AGENDA

FINANCE COMMITTEE

BOARD OF DIRECTORS

CALL TO ORDER

ADOPtion of the NOVEMBER 12, 2013 MINUTES

SENIOR VICE PRESIDENT'S REPORT

- PREPARATION FOR THE HEALTHCARE EXCHANGE

KEY INDICATORS & CASH RECEIPTS/DISBURSEMENTS REPORTS

ACTION ITEM

1. Authorizing the President of the New York City Health and Hospitals Corporation (the “Corporation”) to negotiate and execute a contract with Hawkins Delafield & Wood LLP (“Hawkins”) to provide bond counsel services related to the structuring and continuing implementation of the Corporation’s financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: $420 for Partners, $360 for Senior Associates, $280 for Associates, $210 for Junior Associates, and $150 for paraprofessionals.

INFORMATION ITEMS

1. STATEMENT OF REVENUES & EXPENSES AS OF September 30, 2013 & 2012

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT

MEETING DATE: DECEMBER 10, 2013
TIME: 9:30 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BERNARD ROSEN

MARLENE ZURACK

KRISTA OLSON

LINDA DEHART

JAY WEINMAN

BERNARD ROSEN
MINUTES

MEETING DATE: NOVEMBER 12, 2013

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on November 12, 2013 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Alan D. Aviles, Esq
Michael A. Stocker, MD
Josephine Bolus, RN
Emily A. Youssouf
Robert Doar, Commissioner, Human Resources Administration (HRA)
Andrea Cohen, (representing Deputy Mayor Linda Gibbs in a voting capacity)

OTHER ATTENDEES

J. DeGeorge, Analyst, Office of the State Comptroller
M. Dolan, Senior Assistant Director, DC 37
C. Fiorentini, Analyst, NYC IBO
K. Raffaele, Analyst, Office of Management & Budget (OMB)
E. Schneider, Area Director, NYSNA

HHC STAFF

P. Albertson, Senior Assistant Vice President, Corporate Operations/Supply Chain
B. Ancona, Chief Financial Officer, (CFO), Gouverneur Healthcare Services
V. Bekker, CFO, Corporate Finance
M. Brito, CFO, Coler/Goldwater Specialty Hospital & Nursing Facility
M. Bocachica, Deputy CFO, Lincoln Medical & Mental Health Center
L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
D. Cates, Chief of Staff, Board Affairs
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L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
D. Cates, Chief of Staff, Board Affairs
D. Collington, Assistant Director, Coney Island Hospital
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, CFO, MetroPlus Health Plan, Inc
K. Garramone, Chief Financial Officer, North Bronx Healthcare Network
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
D. Guzman, Deputy CFO, Metropolitan Hospital Center
L. Gutman, Assistant Vice President, Corporate Intergovernmental Relations
L. Haynes, Assistant Systems Analyst, President’s Office
C. Jacobs, Senior Vice President, Patient Safety, Accreditation & Regulatory Services
J. John, Chief Financial Officer, Central Brooklyn Family Health Network
L. Johnston, Senior Assistant Vice President, Medical & Professional Affairs
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
B. Keller, Deputy Counsel, Office of Legal Affairs
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Director, Debt Finance/Corporate Reimbursement Services
K. Madej, Director, Social Media, Corporate Communications/Marketing
T. Mammo, Chief of Staff, Office of the President
N. Mar, Director, Corporate Reimbursement Services/Debt Financing
H. Mason, Deputy Executive Director, Kings County Hospital Center
K. McGrath, Senior Director, Corporate Communications/Marketing
A. Moran, CFO, Elmhurst Hospital Center
D. Moskos, Director, Facilities Development
K. Olson, Assistant Vice President, Corporate Budget
J. Omi, Senior Vice President, Organizational Innovation & Effectiveness
P. Pandolfini, Chief Financial Officer, Southern Brooklyn/Staten Island Health Network
C. Parjohn, Audit Manager, Office of Internal Audits
K. Park, Associate Executive Director, Queens Health Network
B. Robles, Senior Vice President/CCIO, Information Services
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
D. Santos, Associate Executive Director, Bellevue Hospital Center
W. Saunders, Assistant Vice President, Corporate Intergovernmental Relations
B. Schultz, Senior Director, EITS
D. Shi, Senior Director, Corporate Quality, Performance & Innovation, M&PA
L. Tullouch, CFO, Acting, Harlem Hospital Center
J. Wale, Senior Assistant Vice President, Office of Behavioral Health
R. Walker, CFO, North Brooklyn Health Network
J. Weinman, Corporate Comptroller, Corporate Comptroller’s Office
R. Wilson, Senior Vice President/Chief Medical Officer, Medical & Professional Affairs
M. Zurack, Senior Vice President, Corporate Finance/Managed Care
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CALL TO ORDER

BERNARD ROSEN

Due to the late arrival of Mr. Rosen, Chair, the meeting was called to order by Dr. Stocker. The meeting of the Finance Committee was called to order at 9:10 a.m. The minutes of the October 8, 2013 Finance Committee meeting were adopted as submitted.

CHAIR’S REPORT

BERNARD ROSEN

SENIOR VICE PRESIDENT’S REPORT

MARLENE ZURACK

Ms. Zurack informed the Committee that her report would include the monthly update of HHC’s cash balance and the status of HHC’s preparation for the implementation of the Affordable Care Act (ACA) as it relates to the Corporation’s role in the Medicaid applications process.

Ms. Zurack stated that as of November 8, 2013, HHC’s cash balance was $163 million which represents ten days of cash on hand (COH), a deterioration since last month of 22 days of COH. However, HHC anticipates receiving some significant supplemental Medicaid payments that will be forthcoming within the next few weeks which will take HHC back to a normal level. Additionally, there are other payments expected that include, a Disproportionate Share Hospital (DSH) maximization payment of $193 million on November 29, 2013; a Supplemental payment of $89 million also on November 29, 2013, and a MetroPlus supplement of $36 million on November 27, 2013. As per the State these payments should be received by HHC within the expected time frame. However, it is important to note that HHC is very much dependent upon the receipt of the 1115 waiver funding to fully balance on a cash basis by year-end. Additionally HHC is scheduled to make significant payments to the City by year-end. If all of the payments are received as anticipated, HHC cash balance will be at a healthy level by year-end.

Commissioner Doar asked how much the 1115 waiver is. Ms. Zurack replied that it is $250 million.

Ms. Youssouf asked what the projected cash balance is for the FY 14 year-end.

Ms. Zurack stated that the projection is over $500 million which includes paying the City at year-end and receiving all of the noted payments.

Commissioner Doar asked how much the payments to the City are. Ms. Zurack stated that the total is $600 million but there are some other payments to the City that will be made before year-end.

Ms. Youssouf asked if the projected healthy year-end cash balance is an indication that HHC would begin the next Fiscal Year (FY) with a normal cash reserve.
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Ms. Zurack stated that it would; however, it is contingent upon the receipt of the 1115 waiver funding. Ms. Cohen has been working with HHC on getting these funds and perhaps could share with the Committee her take on the prognosis of HHC receiving those funds.

Ms. Cohen stated that it appears for certain something will come through but exactly how much and when are yet to be determined.

Commissioner Doar asked if the DSH payments were reduced. Ms. Zurack stated that to-date there has not been any reductions in those payments.

Ms. Youssouf asked if there had been some efforts by HHC to have the City forgive those payments.

Ms. Zurack stated that it was not HHC’s expectation but rather as part of the Community Development Block Grant (CDBG) in the second round, the City might allocate some additional funding to HHC to cover the difference in the $250 million total expenses versus the $183 million received to date.

Ms. Youssouf asked if the City is considering this issue. Ms. Zurack stated that it is still under consideration by the City.

Affordable Care Act (ACA) – Health Exchanges

Ms. Zurack introduced Victor Bekker, Chief Financial Officer who has been re-assigned to work with corporate finance on the implementation of the ACA provisions. Mr. Bekker has a very extensive background having worked at OMB and HRA before coming to HHC. Given his background, Mr. Bekker will spearhead HHC’s efforts as part of a Task Force group that has been established to prepare for the multiple changes that are anticipated as a result of the implementation of the Exchanges and the changes to Medicaid. HHC is learning about these changes in the level of detail that is needed to operationalize them on a week to week basis. The group has developed three major topics; one of which related to changing HHC’s operational processes as part of the new flow. In the future Medicaid clients as well as the clients of the Exchanges will be using an interactive on-line vehicle for establishing their qualification for subsidy and the program weighing heavily on the filing of the individuals tax returns. HHC’s current process for enrolling clients into Medicaid is very complex but similar to the new process in that understanding individuals’ incomes, the rules and how everything interacts are very important elements in the completion of the process. Additionally, there is a lot of newness to the ACA process. The key challenge for HHC will be the training of the appropriate staff. Currently, Ms. Katz reports monthly on the progress of the Medicaid eligibility process. The new approach will move the focus more to the outpatient side given that more individuals will be eligible for Medicaid when the expansion occurs in January 2014. There will be the option to get individuals on the subsidized qualified health plan. The technology of the process will be different with an on-line application and some of rules will also change. HHC’s patients will have a more complicated choice to make in selecting a tier and a plan. It is important to note that the new process is very similar to the
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current managed care enrollment but it is slightly more complex. HHC is working on getting the appropriate staff trained and certified as certified application counselors (CAC).

Ms. Youssouf asked who would certify the staff. Ms. Zurack stated that there is a process, whereby the State will certify HHC’s train-the trainer and HHC will have a cohort of staff who will get certified and a password that will allow access to the Exchange. HHC as a certified organization can have its certified staff train and certify other staff within the Corporation. The training of HHC’s staff by an outside vendor will begin on November 18, 2013 and is expected to result in a number of train-the-trainer for each of the facilities. MetroPlus has trained a significant number of it staff. The State in its rollout started with the training of staff as Navigators who are members of Community Based Organizations (CBO). Principally, HHC’s relationship with the Navigators has been through the Community Service Society (CSS) that was awarded a contract for the entire State as a Navigator. HHC is currently in the process of signing memorandums of understanding (MOUs) with CSS who will conduct on-site work for HHC as well as the work that MetroPlus is also doing at HHC facilities to supplement the kind of work HHC can do until the staff is certified. The strategy is multifold in that HHC has MetroPlus which per the State’s training plan has already trained a significant number of its staff and are on-site at HHC facilities.

Ms. Youssouf asked for clarification of the outside vendor CSS. Ms. Zurack explained that CSS was trained by the State and is the outside vendor that will have some presence at some of HHC’s facilities.

Ms. Youssouf asked if there are other entities beside MetroPlus.

Ms. Zurack stated that MetroPlus has been trained and is on-site at HHC facilities.

Ms. Youssouf asked if there are other vendors. Ms. Zurack stated that the State has hired a vendor to train-the-trainers. And HHC is scheduled to begin its training on November 18, 2013 for the first cohort of train-the-trainer.

Ms. Youssouf asked how long the training is. Ms. Zurack stated that it is three-day of training with an exam at the end of the program. Employees will have an opportunity to take the exam as many times as needed to pass.

Commissioner Doar stated that one of the biggest changes in this process is that HRA is no longer HHC’s partner but rather the State.

Ms. Zurack stated that HRA will still be HHC’s partner for a very long time.

Commissioner Doar stated that HRA’s principle role has been shifted to assisting HHC in applying directly to the State as opposed to going through HRA.
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Ms. Zurack stated that HRA’s role will change, however, the recertification which Commissioner Doar would further explain will remain with HRA.

Commissioner Doar stated that HRA will continue to do recertification but original applications under the State’s guidance and decisions are to be shifted to the State directly. It is a new process with new rules and a new decision maker, the State. Essentially, the local role of the department of social services has been taken over by the State.

Ms. Zurack added that the exception is the non-MAGI will remain with HRA. Commissioner Doar added that the Modified Adjusted Gross Income (MAGI) is the biggest portion of HRA’s caseload compared to the non-MAGI.

Ms. Zurack added that the non-MAGI includes individuals with Medicaid due to cash assistance, children in foster care, aged, blind and disabled, etc.

Commissioner Doar stated that another factor is that is becoming more apparent is the extent of the MAGI methodology which would expand the eligibility requirement for Medicaid. Therefore, there is an opportunity for growth in Medicaid due to that factor.

Mrs. Bolus asked if that would include those individuals who are currently being dropped by their insurance carrier.

Ms. Zurack stated that it does not relate to that group but rather the commitment by President Obama that anyone who currently has employer sponsored or commercial purchased insurance, those individuals’ plans would not change. However, the ACA set minimum standards for coverage in the plans. There are individuals who have plans with less than the minimum coverage and less expensive that have become obsolete under the health plans as part of the ACA. Therefore, those individuals will need to purchase on the Exchanges. To further expand on the non-MAGI it includes those individuals on cash assistance SSI, foster care, individuals 65 and older when given conditional eligibility; individuals eligibility based on being blind and disabled; individuals requesting coverage long term care, Medicare savings program, medically needy, cancer service programs, individuals in residential adult home; former foster care youth, individuals in residential treatment centers and community centers operated by the State office of Mental Health Services. Those individuals will continue to be processed by the local department of social services.

Ms. Youssouf asked what category of individuals it would include that given it broaden the scope of eligibility to include more individuals.

Ms. Zurack stated that it would include childless adults, couples or singles, their eligibility income threshold increased significantly as a result of the minimum standards in the ACA. Prior to January 2014 individuals had to earn less than 87% of the federal poverty level (FPL) after January 2014 it is less
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than 138% of the FPL. Therefore the difference in those two percentages represents the potential increase.

Ms. Youssouf asked if HHC knows how many individuals would be affected by that change. Ms. Zurack stated that information is not yet available.

Commissioner Doar added that it is much higher than anticipated for a different group of people who could become eligible.

Ms. Cohen asked if there is a way to determine the difference in the benefits for individuals and whether the trainers will be trained to assist in that distinction to avoid improper use of the various pathways, given that the distinction between the MAGI and non-MAGI is that an individual who has a disability and who would be eligible through the disability pathway could also have low income and also be eligible through the MAGI pathway.

Ms. Zurack stated that HHC would be unable to determine what that number would be. However, HHC will research the issue and report back to the Committee as information becomes available.

Ms. Youssouf asked which department of NYS is involved in this process.

Ms. Zurack stated that the State Department of Health (SDOH) under the ACA has contracted with MAXIMUS as the vendor to do eligibility determination work.

Commissioner Doar stated that SDOH’s position is that the computer system will make the determination of eligibility and is managed by SDOH. MAXIMUS is the enrollment facilitator.

Ms. Zurack added that it is by Computer Sciences Corp (CSC) a different vendor. Maximus, Inc. currently has the contract with the State for managed care enrollment and manages the Medicaid Choice line. Essentially once an individual has been determined eligible by the local social services district, a plan is selected and maintaining the roster and the management of which plan the individual has selected has been the role of Maximus in Medicaid managed care. Maximus has been awarded the contract for the Exchanges and Medicaid. What was formerly an eligibility determination that was made by a member of the staff of the local social service district and then input into the Welfare Management System (WMS) will now be made through the decision support within the Exchange system which is the same vendor CSC. Additionally, Maximus will do all non-computer work that was previously done by the local social service district. However, it is anticipated that the volume will decrease. The company that manages the actual programming of these Exchanges is CSC and formerly operated the previous eMEDNY system.

Ms. Youssouf added that a significant portion of what HRA did will be taken over by the State.
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Commissioner Doar agreeing stated that the role of HRA will change significantly and that for a long time the State has taken a position that as a result of the ACA and other changes, the objective was to move the local department of social services out of the determination of the vast majority of the cases. Ultimately the goal is to eventually do all of the cases. In actuality, HRA is shrinking and the State is growing.

Mr. Rosen stated that the ACA and the role of the Exchanges is a very complex process for the Committee to fully comprehend and as such a more detailed presentation would be helpful in providing a summary of the major changes and the various nuances of the ACA and the impact for HHC from a revenue perspective. Therefore, if at the next meeting, Ms. Zurack could do a presentation for the Committee it would be extremely helpful.

Ms. Zurack stated that the reason for not putting together a presentation is that every fact is steadily changing on a daily basis. Mr. Rosen added that given the changes that are evolving there may be some benefit to HHC by enabling HHC to enroll more individuals.

Commissioner Doar added that there may be a benefit but there could be a shift. Additionally, there is the issue of the undocumented.

Ms. Zurack stated that the State has not been releasing regular updates on the number of people who have been enrolled and the latest data that is available is as of two weeks ago. There are 37,000 individuals and families enrolled; 23,717 will be enrolled in Medicaid and 13,313 in qualified health plans (QHP).

Ms. Youssouf asked if the data was state-wide. Ms. Zurack responded in the affirmative.

Commissioner Doar added that the Medicaid number is much higher than anticipated in that the expectation was that there would be more QHPs and less Medicaid.

Ms. Zurack stated that HHC is also working with the trade associations, in getting as much information as possible. Based on recent discussions with Greater New York Hospital Association (GNYHA), the data is lagging but that there is some speculation that there has been an increase in QHPs and less in Medicaid as the process progresses.

Ms. Youssouf asked for clarification of the role of MAXIMUS as a private vendor for profit and their role in the eligibility process.

Ms. Zurack asked Commissioner Doar if he would explain.

Commissioner Doar stated that the State would not categorize them in that fashion but rather Maximus is a facilitator but the overall management is the State. However, Maximus is working with the State in determining eligibility.
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Mr. Aviles stated that in response to an earlier question raised by Mr. Rosen regarding new enrollment for HHC, there were some probability models that were run. Given that MetroPlus is offering the lowest premium than three of the four pricing tiers, it does suggest that there is an opportunity with additional enrollment; a combination of the Exchanges enrollment in addition to an increase in Medicaid enrollment and some Medicaid shifting that may occur could result in 100,000 new members under one of the models which represents the revenue opportunity. It is highly questionable whether HHC can execute on the access redesign work in ambulatory care that would create the additional capacity needed and additional primary care to accommodate new patients. HHC is very focused on this initiative.

Ms. Zurack stated that the MetroPlus data as of November 1, 2013 showed that there are 1,899 enrollees and 50% of those were less than thirty years of age and 30% are choosing platinum and gold plans that are slightly higher plans. Eighty percent are selecting the particular model that gives the option of the dental and vision benefits. Based on that data, MetroPlus is pleased with their enrollments.

Ms. Cohen asked if the data was the MetroPlus QHP and does not include individuals enrolling in the Family Health Plus (FHP). Ms. Zurack stated that it does not include FHP that will not come until January 2014.

Dr. Stocker asked if there is data on enrollment for other plans. Ms. Zurack responded there is no data available at this time.

Mrs. Bolus asked if the January 2014 date is still in effect. Ms. Zurack replied that it is.

Mr. Aviles added that the only date that has been pushed back relates to the initial date for individual to enroll in a plan which was February 15, 2014 to avoid a penalty mandate but has now been pushed back to March 31, 2014.

Ms. Youssouf asked if the State is addressing the uninsured issue. Ms. Zurack stated that the only area where this activity overlaps with that question is in the area of emergency Medicaid. The Medicaid applications that are reported monthly to the Committee by Ms. Katz, half are individuals who are eligible for emergency Medicaid if their condition is considered emergent their immigration status would not be relevant and the eligibility would be for three months. Those individuals come through in a special application process that requires less documentation. Those applications will be processed by the electronic Exchanges as part of the federal data base which is of concern for HHC.

Mr. Russo added that it is to treat the emergency condition as long as the emergent condition exists and as such the eligibility is up to that period of time.
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Ms. Katz commented that the eligibility is up to a year but whether the billing can be done depends on whether the patient comes in with an emergent condition but the eligibility is on file for a year. The documentation of the emergency must be done.

Ms. Zurack stated that HHC can only bill for conditions that the State accepts as an emergent condition but the eligibility does not require a resubmission.

Commissioner Doar asked if the undocumented stay in fee-for-service. Ms. Zurack responded in the affirmative.

Ms. Youssouf asked if there is a difference in the application for the Exchange compared to the current application.

Mr. Bekker stated that it is very different in that there are more questions than on the current application.

Mrs. Bolus asked if there will be a need for additional staff due to the new application process.

Ms. Zurack stated that the process is expected to be much easier than the current process given the decrease in the number of documents needed to document the data on the application. The current process that is being done by the hospital care investigators (HCI) basically involves getting documentation and verification of information. The Exchange process is different in that once the information is submitted it is crossed-checked and matched to the federal data base and instantaneously the eligibility is received.

Commissioner Doar asked if the hospital stays are higher what would be an indicator of a problem in terms of that number coming down.

Ms. Zurack stated that the payer mix report which would be presented later by Ms. Olson would show that above 6% would be of concern. If that trend continues a year later and goes above 6% in either of those two numbers it would be of concern.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS  FRED COVINO/KRISTA OLSON

Mr. Covino stated that the reporting would begin with Ms. Olson.

Ms. Olson stated that the total ambulatory care visits are down by 1.6% and acute care visits are down by 1.5% excluding Harlem due to prior year visits in psych that were posted this FY 14, visits are down 3.5% or 17,000 visits. The Diagnostic & Treatment Centers (D&TC) are down by 2.4%. Acute discharges are down by 4% or 1,800 discharges excluding Coney Island down 2% or 882 discharges. Nursing Home days are down by 15.5% due to transitions underway at Coler/Goldwater and the construction at Gouverneur. The average length of stay (ALOS), Kings County was above the expected
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ALOS by 6/10 of a day compared to last month at 9/10 day a slight decrease. At the beginning of the year the facility made an effort to discharge very hard to place patients, four patients over 100 days which reduces the ALOS in the months ahead. The case mix index was .1% higher than last year.

Mrs. Bolus asked whether the LOS issue at Kings County is due to the ongoing problem with the facility taking and placing some patient into CAMBA Gardens housing.

Ms. Brown, Senior Vice President, Corporate Planning, Intergovernmental Relations and Community Health stated that CAMBA Gardens is not yet open and is not solely for the placement of patients into that housing. There is a process whereby a percentage of people who are slotted as patients from Kings County to go into CAMBA Gardens but not all will be hard to place patients some will be eligible due to a number of factors such as homelessness prior to hospitalizations, income levels, low income housing and residents of the community. In addition to the CAMBA Gardens there is a percentage of individuals who work for Kings County Hospital who would also be eligible for a CAMBA Gardens apartment. Additionally, to expedite this process, there is a staff person at Kings County who is the liaison with CAMBA Gardens in assisting with the application process.

Mr. Covino continuing with the reporting of the Cash Receipts and Disbursement Report stated that full time equivalents (FTE) are up by 79.5 that include an increase of 50 residents and the centralization of the procurement staff in addition to the continual staffing of the enterprise Information Technology (IT) which is up by 18 FTEs due to the implementation of the electronic medical record (EMR)/EPIC. Receipts are $70 million worse than budget and disbursements are $20 million worse than budget.

Ms. Youssouf asked if the increase in disbursements included expenses related to Hurricane Sandy.

Mr. Covino stated that there is approximately $10.5 million in disbursements.

Ms. Youssouf asked for clarification of why FTEs are up after being down last year.

Mr. Covino stated that last year FTEs were down by 931 which was 700 FTEs better than the target.

Ms. Zurack stated that the base period changed which for the current FY 14 the time period is different from the year-end total last year.

Mr. Covino stated that the current base period for FY 14 is 6/30/13. It is anticipated that the headcount will increase by 200-250 FTEs due to key backfills that were on hold last year; the hiring of patient centered medical home (PCMH) and hiring staff for the electronic medical record (EMR).

Ms. Youssouf asked what the projection is for the current FY 14 given that last year there was a target.

Mr. Covino stated that the target was exceeded last year against the target of 3,700 FTEs. The increase in the FTEs is due to the PCMH program a total of 250 FTEs increase. Page 3, current year actual
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receipts are $432 million less than last year due to the timing of DSH payment. $624 million was received through September 2012 compared to this year of $152 million for the same period. However, as previously mentioned by Ms. Zurack $194 million in DSH payments is anticipated in November 2013 and another $520 million in April 2014. Comparing the two while there was the spend-up of DSH payments last year; HHC received $1.148 billion compared to $866 million this year which is reflective of a significant decrease.

Ms. Cohen asked if the MetroPlus supplemental payment was expected. Ms. Zurack stated that it is something new.

Mr. Covino stated that expenses were $113 million better than last year due to the timing of City Payments compared to last year for the same period. Last year $141 million in payments were made to the City that included medical malpractice, health insurance payments and to emergency medical services (EMS). A comparison of the current FY 14 actuals to budget, inpatient receipts were $53 million worse than budget due to Medicaid fee-for-service and Medicaid managed care where the workload is continuing to decrease. The Medicaid fee-for-service is down 535 paid Medicaid discharges, 3,000 psych days, 18,700 SNF days and 10,000 chronic nursing home days. Outpatient receipts are down $15 million due to the decline in the Medicaid fee-for-service workload. OTPS expenses are $22 million worse than budget due to $10.5 million in expenses related to the storm last year due to restorations at Bellevue, Coney Island and Coler. There will be a considerable deficit throughout the year in OTPS for Coler and Goldwater due to the transitioning. The revenue is projected to decrease. The report was concluded.

ACTION ITEM

SAL RUSSO/BARBARA KELLER

Authorizing the President of the New York City Health and Hospitals Corporation to execute contracts with Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green, P.C. to provide specialized legal counsel and representation to the Corporation on such legal matters as may be requested by the Corporation. The retention shall be for a term of three years with two one-year options to renew. Fees shall not exceed $465 per hour for partners and from $245 to $415 per hour for associates, depending on experience, and $160 per hour for paralegals, with a five percent increase in the option years of the contracts.

Mr. Russo informed the Committee that representatives from the firms included: Linda Tiano, Epstein Becker & Green, Joseph Willey, Katten Muchin Rosenman, Linda Malek, Moses & Singer, Frederick Miller, Garfunkel Wild, Michele Masucci, Nixon Peabody.

Mr. Russo introduced Barbara Keller, Deputy Counsel who was responsible for the Request for Proposals process. Additionally, Mr. Russo extended thanks to the selection committee which was comprised of seven members including legal affairs, medical & professional affairs/affiliation, corporate finance/revenue management, a network CFO and workforce planning and development. It
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is important to note that the decision to expand the pool of specialized legal counsel services does not reflect negatively on the counsel retained in the past, particularly, Katten, Muchin & Rosenman who were previously retained in an early iteration as Rosenman & Colin. Rosenman was retained as outside counsel for the Corporation since 1976 and has recovered more than a $1 billion for the Corporation. The expansion reflected the need to expand the bench of law firms that can respond to the Corporation’s needs in a variety of matters. Also noted, while the resolution contains upper limits of the firms’ category, page 1 of the contract fact sheet specifies subgroup rates based on experience. Due to the constant changes in the healthcare law, the legal needs of the Corporation are expanding and ever changing. In the current healthcare environment of Accountable Care Organization (ACO), market places, Federally Qualified Health Center (FQHC) and paid for performances, HHC needs to have specialized and the best legal timely advice.

Ms. Youssouf asked if the fees were consistent across all of the firms for services such as printing which could become costly.

Ms. Keller stated that it was not included as part of the proposals. The contract requires that those expenses would be billed at cost. There is no fee proposal for that aspect of the work.

Mr. Russo stated that the standard fees that the law firms charge for these services other than HHC are much higher; however, HHC has set the bar. One firm’s fee was below the highest.

Ms. Cohen asked if there is access to all of the firms and whether there are minimum caps. Mr. Russo stated that there is access to all the firms similar to a requirements contract.

Ms. Cohen asked if the firm is selected based on their expertise and capacity. Mr. Russo stated that all of those factors are taken into account in selecting a firm. Also there is some healthy competition. Ms. Cohen asked if there is an expected increase in the total work.

Mr. Russo stated that the cost has been increasing over the years and IIIIC sets the top rate but the expansion of work has been a factor as a result of all the changes in the healthcare area. HHC legal staff has not increased but in order to address the increase in workload, there has been an increase in referrals to outside counsel. It is anticipated that the cost will increase but moderately.

Ms. Keller added that the increase in cost would not be related to the increase in the number of firms.

Ms. Youssouf asked if joint ventures will be handled by the firms. Mr. Russo stated that it is and would continue to be as part of the contracted services.

Ms. Youssouf asked whether there are any anticipated major changes in the industry that would require specialized services beyond the selected group of firms.
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Mr. Russo stated that there are no anticipated changes at this time. However, the selected firms are some of the top firms in NYC specializing in healthcare law and all have a number of attorneys that could be used beyond the healthcare area if there was a need for those services.

Ms. Cohen asked if the contract only allows for hourly rates as opposed to negotiating a project based fee.

Mr. Russo stated that the Corporation has experimented with enterprise billing which may not be the best alternative and this contract does not incorporate that type of arrangement. If there is a need in the future to do that type of arrangement, HHC has the ability to negotiate with the firms.

Ms. Cohen asked how the cost of the contract is managed to ensure that the number of hours for attorneys assigned to a specific project is appropriate and whether there is language in the contract to address that issue.

Mr. Russo stated that the bills are reviewed by the office of legal affairs and if it is determined that there may be an excess of resources being expended by the firms, it is addressed and if necessary an adjustment in the cost is made.

Ms. Keller added that at the beginning of a project, legal affairs would see it hands on and would know if there were too many attorneys at meetings or on a phone call which is not something HHC has experienced but it is something to monitor more closely upfront.

Mr. Russo stated that on occasion, legal affairs have requested to have a specific healthcare partner from a certain area or multiple attorneys.

Ms. Youssouf asked if the contract should allow for the enterprise given that a certain project would require a specific type of service as oppose to developing the scope and trying to get a complete bid on the cost from each firm.

Mr. Russo stated that cost is not always the barometer in selecting or assigning the appropriate firm for a specific project, adding that after being in the field for thirty three years, it is known who is capable. In terms of the enterprise there is no language in the contract that requires that or prohibits it.

The resolution was approved for the full Board’s consideration.

INFORMATION ITEM  
PS KEY INDICATORS QUARTERLY REPORT FY 14 – 1ST QTR  
FRED COVINO

Mr. Covino stated that disbursements, actual versus the budget there was a $3 million deficit in disbursements against the budget primarily at Coler/Goldwater due to the transition underway at those facilities. Some of the FTEs at those facilities are being reassigned to other HHC facilities. As of
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September 2013 there were approximately 240 FTEs who were to be transferred and as of to-date there are 24-30 FTEs remaining on the list. FTEs are 79.5 above the 6/30/13 baseline. FTEs are 931 less than last year. The increase in FTEs by category showed that the increase has been in nurses, residents and managers. Overtime is $3.6 million over budget. Nurse registry is up by 800,000 compared to last year. The bulk of the increase is in plant maintenance which includes operating maintenance which is up by $700,000 due to an increase in housekeeping services and $100,000 for security year-to-date.

Ms. Youssouf asked if the increase in plant maintenance was due to the storm. Ms. Covino stated that it is not given that these expenses were incurred prior to the storm.

Ms. Youssouf asked what the increase in plant maintenance is attributable to. Mr. Covino stated that the expenses are being managed against last year actual which was lower than the prior year. The average cost for plant maintenance overtime is $9 to $10 million for the 1st quarter of the year compared to $7.2 million last year. So it was significantly lower than last year compared to an increase this year. However, corporate finance has addressed this issue with Johnson Controls, Inc. (JCI) and expects that it will be resolved quickly. JCI has indicated that there were some unanticipated expenses at Coler/Goldwater and JCAHO related to preparations that required additional resources.

Ms. Youssouf asked for further clarification of the 36% increase that has not been addressed in terms of what that increase is attributable to.

Mr. Covino stated that there were several factors, the base for last year was very low; there has been some work going on at Coler/Goldwater and the new Hank Carter Nursing Facility in preparation for the transfer of services to that facility; the new emergency departments at Lincoln and Harlem that are scheduled for opening; and preparation at those facilities that were scheduled for Joint Commission on Accreditation of Healthcare Organizations (JCAHO) during the year are all contributing factors to the increase.

Ms. Zurack interjected that what Mr. Covino has stated may appears to be somewhat confusing; however, the reporting is on where the increase in overtime has occurred and there are places where there has been a need for extra work. However, overall, JCI was hired to reduce overtime expenses even when there was extra work; therefore, HHC is in discussions with JCI regarding this issue to ensure that the targeted reduction in this area gets back on track based on their guarantee in the contract and is a requirement that JCI must achieve.

Ms. Youssouf stated that was the point that was being raised that regardless of the baseline being low and being targeted against that base, the fact is that JCI as a contractor was hired to reduce overtime and other expenses but based on the 36% increase that has not been the case.

Mr. Covino stated that there have been direct discussions with JCI regarding this issue and corporate finance will continue to address this issue as it relates to the contract. Continuing with the reporting, nurse registry expenses are $.5 million higher than last year. Allowances were $1.3 million higher than
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last year. The baseline for allowances is between $19 to $20 million per year compared to last year which was very low at $16 million in comparison to this year it is $17.5 million which is significantly better than the baseline.

Ms. Youssouf stated that if HHC’s goal is to reduce cost the new baseline should not be higher but lower in comparing the actual expenses. If the old baseline which was higher becomes the new baseline as opposed to a targeted baseline it would defeat the purpose of having a reduction. Therefore a new baseline that is lower should be established as part of the reporting.

Mr. Covino stated that there was a 25% reduction in the baseline and it is not expected that HHC can maintain that level.

Ms. Youssouf asked what the goal is. Ms. Zurack stated that the goal is to get the reduction to be permanent. However, the point that Mr. Covino was making is that the data only reflects one quarter of the year’s actuals and trying to put that into context to determine whether there should be concern in terms of what the data is showing. Last year the first quarter relative to the year was very low; therefore, Mr. Covino is just cautioning overreacting to the first quarter data. There is no question that the baseline should be lower and it is reflected in the budget as such. Every effort will be made going forward to fine tune the reporting to ensure consistency with the various targets relative to HHC’s plan.

Ms. Cohen asked what the status of the NASH contract is. Mr. Covino stated that it is for all nursing costs. Ms. Cohen asked when HHC would expect to see the impact of those services on the expenses.

Dr. Wilson stated that the contract is signed and the work is getting underway. The expectation is that by January 2014 it will be in full effect and by March and June 2014 the impact on the services is expected to be seen.

INFORMATION ITEM
PAYOR MIX REPORTS- INPATIENT/ADULT/PEDIATRICS

Mr. Rosen informed the Committee that there is a new payor mix report that would be presented to the Committee on a quarterly basis.

Ms. Olson stated that the report showed that the share of each payor category for each facility and the corporate total. Each of the numbers represents the percentage. In 2014, 59.4% of the inpatient discharges were Medicaid either fee for service or managed care. Twenty one percent of the total discharges were Medicaid fee-for-service and 38.3% were one of the Medicaid plans. In FY 14, 21.2% were Medicare and 20.5% Medicare in FY 13 which is reflective of a slight increase. Overall 9.2% are insured comprised of self-pay and HHC Options. It is anticipated based on prior years that percentage will decrease to an average of 6%.
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Commissioner Doar asked if the numbers will shift as the year progresses. Ms. Olson responded in the affirmative.

Mrs. Bolus asked if the Medicare commercial included the 20% of Medicare. Ms. Zurack stated that it could or it could be a patient with only commercial and some of the self-pay could be co-insurance deductible.

Commissioner Doar asked why the FY 13 numbers were the same. Ms. Olson stated that this year the FY 13 data was run on November 9, 2013 which is as of that date.

Ms. Youssouf asked what the anticipated reduction in the percentages is based on. Ms. Zurack stated it is based on historical trends. To clarify a previous response, the data comparison is not based on a quarterly comparison. The reports were run so that the comparison would be comparable. In this instance the lag is consistent in both years.

Commissioner Doar asked what happened at Bellevue. Ms. Olson stated that Bellevue improved from last year to this year down to the 13.8% and is expected to improve more as the year progresses.

Dr. Stocker commented that it is a great report and one key factor that it highlights is that there are significant variation between facilities and the number of patient in managed care. Lincoln at 60% and Bellevue at 35% a significant difference since the incentives change with payment methods. In terms of capitation, it may be worthwhile to look at utilization measures such as hospital days per 1,000; commercials are about 300 days per 1,000 and review days per 1,000 @ 60% managed care may be to HHC’s advantage. A facility at 60% capitated would be run differently than a 30% capitation.

Ms. Zurack stated that the report could be done; however, it is not clear why one hospital is higher than another. It may be related to the uninsured and the make-up of the community but an analysis of the utilization at those hospitals could be done.

Dr. Stocker stated that it would be interesting to see what the data would show and it could change HHC’s approach on how to handle the population with Medicare going up.

Ms. Zurack stated that it is higher than HHC historical experience which has been steadily increasing.

Dr. Stocker asked if the payor mix data could cover a few years. Ms. Zurack stated that the data could be run but the date would be a problem. Ms. Olson stated that the actual data is based on the former report so the source date is the same and therefore the date would not be a problem.

Dr. Stocker stated if HHC invest in primary care there may be an increase in the uninsured. Emergency Medicaid is fee-for-service but not in the data. After reviewing that data from the utilization analysis it may be financially advantageous for HHC to have some level of penetration of capitation.
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Ms. Olson continuing with the reporting stated that the adult payor mix with the D&TCs included the uninsured goes up to 30.9% in 2014.

Commissioner Doar asked what would be the expected reduction in the percentage based on the prior year experience, higher or lower.

Ms. Olson stated that the data was not available but would include it in the next reporting; however, there has not been a significant reduction on the outpatient side.

Ms. Zurack stated that when the patient is referred from the inpatient side and goes to outpatient there is some movement in the percentage.

Ms. Olson stated that the pediatrics percentage of uninsured is similar to the inpatient at 8.9% in 2014.

Mr. Rosen stated that Dr. Stocker raised a very good question regarding the trend over a period of time and running the data quarterly may not give a good trend; therefore, perhaps if the reports are available showing a few years that would be helpful in identifying a trend.

Ms. Youssouf commented that the pediatrics is very low but the adult is very high.

Ms. Zurack stated that immigration status does not apply to children. It is the State’s intention to maintain its child health programs. So there will be families in different plans.

Ms. Youssouf asked what the age limit is. Ms. Zurack stated that it is 19.

Mr. Rosen stated that given the overrun of the meeting, the remaining two items on the agenda would be postponed for the next scheduled reporting.

Ms. Zurack added that the information item on the banks for the lease was in response to the Committee’s request; therefore, if there are any questions regarding the data, member of the Committee can call either her or Linda Dehart, Assistant Vice President, Corporate Reimbursement Services/Debt Financing.

ADJOURNMENT

BERNARD ROSEN

There being no further business to discuss, the meeting was adjourned at 10:45 a.m.
Preparation for the Exchanges
New York City Health and Hospitals Corporation—Finance Committee, December 10, 2013

Victor Bekker
HHC Concerns

- Information for Patients
- Enrollment in Qualified Health Plans requires new
- Preparing Patients for Changing Environment
- Also assist patients to apply for Medicaid through the Portal.
- Volunteer Certified Application Counselors (CACs) may
  Medicaid through the Portal.
- Grant funded Navigators assist patients to apply for
- HRA will only process non-MAGI applications.
- Changing Medicaid Enrollment Process:
What is MAGI?

- Child Support
- Social Security
- Does not count non-itemized income
- Mortgage Interest
- Child Care
- Retirement Plan Contributions
- Minus allowable tax deductions
- Unemployment Benefits
- Capital Gains
- Salaries, Wages, Tips
- Counts taxable income

Medicare
- Cannot receive or be eligible for
- No Asset Test
- CHP+ up to 400% FPL
- Pregnant Women to 223% FPL
- MAGI Groups up to 138% FPL
- Coverage up to age 65

Income and household composition:

Adjusted Gross Income (AGI) as defined by the IRS for eligibility for some individuals will be based on the Modified
Examples of Non-MAGI includes: disabled, aged, blind, medically eligible clients (TANF, SSI, foster care), medically need, individuals who request long-term care, cancer services Program etc.

Some Medicaid clients (Non-MAGI) will have their eligibility determined using current Medicaid rules.
HHC Concerns

- Will HHC be able to provide sufficient access?
- Will they select participating plans?
- Will HHC retain our patients?
- Will HHC patients enroll into the Exchanges given immigration status and cost of premiums and co-pays (out of pocket)?
- Revenue Retention/Protection
- Information as it becomes available.
- Internal Communication has been providing all stark with
Workgroup Goals

- Review Potential Incentives
- Metro Plus
- Navigators
- HHC

Track enrollment including:

- Establish Relationships with Navigators Application Counselors (CACs)
- Training staff and getting them certified as certified
- Develop new processes
Workgroup Participants

- Human Resources Administration - Medicaid
- Metro Plus
- Internal Communications
- InterGovernmental Relations
- Human Resources
- Finance
- Communications and Marketing
- Corporate
- Representatives from most facilities
Process Preparation

METROPOLITAN LINCOLN COMB CENTRAL OFFICE QUEENS CENTRAL OFFICE KINGS COUNTY WOODHULL FACULTY

NAME

ELTS BELLEVUE QUEENS METROPOLITAN ELMHURST NORTH CENTRAL BX/JACOBI HALEM CONEY ISLAND FACULTY

NAME
# Process Preparation

**Hatem and Woodhill # TBD**

<table>
<thead>
<tr>
<th>Measure</th>
<th>PRG-Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>G/C: Applications (Workload)</td>
<td>3/1/12</td>
</tr>
<tr>
<td>T/D: App Process non-port (processing time)</td>
<td>7 hrs</td>
</tr>
<tr>
<td>I/F: Conversion from self (Efficiency)</td>
<td>69%</td>
</tr>
<tr>
<td>O/S: Inpts Insured</td>
<td>96.7%</td>
</tr>
<tr>
<td>Yield</td>
<td>87%</td>
</tr>
<tr>
<td>O/S: Code 1 First Pass</td>
<td></td>
</tr>
<tr>
<td>Productivity (apps/FTEs)</td>
<td>164</td>
</tr>
<tr>
<td>HD: HCI app</td>
<td>191</td>
</tr>
</tbody>
</table>

- Interim measures are identified and multiple processes are in place to ensure that all uninsured admissions are identified and their insurance status will not be resolved by March 31, 2012. Some delays will be in the house as of 1/1/14 but their impacts are mitigate.
- The DCA/HRM of LDO/HRM will still need to process non-MAGI through a different process.
- Emergency Medicaid will continue in uninsured.
- HHG isn’t ready 1/1/14, we may see an increase in uninsured patients currently assisted to Metro Plus.
- 1,900 patients currently anticipated 40,000 + eligible patients anticipated.

**Current State**
### Process Preparation

<table>
<thead>
<tr>
<th>31/172</th>
<th>31/172 (non-portal)</th>
<th>(through portal and non-portal) C: Applications submitted in 30 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>98%</td>
<td>0</td>
<td>T/D: Portal apps completed</td>
</tr>
<tr>
<td>Maintenance Reimbursement</td>
<td>$3.42 mm</td>
<td>F: MA from Inpatient apps</td>
</tr>
<tr>
<td>97%</td>
<td>97%</td>
<td>O/S: Inpatient Insured</td>
</tr>
<tr>
<td>164</td>
<td>164</td>
<td>apps/FTES</td>
</tr>
<tr>
<td>190</td>
<td>0</td>
<td>HD: CAC productivity (#)</td>
</tr>
<tr>
<td>100% of</td>
<td>13</td>
<td>CAC certified and train and measure</td>
</tr>
<tr>
<td>Target</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AS of 6/30/13</td>
<td></td>
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</tr>
</tbody>
</table>

Container and staff effective for both patients Inpatient process feels smooth HRA and HHC training (CAC)

CACs are fully trained (CAC)

CACs are certified as CACs are certified All of the people who should be covered are through the exchange

All uninsured patients have been assisted in getting
Process Preparation

- HR, Payroll
- SDOH, HRA

Team does not have all needed info;

Start will frequently receive new info;

Identified and completed on time;

Project plan to ensure all tasks are

Standard work for Inpatient CAC

Gap Analysis

Breakthrough Concepts to include

Building the 7 Flows and 7 Ways

Value Added

Eliminate Waste
<table>
<thead>
<tr>
<th>Process Preparation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steps</strong></td>
<td><strong>Expected Outcome</strong></td>
</tr>
<tr>
<td>1. Plan a change management process to identify when SW changes are required.</td>
<td></td>
</tr>
<tr>
<td>2. Develop a change management plan to create a change request for SW changes.</td>
<td></td>
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<tr>
<td>3. Conduct a VSM</td>
<td></td>
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<tr>
<td>4. Review the process for SW changes.</td>
<td></td>
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<tr>
<td>5. Create the process for SW changes</td>
<td></td>
</tr>
<tr>
<td>6. Implement the process for SW changes</td>
<td></td>
</tr>
<tr>
<td>7. Rapid Experiments</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- Involvement by DOOH.
- Frequently receive HW updates.
- High-level representation of a change to the team.
- Detailed activity list is shared.
- HW updates are documented and shared.
- A plan is developed to ensure all steps are completed on time.
- HW updates are documented and shared.
- Standard work for the SW changes.
Process Preparation

CMS - Billing Master Tracking
OAM - Originated Account Manager
MAG - Medical/Pharmaceutical Gross Income
Broker - Paid/Receive commission
Reeds - otherwise same as CAC
Navigators - Paid/Funded through Grant
HCA - Hospital Care Investigator
CAC - Certified Application Counselors

Definitions:
CAC - Change Management Plan
HCA - Hospital Care Investigator

Purpose & Reason
- Ensure insurance information meets and exceeds for this stay. To this end,
- Insurance
- Initial Registration basis on your initial registration
- (Name) & /pm Room (Department Name). I am here to help
- Greetings & Introduction:
  - Certified Application Counselor Interview Script
  - Certified Application Counselor Interview Script
Staff Training

Metro Plus will train 36 staff starting December 10, 2013.

March 2014, HHC expects to train more than 700 people corporate-wide by
State Sponsored Training Program provided by Maximus.

CNYHA associates arranged for HHC to have slots at the

117 staff attended CAC training sessions—Every One Passed.

CACs
Health Plans
Navigators
NYS Prioritized Training:
Staff Certification

by the State as both CACs and qualified CAC trainers.

- Staff trained by Maximus in the process of being certified.
- Metro Plus had undergone its own training and
- HHC has been certified as a CAC organization.
Community Service Society has signed a Memorandum of Understanding (MOU) with HHC

Per the MOU Navigators are onsite at:

- Bellevue
- Metropolitan
- Jacobi
- North Central Bronx
- Lincoln
- Harlem
Enrollment

Since this cohort represents relatively healthy people, almost one half of all enrollees. This is a very positive development.

Those in the 20-35 age bracket account for 20 to 49 years of age. Those in the 20-35 age bracket are in the age bracket of plans. More than 70 percent of the enrollees are in the age bracket of plans. A vast majority, 49%, selected silver non-standard plans.

Metro Plus has enrolled 5,038 individuals/families in the Qualified Health Plans.

New Medicaid enrollees, and 5,000 enrolled in the Qualified Health Plans were enrolled. Approximately 45%, or 4,103 individuals or families enrolled in the New York State-wide number of completed applications for the New York State.
Enrollment

December 23rd for January 1st, and March 15th for April 1st. There are two effective dates for coverage in 2014:

- Health Plan for the coverage to be in effect. Insured must make a payment to the selected Qualified Applicants have coverage. The potential.
- It is important to stress that enrollment by itself does not
Incentives

- Participation
  - Ensure healthcare affordability and encourage maximum participation
  - Intergovernmental Relations (IGR) to review ways to
- Workgroup formed with Finance, Legal, and
- Income Levels and Family Size
- Stall prepared an analysis showing premium costs by
### Key Indicators

**Fiscal Year 2014 Utilization**

<table>
<thead>
<tr>
<th>Networks</th>
<th>FY 14</th>
<th>FY 13</th>
<th>Var %</th>
<th>FY 14</th>
<th>FY 13</th>
<th>Var %</th>
<th>Actual</th>
<th>Expected</th>
<th>FY 14</th>
<th>FY 13</th>
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<tbody>
<tr>
<td><strong>Utilization</strong></td>
<td></td>
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<tr>
<td><strong>Visits</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Bronx</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacobi</td>
<td>143,824</td>
<td>147,529</td>
<td>-2.5%</td>
<td>6,809</td>
<td>6,373</td>
<td>6.8%</td>
<td>5.7</td>
<td>5.9</td>
<td>1.0163</td>
<td>1.1216</td>
</tr>
<tr>
<td>North Central Bronx</td>
<td>67,889</td>
<td>73,847</td>
<td>-8.1%</td>
<td>1,730</td>
<td>2,661</td>
<td>-35.0%</td>
<td>5.3</td>
<td>5.6</td>
<td>0.8968</td>
<td>0.7245</td>
</tr>
<tr>
<td>Generations +</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Harlem</td>
<td>118,508</td>
<td>99,752</td>
<td>18.8%</td>
<td>3,770</td>
<td>3,724</td>
<td>1.2%</td>
<td>5.6</td>
<td>6.0</td>
<td>0.9843</td>
<td>0.9575</td>
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<tr>
<td>Lincoln</td>
<td>189,291</td>
<td>181,788</td>
<td>4.1%</td>
<td>8,105</td>
<td>7,710</td>
<td>5.1%</td>
<td>4.6</td>
<td>5.3</td>
<td>0.8534</td>
<td>0.8947</td>
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<tr>
<td>Belvis DTC</td>
<td>19,053</td>
<td>19,664</td>
<td>-3.1%</td>
<td>90,533</td>
<td>83,395</td>
<td>8.6%</td>
<td>4.5</td>
<td>5.2</td>
<td>0.7872</td>
<td>0.7933</td>
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<tr>
<td>Morrisania DTC</td>
<td>28,048</td>
<td>26,240</td>
<td>6.9%</td>
<td>46,485</td>
<td>94,718</td>
<td>-50.9%</td>
<td>6.3</td>
<td>6.3</td>
<td>1.1574</td>
<td>1.1183</td>
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<tr>
<td>Renaissance</td>
<td>17,097</td>
<td>19,672</td>
<td>-13.1%</td>
<td>15,065</td>
<td>17,439</td>
<td>-13.6%</td>
<td>6.3</td>
<td>6.3</td>
<td>1.1574</td>
<td>1.1183</td>
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<tr>
<td>South Manhattan</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bellevue</td>
<td>192,531</td>
<td>196,740</td>
<td>-2.1%</td>
<td>196,740</td>
<td>196,740</td>
<td>0.3%</td>
<td>4.0</td>
<td>4.0</td>
<td>0.7872</td>
<td>0.7933</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>132,889</td>
<td>132,467</td>
<td>0.3%</td>
<td>90,533</td>
<td>83,395</td>
<td>8.6%</td>
<td>4.0</td>
<td>4.0</td>
<td>0.7872</td>
<td>0.7933</td>
</tr>
<tr>
<td>Coler</td>
<td>4,000</td>
<td>3,889</td>
<td>2.9%</td>
<td>46,485</td>
<td>46,485</td>
<td>-50.9%</td>
<td>1.0</td>
<td>1.0</td>
<td>0.8291</td>
<td>0.8089</td>
</tr>
<tr>
<td>Goldwater</td>
<td>90,533</td>
<td>83,395</td>
<td>8.6%</td>
<td>15,065</td>
<td>17,439</td>
<td>-13.6%</td>
<td>6.3</td>
<td>6.3</td>
<td>1.1574</td>
<td>1.1183</td>
</tr>
<tr>
<td>Gouverneur - NF</td>
<td>94,712</td>
<td>82,165</td>
<td>15.3%</td>
<td>15,065</td>
<td>17,439</td>
<td>-13.6%</td>
<td>6.3</td>
<td>6.3</td>
<td>1.1574</td>
<td>1.1183</td>
</tr>
<tr>
<td>Gouverneur - DTC</td>
<td>94,712</td>
<td>82,165</td>
<td>15.3%</td>
<td>15,065</td>
<td>17,439</td>
<td>-13.6%</td>
<td>6.3</td>
<td>6.3</td>
<td>1.1574</td>
<td>1.1183</td>
</tr>
<tr>
<td>HJ Carter</td>
<td>94,712</td>
<td>82,165</td>
<td>15.3%</td>
<td>15,065</td>
<td>17,439</td>
<td>-13.6%</td>
<td>6.3</td>
<td>6.3</td>
<td>1.1574</td>
<td>1.1183</td>
</tr>
<tr>
<td>North Central Brooklyn</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kings County</td>
<td>236,855</td>
<td>240,357</td>
<td>-1.5%</td>
<td>236,855</td>
<td>240,357</td>
<td>1.5%</td>
<td>7.0</td>
<td>6.3</td>
<td>1.0541</td>
<td>0.9684</td>
</tr>
<tr>
<td>Woodhull</td>
<td>167,863</td>
<td>154,371</td>
<td>8.7%</td>
<td>236,855</td>
<td>240,357</td>
<td>1.5%</td>
<td>7.0</td>
<td>6.3</td>
<td>1.0541</td>
<td>0.9684</td>
</tr>
<tr>
<td>McKinney</td>
<td>4,403</td>
<td>4,547</td>
<td>-3.2%</td>
<td>236,855</td>
<td>240,357</td>
<td>1.5%</td>
<td>7.0</td>
<td>6.3</td>
<td>1.0541</td>
<td>0.9684</td>
</tr>
<tr>
<td>Cumberland DTC</td>
<td>38,547</td>
<td>38,179</td>
<td>1.0%</td>
<td>38,547</td>
<td>38,179</td>
<td>1.0%</td>
<td>7.0</td>
<td>6.3</td>
<td>1.0541</td>
<td>0.9684</td>
</tr>
<tr>
<td>East New York</td>
<td>24,895</td>
<td>26,356</td>
<td>-5.5%</td>
<td>24,895</td>
<td>26,356</td>
<td>-5.5%</td>
<td>7.0</td>
<td>6.3</td>
<td>1.0541</td>
<td>0.9684</td>
</tr>
<tr>
<td>Southern Brooklyn / S I</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Coney Island</td>
<td>116,251</td>
<td>111,649</td>
<td>4.1%</td>
<td>116,251</td>
<td>111,649</td>
<td>4.1%</td>
<td>6.5</td>
<td>6.1</td>
<td>1.0240</td>
<td>1.0232</td>
</tr>
<tr>
<td>Seaview</td>
<td>36,744</td>
<td>36,466</td>
<td>0.8%</td>
<td>5,772</td>
<td>5,772</td>
<td>0.8%</td>
<td>6.5</td>
<td>6.1</td>
<td>1.0240</td>
<td>1.0232</td>
</tr>
<tr>
<td>Queens</td>
<td>215,005</td>
<td>220,362</td>
<td>-2.4%</td>
<td>7,681</td>
<td>8,204</td>
<td>-6.4%</td>
<td>5.4</td>
<td>5.3</td>
<td>0.8964</td>
<td>0.9285</td>
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<tr>
<td>Queens</td>
<td>139,933</td>
<td>138,038</td>
<td>1.4%</td>
<td>4,165</td>
<td>4,259</td>
<td>-2.2%</td>
<td>5.7</td>
<td>5.4</td>
<td>0.8866</td>
<td>0.9055</td>
</tr>
<tr>
<td>Discharges/CMI-- All Acutes</td>
<td>1,933,991</td>
<td>1,901,469</td>
<td>1.7%</td>
<td>60,869</td>
<td>63,704</td>
<td>-4.5%</td>
<td>6.5</td>
<td>6.1</td>
<td>1.0240</td>
<td>1.0232</td>
</tr>
<tr>
<td>Visits-- All D&amp;T Cs &amp; Acutes</td>
<td>1,933,991</td>
<td>1,901,469</td>
<td>1.7%</td>
<td>60,869</td>
<td>63,704</td>
<td>-4.5%</td>
<td>6.5</td>
<td>6.1</td>
<td>1.0240</td>
<td>1.0232</td>
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<tr>
<td>Days-- All SNFs</td>
<td>227,374</td>
<td>270,197</td>
<td>-15.8%</td>
<td>227,374</td>
<td>270,197</td>
<td>-15.8%</td>
<td>6.5</td>
<td>6.1</td>
<td>1.0240</td>
<td>1.0232</td>
</tr>
</tbody>
</table>

**Notes:**

**Utilization**

Acute: discharges excl. psych and rehab; reimbursable visits include clinics, emergency department and ambulatory surgery

D&T: reimbursable visits

LTC: SNF and Acute days

**All Payer CMI**

Acute discharges are grouped using the 2012 New York State APR-DRGs

FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.
<table>
<thead>
<tr>
<th>NETWORKS</th>
<th>FTE's</th>
<th>RECEIPTS</th>
<th>DISBURSEMENTS</th>
<th>BUDGET VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>actual</td>
<td>better /</td>
<td>actual</td>
</tr>
<tr>
<td></td>
<td>VS 6/15/13</td>
<td></td>
<td>(worse)</td>
<td></td>
</tr>
<tr>
<td>North Bronx</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacobi</td>
<td>49.0</td>
<td>$159,206</td>
<td>$(11,263)</td>
<td>$171,453</td>
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<tr>
<td>North Central Bronx</td>
<td>2.5</td>
<td>$52,430</td>
<td>(6,454)</td>
<td>$54,687</td>
</tr>
<tr>
<td></td>
<td>51.5</td>
<td>$211,636</td>
<td>$(17,718)</td>
<td>$226,141</td>
</tr>
<tr>
<td>Generations +</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harlem</td>
<td>(33.5)</td>
<td>$95,907</td>
<td>$(6,180)</td>
<td>$103,698</td>
</tr>
<tr>
<td>Lincoln</td>
<td>(0.0)</td>
<td>150,188</td>
<td>$(4,000)</td>
<td>150,646</td>
</tr>
<tr>
<td>Belvis DTC</td>
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<td>(447)</td>
<td>4,647</td>
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<tr>
<td>Morrisania DTC</td>
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<td>8,142</td>
<td>(181)</td>
<td>7,868</td>
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<tr>
<td>Renaissance</td>
<td>(3.0)</td>
<td>3,598</td>
<td>(751)</td>
<td>6,629</td>
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<tr>
<td></td>
<td>(45.5)</td>
<td>$264,478</td>
<td>$(11,559)</td>
<td>$273,506</td>
</tr>
<tr>
<td>South Manhattan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bellevue</td>
<td>33.5</td>
<td>$203,703</td>
<td>$(17,290)</td>
<td>$233,330</td>
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<tr>
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<td>19.5</td>
<td>94,527</td>
<td>$(1,719)</td>
<td>92,986</td>
</tr>
<tr>
<td>Coler</td>
<td>(4.5)</td>
<td>18,683</td>
<td>$(5,399)</td>
<td>42,143</td>
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<tr>
<td>Goldwater</td>
<td>(138.0)</td>
<td>22,824</td>
<td>$(12,863)</td>
<td>50,910</td>
</tr>
<tr>
<td>Gouverneur</td>
<td>5.5</td>
<td>22,053</td>
<td>$(2,200)</td>
<td>27,337</td>
</tr>
<tr>
<td>HJ Carter</td>
<td>0.0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>(84.0)</td>
<td>$361,789</td>
<td>$(39,471)</td>
<td>$446,706</td>
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<tr>
<td>North Central Brooklyn</td>
<td></td>
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<td></td>
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<tr>
<td>Kings County</td>
<td>69.5</td>
<td>$206,280</td>
<td>$(8,084)</td>
<td>$210,660</td>
</tr>
<tr>
<td>Woodhull</td>
<td>37.0</td>
<td>106,270</td>
<td>$(13,859)</td>
<td>124,729</td>
</tr>
<tr>
<td>McKinney</td>
<td>1.5</td>
<td>13,039</td>
<td>1,761</td>
<td>13,883</td>
</tr>
<tr>
<td>Cumberland DTC</td>
<td>(1.0)</td>
<td>6,278</td>
<td>$(1,496)</td>
<td>9,325</td>
</tr>
<tr>
<td>East New York</td>
<td>8.0</td>
<td>6,343</td>
<td>$(1,243)</td>
<td>7,384</td>
</tr>
<tr>
<td></td>
<td>115.0</td>
<td>$338,211</td>
<td>$(22,921)</td>
<td>$365,980</td>
</tr>
<tr>
<td>Southern Brooklyn/SI</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Coney Island</td>
<td>24.0</td>
<td>$92,166</td>
<td>$(8,702)</td>
<td>$109,466</td>
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<tr>
<td>Seaview</td>
<td>(8.0)</td>
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<td>2,186</td>
<td>15,594</td>
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<tr>
<td></td>
<td>16.0</td>
<td>$105,551</td>
<td>$(6,516)</td>
<td>$125,460</td>
</tr>
<tr>
<td>Queens</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elmhurst</td>
<td>(6.5)</td>
<td>$175,431</td>
<td>$(2,231)</td>
<td>$167,177</td>
</tr>
<tr>
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<td>(6.5)</td>
<td>108,705</td>
<td>$(3,519)</td>
<td>111,480</td>
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<tr>
<td></td>
<td>(13.0)</td>
<td>284,136</td>
<td>$(5,749)</td>
<td>$278,658</td>
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<td>NETWORKS TOTAL</td>
<td>40.0</td>
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<td>$(103,933)</td>
<td>$1,716,451</td>
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<td></td>
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<td>HHC Health &amp; Home Care</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Enterprise IT</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>133.5</td>
<td>$1,615,982</td>
<td>$(106,294)</td>
<td>$1,903,572</td>
</tr>
</tbody>
</table>

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.

Residents and Grants are included in the reported FTEs. Reported FTEs are compared to 6/15/13.
### New York City Health & Hospitals Corporation

**Cash Receipts and Disbursements (CRD)**  
**Fiscal Year 2014 vs Fiscal Year 2013 (in 000's)**  
**TOTAL CORPORATION**

<table>
<thead>
<tr>
<th></th>
<th>Month of October 2013</th>
<th>Fiscal Year To Date October 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>actual 2014</td>
<td>actual 2013</td>
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<tr>
<td><strong>Cash Receipts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid Fee for Service</td>
<td>$ 76,661</td>
<td>$ 73,412</td>
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<tr>
<td>Medicaid Managed Care</td>
<td>62,252</td>
<td>52,093</td>
</tr>
<tr>
<td>Medicare</td>
<td>36,983</td>
<td>43,851</td>
</tr>
<tr>
<td>Medicare Managed Care</td>
<td>20,733</td>
<td>16,122</td>
</tr>
<tr>
<td>Other</td>
<td>19,976</td>
<td>18,818</td>
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<tr>
<td>Total Inpatient</td>
<td>$ 216,605</td>
<td>$ 204,296</td>
</tr>
<tr>
<td>Outpatient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid Fee for Service</td>
<td>$ 42,516</td>
<td>$ 14,172</td>
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<td>Medicaid Managed Care</td>
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<td>29,840</td>
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<td>Medicare</td>
<td>3,701</td>
<td>4,256</td>
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<td>5,795</td>
<td>4,998</td>
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<tr>
<td>Other</td>
<td>11,192</td>
<td>10,957</td>
</tr>
<tr>
<td>Total Outpatient</td>
<td>$ 88,076</td>
<td>$ 64,223</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pools</td>
<td>$ 5,995</td>
<td>$ 95,038</td>
</tr>
<tr>
<td>DSH / UPL</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants, Intracity, Tax Levy</td>
<td>31,109</td>
<td>100</td>
</tr>
<tr>
<td>Appeals &amp; Settlements</td>
<td>9,058</td>
<td>(1,964)</td>
</tr>
<tr>
<td>Misc / Capital Reimb</td>
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<td>(78)</td>
</tr>
<tr>
<td>Total All Other</td>
<td>$ 49,523</td>
<td>$ 91,096</td>
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<tr>
<td><strong>Total Cash Receipts</strong></td>
<td>$ 354,204</td>
<td>$ 359,616</td>
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<tr>
<td><strong>Cash Disbursements</strong></td>
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<td></td>
</tr>
<tr>
<td>PS</td>
<td>$ 185,851</td>
<td>$ 184,303</td>
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<td>Fringe Benefits</td>
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<td>62,736</td>
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<td>OTPS</td>
<td>137,129</td>
<td>94,764</td>
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<td>City Payments</td>
<td>-</td>
<td>-</td>
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<td>Total Cash Disbursements</td>
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<td>$ 425,083</td>
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<tr>
<td>Receipts over/(under) Disbursements</td>
<td>$ (135,320)</td>
<td>$ (65,467)</td>
</tr>
</tbody>
</table>

**Notes:**  
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.
# New York City Health & Hospitals Corporation
## Actual vs. Budget Report
### Fiscal Year 2014 (in 000's)
#### TOTAL CORPORATION

<table>
<thead>
<tr>
<th>Month of October 2013</th>
<th>Fiscal Year To Date October 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>actual 2014</td>
</tr>
<tr>
<td><strong>Cash Receipts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Inpatient</strong></td>
<td></td>
</tr>
<tr>
<td>Medicaid Fee for Service</td>
<td>$76,661</td>
</tr>
<tr>
<td>Medicaid Managed Care</td>
<td>$62,252</td>
</tr>
<tr>
<td>Medicare</td>
<td>$36,983</td>
</tr>
<tr>
<td>Medicare Managed Care</td>
<td>$20,733</td>
</tr>
<tr>
<td>Other</td>
<td>$19,976</td>
</tr>
<tr>
<td><strong>Total Inpatient</strong></td>
<td>$216,605</td>
</tr>
<tr>
<td><strong>Outpatient</strong></td>
<td></td>
</tr>
<tr>
<td>Medicaid Fee for Service</td>
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<tr>
<td>Medicaid Managed Care</td>
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<td>Medicare</td>
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<td>Medicare Managed Care</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total Outpatient</strong></td>
<td>$88,076</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td></td>
</tr>
<tr>
<td>Pools</td>
<td>$5,995</td>
</tr>
<tr>
<td>DSH / UPL</td>
<td>-</td>
</tr>
<tr>
<td>Grants, Intracity, Tax Levy</td>
<td>$31,109</td>
</tr>
<tr>
<td>Appeals &amp; Settlements</td>
<td>$9,058</td>
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<tr>
<td>Misc / Capital Reimb</td>
<td>$3,361</td>
</tr>
<tr>
<td><strong>Total All Other</strong></td>
<td>$49,523</td>
</tr>
<tr>
<td><strong>Total Cash Receipts</strong></td>
<td>$354,204</td>
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<tr>
<td><strong>Cash Disbursements</strong></td>
<td></td>
</tr>
<tr>
<td>PS</td>
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</tr>
<tr>
<td>Fringe Benefits</td>
<td>$83,831</td>
</tr>
<tr>
<td>OTPS</td>
<td>$137,129</td>
</tr>
<tr>
<td>City Payments</td>
<td>-</td>
</tr>
<tr>
<td>Affiliation</td>
<td>$76,137</td>
</tr>
<tr>
<td>HHC Bonds Debt</td>
<td>$6,575</td>
</tr>
<tr>
<td><strong>Total Cash Disbursements</strong></td>
<td>$489,524</td>
</tr>
</tbody>
</table>

| Receipts over/(under) Disbursements | $ (135,320) | $ (80,375) | $(54,945) | $ (287,591) | $ (142,715) | $(144,876) |

**Notes:**
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of October 2013, all services at Coney Island have not been fully restored.
RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the “Corporation”) to negotiate and execute a contract with Hawkins Delafield & Wood LLP (“Hawkins”) to provide bond counsel services related to the structuring and continuing implementation of the Corporation’s financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: $420 for Partners, $360 for Senior Associates, $280 for Associates, $210 for Junior Associates, and $150 for paraprofessionals.

WHEREAS, the Corporation currently finances major capital projects, ongoing capital improvements and major movable equipment through funds received from the proceeds of tax-exempt bonds and/or leases issued by the Corporation or by other issuers on behalf of the Corporation; and

WHEREAS, the specialized services of experienced bond counsel are needed to prepare and review documents, to issue formal independent legal opinions relating to security and tax law, and other areas, and to provide related legal advice; and

WHEREAS, Hawkins has served as bond counsel to the Corporation since 1995; and

WHEREAS, Hawkins’ extensive health care experience and outstanding reputation among the credit rating agencies and the investment banking community has served the Corporation very well in the past; and

WHEREAS, through a Request for Proposals (“RFP”) process for bond counsel services, a selection committee determined that Hawkins Delafield & Wood LLP is best qualified to provide the bond counsel services required; and

WHEREAS, the overall management of this contract will be under the direction of the Senior Vice President, Finance/Chief Financial Officer and Assistant Vice President, Debt Finance/Corporate Reimbursement Services.

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 contract with Hawkins Delafield & Wood LLP to provide bond counsel services related to the structuring and continuing implementation of the Corporation’s financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: $420 for Partners, $360 for Senior Associates, $280 for Associates, $210 for Junior Associates and $150 for paraprofessionals.
EXECUTIVE SUMMARY

Hawkins Delafield & Wood LLP

Bond Counsel Services

The Corporation funds a vast majority of its major capital expenditures with the proceeds of bonds, notes, leases, or other publicly traded securities issued either by the Corporation or by a third-party on the Corporation’s behalf. This activity has become increasingly diverse in recent years, encompassing fixed and variable rate bond issues, equipment leases, and lease-leaseback financings. The Corporation cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure and ancillary documents.

Due to the increasing diversity of the Corporation’s financing program, Hawkins’ services will necessarily range over a broad set of issues. These include, but are not limited to:

- Providing legal counsel in matters related to the structuring and ongoing implementation of Corporate financing programs;
- Preparing and/or reviewing legal documents (i.e., disclosure, security and ancillary documents) of lease and bond issue transactions, and assisting the Corporation in negotiating such transactions;
- Rendering bond counsel opinions with regard to the Corporation’s authority to issue debt, the adequacy of disclosure, the legal validity of such transactions under State law securities, tax-related issues and other pertinent legal matters;
- Informing rating agencies, credit enhancers and HHC personnel of legal issues as it pertains to proposed future HHC bond transactions; and
- Preparing arbitrage rebate compliance reports for all of HHC’s tax-exempt obligations.

Hawkins was selected in 1995 and 1998 through a RFP process. In 2001 and 2004, the Corporation’s Board of Directors approved Hawkins as its bond counsel for back-to-back three-year sole source contracts primarily due to the depth of Hawkins’ health care experience and the firm’s thorough working knowledge of the Corporation’s legal and business components. Hawkins’ knowledge was proven to be extremely beneficial to the Corporation during its’ bond issuances in 1997, 1999, 2002, 2003, 2008 and 2010; and its 2004 capital lease financing. Hawkins has an intricate understanding of the Corporation’s credit, legal structure and its relationship with the City of New York, resulting in effective advocacy on the Corporation’s behalf. This can be demonstrated by Hawkins’ successful interpretation of the Corporation’s lockbox security structure to credit rating agencies which resulted in a Moody’s upgrade from Ba3 to A3 in 2001. Hawkins’ extensive health care experience and outstanding reputation among the credit rating agencies and the investment banking community has served the Corporation very well in the past. To ensure that the Corporation selected the highest level of expertise and services and to allow the Corporation an opportunity to consider other potential bond counsel firms, a RFP was issued in August 2007. Of the five responsive firms that submitted proposals, Hawkins was chosen by a Selection Committee comprised of representatives from the New York City Office of Management and Budget (“OMB”), New York City Office of the Comptroller (“NYC Comptroller’s Office”), the Corporation’s Finance staff and senior staff from Gouverneur Healthcare Services and Woodhull Hospital Center. Selection criteria included: overall firm and individual team members’ experience in health care, New York City, tax-exempt/taxable debt; taxation experience in arbitrage rebate, legislative and/or regulatory issues; and firm’s reputation. During the 2010 RFP process, Hawkins was chosen from the pool of seven firms that responded to the RFP.

Four firms responded to the RFP issued by the Corporation on July 22, 2013. Hawkins was ranked as the best qualified bond counsel firm by the Selection Committee that consisted of staff from two HHC Central Office divisions (Finance and Legal Affairs), Bellevue Hospital, OMB and the NYC Comptroller’s Office.
Contract Title: Bond Counsel Services
Project Title & Number: N/A
Project Location: N/A

Successful Respondent: Hawkins, Delafield & Wood LLP

Contract Amount: Hourly fees as follows: Partners $420; Senior Associates $360; Associates $280; Junior Associates $210; Paraprofessional $150

Contract Term: Three years, plus two (1) year renewal options; commencing December 1, 2013.

Requesting Dept.: Debt Finance/Corporate Reimbursement Services
Number of Respondents: Four
(if sole source, explain in background section)

One Firm offered a blended rate of $500/hr, or a transaction fee structure.

Minority Business Enterprise Invited: ☑ Yes If no, please explain:

Funding Source: □ General Care □ Capital
☐ Grant: explain

☑ Other: explain Central budget and bond proceeds

Method of Payment: □ Lump Sum □ Per Diem ☑ Time and Rate
☐ Other: explain

EEO Analysis: Approved (see attached)

Compliance with HHC's McBride Principles? ☑ Yes □ No

Vendex Clearance □ Yes □ No ☑ Awaiting Approval
(required for contracts in the amount of $50,000 or more awarded pursuant to an RFP or as a sole source, or $100,000 or more if awarded pursuant to an RFB.)
Background (include description and history of problem; previous attempts, if any, to solve it; and how this contract will solve it):

Hawkins Delafield & Wood LLP ("Hawkins") has served as the Corporation's bond counsel since November 1995. During the past 18 years, the firm assisted in all aspects of successfully structuring nine HHC bond issuances and two tax-exempt capital leases. Hawkins provided high quality counsel services in helping the Corporation interpret, understand and resolve many taxation, bond and legal issues it faced over the years.

Hawkins is a highly reputable public finance law firm in the U.S. and was ranked nationally as second most used bond counsel for long term debt issuances in 2008 through 2011. The attorneys and key staff assigned to HHC have 26 to 37 years of experience in health care and tax-exempt financing. The wealth and depth of Hawkins' health care experience is extremely beneficial to the Corporation. Hawkins' extensive health care experience and outstanding reputation among credit rating agencies and the investment banking community has served the Corporation very well in the past and will continue to do so in the future. Hawkins' thorough understanding of the Corporation's credit, legal structure, lockbox security mechanism and the close yet unique relationship with the City of New York has resulted in effective advocacy on the Corporation's behalf.

Bond counsel services are required by the Corporation on an ongoing basis - as long as the Corporation continues to fund capital needs through public debt issuances and/or any of the Corporation's tax-exempt debts are still outstanding.

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

No. HHC's Operating procedure 40-58 indicates that bond counsel services contracts are exempt from the CRC process.

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC? If so, please indicate how the proposed contract differs since presentation to the CRCs:

Not applicable.
Selection Process (attach list of selection committee members, list of firms responding to RFP, 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:
Linda DeHart, HHC Debt Finance/Corporate Reimbursement Services, Assistant Vice President
Joanne Haberlin, HHC Office of Legal Affairs, Senior Counsel
Rebecca Fischer, Bellevue Hospital, Associate Executive Director
Michael Stern, New York City Office of the Comptroller, Director of Debt Management
Carmen Pigler, New York City Office of the Comptroller
Scott Ulrey and Jeff Werner, New York City Office of Management and Budget, Counsel

Firms that responded to the RFP:
Harris Beach PLLC
Hawkins, Delafield & Wood LLP
Nixon Peabody LLP
Winston & Strawn LLP

Firms considered:
Winston & Strawn was deemed to be non-responsive due to their billing/pricing structure (i.e. blended hourly rate of $500). All firms were evaluated by the Selection Committee.

History and Selection Process:
Hawkins was selected as bond counsel in 1995 and 1998 through an RFP process by a Selection Committee comprised of representatives from the New York City Office of Management and Budget ("OMB"), the New York City Office of the Comptroller, and the Corporation's Offices of Legal Affairs and Finance. Due to Hawkins' understanding of the Corporation's credit structure and its reputation among the investment community, HHC awarded Hawkins with three-year sole source contracts in 2001 and 2004. In 2007, Hawkins was one of 6 firms responding to the Corporation's RFP. The 2007 Selection Committee which consisted of staff from OMB, the New York City Office of the Comptroller, senior staff from Gouverneur Healthcare Services and Woodhull Hospital plus HHC's Office of Legal Affairs and HHC Finance determined that Hawkins was the best qualified bond counsel firm. In 2010, Hawkins was chosen from the pool of seven firms that responded to the RFP.

On September 6, 2013, the 2013 Bond Counsel Selection Committee ranked the four proposals that were received on August 15, 2013. The firms were judged on: (1) overall public finance experience (with extra credit given to New York City and healthcare experience), (2) taxation expertise, and (3) quality and experience of the attorneys assigned to HHC. Interviews of the top three ranked firms were held on September 24, 2013. The Selection Committee members submitted the evaluation forms for all the firms on the same day. Hawkins Delafield received the highest overall score.
Scope of work and timetable:
- Provide legal counsel at the Corporation's request in connection with matters related to the structuring and ongoing implementation of capital financing programs;
- Prepare and/or review documents (i.e., disclosure, security and ancillary documents) of lease and bond transactions, and assist the Corporation in negotiating such transactions;
- Render bond counsel opinions pertaining to the Corporation's authority to issue debt, the adequacy of disclosure, the legal validity under State law securities and tax-related issues;
- Discuss legal implications of proposed future HHC bond issues with rating agencies, credit enhancers and internal HHC personnel;
- Prepare arbitrage rebate compliance reports for all of HHC's tax-exempt obligations; and
- Other traditional bond counsel services not explicitly detailed above.

Timetable - Information Item at the following:
Finance Committee meeting: December 10, 2013
Board of Directors meeting: December 19, 2013
Contract commencing date: Retroactive to December 1, 2013

Costs/Benefits:
Hourly rates: Partners $420 per hour; Senior Associates $360 per hour; Associates $280, Junior Associates $210 per hour; and paraprofessionals $150 per hour.

Why can't the work be performed by Corporation staff:
The Corporation cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure, taxation and ancillary documents.

Will the contract produce artistic/creative/intellectual property? Who will own it?
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 Vice President is responsible):

Marlene Zurack, Senior Vice President and CFO, Finance, HHC
Linda DeHart, Assistant Vice President, Debt Finance/Corporate Reimbursement Services, HHC

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. ___________  (delivered via intra-office on 11/26/13)

Date

Analysis Completed By E.E.O. ___________  12/2/2013  ________________
Date  Manasses C. Williams  Name
TO: Nini Mar
Director
Central Office – Finance, Corporate Reimbursement

FROM: Manasses C. Williams

DATE: December 2, 2013

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Hawkins Delafield & Wood LLP, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.
This company is a:

Project Location(s): HHC – Corporate Wide

Contract Number:___________ Project: Provide Legal Services

Submitted by: Central Office – Finance, Corporate Reimbursement

EEO STATUS:

1. [x] 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:

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Periods ended September 2013 and 2012

(A Community Unit of the City of New York)

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION