Have a Guaranteed Service Level Agreement (SLA)
- Guaranteed Vendor Response Time In the Event of a Circuit Performance Issue or Outage

Highlights/Benefits

- Ensures critical Corporate IT services will continue to function during a carrier failure
- Positions NYC Health + Hospitals to keep up with advances in healthcare delivery models such as telehealth and telemedicine that drive more traffic over the network
- Supports the voice, video and wireless capabilities needed for remote visits, remote clinics and consultations, remote monitoring, quiet nurse call systems, video conferencing between patients and clinicians, and telepsychiatry
- Offers guest wi-fi for patients and visitors; access to a wider choice of patient education and entertainment



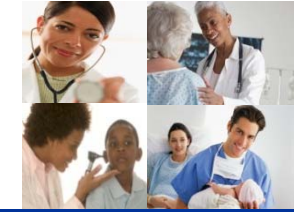
Solicitation

- Using the NYS OGS contract, the solicitation was sent to three vendors: Verizon, Lighttower and AT&T
- Evaluation Committee submitted initial scores based on the technical, experience and price criteria included in the solicitation
- All three vendors were invited to provide oral presentations
- After the presentations, vendors were asked to submit their best and final technical and price offers
- Evaluation Committee conducted price discussions with the 2 highest ranked vendors, received revised pricing from both vendors, and submitted final scores:

Vendor	Average Score	Proposed Price	Surcharge*	Contingency*	Contract Price
Lighttower	69.75	\$39,000,000	\$3,716,395	\$8,543,279	\$51,259,674
Verizon	66.12	\$45,499,996	\$3,716,395	\$9,843,278	\$59,059,669

* Surcharge is an estimated amount based on historical spend. 20% Contingency is for added locations/upgrades.

- Lighttower was selected as its proposal offered the best combination of technical qualifications, technical solution and price



Financial Analysis

- Historical expenditures, including surcharges, over the past 5 years averaged approximately \$7.2 million annually
- Current annual expenditures are approximately \$7.82 million annually including surcharges, due to additional sites and upgrades
- The new contract's projected average annual spending of \$8.54 million represents approximately a 9% increase over current spending

Proposed Contract Cost Including Projected Surcharges & Contingency						
	Y1	Y2	Y3	Y4	Y5	Total
Base	\$ 7,800,000	\$ 7,800,000	\$ 7,800,000	\$ 7,800,000	\$ 7,800,000	\$ 39,000,000
Surcharge	\$ 700,000	\$ 721,000	\$ 742,630	\$ 764,909	\$ 787,856	\$ 3,716,395
Total	\$ 8,500,000	\$ 8,521,000	\$ 8,542,630	\$ 8,564,909	\$ 8,587,856	\$ 42,716,395
Contingency 20%						\$ 8,543,279
					Grand total	\$ 51,259,674



Budget Overview

FY16 Operating OTPS Budget (Non-Epic EMR)

FY16 - IT Budget					
		Includes, but not limited to	(\$ in millions)		
			Total Budget	Expenditures [Paid or in Progress] as of 12/31/2015 ⁽¹⁾	Balance
1	Maintenance	Radiology/Picture Archiving and Communication System, Dentrix, Microsoft, Quadramed, Mcafee, Cerner, Oracle, Sungard and CISCO Smartnet	\$138.9	\$71.2	\$67.7
2	Services	Consulting Services for Business Intelligence, PeopleSoft, Desktop Support, Enterprise Service Desk and Enterprise Operations Center	\$43.5	\$17.0	\$26.5
3	Upgrades	Information Security & Risk Management, Application Standarization, Secure File Transfer, MobileIron, Secure Texting and PC Refresh	\$26.9	\$7.6	\$19.3
	Total (IT OTPS Budget)		\$209.3	\$95.8	\$113.5

(1) Paid or in progress represents received amounts from the OTPS system and accruals.

Questions



Q&A

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a 99 year sublease (including tenant renewal options) with Comunilife, Inc. or an affiliate formed for the transaction (the “Tenant”), of a parcel of approximately 13,000 square feet within the parking lot of Woodhull Medical and Mental Health Center (the “Facility”) to be used for the development of a six story building with 89 studio apartments including 36 for low income individuals and 53 for low income individuals living with mental illness who are appropriate for independent living in the community at an annual rent of \$75,000.

WHEREAS, pursuant to a New York State Office of Mental Health (“NYSOMH”) Request-for-Proposals, the Tenant shall develop housing for adults living with mental illness; and

WHEREAS, NYSOMH has identified the Facility’s patients as a priority population for this type of program; and

WHEREAS, the Tenant is a leader in the provision of supportive housing, community-based and multicultural mental health services, and rehabilitation social services; and

WHEREAS, NYC Health + Hospitals and the Tenant shall, consistent with NYSOMH regulatory restrictions, establish protocols allowing for the referral to the Tenant of the Corporation’s patients who qualify for the Tenant’s programs; and

WHEREAS, the individuals with mental illness who are to live in the building shall be screened to ensure that they are suitable for independent living in the community; and

WHEREAS, a Public Hearing was held on January 7, 2016, in accordance with the requirements of the Corporation’s Enabling Act; and

WHEREAS, prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

NOW, THEREFORE, be it

RESOLVED, that the President of New York City Health and Hospitals Corporation be and he hereby is authorized to execute a 99 year sublease (including tenant renewal options) with Comunilife, Inc. or an affiliate formed for the transaction of a parcel of approximately 13,000 square feet within the parking lot of Woodhull Medical and Mental Health Center to be used for the development of a six story building with 89 studio apartments including 36 for low income individuals and 53 for low income individuals living with mental illness who are appropriate for independent living in the community at an annual rent of \$75,000.

EXECUTIVE SUMMARY

SUBLEASE AGREEMENT WOODHULL MEDICAL AND MENTAL HEALTH CENTER COMUNILIFE, INC.

OVERVIEW:

The President seeks authorization from the Board of Directors to execute a sublease with Comunilife, Inc. (the "Tenant"), for 13,000 square feet of land now being used as part of the parking lot for Woodhull Medical and Mental Health Center ("Woodhull") for the development of a six-story building containing 89 studio apartments including 36 for low income individuals and 53 for low income individuals living with mental illness who are appropriate for independent living in the community. The Tenant will also provide social services for the residents of the building. It is anticipated that many of the residents with mental illness will be referred to the project by the Woodhull.

NEED/ PROGRAM:

Pursuant to a New York State Office of Mental Health (the "NYSOMH") Request-for-Proposals (RFP), Comunilife shall develop housing for low income adults including those living with mental illness. Comunilife is a leader in the provision of multicultural community-based mental health services, rehabilitation social services, and housing. Comunilife has been recognized for developing local best practices which incorporate the cultural values of immigrant patients receiving health and mental health services.

Comunilife shall have the use and occupancy of an approximately 13,000-square-foot parcel of land on Woodhull's campus. Comunilife shall develop a six-story building containing approximately 29,000 square feet of floor areas containing 89 studio apartment for low income adults of which 53 will be adults living with mental illness. Comunilife shall be responsible for all costs associated with the construction of the building and the development and operation of the housing program.

NYC Health + Hospitals shall establish protocols, consistent with NYSOMH regulatory restrictions, for the referral to Comunilife of patients discharged from NYC Health + Hospitals facilities, including especially Woodhull, and for Comunilife's acceptance of such patients who qualify who are appropriate for independent living in the community and Comunilife's residential programs.

TERMS:

The base rent shall be at \$75,000 per year.

**SUMMARY OF ECONOMIC TERMS
SUBLEASE AGREEMENT
WOODHULL MEDICAL AND MENTAL HEALTH CENTER
COMUNILIFE, INC.**

- SITE:** Woodhull Medical and Mental Health Center
760 Broadway
Borough of Brooklyn
- SIZE:** Approximately 13,000 square feet
- RENT:** \$75,000 per year.
- UTILITIES:** The Tenant shall be responsible for the cost of all utilities provided to the Demised Premises.
- MAINTENANCE:** The Tenant shall take good care of the Demised Premises, the curbs in front of, or adjacent to, the Premises, water sewer and gas connections, pipes and mains, and shall keep the Premises in good and safe order and condition, and shall make all repairs, interior and exterior, structural and nonstructural necessary to keep the Premises in good and safe order and condition.
- SECURITY:** The Tenant shall be responsible for providing its own security for the Demised Premises.
- PREMISES:** The Tenant shall have the use and occupancy of a parcel of vacant land on the Facility's campus measuring approximately 13,000 square feet. The Tenant shall develop a six-story building containing 53 service-enriched studio apartments for adults living with mental illness and 36 apartments for low income tenants.
- CONSTRUCTION:** The Tenant shall be responsible for all costs associated with the construction of the building and the development and operation of its housing program.
- MAINTENANCE:** The Tenant shall take good care of the Premises, the curbs in front of, or adjacent to, the Premises, water sewer and gas connections, pipes and mains, and shall keep the Premises in good and safe order and condition, and shall make all repairs, interior and exterior, structural and nonstructural necessary to keep the Premises in good and safe order and condition.
- The Tenant shall keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances the sidewalks, grounds, parking facilities, plazas, common areas, vaults, chutes, sidewalk hoists, railings, gutters, alleys, curbs or any other space in front of, or adjacent to, the Premises.
- INDEMNITY:** Comunilife shall indemnify NYC Health + Hospitals and the City of New York and shall provide adequate insurance covering all liability arising from its use and occupancy of the Premises, naming NYC Health + Hospitals and the City of New York as additional insured parties.

RESOLUTION

Authorizing the President of NYC Health + Hospitals to execute a Customer Installation Commitment ("CIC") with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project (the "Project") at NYC Health + Hospitals / Kings County (the "Facility").

WHEREAS, in March 2005, NYC Health + Hospitals, the City University of New York, the New York City Board of Education, and the City of New York, through the Department of Citywide Administrative Services (collectively, the "Customers"), entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA; and

WHEREAS, in September 2014, the City mandated a 80% reduction in greenhouse gas emissions in City-owned properties by 2050, managed by Division of Energy Management within Department of Citywide Administrative Services ("DCAS"); and

WHEREAS, in December 2009, as part of PlaNYC 2030, the City passed major legislation known as the "Greener, Greater Buildings Plan" that included more stringent code requirements; required installation of lighting upgrades and tenant meters in non-residential spaces; and required all buildings over 50,000 square feet to undertake benchmarking and audits; and implement retro-commissioning measures. Local Law 87 mandated Comprehensive Energy Audits be completed within a 10 year time frame (2013 – 2023); and

WHEREAS, the City, through DCAS, has allocated funding under the Accelerated Conservation and Efficiency ("ACE") program for improvements and upgrades to increase energy efficiency and energy cost savings at City-owned facilities in line with the PlaNYC initiative to reduce energy and greenhouse gas emissions of municipal operations 80% by 2050; and

WHEREAS, NYC Health + Hospitals has determined that it is necessary to address the proposed energy conservation measures at the Facility by undertaking the project at a not-to-exceed cost of \$14,905,587 (see Exhibit A – Executive Project Summary), to enhance the reliability of its systems, as well as increase the comfort and safety of the building occupants; and

WHEREAS, DCAS has deemed this ACE project to be eligible under the PlaNYC initiative and has allocated \$10,000,000 in the PlaNYC capital budget; and

WHEREAS, NYPA demonstrates that the project will produce total annual cost savings to the Facility estimated at \$1,553,633; and

WHEREAS, the overall management of the construction contract will be under the direction of the Assistant Vice President - Facilities Development.

NOW THEREFORE, be it

Page Two – Resolution
Customer Installation Commitment

RESOLVED, the President of the NYC Health + Hospitals to execute a Customer Installation Commitment (“CIC”) with the New York City Department of Citywide Administrative Services (“DCAS”) and the New York Power Authority (“NYPA”) for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project (the “Project”) at NYC Health + Hospitals / Kings County (the “Facility”).

EXECUTIVE SUMMARY
NYC HEALTH + HOSPITALS / KINGS COUNTY
ENERGY CONSERVATION MEASURES UPGRADE

OVERVIEW: NYC Health + Hospitals is seeking to undertake an energy efficiency project, which addresses mandated energy reduction in New York City. This project will incorporate a number of energy efficiency recommendations that arose from a comprehensive energy audit funded by the Department of Citywide Administrative Services (DCAS). The project is fully design, estimated, and completely bid under NYPA. The project cost is not-to-exceed \$14,905,587.

NEED: During the Comprehensive Energy Efficiency Audit of the Facility managed by NYPA, it was determined that several energy conservation measures (ECMs) of the audit be implemented. ECMs such as lighting and controls upgrades, windows replacement, and other energy consumption measures will be implemented to enhance the reliability of the facility systems, as well as increase the comfort and safety of buildings occupants.

In 2013, the City of New York, through the Department of Citywide Administrative Services ("DCAS") allocated funding for improvements and upgrades to increase energy efficiency and energy cost savings at City-owned facilities in line with the PlaNYC initiative to reduce energy costs and greenhouse gas emissions ("GHG") of municipal operations 30% by 2017¹. DCAS developed the Accelerated Conservation and Efficiency ("ACE") Program to fund capital-eligible energy efficiency and clean energy projects. DCAS approved PlaNYC funding for the following ECMs at the Facility:

- ECM – 1: Campus High Efficiency lighting;
- ECM – 2: Campus Steam Distribution;
- ECM – 3: "S" Building Waterside Chilled Hot Water Economizer;
- ECM – 4: Campus Air Handler Units and Delta T;
- ECM – 5: "Z" building Steam Pressure Reduction;
- ECM – 6: Upgrade "D" Building Variable Frequency Drive;
- ECM – 7: Upgrade "T" Building Lighting and Controls;
- ECM – 8: Upgrade "ABC" Buildings Lighting and Controls; and
- ECM – 9: Window replacement "ABC" Buildings.

SCOPE: The scope of work corresponds to the ECMs approved by DCAS:

- ❖ ECM – 1: Upgrade the lighting systems in the Food Service, Support Office, "P" and "Z" buildings and steam tunnels;
- ❖ ECM – 2: Make improvements to the campus distribution system, including the repair and installation of insulation, replacement of failed steam traps and failed expansion joints;
- ❖ ECM – 3: Provide for the installation of a plate and frame heat exchanger and necessary appurtenances and modifications to act as a water side economizer and provide free cooling during colder seasons for the "S" building chilled water system;
- ❖ ECM – 4: Provide for the installation of new high performance pressure independent 2-way control valves on "S", "D" and "E" buildings air handling

Page Two – Executive Summary
Customer Installation Commitment

units to enhance system operating differentials;

- ❖ ECM – 5: Provide for the installation of a real time steam system pressure monitoring and modeling system that will allow steam pressures to be reduced during periods of low demand;
- ❖ ECM – 6: Replace variable frequency drives, controls and sensors in the “D” building;
- ❖ ECM – 7: Upgrade the lighting and controls systems in the “T” building;
- ❖ ECM – 8: Upgrade the lighting and controls systems in the “ABC” buildings; and
- ❖ ECM – 9: Upgrade and replace the existing original double hung single pane wooden windows and sashes located in the “ABC” buildings.

TERMS: NYPA has competitively bid this project and has submitted a final total project cost to NYC Health + Hospitals.

COSTS: \$14,905,587

SAVINGS: Electrical:
Energy Consumption Savings: 4,478,594 kilowatts-hours (kWh)
Monthly Demand Decrease: 315.79 kilowatts (kW)
Annual Electrical Energy Savings: \$537,431

Fuel:
Gas / Oil Savings: 1,012,150 therms
Gas / Oil Energy Savings: \$1,016,202
CO2 Reductions: 6,769.2 tons

Total Annual Estimated Savings: \$1,553,633
Simple Payback: 9.59 years

FINANCING: PlaNYC Capital - \$10,000,000 (no cost); and General Obligations Bonds- \$4,905,587. NYC Health + Hospitals expects to proceed with this project upon the approval of this resolution, and the execution of the Customer Installation Commitment (“CIC”) (see Exhibit B).

SCHEDULE: NYC Health + Hospitals expects NYPA to complete this project by June 2017.

¹ In September 2014, New York City released a comprehensive, 10-year plan called “*One City: Built to Last-Transforming New York City’s Buildings for a Low Carbon Future*” to address the energy used in our buildings. The plan has an overall target of reducing greenhouse gas (GHG) 80% below 2005 levels by 2050. In 2015, NYC Health + Hospitals accepted the Hospitals and Universities NYC Carbon Challenge to reduce GHG emissions by 50% by 2025.

NYC Health + Hospitals / Kings County

**Energy Conservation Measures Upgrade
Development, Design, & Implementation Program
Table 1: Total Project Summary - Base Scope of Work**

ICIC

ES-GSN-0601

Project Cost

	<u>Material:</u>	<u>Labor:</u>
Construction Costs:	\$3,128,669.62	\$5,251,739.10
(5) Controlled Inspections:	\$0.00	\$85,000.00
Asbestos Abatement:	\$0.00	\$1,267,200.00
(6) Permitting:	\$0.00	\$31,000.00
Totals:	\$3,128,669.62	\$6,634,939.10
Total Material & Labor:	\$9,763,608.72	
(7) Construction Contingency (10%):	\$976,360.87	
(8) Allowances:	\$50,000.00	
Subtotal:	\$10,789,969.59	
Payment and Performance Bond:	\$142,332.25	
Abatement Design & Monitoring:	\$316,800.00	
Hazardous Waste Disposal Cost:	\$15,000.00	
(1) Audit, Design & Construction Mgt:	\$1,855,054.31	
(2) NYPA Project Mgt & Administrative:	\$1,078,996.96	
ASHRAE Level II Audit	\$65,000.00	
(3) NYPA Lighting Material Handling Fees:	\$7,542.00	
Total Fees:	\$3,006,593.27	
Subtotal:	\$14,270,695.11	
(9) Interest During Construction (IDC):	\$634,891.78	

Estimated Energy Savings

	<u>Electrical:</u>		<u>Fuel:</u>	
Energy Savings:	4,478,594.00 kWh		Gas / Oil Savings:	101,215 MMBtu
Total Demand (monthly):	315.79 kW		Gas / Oil Energy Savings:	\$1,016,202.00
Electrical Energy Savings:	\$537,431.00		CO2 Reductions:	6,769.2 tons
Total Estimated Amount Saved: \$1,553,633.00				
Total Emissions Reduction (%): 13.10%				

Payback

	Project Name	*****Total Project Cost	Annual Savings
Current Project:	*****NYC Health + Hospitals / Kings County	\$14,905,586.89	\$1,553,633.00
Previous Project #1:	N/A	\$0.00	\$0.00
Previous Project #2:	N/A	\$0.00	\$0.00
	Cumulative Total Project Cost:	\$14,905,586.89	
	Cumulative Estimated Annual Savings:	\$1,553,633.00	
	Simple Payback:	9.59	

(1) A fee of 16.75 % of equipment and installation labor costs is applicable. A fee of 17.5% of Asbestos Abatement is applicable. Also, includes a design fee for scope that was designed through, but not implemented.
(2) A fee of 10% of equipment and labor costs is applicable. This fee includes, but is not limited to, the costs associated with securing contractors, or NYPA personnel as the case may be, to perform the services of construction management, quality assurance, waste disposal permitting, etc., and to obtain payment bonds, as required.
(3) A fee of 1.5% of lighting equipment is applicable.
(4) Not used.
(5) Estimated value; actual costs will be reconciled in the Final CIC
(6) Cost for expediting fees.
(7) All unused contingency monies (and any related program costs), will be removed from the total project cost at the time the project is completed.
(8) Allowance for lost time and moving stored materials for windows. All unused allowance monies (and any related program costs), will be removed from the total project cost at the time the project is completed.
(9) IDC based on 24 months @ 4%.

RESOLUTION

Authorizing the President of the NYC Health + Hospitals (the "Health Care System") to execute Job Order Contracts (JOC) with two (2) firms: MSR Electric; and Arcadia Electrical Company; (the Contractors"), that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.

WHEREAS, the facilities of the Health Care System may require professional construction services, such as, Electrical Contracting services; and

WHEREAS, the Health Care System has determined that such needs can best be met by utilizing outside firms, on an as-needed basis, through a requirements contracts; and

WHEREAS, the Health Care System's Operating Procedure No. 100-5 requires approval by the Board of Directors contracts of \$3,000,000 and above; and

WHEREAS, the Health Care System published a request for bids for professional GC services, bids received were publicly opened on September 16, 2015 and September 15, 2015, and the Health Care System determined that the selected Contractors are the lowest responsible bidders for these contracts; and

WHEREAS, the Contractors have met all, legal, business and technical requirements and are qualified to perform the services as required in the contract documents.

NOW, THEREFORE, be it

RESOLVED, the President of the NYC Health + Hospitals be and hereby is authorized to execute Job Order Contract (JOC) with two firms; MSR Electric; and ARCADIA Electrical Company, that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized to be spent under these contracts is \$12 Million.

EXECUTIVE SUMMARY

CONSTRUCTION SERVICES JOB ORDER CONTRACTS (JOC)

ELECTRICAL CONTRACTION SERVICES – MSR Electric AND ARCADIA ELECTRIC COMPANY

OVERVIEW: The Corporation seeks to execute two (2) Job Order Contracts for a term of two years each, for individual amounts not-to-exceed \$6,000,000, to provide professional electrical construction services on an as-needed basis at any NYC Health + Hospitals facility. The total authorized to be spent under these contracts is \$12 Million.

The method of requirements contract proposed starts with fixed prices for thousands of materials utilized in a typical construction project. The prices are derived from widely published construction reference works to which NYC Health + Hospitals subscribes that are updated at frequent intervals. The contractors awarded requirements contracts under the proposed resolution are later invited to submit proposals for particular projects. The requirements contractors submit proposals based upon acceptance of the fixed material prices and a multiplier based on such material costs to determine their labor cost proposals. For example, if a material to be installed is priced at \$10.00, and the contractor's labor multiplier to install that material is 1.0, the cost of that material and labor is \$10.00, inclusive of overhead and profit. If the multiplier is 1.2, then the cost of that material and labor is \$12.00, inclusive of overhead and profit.

This format has been used in previous NYC Health + Hospitals requirements contracts, and continues to be used by the New York City School Construction Authority, the Dormitory Authority of the State of New York State, the New York City Department of Design and Construction, the New York City Department of Environmental Protection, the United States Postal Services and others. The program was developed by the Department of Defense and has been in existence for more than twenty years.

NEED: The various facilities of the Health Care System are likely to require electrical contracting services that vary in frequency, size and urgency, which cannot be timely and cost effectively completed through a dedicated design, bid and award process.

TERMS: The construction services will be provided via a work order system within a two (2) year period, each for an amount not to exceed \$6,000,000.

COSTS: Not-to-exceed \$6,000,000 over two years, for each of the two (2) contracts for a total of \$12 Million.

FINANCING: Requirements contracts provide a pre-qualified approved mechanism for the health care system to access construction services. The facility establish funding sources such as capital funds from bond proceeds, grants or expense (Other Than Personnel Services - OTPS) funds.

SCHEDULE: Upon contract execution these contracts shall be in effect for two years or until funds are exhausted.

CONTRACT FACT SHEET
JOB ORDER CONTRACTING (JOC)
ELECTRICAL CONTRACTING SERVICES

MSR Electric

CONTRACT SCOPE: Electrical Contracting Services

CONTRACT DURATION: Two (2) years

CONTRACT AMOUNT: \$6,000,000

ADVERTISING PERIOD: Advertised in City Record August 27, 2015.

BIDS RECEIVED: 3 bid proposals received for consideration. MSR Electric was recommended as lowest responsive bidder.

HHC EXPERIENCE: This is the first contract between MSR Electric and NYC Health + Hospitals.

VENDEX: Approved.

EEO: Approved.



30889A

Gail Proto
Senior Director
Affirmative Action/EEO
160 Water Street, 13th Floor
New York, NY 10038
Gail.Proto@nychhc.org
Tel: 212-788-3383

TO: Clifton McLaughlin
Contract Services
Division of Materials Management

FROM: Gail Proto *G.P.*

DATE: January 15, 2016

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, MSR Electrical Construction Corp., has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Electrical Work Services

Submitted by: Division of Materials Management

EEO STATUS:

1. Approved
2. Approved with follow-up review and monitoring
3. Not approved
4. Approved Conditionally - Subject to EEO Committee Review

COMMENTS:

GP/srf

MEMORANDUM

To: Clifton Mc Laughlin
Office of Facilities Development

From: Karen Rosen
Assistant Director

Karen Rosen/PRC

Date: January 25, 2016

Subject: VENDEX Approval

For your information, on January 25, 2016 VENDEX approval was granted by the Office of Legal Affairs for the following company:

MSR Electrical Construction Corp.

cc: James Liptack, Esq.

CONTRACT FACT SHEET
JOB ORDER CONTRACTING (JOC)
ELECTRICAL CONTRACTING SERVICES
ARCADIA ELECTRICAL COMPANY

CONTRACT SCOPE: Electrical Contracting Services

CONTRACT DURATION: Two (2) years

CONTRACT AMOUNT: \$6,000,000

ADVERTISING PERIOD: Advertised in City Record August 27, 2015

BIDS RECEIVED: 4 bid proposals received for consideration. Arcadia was recommended as lowest responsive bidder.

HHC EXPERIENCE: This is the first contract between Arcadia Electrical Company and NYC Health + Hospitals.

VENDEX: Approved.

EEO: Approved.

TO: Clifton S. Mc Laughlin
Sr. Management Consultant
Central Office – Office of Facilities Development

FROM: Gail Proto



DATE: December 2, 2015

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Arcadia Electrical Co., Inc., has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): HHC City-Wide

Contract Number: 16-JOC-EL1

Project: Provide Electric Work Services

Submitted by: Office of Facilities Development

EEO STATUS:


1. Approved
2. Conditionally approved with follow-up review and monitoring-No EEO Committee Review
3. Not approved
4. Conditionally approved subject to EEO Committee Review

COMMENTS:

c:

MEMORANDUM

To: Clifton Mc Laughlin
Office of Facilities Development

From: Karen Rosen 
Assistant Director

Date: January 11, 2016

Subject: VENDEX Approval

For your information, on January 11, 2016 VENDEX approval was granted by the Office of Legal Affairs for the following company:

Arcadia Electrical Company, Inc.

cc: James Liptack, Esq.

RESOLUTION

Authorizing the President of NYC Health + Hospitals (the "Health Care System") to execute Job Order Contracts (JOC) with two (2) firms: Startec Mechanical, LLC.; and Volmar Construction, Inc.; (the Contractors"), that were pre-qualified through the Health care system's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.

WHEREAS, the facilities of the Health Care System may require professional construction services, such as, HVAC Contracting services; and

WHEREAS, the Health Care System has determined that such needs can best be met by utilizing outside firms, on an as-needed basis, through a requirements contracts; and

WHEREAS, the Health Care System's Operating Procedure No. 100-5 requires approval by the Board of Directors contracts of \$3,000,000 and above; and

WHEREAS, the Health Care System published a request for bids for professional GC services, bids received were publicly opened on September 16, 2015 and September 15, 2015, and the NYC Health + Hospitals determined that the Contractors are the lowest responsible bidders for these contracts; and

WHEREAS, the Contractors have met all, legal, business and technical requirements and are qualified to perform the services as required in the contract documents.

NOW, THEREFORE, be it

RESOLVED, the President of the NYC Health + Hospitals be and hereby is authorized to execute Job Order Contract (JOC) with two firms; Startec Mechanical, LLC., and Volmar Construction, Inc. that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized to be spent under these contracts is \$12 Million.

EXECUTIVE SUMMARY

CONSTRUCTION SERVICES JOB ORDER CONTRACTING (JOC)

MECHANICAL CONTRACTING SERVICES

STARTEC MECHANICAL LLC. AND VOLMAR CONSTRUCTION INC

OVERVIEW: The NYC Health + Hospitals seeks to execute two (2) Job Order Contracts for a term of two years each, for individual amounts not-to-exceed \$6,000,000, to provide professional mechanical construction services on an as-needed basis at any NYC Health + Hospitals facility. The total authorized to be spent under these contracts is \$12 Million.

The method of requirements contract proposed starts with fixed prices for thousands of materials utilized in a typical construction project. The prices are derived from widely published construction reference works to which the Health Care System subscribes that are updated at frequent intervals. The contractors awarded requirements contracts under the proposed resolution are later invited to submit proposals for particular projects. The requirements contractors submit proposals based upon acceptance of the fixed material prices and a multiplier based on such material costs to determine their labor cost proposals. For example, if a material to be installed is priced at \$10.00, and the contractor's labor multiplier to install that material is 1.0, the cost of that material and labor is \$10.00, inclusive of overhead and profit. If the multiplier is 1.2, then the cost of that material and labor is \$12.00, inclusive of overhead and profit.

This format has been used in previous NYC Health + Hospitals requirements contracts, and continues to be used by the New York City School Construction Authority, the Dormitory Authority of the State of New York State, the New York City Department of Design and Construction, the New York City Department of Environmental Protection, the United States Postal Services and others. The program was developed by the Department of Defense and has been in existence for more than twenty years.

NEED: The various facilities of the Health Care System are likely to require mechanical construction services that vary in frequency, size and urgency, which cannot be timely and cost effectively completed through a dedicated design, bid and award process.

TERMS: The construction services will be provided via a work order system within a two (2) year period, each for an amount not to exceed \$6,000,000.

COSTS: Not-to-exceed \$6,000,000 over two years, for each of the two (2) contracts for a total of \$12 Million.

FINANCING: Requirements contracts provide a pre-qualified approved mechanism for Networks to access construction services. The facility establish funding sources such as capital funds from bond proceeds, grants or expense (Other Than Personnel Services - OTPS) funds.

SCHEDULE: Upon contract execution these contracts shall be in effect for two years or until funds are exhausted.

CONTRACT FACT SHEET
JOB ORDER CONTRACTING (JOC)
MECHANICAL CONTRACTING SERVICES
STARTEC MECHANICAL, LLC.

CONTRACT SCOPE: Mechanical Contracting Services

CONTRACT DURATION: Two (2) years

CONTRACT AMOUNT: \$6,000,000

ADVERTISING PERIOD: Advertised in City Record August 27, 2015

BIDS RECEIVED: 6 bid proposals received for consideration. Startec Mechanical, LLC. was recommended as lowest responsive bidder.


HHC EXPERIENCE: This is the first contract between Startec Mechanical and NYC Health + Hospitals.

VENDEX: Approved.

EEO: Approved.

MEMORANDUM

To: Clifton Mc Laughlin
Office of Facilities Development

From: Karen Rosen 
Assistant Director

Date: December 3, 2015

Subject: VENDEX Approval

For your information, on December 3, 2015 VENDEX approval was granted by the Office of Legal Affairs for the following company:

Startec Mechanical LLC

cc: Norman M. Dion, Esq.

TO: Clifton S. Mc Laughlin
Sr. Management Consultant
Central Office – Office of Facilities Development

FROM: Gail Proto *G.P.*

DATE: December 2, 2015

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Startec Mechanical LLC, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): HHC City-Wide

Contract Number: 16-JOC-HV1

Project: Provide HVAC Services

Submitted by: Office of Facilities Development

EEO STATUS:

1. Approved
2. Conditionally approved with follow-up review and monitoring-No EEO Committee Review
3. Not approved
4. Conditionally approved subject to EEO Committee Review

COMMENTS:

c:

CONTRACT FACT SHEET
JOB ORDER CONTRACTING (JOC)
MECHANICAL CONTRACTING SERVICES
VOLMAR CONSTRUCTION, INC

CONTRACT SCOPE: Mechanical Contracting Services

CONTRACT DURATION: Two (2) years

CONTRACT AMOUNT: \$6,000,000

ADVERTISING PERIOD: Advertised in City Record August 27, 2015

BIDS RECEIVED: 4 bid proposals received for consideration. Volmar was recommended as lowest responsive bidder.

HHC EXPERIENCE: \$3,000,0000 Requirements Contract for services at Various Facilities, 2013 - 2015.

VENDEX: Pending.

EEO: Approved.

TO: Clifton S. Mc Laughlin
Sr. Management Consultant
Central Office – Office of Facilities Development

FROM: Gail Proto *G.P.*

DATE: December 2, 2015

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Volmar Construction, Inc., has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): HHC City-Wide

Contract Number: 16-JOC-HV1

Project: Provide HVAC Services

Submitted by: Office of Facilities Development

EEO STATUS:

1. Approved
2. Conditionally approved with follow-up review and monitoring-No EEO Committee Review
3. Not approved
4. Conditionally approved subject to EEO Committee Review

COMMENTS:

c:

RESOLUTION

Authorizing the Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus”) to negotiate and execute a contract with Milton Samuels Advertising & Public Relations (“MSA”), to provide media buying and advertising services for a term of three years with two 1-year to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year.

WHEREAS, MetroPlus, a wholly-owned subsidiary corporation of the NYC Health + Hospitals, is a Managed Care Organization and Prepaid Health Services Plan, certified under Article 44 of the Public Health Law of the State of New York, and;

WHEREAS, the Certificate of Incorporation of MetroPlus reserves to NYC Health + Hospitals the sole power with respect to MetroPlus entering into contracts, other than with NYC Health + Hospitals or a health care service provider, with an annual value in excess of \$3,000,000; and

WHEREAS, MetroPlus is authorized to enroll members to receive health care services in the boroughs of Manhattan, Brooklyn, the Bronx and Queens (Staten Island pending); and

WHEREAS, MetroPlus places a special emphasis on insuring those who have traditionally been uninsured, and needs marketing and advertising services in order to effectively support that goal; and

WHEREAS, MetroPlus seeks strategic media planning and buying services, social media and marketing services, public relations assistance as well as the ability, if required, to create broadcast and television commercials and/or revise existing commercials; and

WHEREAS, MetroPlus seeks to also produce materials for a range of print and broadcast media including, but not limited to, brochures, print, transit, and other out-of-home advertising; and

WHEREAS, an RFP for media buying and advertising services was pursued in compliance with MetroPlus’ contracting policies and procedures; and

WHEREAS, MSA has been selected as the vendor with the demonstrated ability to provide these services; and

WHEREAS, the Board of Directors of MetroPlus has duly considered and approved the proposed contract between MetroPlus and MSA.

NOW THEREFORE, be it

RESOLVED, *that the Executive Director of MetroPlus is hereby authorized to negotiate and execute a contract with MSA to provide media buying and advertising services for a term of three years with two 1-year options to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year.*

Executive Summary
Authorization for MetroPlus Health Plan, Inc. to Enter into
An Agreement with
Milton Samuels Advertising

MetroPlus Health Plan, Inc. (“MetroPlus” or the “Plan”) seeks to negotiate and execute a contract with Milton Samuels Advertising (“MSA”) to provide media buying and advertising services for a total amount not to exceed \$3,500,000 per year for a three year term with two options to renew for one year each.

Because approval of contracts over three million dollars per year is reserved in the certificate of incorporation of MetroPlus to NYC Health + Hospitals, authorization is now sought to enter into an agreement with the selected vendor. The MetroPlus Board of Directors approved submission of this agreement to the NYC Health + Hospitals Board for authorization.

MSA has been selected as a result of MetroPlus RFP No. 100912R119. The purpose of the RFP was to select a vendor to assist in marketing efforts for MetroPlus, including strategic media planning and buying (including negotiating value-added opportunities whenever possible, public relations, social media and internet marketing).

Specifics include:

- Create and execute marketing and advertising campaigns for multiple and growing lines of business;
- Execute and monitor the Plan’s social media and marketing program based on plan submitted and approved by the New York State Department of Health and the New York City Department of Health and enlarge the social media program to include a Medicare audience if requested;
- Provide general strategic assistance as required with advertising and public relations;
- Make recommendations for radio media buys for each year based on input from MetroPlus;
- Negotiate buys with agreed-upon media, negotiating value added opportunities whenever possible;
- Revamp plan as needed based on MetroPlus directions;
- Edit existing radio scripts; and
- Add television commercial development and associated media buys to the advertising mix if required.

Since 1960, MSA has provided advertising, collateral materials and public relations and marketing support for clients including NYC Health + Hospitals, numerous departments of NYU/Langone Medical Center; North Shore LIJ Home Healthcare Network, Montefiore Medical Center, American Home Health Care, Beth Israel Medical Center, Continuum Health Partners, HIP of New Jersey and Florida as well as for many non-health related clients. MSA has held several contracts with MetroPlus to provide advertising services since 2006.

After conferring with the Communications and Marketing Office of NYC Health + Hospitals a series of metrics, beyond membership, have been established to judge the effectiveness of MSA's advertising plan. The metrics include changes in phone call volume, additional web sites hits and application volume changes. All have shown significant increases in the open enrollment period when compared with the months immediately before open enrollment.

The proposed contract is for a three (3) year term with two (2) one-year options to renew. The projected start date is February 13, 2016.

CONTRACT FACT SHEET

MetroPlus Health Plan, Inc.

A subsidiary corporation of New York City Health and Hospitals Corporation

For RFP, RFB, PSA, SS, NA

Contract Title: Media Buying and Advertising Services

Project Title & Number: # 100912R119

Project Location: MetroPlus Health Plan

Requesting Dept.:

Successful Respondent:	Milton Samuels Advertising, Inc.
Contract Amount:	Not to exceed:\$3,500,000 per year
Contract Term:	Three years with two 1-year options to renew

Number of Respondents: Four (4)

Range of Proposals: **\$3,500,000 - \$5,500,000**

Minority Business Enterprise Invited: Advertised in Minority Business Weekly, City Record

Funding Source

- Capital
- General Care
- Grant: Explain
- Other: MetroPlus Premium Revenue

Method of Payment

- Lump Sum
- Per Diem
- Time and Rate
- Other: [As invoiced] For producing materials, MetroPlus will pay MSA an average of \$220 hourly. For ads that MSA places in paid media MSA receives a commission of 10% on all paid media which is one third less than the industry rate of 15%.

EEO Analysis: Yes No **Approved 10/27/15**

Compliance with HHC's McBride Principles Yes No

Vendex Clearance Yes No **Approved 12/29/15**

Privacy Addendum: Yes No **completed with the contract**

CONTRACT FACT SHEET(continued)

Background (include description and history of problem; previous attempts, if any, to solve it; and how this contract will solve it):

MetroPlus requires competitive market insight to aid in strategic media planning and needs a professional, dedicated, full-service advertising agency to buy broadcast media as directed as well as have the ability, if required, to develop new radio and television commercials and/or revise existing commercials including the addition of other languages and to manage the Plan's expanding social media/marketing efforts. In addition, the creation and production of collateral material to support the marketing on the Plan's multiple and growing lines of business requires the skills and professional expertise of a full service advertising agency.

Contract Application Approval (not applicable to PSA or RFB)

Was the proposed contract application approved?

Yes, on July 30, 2015.

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since the approval of the Contract Application? If so, please indicate how the proposed contract differs since that approval:

No.

CONTRACT FACT SHEET(continued)

Selection Process (Applicable to RFP, RFB, PSA or NA): *attach list of selection committee members, list of firms responding to applicable procurement, list of firms considered, describe here the process used to select the proposed contractor, the selection criteria, and the justification for the selection):*

Selection Committee Members

Roger Milliner, Deputy Executive Director, Marketing
Elizabeth Colombo, Assistant Director, Communications
Victor Bell III, Associate Executive Director, Marketing
Shawndesse Morales, Assistant Director, Customer Services
Kathryn Knox Soman, Director of Communications, Chair.

Firms Responding

MSA
OCD Media
The Seiden Group
Sigma Group

Firms Considered (Applicable to RFP, RFB, PSA or NA)

MSA
OCD Media
The Seiden Group
Sigma Group

Justification of Vendor Selection

Milton Samuels Advertising has consistently demonstrated a strong mix of appropriate skills and has committed time and effort to become deeply familiar with MetroPlus. Last year, the firm achieved over \$500,000 worth of added-value in terms of radio station participation at events, raffles, DJ appearances, etc. The firm has developed compelling messaging for the Plan's social media/marketing programs and has plans to further broaden these efforts which are a critical element of marketing practices today. MSA has just completed a new rebrand for the MetroPlus Gold commercial product, officially launching to all NYC employees this year, as well as created bold new campaigns for the upcoming Marketplace open enrollment, including a standalone campaign for the new, lowest cost option, the Essential Plan. In addition, the firm has helped MetroPlus strategize and implement an integrated advertising program, resulting in stronger more consistent messaging.

Justification of Award of Contract

MetroPlus does not have staff with the professional expertise, training and hardware/software to plan and buy media; track broadcast dates or create and develop commercials. The cost of training personnel and acquiring the necessary resources would be far greater than the cost of this contract.

CONTRACT FACT SHEET (**continued**)

Why can't the work be performed by Corporation staff?

As stated above, MetroPlus does not have staff or systems to perform the functions of a full-service advertising agency.

Will the contract produce artistic/creative/intellectual property? It may if new radio or television commercials are produced. Who will own It? All creative work is the property of MetroPlus Health Plan, Inc. Will a copyright be obtained? Will it be marketable?

No

Did the presence of such property and ownership thereof enter into contract price negotiations?

No

Contract monitoring (include which Executive Staff is responsible):

Kathryn Knox Soman, Director of Communications, will be responsible for implementing and monitoring the contract, with input from Roger Milliner, Deputy Executive Director, Marketing. Ms. Soman and Mr. Milliner will work under the supervision of Seth Diamond, Chief Operating Officer.

CONTRACT FACT SHEET (continued)

Equal Employment Opportunity Analysis (include outreach efforts to MBE/WBE's, selection process, comparison of vendor/contractor EEO profile to EEO criteria. Indicate areas of under-representation and plan/timetable to address problem areas):
(applicable to contracts that exceed \$25,000)

Received By E.E.O.

Date submitted 10/26/15

Analysis Completed By E.E.O.: approved 10/27/15

DATE

NAME

31209C HEALTH PLAN
HOSPITALS DEPARTMENT

2015 OCT 28 A 9:45

Manasses C. Williams
Senior Assistant Vice President
Affirmative Action/EEO

manasses.williams@nychhc.org

TO: Kathleen Nolan
Contract Administrator, Corporate Affairs
MetroPlus Health Plan Inc.

FROM: Manasses C. Williams

g.p. for M.C.W.

DATE: October 27, 2015

SUBJECT: EEO CONTRACT COMPLIANCE

The proposed contractor/consultant, Milton Samuels Advertising Agency, Inc., has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): MetroPlus Health Plan Inc.

Contract Number: 100912R119

Project: Provide Advertising Services and Media Buying

Submitted by: MetroPlus Health Plan Inc.

EEO STATUS:


1. Approved
2. Conditionally approved with follow-up review and monitoring-No EEO Committee Review
3. Not approved
4. Conditionally approved subject to EEO Committee Review

COMMENTS:

c:

MEMORANDUM

To: Kathleen Nolan
MetroPlus Health Plan, Inc.

From: Karen Rosen 
Assistant Director

Date: December 29, 2015

Subject: VENDEX Approval

For your information, on December 29, 2015 VENDEX approval was granted by the Office of Legal Affairs for the following company:

Milton Samuels Advertising Agency, Inc.

cc: James Liptack, Esq.



MetroPlus

Media Buying & Advertising Services RFP

rvd



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1985-2015

Overview

- RFP for MetroPlus Media Buying & Advertising Services conducted Fall 2015
- Solicitation called for company to do creative work and ad placement on our behalf
- All types of media services required, including print, digital, television, radio, social media, as well as collateral materials and production.
- Budget: \$3.5 million for each of three years



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Process

- Proposals evaluated by internal RFP committee and winning bidder was MSA Marketing
- MSA, a full service agency, has been in business for over 40 years and specializes in health care
- MSA has been a broadcast media buyer for MetroPlus since 2006 and our ad agency for all services since 2013
- Scope of work has expanded significantly in recent years
- Contract for \$3.5 million annually including creative and placement, paid only when work is authorized and approved



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Summation

- MSA has conducted numerous campaigns to emphasize key MetroPlus products, services and market advantages
- Agency pioneered use of TV for MetroPlus during 2013 launch of NYSOH and folded that medium into this year's Open Enrollment integrated advertising strategy
- Primary focus of Open Enrollment campaign was our lowest priced plans on the Marketplace and the introduction of the new Essential Plan
- Campaign (October through January) helped increase web traffic by 41%, call volume by 94% and applications by 33%



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