NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
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125 Worth Street ▪ New York, NY ▪ 10013

BOARD OF DIRECTORS MEETING
THURSDAY, MAY 22, 2014
A~G~E~N~D~A

Call to Order - 4 pm	Dr. Boufford
1. Adoption of Minutes: April 24, 2014	
Acting Chair's Report	Dr. Boufford
President's Report	Dr. Raju
>>Action Items<<	
Corporate – Affiliation Agreement Extensions	
2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an extension of Affiliation Agreement with the New York University School of Medicine for the provision of General Care and Behavioral Health Services at Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A. *(Med & Professional Affairs / IT Committee – 05/08/2014)*	Dr. Calamia
3. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an extension of the Affiliation Agreement with New York University School of Medicine for the provision of General Care Health Services at Coler Specialty Hospital and Nursing Facility and Henry J. Carter Specialty Hospital and Nursing Facility for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A. *(Med & Professional Affairs / IT Committee – 05/08/2014)*	Dr. Calamia
4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an extension of the Affiliation Agreement with the New York University School of Medicine for the provision of General Care and Behavioral Health Services at Bellevue Hospital Center and Gouverneur Healthcare Services for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A. *(Med & Professional Affairs / IT Committee – 5/08/2014)*	Dr. Calamia

(over)

Corporate	
5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation and Base Tactical Disaster Recovery, Inc. to provide expert consulting services for disaster recovery, project management, and filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by Super-storm Sandy. The extension will be for a term of 12 months commencing August 1, 2014 through July 31, 2015, with one option to extend for an additional 12 months exercisable solely by the Corporation for an amount not to exceed $2,590,600. *(Finance Committee – 5/13/2014)* *EEO: Approved / VENDEX: Pending*	Mr. Rosen
6. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an agreement with BSI Healthcare Audit Services LLC to provide the Corporation with payment recapture/recovery services and to improve the Corporation's ability to detect, recover and prevent future improper payments on a contingency basis, at a fee of 17% of net recoveries. The contract is for an initial term of three (3) years with an option to extend for up to two additional one-year terms, solely exercisable by the Corporation. *(Finance Committee – 5/13/2014)* *EEO: / VENDEX: Pending*	Mr. Rosen
South Manhattan Health Network	
7. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable license agreement with Bellevue Day Care Center, Inc., for its use and occupancy of space at Bellevue Hospital Center as a childcare center. *(Capital Committee – 5/08/2014)* *VENDEX: Pending*	Ms. Youssouf
Information Items ➢Presentations – KPMG, LLP	
Committee Reports	
➢Audit (April 2014)	Ms. Youssouf
➢Capital	Ms. Youssouf
➢Community Relations	Mr. Nolan
➢Finance	Mr. Rosen
➢Medical & Professional Affairs / Information Technology	Dr. Calamia
➢Strategic Planning	Mrs. Bolus
Subsidiary Board Report	
➢HHC Insurance Company / Physicians Purchasing Group	Mr. Russo
➢MetroPlus Health Plan, Inc.	Mr. Rosen
Facility Governing Body / Executive Session ➢Jacobi Medical Center ➢North Central Bronx Hospital Diagnostic & Treatment Center Annual Quality Assurance Plan / Evaluation 2013 (Written Submission Only) ➢Morrisania Diagnostic & Treatment Center Semi-Annual Report (Written Submission Only) ➢Harlem Hospital Center >>Old Business<< >>New Business<<	
Adjournment	Dr. Boufford

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 24th of April 2014 at 4:00 P.M. pursuant to a notice which was sent to all of the Directors of the Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

Reverend Diane E. Lacey
Dr. Ramanathan Raju
Mr. Steven Banks
Dr. Mary T. Bassett
Dr. Jo Ivey Boufford
Dr. Vincent Calamia
Dr. Hillary Kunins
Mr. Robert F. Nolan
Mr. Mark Page
Mr. Bernard Rosen
Ms. Emily A. Youssouf

Steven Newmark was in attendance representing Deputy Mayor Lilliam Barrios-Paoli in a voting capacity. Reverend Lacey chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on March 20, 2014 were presented to the Board. Then, after correction of Dr. Kunins' titles, on motion made by Reverend Lacey and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on March 20, 2014, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

Reverend Lacey received the Board's approval to convene in Executive Session to discuss matters of quality assurance.

Reverend Lacey introduced and welcomed HHC's newest Board Member, Mr. Steven Banks, Commissioner of the Human Resources Administration. She received the Board's approval for the appointment of Mr. Banks to serve on the Finance Committee. She also received the Board's approval for the appointment of Dr. Boufford to serve as Vice Chair of the Board.

Reverend Lacey stated that the Joint Commission conducted its triennial survey at North Central Bronx Hospital and she thanked Mr. Nolan for representing the Board at the leadership interview. She congratulated the hospital on another successful survey.

Reverend Lacey updated the Board on approved and pending Vendex.

On behalf of the Board of Directors, Reverend Lacey welcomed Dr. Raju back to HHC in his new role as President and promised the Board's support as he works to fulfill HHC's mission.

PRESIDENT'S REPORT

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

At the end of Dr. Raju's remarks, it was announced that it was Reverend Lacey's last Board meeting. The Board thanked her for her many years of support. Healthcare advocate Judy Wessler presented her with flowers.

ACTION ITEMS

RESOLUTION

2. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with **Petrone Associates LLC** to provide **Hospital Medical Physicist Consulting Services** to all Corporation facilities on an "as needed" requirements basis. The Hospital Medical Physicists Consulting Services contract will be for a term of three years with two one-year options to renew, exercisable solely at the discretion of the Corporation, for a total cost not to exceed $5,117,004. The contract amount includes a 12% contingency reserve of $537,460 for additional physicist services that may be required.

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

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an agreement with **KPMG LLP** to provide the Corporation with auditing services and other directly related services including debt issuance related services, debt compliance letter, tax services, and certification/attestation for cost reports for a term of four (4) years, for an amount not to exceed $3,487,000 plus a 10% contingency reserve of $340,000.

At the request of Ms. Youssouf, an explanation of the RFP process was given by Marlene Zurack, Chief Financial Officer, and Jay Weinman, Corporate Comptroller.

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

RESOLUTION

4. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute requirements contracts with four firms: **Environmental Planning & Management, Inc; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC;** and **Woodard and Curran** to provide **environmental services** on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed $3,000,000 for services provided by these consultants.

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

BOARD COMMITTEE REPORTS

Attached hereto is a compilation of reports of the HHC Board Committees that have been convened since the last meeting of the Board of Directors. The reports were received by the Acting Chair at the Board meeting.

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Reverend Lacey reported that the Board of Directors, 1) as the governing body of Metropolitan Hospital Center, reviewed, discussed and adopted the facility

report presented; 2) received and approved the Diagnostic & Treatment Center Annual Quality Assurance Plan for Segundo Ruiz Belvis Diagnostic & Treatment Center; and 3) reviewed and accepted the semi-annual written reports for Coney Island Hospital and Sea View Hospital Rehabilitation Center and Home.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 5:13 P.M.

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

COMMITTEE REPORTS

Capital Committee – April 10, 2014
As reported by Ms. Emily Youssouf

Senior Assistant Vice President's Report

Roslyn Weinstein, Senior Assistant Vice President, Office of the President, noted that there was a short meeting agenda but she had various information updates to provide. She announced the successful completion of Phase I of the Central Office Corporate relocation project, with Phase II to be completed in the following days. Ms. Weinstein said it was truly a team effort, and specially thanked Peter Lynch from the Office of Facilities Development, Joseph Tilelli from TDX, the Owner's Representative for the project, Kevin Brown from Enterprise Information Technology, and Tamika Campbell from Corporate Support Services/Construction and Maintenance. Ms. Youssouf expressed excitement and offered her congratulations.

Ms. Weinstein advised that the Corporation's first CM-at-Risk contract, for a construction project at 155 Vanderbilt Avenue went out and the pre-bid meeting was scheduled for late April, with bids expected to open in mid-May. She said bids for Ida Israel had also gone out and would be reviewed in approximately two weeks. Ms. Youssouf asked how many packages had been picked up for each project. Mr. Lynch said that five (5) packages were picked-up for 155 Vanderbilt Avenue but he would have to follow up regarding the number for the Ida Israel project.

Ms. Weinstein reported the successful opening of the Lincoln Emergency Department, and informed that the Harlem Dental Clinic, a Heal Grant funded project, had passed DOH inspection on time and on budget.

Ms. Weinstein presented the Bellevue Hospital Center portion of a grid outlining FEMA reimbursement, what had been approved and what was awaiting approval. She said a complete grid would be shared at the following Capital Committee meeting. She noted that the Bellevue grid, without including the already identified contracts for Crothall and JCI not-to-exceed amounts, totaled approximately $300 million in estimated work. Ms. Youssouf asked where HHC stands in the approval process. Ms. Weinstein said the Corporation had received approval for Draper Hall work, and reports were being finished that would outline other status. Antonio Martin, Executive Vice President, said that Ramanathan Raju, President, Marlene Zurack, Senior Vice President, Finance, and other Senior Staff would be heading to Washington, D.C. the following day to present additional needs. He added that a representative for Senator Charles Schumer would be present as well, as Mr. Schumer is a supporter of HHCs efforts.

Ms. Youssouf asked for an explanation of "short term mitigation". Ms. Weinstein said that those distinctions were made with regards to the type(s) of funding being sought, and explained that they are short term projects that are to be completed while the Corporation works on permanent solutions.

Peter Lynch, Director, Office of Facilities Development, provided an update on the Obstetrics Unit Expansion Project at Woodhull Medical and Mental Health Center that had been discussed at the Capital Committee meeting on March 13, 2014. He explained that there had been $2.4 million encumbered on the project but only $238,000 had been spent. So although contracts had been encumbered, work had not been initiated. He added that OFD was reviewing scope and estimates prior to the project moving forward. Ms. Youssouf asked what action OFD would take were there any discrepancies. Mr. Lynch said any necessary adjustments would be made and/or the project would be de-scoped.

That concluded Ms. Weinstein's report.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute requirements contracts with four firms; Environmental Planning & Management, Inc.; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC; and Woodard and Curran to provide environmental services; on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed $3,000,000 for services provided by these consultants.

Marsha Powell, Director, Office of Facilities Development, read the resolution into the record. Ms. Powell was joined by Roslyn Weinstein, Assistant Senior Vice President, Office of the President.

Ms. Youssouf asked if all firms had previous experience with HHC. Ms. Powell said yes, three (3) of the four (4) firms had contracts in the previous term and the fourth had a contract in the term prior to that one. Ms. Powell explained that all contractors would be able to meet the demand for providing air monitoring and hazardous materials testing services that they had all historically been very responsive, and one firm, Environmental Planning and Management, was a qualifying Women-owned Business Enterprise (WBE).

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

Equal Employment Opportunity Committee – April 8, 2014
As reported by Rev. Diane Lacey

Manasses C. Williams, Assistant Vice President, Affirmative Action/EEO briefed the Committee on the Equal Employment Opportunity Commission's (EEOC) 2013 report on discrimination cases. He reported that for 2013 the EEOC saw a 5.7% percent decrease (99,412 to 93,727) from the previous year charges filed. He further stated that charges based on retaliation, age, sex, race and disability were the leaders in most frequent filed claims, with retaliation as the number one complaint filed.

2013 Facility Discrimination Complaints Update

Gail Proto, Senior Director, Affirmative Action/EEO reported on the discrimination complaint status of the twelve network/facilities that were analyzed. The report showed that the overall number of open complaints in the Corporation increased from 153 in 2012 to 175 in 2013 an increase of 22. New complaints increased from 217 in 2012 to 229 in 2013. Two hundred and twenty five cases were closed in 2012 and 207 in 2013. Counseling sessions over the period increased from 176 in 2012 to 199 in 2013.

The results also showed that allegations filed in 2013 showed a significant increase in nine of the fourteen allegations tracked a decrease in two and no increase in three.

Finance Committee – April 8, 2014
As reported by Mr. Bernard Rosen

Senior Vice President's Report

Ms. Marlene Zurack informed the Committee that in addition to the two routine items, cash flow and the Exchanges, the reporting would include some of the key highlights of the State budget. HHC's cash flow as of April 14, 2014 was at fifteen days of cash on hand (COH), a deterioration from last month. As previously reported HHC is awaiting the approval of a number of upper payment limit (UPL) payments from the Federal government to the State of NY. The State has been preoccupied with discussions relative to the 1115 Waiver. HHC's current assumptions include the anticipated receipt of four very significant UPL payments by June 2014. However, given the current status of the COH, some of those payments are needed by May 2014.

Mr. Rosen asked if those payments were scheduled in the cash flow. Ms. Zurack stated that the scheduling was in June 2014 for multiple payments, consisting of two inpatient UPL payments for prior years each in excess of $400 million, $850 million of retroactive inpatient UPL payments that are needed by June 1, 2014 and the balance of less than a million for three years of outpatient UPL payments. The total payments are over $1 billion.

Ms. Youssouf asked what is the expected turnaround time for HHC to receive those funds after the approval by the Federal government and whether HHC has options if those payments are not received as scheduled.

Ms. Zurack stated that it will take approximately two weeks which is a very critical position for HHC with very limited options that would not include any further delays in payments to vendors and the City.

Committee member, Mark Page asked how much the monthly pension payment is. Ms. Zurack stated that the payment is made every six months and HHC has already made that initial six-month payment and the next one due is for $217 million.

Mr. Rosen asked if the State is aware of the urgency for HHC to get those payments. Ms. Zurack stated that the State is very much aware of this issue and is working with HHC on expediting those payments. The next item included an update of the Exchanges based on applications processed through the portal. As indicated on the report included in the package, the State

has extended the deadline for those individuals who have started the process by the March 31, 2014 deadline. Therefore the final numbers on the enrollment will not be available until after April 15, 2014, the extended deadline. As of 3/21/14, 826,000 individuals had enrolled for coverage of which 70% were uninsured which represents 75% of the State's target of the 1.1 million uninsured that was not anticipated to be achieved until 2016. However, based on the statistics, the State is doing exceptionally well but there has been some discussions regarding the data and what it represents. For example, there is some contention that the data does not take into account the exclusion of individuals who had insurance but lost their coverage and did not enroll and individuals who may have swopped.

Committee member Emily Youssouf asked if it made a difference if the overall objective of getting uninsured individuals enrolled in a health plan was being achieved.

Ms. Zurack stated that the goal of the Exchanges is to reduce the number of uninsured as opposed to what some are arguing that the data may not be a true reflection of that goal in addressing the uninsured population for the reasons previously cited. Additionally, the 826,000 includes both Medicaid and the qualified health plans (QHP). Traditionally, individuals have always signed-up monthly for Medicaid and that distinction is not be reflected in the data but rather the absolute numbers are being reported. Seventy percent of those who signed up were uninsured. HHC has attempted to get data on the number of uninsured who signed-up for Medicaid and QHP but that data is not yet available. It is important for HHC given that the funding for the uninsured is included in the DSH which will get reduced.

Ms. Youssouf asked if there is any comparison data based on historical trends for the Exchanges.

Ms. Zurack stated that the data has not be made available and that it would appear that the State is unable to provide that information given that in the past it was provided by the City Human Resource Administration (HRA). Returning to the reporting on the Exchanges, HHC has certified 480 of its staff as certified application counselors (CAC) with 50 additional staff in the pipeline scheduled for training. HHC's goal is to have 700 staff certified as CAC. As of March 24, 2014, MetroPlus increased to 22,790, a 15% increase. An additional 11,138 applications are in the pipeline pending membership. MetroPlus Medicaid and CHP enrollment surged 40% with 19,375 members. Enrollment totals are 54,205, a 27% increase from the previous period. MetroPlus is meeting its target of 40,000.

Ms. Zurack moving to the final item in the reporting stated that the State budget for the fiscal year 2014-2015 was passed before the deadline. The most notable changes for healthcare include the restoration of the 2% cut to Medicaid; enacted legislation allowing the State to award provider rate increases if there are surplus dollars in the global Medicaid budget. As background, NYS three years ago enacted a global cap on Medicaid spending with an annual inflator and based on reports from the State there were some state-wide surpluses. In the State budget, the Health Commissioner has been given the authority to give rate increases half of which to go to high Medicaid hospitals or other providers and the 2nd half to be distributed amongst the remaining Medicaid providers. The State enacted legislation that will permit the State Department of Health (SDOH) to make a capital award to providers over a given year period totaling $1.2 billion.

Mr. Page asked how the surplus would be determined and whether it would relate to the State's current year beginning April 1, 2014. Ms. Zurack stated that it will begin in the current SFY. The question of how the State will determine when there is a surplus that can be awarded has raised a lot of controversy. In the original legislation if there is a deficit the health Commissioner is authorized to implement cuts. Since the original legislation there are monthly reports on the status of where the State is relative to the global cap. There is not a 100% transparency on how that gets calculated.

Mr. Rosen added that the question raised by Mr. Page basically would be that if the year just ended and there is a surplus can it be used then.

Mr. Page added that it would probably not be available immediately given that the State does not want to have a deficit; therefore, there would not be an urgency to build in a baseline expenditure increase in the rate. The major question is whether HHC will benefit from this rate change.

Ms. Zurack stated that there is an audience for the monthly reports, consisting of the trade associations. The distribution includes a number of entities that are eager to see this move forward; therefore it will be difficult for the State to delay the rate increases. Mr. Page added that perhaps in October 2014.

Ms. Brown, Senior Vice President, Corporate Planning, Intergovernmental Relations and Community Health stated that it is also included on the Medicaid Redesign Team (MRT) website which is very transparent. This is a surplus over what was anticipated with the cap as oppose to a broad NYS budget surplus.

Ms. Zurack stated that it is important to note that the State rate year is based on calendar not fiscal year. Therefore, the typical rate change is usually July and January which could result in an announcement of the January rate increases in October 2014 as Mr. Page previously noted.

Key Indicators/Cash Receipts & Disbursements Reports

Ms. Krista Olson noted that the downward trend in utilization overall continued in February 2014; however, the slight increase was due to the temporary closure of Bellevue and Coney Island due to the storm last year. Excluding those two facilities; visits are down by 2.7%; acute care hospitals visits are down by 3% slightly worse than January's decline of 1.9%. The diagnostic and treatment centers (D&TC) are down by .6%, excluding Gouverneur which reflected a significant increase due to recent modernization, overall the decline is 6.8%.

Ms. Youssouf asked if the increase at Gouverneur was related to the modernization or the partial closure due to the modernization project. Ms. Olson stated that it is related to the facility's partial closure last year and the services have reopened and is operating at the same level prior to the closing.

Ms. Youssouf cautioned that it is important to report the data based on all of the relevant facts so as not to distort the actual trend.

Ms. Olson continued with the reporting stating that the acute care hospitals discharges excluding Coney Island and Bellevue were down by 6.6%. Ms. Youssouf asked why those two facilities were being excluded given that the facilities were re-opened before the current reporting period.

Ms. Olson explained that last year those facilities were down so relatively this year, Bellevue and Coney Island are up, Bellevue by 65% and Coney Island by 51.8% due to the closures last year during the same period. Including those facilities, discharges are up by 2.3% and down by 6.6% excluding those facilities. Nursing home days are down by 15.6% a slight decrease from last month. The LOS, two facilities were above the corporate average, Kings County and Coney Island both by 5/10 of a day. Below the corporate average were Lincoln and Metropolitan.

Ms. Youssouf asked why some of the hospitals were above the corporate average.

Ms. Olson stated that historically Coney Island has been above the average due to the Medicare population although it is grouped using the same method and should equalize that issue but given the population this will always be a factor.

Mr. Page asked if it is related to the age of the population; the time it takes to treat those patients needing the acute care services; or the facilities inability to discharge those patients.

Ms. Olson stated that it could be a combination of the latter two in addition to the acuity and discharge planning. Given that the issues are not transparent more research would be needed and after that analysis is complete the outcome can be reported to the Committee. Kings County at the beginning of the year made a big effort to discharge some of those patients who have significant LOS. At the beginning of the year their LOS was at 7/10 compared to the current of 5/10 of a day.

Mr. Rosen asked how the expected LOS is determined. Ms. Olson stated that it is a corporate-wide average, grouping of all the cases regardless of the payor using the Medicaid all payor APR grouper and Siemens regroup each case. Therefore, regardless of the case it is the same scheme. If traditionally a hospital has a higher case mix, the expected is what the corporate-wide average is for that particular case mix or DRG and one-day stays are excluded.

Mr. Rosen asked if the hospitals approve the expected LOS as part of the target using in the reporting. Ms. Olson stated that it is a corporate calculation that is recalculated each month for each DRG that is not approved by the facilities.

Ms. Zurack further explained that there are approximately 700 DRGs and all of the total discharges relate one of those DRGs. For example code 143, chest pain the ALOS for that DRG is one day and if a patient stays two days it would be over the average ½ day below the average. Each DRG is calculated using that methodology and weighted accordingly. The expected LOS reflected on the report is the result of that calculation. There are some nuisances in that the coding might be slightly different in some of the hospitals. At one point there was some thought to using the state-wide average LOS as opposed to HHC's internal calculation; however, the data for the voluntary hospitals is not up-to-date and would not allow for comparable comparisons. Using the state-wide comparison, HHC would be signficantly higher.

Ms. Youssouf asked which would be higher the expected or the average. Ms. Zurack stated that the actual versus the expected would be higher.

Mr. Page asked how often the data is adjusted for each hospital. Ms. Olson stated that it is done monthly. Mr. Page summarizing stated that the results for the month are taken and an adjustment of the expected for that month on the basis of the illnesses that occurred in that facility in that month. Based on that calculation, the expected fluctuates as much as the change or the actual to which Ms. Olson agreed.

Ms. Zurack stated that another variable is that the reporting is year to date as opposed to monthly. Mr. Page added that it should stabilize the data.

Ms. Olson completing the indicators reporting stated that the case mix index was up by 1.4% over last year.

Mr. Fred Covino continuing the reporting stated that FTEs based on the 6/15/13 base comparison were up by 54.5 of which central office FTEs increased by 67 due to the centralization of the procurement and EEO services. Coney Island is over its target by 119 FTEs due to the facility's carryover of its overage from last year into the current year of 67 FTEs. Corporate Budget has been working with the facility on a plan that will get the facility back on target. Sixty-six positions have been identified of which thirty six positions will be attrited and thirty positions will not be backfilled.

Ms. Youssouf asked if HHC is on target with its planned FTE reduction. Mr. Covino stated that the Corporation is on target with 348 FTEs below the targeted FTE corporate-wide. Moving back to the reporting, receipts were $164 million worse than budget and disbursements were $25 million worse for a net total deficit year-to-date (YTD) of $189 million.

Mr. Page asked if the 348 FTEs under the target is the result of overfunding of positions that were initially scheduled for an initiative that is now not being done or whether it is limited to some small areas the facilities are attempting to manage.

Mr. Covino stated that some of the facilities are attempting to manage to a cap so that there is a cushion for programs and other areas such as in the case of Lincoln hospital whereby the facility is staffing up for a new emergency department so the facility is below the target.

Ms. Zurack added that at one point there was a central office vacancy control board (VCB) that reviewed all staffing requests submitted by the facilities. That process which Mr. Covino can share with the Committee has changed.

Mr. Covino stated that the VCB for all of the facilities has been suspended as a result of the facilities extraordinary efforts in managing their staffing levels locally as opposed to the corporate VCB.

Ms. Zurack added that by allowing the facilities to manage locally, it has created an incentive for them to remain below their targets. Mrs. Bolus asked if backfills were still allowed. Ms. Zurack stated that backfills are allowed. Mr. Martin, Executive Senior Vice President/COO added that the intent of making the change in the VCB process was to allow the facilities to manage.

Mr. Covino returned to the reporting stating that a comparison of actual cash expenditures to the prior year actuals showed that receipts were $133 million more than last year due to a $100 million of MetroPlus risk pool payment in excess of last year for the same period. Bellevue and Coney Island are up by a combined total of $96 million in receipts that was offset by an $81 million decline in grants due to a non-recurring FEMA funding payment that was received last year of $62 million and a delay of intra-City payments of $17 million due to a delay in getting a memorandum of understanding (MOU) with the City for some of the facilities. Expenses were $228 million more than last year due to pension payments that were up by $213 million compared to last year whereby there were no payments during that period. Health insurance payments are up $27 million and $20 million for non-recurring FICA refund that occurred last year. Additionally through the February 2014 period there was an additional payroll of $84 million offset by a decline in payment to the City of $122 million. YTD actuals to budget, inpatient receipts were down by $96 million due to Medicaid fee-for-service of $110 million. YTD against budget paid Medicaid cases are down by 5,600 discharges, 27,000 psych days and 36,000 nursing home days. Outpatient receipts are down by $65 million and all other receipts are down by $2.7 million. Expenses were $9.5 million over budget due to the carrying cost for the staff at Goldwater/Hank Carter Nursing Home relative to the transition. Fringe benefits were $6.5 million better than budget due to the receipt of $3.5 million for FICA recovery and the balance due to timing. OTPS expenses were $23 million worse than budget due to the cash cap relief as a result of an increase in the number of days in accounts payable, 60 days compared to 80 days.

Ms. Youssouf asked if the receipt of the pending UPL payments would improve the current status or are there other issues related to the current status in comparison to last year.

Mr. Covino stated that compared to last year HHC is on target; however, against budget there were some assumptions that have not yet materialized relative to Coney Island and Bellevue recoveries after the storm and the decline in utilization corporate-wide.

Ms. Zurack stated that although the reporting of those large payments are related to HHC's cash flow, Mr. Covino's reporting is based on budget and is not impacted that significantly by the status of those payments given that those reports are based on projected workload trends.

Ms. Youssouf commented that it would appear that it flows back to the budget and according to the data HHC is not doing better than last year.

Mr. Covino stated that relative to receipts, HHC is better. Ms. Youssouf added that bottom line HHC is not doing better compared to last year to which Ms. Zurack agreed.

Medical & Professional Affairs / Information Technology Committee
April 10, 2014 - As reported by Dr. Vincent Calamia

Chief Medical Officer Report

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

Influenza

The season is characterized by a second peak in activity in New York City in January and February, which means that the NYS Health Commissioner has not yet determined that the season has ended and masks still need to be worn by non-vaccinated healthcare workers.

The "Collaborative Care" Model for Depression in Primary Care

As part of HHC's Patient Centered Medical Homes transformation, our adult primary care clinics are integrating depression care into their practices using a model called "Collaborative Care". "Collaborative Care" uses nurses and social workers working in a multi-disciplinary team with PCPs and consultant Psychiatrists to help patients with depression and co-morbid chronic conditions like hypertension and diabetes achieve health goals. Enterprise wide, clinics have improved depression screening rates from an average of 70% [04/01/13 -06/30/13] to 79% [10/01/13 - 12/31/13] with 7 facilities achieving depression screening rates of over 90%. 1,404 patients have been enrolled in this program [Reporting period: 07/01/2013 - 01/31/2014] and clinical outcomes for depression are tracked and reported after 4 months in the program. Scale-up of this program is also a key objective of the NYS Hospital-Medical Home Demonstration Award which has supported the training of over 250 health-care workers to provide care using this new model.

Council of Laboratory Directors and Pathology Chiefs of Service
Council of Blood Bank Directors

In January of this year these two new groups were formed to assist with standardizing practices, policies and equipment in our laboratories. They will provide expert advice and a communication platform for strategic changes, such as the joint venture with North Shore LIJ.

Four meetings have taken place to date – the first was a combined meeting of blood bank directors and laboratory directors. The immediate concerns at that time included the AABB corporate wide assessment of our blood banks which had resulted from a regulatory visit to one of our facilities. The members of the combined meeting requested that the blood bank directors meet separately as the concerns of the blood bands differed from those of the general labs.

To date, the Blood Bank Directors are developing a standardized quality assurance format based on their individual plans of corrections for the AABB audit findings. Although each facility had findings specific to them – there were corporate wide trends with the following related recommendations: Activate a quality assurance unit at each facility; standardize activities across the corporation; identify and utilize expertise found at the various facilities. Each facility is in the process of implementing the recommendations of the auditors, and the council will provide the venue for sharing best practice and ensuring standard processes and QA.

IT has provided an overview of the Epic roll out as it pertains to the laboratories, including the interfaces between the documentation systems (Epic and Cerner) as well as the migration of legacy data. HHC autopsy rates and triggers have been shared, reviewed and agreed upon based on national benchmarks. HHC Pediatric pathology has been identified as a corporate wide need, specifically for fetal and neonatal autopsies and pediatric surgery. Other clinical processes the group would like to address for standardization include: tuberculosis screening in the obstetric population, HPV reflex testing on PAP smears, and anatomic pathology synoptic reporting of cancer results.

The HHC Transfer Center

We have implemented an HHC-wide transfer center to facilitate transfers at HHC hospitals. The transfer center is a smooth one-stop shopping experience for both the sending and receiving facility. Bellevue was the first HHC hospital to go live on March 17th. On March 24th, 2014 – Elmhurst Hospital Center, Jacobi Medical Center, and Kings County Hospital Center went live with the HHC Transfer Center.

The HHC transfer center is be available 24 hours a day, 7 days a week. The HHC Transfer Center handles the complete transfer process, including:

Consultation with the accepting physician specialists and communication between the sending and accepting providers; Arranging for a patient bed – including any demographic requests associated; Communicating with nursing including nursing-to-nursing report Arranging for patient transport; Updating Physicians/Nurses of ETA of incoming patient; Coordinating insurance authorization with the sending facility and all other transfer needs.

In addition, our partner Direct Call will provide us with detailed reports which they will tailor to our needs. The Toll-Free Number is: 1-844-HHC-BEDS (844-442-2337) for all transfer referrals from a sending acute care center.

As of April 8th, 2014 – there have been a total of 169 transfers - "most of the patients (61) had cardiac problems and of the total amount transferred only 9 went to Emergency Departments, the rest went directly to inpatient beds".

Council of Chief Nursing Officers

The Council of CNO's is working collaboratively with central procurement on standardized best quality practices and cost reduction on commonly used medical surgical supplies.

The skin integrity evaluation will lead to the use of standardized high quality products that were selected and approved by the staff, an education and support program from the vendor and significant cost savings. Next planned project is standardizing IV start kits and many more are planned. The individuals involved were very happy to be included, did a fantastic job and were delighted with the outcome.

Accountable Care Organization

Elmhurst patients have now started being attributed to the ACO, with a corresponding increase in our population from 12,100 to 12,800 attributed beneficiaries.

The ACO successfully completed 2013 Quality Reporting to CMS in March, representing the culmination of months of development and coordination of new work flows with partners in IT and Quality Management leadership across all HHC facilities. This investment in infrastructure and expertise will support ongoing internal quality performance tracking and coordination.

ACO Clinical Leadership at each Acute and D&TC have completed in-depth reviews of their Top 5 "high-utilizer" ACO patients in 2013. Insights from this pilot process are being used to develop strategic priorities and a "tool kit" of interventions for ACO patients based on their risk profile and greatest care needs. Standard processes and metrics for ongoing high-utilizer review and ACO population management have been introduced into the latest version of the PCMH "Implementation Tracker," highlighting the alignment of ACO and PCMH priorities to elevate population health from a robust foundation of primary care.

MetroPlus Health Plan, Inc.

Arnold Saperstein, MD, Executive Director, MetroPlus Health Plan Inc. presented to the Committee. Dr. Saperstein informed the Committee that the total plan enrollment as of March 28th, 2014 was 431,743. Breakdown of plan enrollment by line of business is as follows:

Medicaid	356,012
Child Health Plus	11,516
Family Health Plus	26,076
MetroPlus Gold	3,311
Partnership in Care (HIV/SNP)	5,298
Medicare	8,029
MLTC	505
QHP	20,579
SHOP	417

Attached are reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans.

MetroPlus membership has increased since my last report to this committee. We gained over 5,000 Exchange members this month.

In regards to the New York State of Health (NYSOH), as of March 24th, 2014, 1.1 million New Yorkers have completed their applications and 717,207 have enrolled for coverage since the launch of the Marketplace on October 1, 2013. More than 70 percent of those who have enrolled to date were uninsured at the time of application. MetroPlus has received almost 34,000 completed applications and have nearly 23,000 paid members. There had been a glitch in the state website that prevented members eligible for Medicaid from choosing a plan. This has been corrected, and as of April 1, we will add approximately 18,500 new Medicaid members, turning around previous losses. On March 26th, 2014, the Obama administration announced that it will allow extra time to people who say that they were unable to enroll in health plans through the federal insurance marketplace by the March 31st deadline. Consumers who have begun to apply for coverage on the federal exchange — HealthCare.gov — but who do not finish by Monday, will be able to ask for an extension. Following the federal announcement, NYSOH confirmed that it will allow a grace period for those people who have "initiated" their application by March 31st, though did not give a cut-off date by which the applications must be complete. We anticipate the receipt of written guidance from NYSOH in the near future.

Recently, MetroPlus has received significant coverage in local NYC media -- including print, radio, TV and online coverage-- primarily focusing on the success the company has had enrolling New Yorkers in affordable health insurance through the NY State of Health Marketplace.

Print coverage has included: The New York Daily News, Harlem News, El Especialito, Positive Community Magazine, The Brooklyn Paper, Brooklyn Courier, Bay News, Bay Ridge Courier, Kings Courier, Caribbean Life, Bayside Times, Astoria Times, Forest Hills Ledger, Jamaica Times, Bronx Times, Manhattan Times (bilingual, English/Spanish), Bronx Free Press (bilingual, English/Spanish), The Jewish Voice, Bronx Times Reporter, Brooklyn Family, and Whitestone Times.

Also, radio station HOT 97 has featured MetroPlus on several health segments. MetroPlus TV coverage included Univision (a segment filmed at Gouverneur), Brooklyn News 12 (filmed at King's County Hospital and spotlighting our Certified Application Counselor's bilingual outreach to consumers), and NY1. Earlier in March, TALKING HEALTH, CUNY TV's series dedicated to health care policies and practices in the U.S., presented an all-new report, *Health Care – The Marketplace*, a review of plans and procedures relating to enrollment in New York State's health exchange, featuring myself and our CFO John Cuda. Hosted by Mike Gilliam, the special premiered Tuesday, March 11th, 2014 and is also available for viewing online at www.cuny.tv.

Additional online coverage included Crain's Health Pulse, Capital New York and Huffington Post. We will continue to capitalize on our success with enrollment to promote both MetroPlus and HHC, including the sustained use of our co-branded advertising campaign.

As we wait for the Invitation for Plans to participate on the NYSOH Marketplace, we are facing a challenge with regard to the out-of-network (OON) benefit. It appears that the Invitation has been delayed because of discussions around whether OON

should be included as a part of the Essential Health Benefit or as a rider. If we are required to offer an OON benefit as a part of the Essential Health Benefit, premium costs will skyrocket which may affect potential enrollment. Offered as a rider, we will be able to keep our plan affordable. We expect the final decision on the OON benefit in the first week of April.

MetroPlus is in the process of responding to the New York State Department of Health release of the formal Request for Qualifications (RFQ) for the Health and Recovery Plans (HARP). As I reported last month, due to the complexity of some of the RFQ requirements, we are initiating a Request for Proposals (RFP) process to secure bids from managed behavioral health organizations (BHOs). Our RFP is seeking proposals to offer services and manage the SSI populations that are currently carved out and proposals to offer services and manage members with extensive needs that will qualify for the HARP program. I will keep this committee informed of this process as we continue our progress.

As I reported last month, MetroPlus has expanded its marketing presence to three New York area malls. MetroPlus marketing representatives have been placed in Green Acres Mall, Queens Center Mall and Kings Plaza Mall from 9:30am-9:30pm to market our products and assist members in enrolling on the New York State of Health Marketplace. In the first six weeks of the initiative, over 650 applications have been submitted for coverage.

As requested by this Committee, MetroPlus requested that the Myers Group complete a survey of our Medicaid members that have voluntarily disenrolled. Using a phone-only survey administration protocol, During February 2014, the Myers Group collected 1,138 surveys from the sample of those that disenrolled in the last two quarters of 2013, yielding a response rate of 21.3%. Forty-nine percent of respondents stated that they disenrolled from MetroPlus because of access issues.

Access issue with PCP	25.6%
Access issue with a specialist	9.2%
Access issue with Doctor(s)/Center/Hospital	12.2%
Access issue with Prenatal Care/Gynecologist	2.2%

As I reported previously, MetroPlus received a notice from the NYSDOH of its intent to begin on-site focus surveys of our plan compliance with the Fraud and Abuse Program Integrity requirements. This is a result of the findings of an audit of the New York State Department of Health's oversight of these requirements by CMS. The DOH conducted its onsite review on March 25, 2014 of our Fraud and Abuse Program, as well as our compliance with Medicaid Program Integrity requirements. The audit is complete and we are incorporating feedback received during the closing conference.

Finally, as I have been reporting to this committee, MetroPlus had been preparing for the carve-in of the nursing home population originally scheduled for January 1, 2014. This carve-in had been delayed until March 1, 2014, pending CMS approval. We have learned that there has been another delay and we are now preparing to accept members of this population on June 1, 2014.

Chief Information Officer Report

Meaningful Use (MU) Stage 2 Update:

I am pleased to report that all eleven (11) hospitals have completed the QCPR version 6.0 upgrade at the end of February.

As I mentioned during my last report, this upgrade to version 6.0 is an important step towards HHC achieving Meaningful Use (MU) Stage 2. The attestation period is still planned for the third quarter of Federal Fiscal Year 2014.

Of the nineteen (19) MU objectives, Medication Reconciliation, patient access (portal) and transition of care (summary of care) remain at risk as they require extensive user training, patient engagement and involved technical integration with external sources. EITS will continue to monitor and manage the progress of work accomplished, continue collaboration with business and vendors, data validation and the initiation of security risk assessment.

Patient Portal Update:

In order to meet Meaningful Use (MU) Stage 2, a patient portal is required to address Measure 6 which provides patients with electronic access to their visit summary after discharge. The decision was made to leverage the patient portal that is part of the Care Plan Management System (CPMS) deployed last year to our care coordinators.

With the completion of the QCPR version 6.0 upgrades we are now testing the new CCDA (visit summary) functions of Quadramed as well as the integration with the Portal. There were concerns raised by the clinical leadership about the content of the visit summary, much of which has been prescribed by CMS. We have had a number of sessions to understand the concerns and refine the content in the visit summary. Within the limitations of the MU regulations and the technical capabilities of Quadramed, we are investigating all options to deliver an acceptable product. Specific default setting have been built into the tool that generates the CCDA which will limit content to only prescribed dates and ranges pertinent to that encounter.

The next scheduled set of enhancements will be delivered by Quadramed on April 17th and then we can proceed with testing of the CCDA and the transport to the patient portal. We are also exploring ways to create a more friendly patient summary on the portal. Bellevue has volunteered to serve as our pilot site to test the clinical workflow which includes the creation and review of the CCDA (visit summary), selection of patient specific education materials and the final discharge process where the patient will be given access to the portal to view their visit/discharge information. There are plans underway to have additional staff, patient portal liaisons (PPL) available to assist patients during their admission and at discharge with gaining access to the patient portal. Given the time constraints and the significant efforts needed to ramp up the volumes needed for the MU measures, there is serious concern about the viability of all hospitals being able to attest for meaningful use in time.

ICIS Update:

Two (2) ICIS Activation Kick-Off meetings were held at the Queens Health Network (QHN) on March 19th and 25th at Elmhurst and Queens Hospital Centers. HHC and Epic Leadership were on-site to discuss the roll-out schedule, activation activities and walk-through a real-time demonstration of the Epic Electronic Health Record. Over one-hundred (100) QHN staff attended these sessions.

The Queens Health Network is scheduled to be the first go-live in Second Quarter 2015.

We also solicited feedback from the ICIS Workgroups to find out if staff is finding value from these sessions. Feedback to date has been overwhelmingly positive with 91% if the respondents finding the sessions to be constructive; 84% believe that they are being given enough notice for meetings and 90% are receiving meeting emails on a timely basis for session participation and follow-up. EITS will continue to survey participants in order to gauge user participation and satisfaction during this process.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Petrone Associates LLC to provide Hospital Medical Physicist Consulting Services to all Corporation facilities on an "as needed" requirements basis. The Hospital Medical Physicist Consulting Services contract will be for a term of three years with two, one year options to renew, exercisable solely at the discretion of the Corporation, for a total cost not to exceed $5,117,004. The contract amount includes a 12% contingency reserve of $537,460 for additional physicist services that may be required.

The resolution was approved for consideration by the full Board of Directors.

Information Items:

Healthcare Associated Infections (HAI)

Lauren Johnston discussed the power of transparency: Where our data are reported. NYSDOH - New York State Department of Health Governmental body responsible for public health in the State of New York NYCHHC In Focus Public website that provides information about our quality and safety performance metrics. Hospital Compare (CMS) Consumer-oriented website provides information on how well hospitals provide care to their patients. NHSN - National Healthcare Safety Network Centers for Disease Control database is the nation's most widely used healthcare-associated infection tracking system. NDNQI® National Database of Nursing Quality Indicators NDNQI® is a repository for nursing-sensitive indicators data. Next Steps: Business Intelligence; Automation of Central Line and Indwelling Catheter Days via EMR. Incorporation of the Central Line Maintenance Checklist into the EMR; Spread of best practice bundles from critical care areas to non-critical care areas and Monitor HAI's: Facility & System-Wide Standardized Infection Rat; Rate of Infection Goal.

Soarian Status Update - Marlene Zurack

Recap of the project -- initial implementation began January 2007 for the Soarian System with a renewal relationship with Siemens for the revenue cycle. To date decision support, document imaging and scheduling have been implemented. Financials were to be implemented in April; however, we are now discussing a change in schedule due to delays in the delivery of the software. We would like more due diligence on status of software and evaluate hosting capacity of Siemens with expectable service levels. Initial date for implementation was July. For the financials, we will put more time in testing with more time for hosting the component to review the system. As of now, we have a possible go live date of November, but would like to come back to the Committee in another few months to re-evaluate before the go-live date has been finalized.

Strategic Planning Committee – April 8, 2014
As reported by Josephine Bolus, RN

Information Items

2014-15 State Fiscal Year Final Budget Overview
Wendy Saunders, Assistant Vice President, Intergovernmental Relations

Ms. Brown greeted and informed the Committee that she would defer her Senior Vice President report to allow time for two information item presentations. The first is a finalized state budget presentation by Ms. Wendy Saunders, Assistant Vice President, Intergovernmental Relations; and the second is a federal update presentation by Ms. Judy Chesser, Assistant Vice President, Intergovernmental Relations. Ms. Brown also informed the Committee that she would not be able to remain for the duration of the meeting, as she had a scheduled to meeting with the Deputy Mayor to discuss North Central Bronx Hospital.

Ms. Brown invited Ms. Wendy Saunders, Assistant Vice President of the Office of Intergovernmental Relations to present an overview of the finalized 2014-15 State Fiscal Year Budget. Ms. Saunders began her presentation by stating that the New York State Legislature had passed the budget on March 31, 2014. She stated that it was quite an achievement for the Governor that the budget passed on time for the fourth consecutive year. She also noted that the last time that this was accomplished was more than 20 years ago. Ms. Saunders reported that the total state budget was $137.9 billion, which represented an increase of $687 million compared to what the Governor had originally proposed (i.e., $137.2 billion). Ms. Saunders noted that the final budget would only increase overall spending by 0.1% over what the Governor proposed, which brings it to 1.8% over the previous year. Ms. Saunders reported that there was significant discussion both on education spending and on the tax-cut package that the Governor had proposed. The finalized budget includes a $1.5 billion tax-cut package and a $1.1 billion total spending allocation for education. Ms. Saunders highlighted that the education spending allocation included the Mayor's Pre-K initiative.

Medicaid Spending

Ms. Saunders reported that, overall the Legislature restored $79.7 million in Medicaid spending. She reminded the Committee that this amount included the two percent across the board rate cut which had already been included as an option in last year's budget. Ms. Saunders noted that the restoration of the two percent rate cut would not translate into increased revenue (i.e., $23 million) for HHC because it had been already been accounted for in HHC's Financial Plan.

Ms. Saunders informed the Committee that there would be no inflationary increase or trend factor for Medicaid providers this year. However, she reminded the Committee that when it was eliminated in last year's budget, the trend factor cut to HHC was $26.4 million.

Ms. Saunders reported that the Governor's budget extended the Global Medicaid Cap for one year, along with the State Department of Health (SDOH)'s "superpowers" to make administrative rate cuts to keep spending under the cap. She referred to the previously held Finance Committee meeting at which, Ms. Zurack, HHC's Senior Vice President & Chief Financial Officer, had discussed transparency relating to spending under the global cap. She added that there would be significant new reporting requirements for the State Department of Health (SDOH) related to that Global Medicaid Cap. SDOH will provide monthly and annual detailed reports to the Legislature and to the public. These reports will describe how the cap is calculated and the various service lines that make up the cap.

Ms. Saunders reported on the "shared savings" under the Global Cap. She reminded the Committee that in the Governor's original proposal a minimum of at least half of the "shared savings" would be distributed proportionately to all providers and

health plans; and no more than half would go to "financially distressed and critically needed providers,' which will be determined by SDOH. Ms. Saunders reported that, unfortunately the State Senate was not comfortable with that proposal. Their one house budget proposal changed that distribution formula to proportionally distribute 70% of any "shared savings" to providers and health plans with the remaining 30% being placed in a reserve fund. In their proposal, none of the "shared savings" would be distributed to "financially distressed and critically needed providers."

Mrs. Bolus, Committee Chairperson asked how much would HHC lose under the "shared savings" initiative. Ms. Brown responded that HHC would not lose but would potentially gain. She explained that this is the reason why it was so important for HHC that the Senate proposal be pushed back. She explained that HHC could gain by having the extra 50% going to the "financially distressed and critically needed providers". She added that the extra 50% would provide HHC with an opportunity. Ms. Saunders informed the Committee that the Senate had added another requirement that the SDOH must consult with the Legislature, providers, health plans, workers and other interested parties on how the funds would be distributed, in addition to how the formula for both a proportional distribution and designation of "financially distress and critically needed providers" would be determined.

Medicaid 1115 Waiver

Ms. Saunders reported that both houses of the Legislature were very in the Medicaid 1115 Waiver. In particular, they are interested in ensuring transparency and legislative and public involvement in how the Delivery System Incentive Payment Program (DSRIP) funds will be spent. Ms. Saunders commented that, although the state had not yet finalized the waiver, it had received significant attention during the budget discussions. She added that, as part of budget process, SDOH provided the Legislature with regular, detailed reporting on waiver programs and projects. Ms. Saunders informed the Committee that a DSRIP Advisory Panel will be formed and would be tasked with reviewing the funding recommendations made by the SDOH contractor charged with assessing applications. She noted that the DSRIP Advisory Panel will make non-binding recommendations to the Health Commissioner. Moreover, the Advisory Panel cannot include members of the Legislature. It will include experts in health care systems who are not providers or otherwise conflicted. Ms. Saunders added that the final budget required that there be statewide spending to the extent practicable and allowed in the final waiver.

Mrs. Bolus asked if the DSRIP Advisory Panel would be a voluntary or paid panel. Ms. Brown responded that it would be a non-paid advisory panel.

At the request of Mr. Rosen, Ms. Brown explained that the 1115 Waiver had many components and that the Delivery System Reform Incentive Payment (DSRIP) program was one of the waiver's biggest components. She reminded the Committee that DSRIP funds would be available to two groups: public hospitals, and safety net providers including voluntary hospitals, nursing homes, community health centers and home care agencies. She also reminded the Committee that the DSRIP overarching goal was to reduce preventable hospitalizations and avoidable emergency room utilization. Ms. Saunders added that, just like the Medicaid Global Cap, the Legislature had added significant new reporting requirements for spending under the waiver, DSRIP programs and implementation.

Capital Funding

Ms. Saunders reported on the capital funding proposal that was included in the budget. This proposal allocates $1.2 billion for a state funded initiative for capital funding over seven years for hospitals, nursing homes, diagnostic and treatment centers, licensed clinics and assisted living programs. Ms. Saunders added that this state funding for a new capital program was meant to compliment the 1115 Waiver. Ms. Saunders informed the Committee that, while the proposal had been included in the original waiver request, the federal government would not agree to fund it. Ms. Saunders reminded the Committee that the $1.2 billion were to be distributed over seven years. As such, $200 million would be available in each of the first 5 years, and $100 million for the program's last two years. Ms. Saunders noted that the final proposal differed from the Governor's proposal in that it separated its funding in two distinct pools: one for DSRIP providers and one for non-DSRIP providers. She also noted that, because HHC will be a DSRIP provider, HHC expected to be in the DSRIP pool. Ms. Saunders also informed the Committee that DSRIP providers would need to include their request for this funding in their DSRIP application, which will be reviewed as part of their application. Ms. Saunders reported that the same DSRIP Advisory Panel created under the Medicaid 1115 Waiver would also consider the applications for capital funding for the non-DSRIP providers. Ms. Saunders noted that these funds are intended to improve financial stability and improve collaboration. In addition, as proposed by the Governor, these funds can be used for closures, mergers, restructuring, infrastructure improvements, expanding primary care capacity, promoting integrated delivery systems and providing continued access to essential health services. It is to be noted that the Legislature also added Telehealth to the list of options.

Mrs. Bolus recalled that HHC had applied for Federally Qualified Health Center (FQHC) status for all its diagnostic and treatment centers (D&TCs). She asked if they would still be eligible for the capital funding. Ms. Brown responded that D&TCs referred to a category of providers from the state's perspective. She explained that, notwithstanding that HHC is seeking the FQHC status all of its D&TCs that would form the FQHC would still be considered D&TCs by the state.

Mr. Robert Nolan, Board Member asked if the $1.2 billion capital funding over the seven-year period had to be approved each year by the Legislature. Ms. Saunders answered that it should be included each year in the budget for seven years.

Health Information Technology

Ms. Saunders reported that the final budget reserved up to a total of $95 million for Health Information Technology (HIT). She added that $55 million of that allocation would be for the State Health Information Network of New York or SHIN-NY, which she described in her previous presentation on the proposed budget as the health information "superhighway" that would provide statewide interoperability between the various Regional Health Information Organizations (RHIOs). Ms. Saunders stated that this funding would be part of the Health Care Reform Act (HCRA) covered lives assessment, which is paid by New York's health insurers. Ms. Saunders explained that, because of the increase in the number of people with health insurance, made possible through the Health Exchange, these surcharges or covered live assessments were expected to increase. Ms. Saunders noted that the Legislature accepted this proposal with a caveat that a reserve fund would be created rather than directly allocating the funding for the HIT initiatives. In addition, $10 million in funding would be allocated to create an All Payer Claims Database (APD) for health insurance claims to be used by researchers and others who are working to improve population health. Along with the reserve fund, the Legislature created a New State HIT Infrastructure Workgroup that would be charged with evaluating the State's HIT infrastructure and systems and making recommendations on the SHIN-NY, Electronic Medical Records (EMRs), APD, the State Planning and Research Cooperative System (SPARCS) and the Medicaid Eligibility Systems.

Mr. Sal Russo, HHC's General Counsel, asked if any appointments had been made to the HIT Infrastructure Workgroup. Ms. Saunders responded no.

Hospitals

Ms. Saunders reported on the final budget's hospital focused proposals. She stated that there was a proposal to restore Medicaid presumptive eligibility for certain populations, which had been eliminated as a by-product of federal health care reform. She informed the Committee that HHC had advocated restore this program, which the Senate had rejected in their budget proposal. Ms. Saunders noted that this proposal was expected to be restored by January 1, 2015 or sooner.

Ms. Saunders reported that the final budget included the Governor's proposal to delay hospital inpatient rebasing by three to six months (from January 1, 2014 to sometime between April 1, 2014 and July 1, 2014). In addition, the budget also allows for periodic updates to the base year of inpatient psychiatric, specialty and detoxification facilities, by no later than April 1, 2015. Moreover, the Legislature had delayed the rebasing for the special facilities and created a workgroup to review the new methodologies. Ms. Saunders noted that, under these proposals, rates can be adjusted to prevent a net aggregate increase in Medicaid spending. Ms. Saunders reported that the Governor's budget allowed adjustments to both inpatient and outpatient rates related to the implementation of the International Classification of Diseases Version 10 (ICD-10) coding system. Ms. Saunders stated that HHC was pleased that the Excess Medical Malpractice Program, which was extended until June 30, 2015. She added that the Senate had proposed to add an additional 1,000 slots, but the Senate's proposal was not included in the final budget.

Ms. Saunders reported that the Governor's final budget included $40 million for Vital Access Providers. Ms. Saunders explained that the Vital Access Program (VAP) provided grants to essential health care providers that had been affected by system transformations like closures. She noted that this increase would bring the total funding to $194 million. Ms. Saunders informed the Committee that, to date, Lincoln Medical Center, Woodhull Medical and Mental Health Center and Kings County Hospital had received more than $5 million in VAP funding. Ms. Saunders added that VAP was a popular program and that the State Department of Health has received more than 150 applications totaling $1.2 billion. Ms. Saunders noted that the VAP program was one of the programs included for funding in the Medicaid MRT Waiver. While it is not certain if it will be included in the final waiver, if it is ultimately not included, the finalized budget authorized it to be funded with state only funds.

Long Term Care

Ms. Saunders reported on the long term care provisions of the final budget. She stated that it increased the Nursing Home Upper Payment Limit for non-state public nursing homes, which was previously capped at $300 million statewide. Ms. Saunders stated that HHC had advocated for an increase or the elimination of the cap. She informed the Committee that HHC was successful in getting an increase in the cap to $350 million for non-state public nursing homes. It is estimated that this increase will result in an additional $4.2 million annually for HHC.

Ms. Saunders reported that HHC advocated strongly against a proposal that would have resulted in a Medicaid cut that was estimated at more than $2 million annually for HHC. Ms. Saunders stated that the final budget rejected the proposal to prevent nursing homes from getting Medicaid rate increases when they increase the number of higher acuity patients they care for. She explained that the proposal would have prevented rate increases for increases greater than two percent in a six month period in the case mix index, which measured patient acuity or how much care they need. Ms. Saunders noted that the total statewide impact would have been $42.9 million.

Ms. Saunders reported that the final budget included the Governor's proposal to create a Medicaid Nursing Home Default Rate for managed care plans. She added that, in the absence of any negotiated rate, managed care plans would be required to pay nursing homes the current fee-for-service Medicaid rate. This would not apply to rehabilitation services.

Ms. Saunders reported that the final budget allocated $380 million for Home Health Care Workers' living wage programs that were being implemented around the state. She added that the Governor originally had proposed $300 million, which he later increased to $350 million. Ultimately, the Legislature added another $30 million to this proposal for a total of $380 million that was approved in the final budget. Ms. Saunders noted that more discussions and information about this proposal were forthcoming.

Mr. Rosen asked about the impact of the long term care patients who are members of the health plan. Ms. Saunders answered that instead of receiving fee-for-service-payments, nursing homes were increasingly being paid by managed care plans for patients who are enrolled in managed long term care. This will continue to increase as the state transitions LTC patients into managed care. Ms. Saunders added that there had been a great deal of concern that the plans would pay less than the Medicaid fee-for-service rate.

Mr. Rosen asked if the managed care organizations were not paying enough would the default rate prevail. Ms. Saunders responded affirmatively.

Behavioral Health

Ms. Saunders reported on the Behavioral Health proposals that had been approved in the final budget. These proposals are described below:

- A proposal to create a Community-Based Behavioral Health Services Reinvestment Program. The program would be funded by State General Fund savings that would be generated by transitioning this population to managed care. It would be designed by the State Department of Health (SDOH) and the State Department of Mental Health to increase funding for community based services.

- A proposal to advance co-location of behavioral health and physical health services. The budget reallocates $15 million from last year's budget for programs that support the co-location of services. It also allows the state to issue emergency regulations to implement the integration of co-located behavioral health and physical health services that were authorized as part of last year's budget.

- A proposal to provide funding for the transition to managed care. The budget includes $20 million for training, HIT and transition costs related to the transition of behavioral health into managed care. The state is authorized to provide the funding to health homes, plans, providers and others pursuant to a plan that will be developed. The transition is scheduled to begin with adults in New York City next January.

- A budget provision to increase rates for ambulatory behavioral health services. The budget provides authority to the State Office for Mental Health (OMH) and the State Office of Alcohol and Substance Abuse Services (OASAS) to transfer funds to SDOH to pay for rate increases for ambulatory behavioral health services. The increase would be effective through 2016 for New York City providers, except for patients under 21 where the increases would remain

in place for an additional year. The proposal does allow managed care plans would be able to negotiate different rates with providers.

- The Governor's proposal to create a Collaborative Care Clinical Delivery Model was rejected. The Legislature rejected the Governor's proposal to establish a new model for clinics to treat depression and other mental or substance abuse disorders.

Other Important Health Care Related Proposals in the Governor's Final Budget

Ms. Saunders reported on other healthcare initiatives that were approved in the finalized Governor's Executive Budget. They are:

- **Nurse Practitioner Modernization Act.** The final budget approves experienced nurse practitioners to establish collaborative relationships with a hospital or a physician in their specialty rather than the current requirement for a written practice agreement.

- **Safe Patient Handling.** The final budget includes new Safe Patient Handling Program that requires every hospital and nursing home to establish an internal committee charged with developing a program for their facility. The facility would have to implement the program by January 1, 2017.

- **Out-of-Network Proposal**. The final budget includes extensive new requirements for health plans and hospitals for services that are provided out of the network of approved providers covered under the patient's health plan. The patient cannot be billed more than they would have paid in-network for emergency services. Providers can attempt to recover additional charges from the health plan. There also are new notice and disclosure requirements for health plans and providers and a new dispute resolution process.

- **HIV Testing requirements.** The final budget includes the Governor's proposal to overhaul the requirements governing HIV testing. As of April 1, 2014, this proposal would eliminate the requirement for written informed consent, except for patients in correctional facilities.

- **Basic Health Plan.** The final budget authorizes the state to take advantage of an option under the Affordable Care Act (ACA) to implement a Basic Health Plan, if it is in the financial interest of the state. The state would receive any subsidies that would otherwise be available for participants to purchase coverage under the Health Exchange. The plan would cover individuals with incomes between 138-200 percent of the federal poverty level (about $16,000 - $23,000 for an individual or $27,000-$39,000 for a family of three.) The plan would be available for many legal immigrants who cannot qualify for Medicaid due to their immigration status (but not for the undocumented).

- **New State requirements for Bronx health care facility construction projects**. The final budget includes a new requirement for the SDOH to hold community forums in consultation with local Community Boards for any proposed freestanding clinic, outpatient health care facility or center, or ambulatory care facility affiliated with a hospital. It would only apply to projects that would exceed three stories in height or 30,000 square feet that are to be built in the Bronx. After hearing from the community, SDOH would approve, deny or modify the proposal.

Mr. Nolan interjected and informed the Committee that these new requirements were intended to kill one specific project, a high-rise building by Montefiore Hospital in Riverdale at the opposition of the Riverdale residents.

Ms. Saunders agreed with Mr. Nolan but also clarified that any freestanding healthcare project affiliated with a hospital in the Bronx, over three stories and over 30,000 square feet will have to go through this new process.

Other Health Care Related Proposals Not Included in Governor's Final Budget:

- **Regional Health Planning Collaboratives.** The Governor's proposal to create 11 Regional Health Planning Collaboratives was not included in the final budget. However, the associated funding will be available for programs designed to improve population health. The two houses approached the issue from opposite directions, with the Assembly seeking to re-establish Health Systems Agencies while the Senate wanted assurances that the new entities would not have input on the CON process.

- **Private equity pilot proposal.** The Assembly once again rejected the Governor's proposal to allow business corporations to provide capital investment in health care facilities. The Governor originally proposed this last year. Although he had changed the proposal to prohibit publicly traded corporation from participating, it was not enough to sway the Assembly.

- **Limited services "retail" health clinics, urgent care and office based surgery.** The final budget did not include changes recently recommended by the Public Health and Health Planning Council (PHHPC) to license limited service clinics, require full accreditation of urgent care providers and impose more stringent requirements office-based surgery practices (beyond the current registration requirements).

- **Certificate of Need (CON) changes.** For the second year, the Senate rejected changes to streamline the CON process. It is anticipated that this may be taken up later in the Legislative session.

- **Requirement for nursing homes to pay standard wage and benefits to direct care workers.** A proposal to require nursing homes to pay their direct care workers a statewide standard wage and benefits was rejected for the second time. HHC had advocated that regional differences be taken into consideration. The original Governor's proposal created only on statewide rate, which HHC was concerned could negatively affected HHC's workers. While the Assembly addressed those concerns, the Senate rejected the full proposal.

The Committee thanked Ms. Saunders for her detailed presentation.

The View in Washington – Federal Advocacy Update Presentation
Judy Chesser, Assistant Vice President, Intergovernmental Relations

Ms. Chesser greeted Committee members and invited guests. Ms. Chesser began her presentation by providing an overview of what was happening in Washington. She reported that all the House Members and one-third of the Senate are up for re-election. She informed the Committee that, of the 26 Senate seats that were up for re-election, 21 were Democrat seats. She added that there were rumors that the Senate would not remain Democrat controlled next year. This is because seven of the 21 seats are within states that were won by Mitt Romney. Six of those seats are in states that were won by Mitt Romney by double digits.

Ms. Chesser reported on a poll concerning the Affordable Care Act (ACA). The findings were that Republican leaning voters responded to a call to repeal, while Democratic leaning voters to a description of the ACA as transformative. However, it does not play very well if one has one foot in and one foot out.

Ms. Chesser reported on the Medicaid expansion. She stated that the Supreme Court's decision to make Medicaid expansion voluntary for the states had offered the Medicaid program some protection. The President does not want to cut the program when they are trying to convince the states to expand their Medicaid.

Ms. Chesser informed the Committee that the following issues were important to HHC:

- Medicaid DSH
- Medicare DSH
- Sustainable Growth Rate (SGR) aka "Doc Fix"
- Long Term Care
- Two Midnight Rule
- President's Budget
- 340B Regulations
- World Trade Center (WTC) Health Program

Medicaid DSH – National Cuts

Ms. Chesser reported that the national Medicaid cuts have been readjusted several times. She stated that that the good news is that the cuts keep being delayed. She reported that originally the reductions were to start in 2014; however, a provision in the "Doc Fix patch" bill that was adopted last week moved the start date to 2017. Ms. Chesser noted that, unfortunately, these cuts were being stacked up and getting bigger and bigger over the out years, making it more difficult should Congress ever want to roll them back.

	Current Law	House/Senate Agreement on SGR Patch
FFY	**In billions**	**In billions**
2016	$1.2	
2017	$1.8	$1.8
2018	5.0	$4.7
2019	$5.6	$4.7
2020	$4.0	$4.7
2021	$4.1	$4.8
2022	$4.2	$5.0
2023	$4.2	$5.0
2024	-	$4.4
Total	$30.1	$35.1

Medicaid DSH cuts – Impact on HHC

The table below shows the impact of Medicaid DSH ($ millions) funding cuts on HHC. These figures do not include any state or local match:

FFY	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Current Law	**-173.5**	**-260.2**	**-308.3**	**-316.7**	**-325.2**	**-334.0**	**-342.9**	**-351.9**	**0.0**	**-2,412.6**
Under HR 4302	**0.0**	**-260.2**	**-308.3**	**-316.7**	**-325.2**	**-334.0**	**-342.9**	**-351.9**	**-361.1**	**-2,600.3**

Ms. Chesser stated that New York State received more Medicaid DSH than any other state and HHC received more DSH funding than any other health system. She added that originally when the ACA had passed, before the Supreme Court decision, the assumption was that every state had to expand their Medicaid program. Ms. Chesser reported that, the most recent legislation, the SGR patch, included a study that was supported by the America's Essential Hospitals (AEH). It is hopeful that the study will provide a tool to keep fighting these DSH cuts in the future and will show that the Medicaid DSH program is still very essential and should be restored to full funding.

Medicare DSH Redistribution

Ms. Chesser reported on the Medicare DSH redistribution. She informed the Committee that HHC had benefitted because of the new allocation. Ms. Chesser explained that under the new allocation, every hospital would receive 25% of their past Medicare DSH share and the remaining 75% of the funds would be redistributed through a new "uncompensated care payment" strategy to hospitals serving low-income patients. Ms. Chesser noted that these numbers go down precipitously but, unlike Medicaid, Medicare DSH cuts are calculated on best available data. These cuts are based on the amount of progress being made to get people insured. She added that the figures below are based on a projection that there will be far fewer uninsured individuals in the future.

HHC Medicare DSH Gains (in millions)					
FFY	2014	2015	2016	2017	2018
Fee-for-Service 55.3	29.5	12.0	3.1	3.1	
Managed Care	59.6	38.3	23.8	16.6	16.9
Total	114.9	67.8	35.8	19.7	20.1

Ms. Chesser noted that New York State was the second largest Medicare DSH recipient. She explained that, for a while, Washington had considered delaying both Medicaid and Medicare DSH funding cuts. HHC, along with some other organizations had advocated for Medicare DSH, not to be delayed, as they would benefit from its new allocation. Ms. Chesser reported that HHC had won this argument. The "losers" under the Medicare DSH redistribution have continued to lobby, so far unsuccessfully, to eliminate or delay the Medicare cuts but keep the hospital-specific gains. Ms. Chesser noted that Senator Schumer has been one of the leaders advocating to delay the cuts for the "losers."

Sustainable Growth Rate (SGR) – "Doc Fix"

Ms. Chesser reported on the Sustainable Growth Rate, also known as the "doc fix". Ms. Chesser reported that H.R. 4015 had passed the House and the Senate and was about to take the bill to the floor. While an agreement was made on the substance on how to permanently fix Medicare payment to physicians, no agreement could be reached on how to pay for it. As part of the "pay for", the House of Representatives adopted a repeal of the employer mandate to provide health insurance that was part of the ACA. The President promised to veto any such repeal. The Senate, by comparison, proposed to "pay for" the Medicare "doc fix" payment by using funds in the overseas contingency fund, which is the money that was budgeted for the wars. This money is no longer going to be needed because the United States is pulling back from overseas wars. Ms. Chesser reported that, in light of the collapse of negotiations on the bill, Congress had adopted a "patch" last week that would keep the physician reimbursement rates from decreasing until March 31, 2015 (into the next Congress). She noted that the "patch" bill became a vehicle for many other provisions, one of which was the delay in the ICD-10, which has now been delayed for a year.

Long Term Care Hospitals (LTCHs) – Henry J. Carter Specialty Hospital

Ms. Chesser informed the Committee that last year, Congress enacted new criteria for facilities to qualify as Long Term Care Hospital (LTCH). To receive payment as an LTCH, a facility had to show that 50% of all of its medical discharges have either: (1) been in an ICU for 3 days prior to admission; or (2) received ventilator services for more than 96 hours. Unfortunately, the requirement included that 50% of discharges from ALL payers had to be Medicare patients. Thus, if a facility had less than 50% Medicare patients it would never qualify as an LTCH. In the recent SGR patch, HHC worked with our Congressional delegation to get amendment language that included only the "Medicare FFS" discharges in the denominator, thus allowing the Henry J. Carter Specialty Hospital to continue to qualify as an LTCH.

Two Midnight Rule

Ms. Chesser reported that, in August 2013, CMS had issued a rule to clarify that patient stays in hospitals for less than 2 midnights would be considered outpatient care and not inpatient care for purposes of Medicare reimbursement. HHC estimates that this rule could cost HHC $23 – $38 million in Medicare revenue each year. CMS delayed enforcement until October 1, 2014. In the "patch" bill, HHS *may* extend auditors' prepayment "probe and educate" policy through March 31, 2015. Also auditors are prohibited from conducting patient status reviews on a post-payment review basis for inpatient claims for admission from October 1, 2013 to March 31, 2015. The SGR patch, however, did <u>not</u> establish a short-stay payment mechanism.

President's Budget

Ms. Chesser reported on important health care related proposals that had been included in the President's budget. She informed the Committee that the President's Budget included:

- $402 Billion cuts to health providers over 10 years - $354.1 Billion from Medicare providers and $8.9 B from Medicaid. These cuts included a Medicaid DSH cut extension for an additional year (FFY 2024) – for HHC a loss of $361 million in that year alone.
    - HHC opposed but such an extension was passed last week as part of the "patch".

- Extension of Temporary Medical Assistance (TMA) and Qualified Individuals program (QI) thru FFY 15.
    - In the bill enacted last week, TMA and QI extended through March 31, 2015.

- Cuts to Medicare Indirect Medical Education (IME) of 10%
    - Reallocates $5.23 billion over 10 years to create a HRSA competitive grant program to train 13,000 primary care residents

- Extension of 100% Medicaid Match for primary care thru CY 15 includes physician assistants and nurse practitioners and excludes emergency room codes to better target primary care.
    - Effective for dates of service from Jan 1, 2013 thru Dec 31, 2014. States reimburse at Medicare rate w/ fed government covering 100% of difference between Medicaid and Medicare rate - $5.4 b costs over 10 years

- Expansion of National Health Services Corps to at least 15,000 individuals annually - $3.95 b over 10 years

340B Mega-Regulation

Ms. Chesser reported on forthcoming comprehensive regulation that is anticipated for the 340B program.

- The 340B discount drug program has been operating without regulations since its inception in 1992 but a proposed "mega-reg" is expected this June.
- On January 9, 2014, HRSA's Office of Pharmacy Affairs (OPA) stated that the draft regulation would cover patient eligibility, compliance requirements for contract pharmacy arrangements, hospital and off-site facility eligibility criteria, GPO exclusion, inventory management, annual re-certification, audit procedures and appeals processes, among other issues.
- The 340B program provides pharmaceutical discounts to safety net providers including DSH Hospitals, FQHCs and Ryan White AIDS program grantees, for outpatient (not inpatient) drugs.
- HHC's 1.3 million patients have benefited from this program. HHC purchased approximately $200 million worth of pharmaceuticals for its ambulatory care patients at a discounted price of approximately $65 million for a savings of $135 million through the 340B program

Ms. Chesser commented that Commander Krista Pedley, Director, Office of Pharmacy Affairs, had told the American Essential Hospitals (AEH) last month that she anticipated that hospitals would not like the regulation and that they should push back. Ms. Chesser commented that it remained to be seen if these regulations would be published in June.

WTC / September 11th Health Program

Ms. Chesser reported on the World Trade Center Health Program, which will expire on September 30, 2016. Under the statute that was enacted in 2011, a total of $1.556 billion was authorized and appropriated. The original funding has proven more than adequate and thus it may be possible to extend the program without the need for additional funding. According to the Centers for Disease Control, nationally the program serves almost 67,000 members. As of December 31, 2013, many have received screening (26,133); diagnostic evaluations (14,158), had out-patient treatment (15,365), inpatient treatment (133), or medications (17,014) in the national program. HHC's World Trade Center Environmental Health Center serves 7,074 survivors.

Other Advocacy Efforts

Ms. Chesser concluded her presentation by reporting on other advocacy efforts that were important to HHC. She reported that HHC was advocating for FEMA funding for Sandy damage and future mitigation costs. She noted that the negotiations with FEMA were ongoing. In addition, Ms. Chesser reported that efforts were being made for the designation of HHC's D&TCs as FQHC Look-Alike. Ms. Chesser informed the Committee that a site visit had been conducted 10 days ago and it had gone very well.

Mrs. Bolus thanked Ms. Chesser for her presentation.

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

RAMANTHAN RAJU, MD
HHC PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
APRIL 24, 2014

LISTENING TOUR FOR NEW HHC PRESIDENT

I'm very happy to be back at HHC and to mark my first board meeting as President of this great organization. I've been on a listening tour, meeting with many HHC leaders and staff, to get reacquainted and hear what's on their minds. I will continue these visits over the next weeks and look forward to seeing many old friends and hearing about the great achievements and the innovative work that's going on to bring expert healthcare services New Yorkers.

MULTILINGUAL COUNSELORS AT HHC FACILITIES HELP NEW YORKERS ENROLL IN HEALTH COVERAGE

At many HHC facilities this month, bilingual health insurance enrollment counselors have been available on-site to help New Yorkers access affordable health insurance before the Affordable Care Act (ACA) deadline. On my first day at HHC, I was able to meet with several of my colleagues at Bellevue Hospital, to watch first-hand as counselors helped HHC patients. HHC facilities partnered with HHC's own health plan, MetroPlus, to provide walk-in hours for new patients and appointments for existing patients to meet with bilingual counselors, free of charge.

The lack of access to bilingual counselors has been identified as a major barrier for enrolling limited English-speaking New Yorkers in health insurance. In response, HHC made available certified, bilingual enrollment counselors to inform and educate the community about the best health insurance options and ways to minimize premiums and out-of-pocket costs.

HHC's health plan, MetroPlus, is one of the options on the health insurance marketplace. MetroPlus offers access to a network of more than 12,000 primary care physicians and specialist sites across the city and has the most affordable options in three of the four levels available on the marketplace. As of April 22nd, more than 90,000 shoppers on the NY State of Health website -- the official health insurance marketplace in New York -- chose MetroPlus as their preferred health insurance option, making it one of the most popular choices among New York City residents.

MAY IS FOR MAMMOGRAMS AT HHC

I'm pleased to report that HHC will continue its traditional May Breast Cancer Awareness campaign in honor of Mother's Day and all women in New York City. The annual campaign

will once again remind female patients and staff who are 40 or older to schedule a mammogram every one to two years. We have a lot to be proud of in the area of breast cancer awareness. We perform more than 100,000 mammogram screenings a year. We have always been at the forefront of making breast cancer screenings part of routine primary and preventive care. We have also contributed greatly to the decrease of breast cancer disparities in New York City by providing access to care to underserved populations.

But there is more work to be done. More than 1,200 women die from breast cancer in New York City each year. Through innovative programs, such as increasing care access for women with disabilities, I am confident we can continue making impact and further contribute to the decrease in the number of breast cancer deaths in New York City.

Please join me in helping spread the word about the lifesaving mammograms through this year's "Your Mammogram Can Be A Lifesaver" campaign. Visit our mammogram webpage at nyc.gov/hhc for more information about our May Mammogram Awareness Campaign.

HHC WILL UPDATE HEALTH CLINICS TO MAKE HEALTHCARE MORE ACCESSIBLE TO WOMEN WITH DISABILITIES

Physical disability should never be a barrier to receiving quality healthcare. The obstacles handicapped and disabled women face in receiving care are substantial and too often prevent them from seeking preventive health screenings like pap smears and mammograms. But we have learned that these obstacles are not difficult to overcome for healthcare providers.

I'm proud to announce that HHC will be making a commitment to expand access to healthcare for disabled women in New York City, and will update a number of our public health centers across the city with special equipment and infrastructure that will accommodate handicapped and disabled women who often have a difficult time receiving healthcare because physicians' offices are not properly equipped to handle their special needs.

With the generous support of $5 million from the New York City Council, under the leadership of Council Members Maria Del Carmen Arroyo and Julissa Ferreras, we will be able to expand a successful pilot program now at Morrisania Diagnostic and Treatment Center and at Woodhull Medical Center, where we introduced larger exam rooms for women's healthcare, along with special lifts, scales, exam tables and other equipment that allow women in wheelchairs to receive gynecological care and cancer screening procedures in a more comfortable setting.

We have partnered with the Independence Care System (ICS), a non-profit Medicaid managed long-term care plan that is specifically designed for people with physical disabilities, to conduct environmental assessments at several facilities, and based on their recommendations we will continue to make improvements at Morrisania and Woodhull, and will upgrade infrastructure and equipment at an additional six HHC health centers across all

five boroughs, with the intent to go to more centers in coming years. HHC will also train staff to better recognize the obstacles handicapped patients face in obtaining care, and ways to help overcome those obstacles.

KUDOS FROM JOINT COMMISSION ACCREDITATION SURVEYS

The Joint Commission conducted its triennial survey of Bellevue Hospital Center and North Central Bronx Hospitals in March and April, respectively. Both hospitals performed extremely well; no condition-level findings related to CMS' Conditions of Participation were identified, nor were there significant findings at either organization in direct clinical patient care.

At Bellevue, the surveyors complimented the organization on the engagement and participation of all staff in the survey process, particularly the medical staff. They were impressed with the services provided by the organization, and their demonstrated commitment to the patients and community they serve. The surveyors deemed the Rehabilitation Brain Injury Program "world class"; praised the inpatient Behavioral Health Services, which serves a vulnerable population; were highly complimentary of Ambulatory Care Services; and, praised the organization's multi-disciplinary approach to patient care.

At North Central Bronx, the surveyors recognized the "observed commitment and dedication of staff, which was excellent". The organization's performance improvement processes were clearly a "robust, living, breathing process." Surveyors were particularly impressed with the Dental Clinic, the Breast Clinic, and the Sexual Assault Response Team (SART) program. They encouraged the facility to submit the SART Program to The Joint Commission's Leading Practice Library as a best practice. Most of all, the surveyor's experience was that the facility "had the best interests of the patients and community at heart".

Congratulations to the leadership and all of the staff of both hospitals for a job well done:

Bellevue Hospital Center – Executive Director Steve Alexander; Medical Director Nate Link, MD; Chief Nurse Moftia Aujero, RN; Associate Executive Director, Clinical Management/Regulatory Affairs Marcia Peters; and all of the staff of Bellevue Hospital Center.

North Central Bronx Hospital – Senior Vice President William Walsh; Chief Operating Officer Sheldon McLeod; Acting Medical Director John McNelis, MD; Chief Nurse Elizabeth Gerdts, RN; Director of Regulatory Affairs Karen Carroll; and the staff of North Central Bronx Hospital.

The three facilities remaining to be surveyed this year are Coler, Henry J. Carter and Woodhull.

FEDERAL UPDATE

Sustainable Growth Rate (SGR) aka "Doc Fix"

The Medicare payment rate for physicians would have decreased by 24 percent on March 31, unless Congress enacted new rates. A permanent fix was supported by many, but no agreement on how to pay for it was possible. Thus, Congress adopted legislation that keeps the rate from decreasing until March 31, 2015. The bill provides a 0.5 percent increase through Dec 31, 2014 and no increase from Jan 1, 2015 to March 2015. The bill did not include the many funding methods that HHC has opposed including: Hospital Outpatient Department reimbursement reductions -- a loss of $187 million to HHC over 10 years -- or reducing payments for Graduate Medical Education -- $215 million loss to HHC over 10 years.

A funding method that was included in the legislation was a cut to Medicaid Disproportionate Share Hospital (DSH) funding. Specifically, ACA DSH cuts originally slated for FFY 2014 were delayed to FFY 2017, and an additional year of DSH was added - through FFY 2024. Nationwide the cuts now total $35.1 billion in Medicaid DSH funds over eight years. The loss in federal DSH funds to HHC from FFY 2017 through FFY 2024 could be $ 2.6 billion.

Long Term Care Hospitals (LTCHs) - Henry J. Carter Specialty Hospital

Last year, Congress enacted new criteria for facilities to qualify as Long Term Care Hospital (LTCH). To receive payment as an LTCH, a facility had to show that 50 percent of all of its medical discharges have either: (1) been in an ICU for 3 days prior to admission; or (2) received ventilator services for more than 96 hours. Unfortunately, the requirement included that the 50 percent of discharges had to be based on only Medicare patients. Thus, if a facility had less than 50 percent Medicare patients it would never qualify as an LTCH. In recent legislation, HHC worked with the Ways and Means Committee to get amendment language that included only the "Medicare Fee For Service" discharges in the denominator, instead of all payers, thus allowing the Henry J. Carter Specialty Hospital to continue to qualify as an LTCH.

Two Midnight Rule

In August 2013, CMS issued a rule to clarify that patient stays in hospitals for less than two midnights would be considered outpatient care and not inpatient care for purposes of Medicare reimbursement. HHC estimates that this rule could cost HHC $23 -- $38 million in Medicare revenue each year. CMS delayed enforcement until October 1, 2014. Recent legislation authorized HHS to extend auditors' prepayment "probe and educate" policy through March 31, 2015. Also the bill prohibits auditors from conducting patient status reviews on a post-payment review basis for inpatient claims for admission from October 1, 2013 to March 31, 2015. The legislation, however, did not establish a short-stay payment mechanism.

On April 14, 2014, AHA, GNYHA, HANYS and others, filed two related lawsuits in the Federal Court for the District of Columbia, challenging the Federal government's "two-midnight" policy, which imposes an arbitrary limit on Medicare reimbursement for medically necessary inpatient stays. The suit challenges as arbitrary and capricious: (1) CMS' across-the-board 0.2 percent reduction in payments; (2) the rule's limitation that a patient can be considered an "inpatient" only when expected to stay two midnights; (3) the requirement that there be a physician order that the patient needs care for two midnights; and (4) CMS' imposition of a one-year filing limit on hospitals' requests for Part B payment after a Part A denial, when Recovery Audit Contractors (RAC) take several years to review.

MEDICAID 1115 WAIVER APPROVED

On April 14, Governor Cuomo announced that New York reached agreement with the Centers for Medicare and Medicaid Services (CMS) on the details governing the five-year, $8 billion Medicaid 1115 Waiver related to Medicaid Redesign Team (MRT) initiatives.

The Waiver's terms and conditions, along with a number of appendixes, outline how this funding can be used to improve quality, expand access, lower costs and transform the healthcare delivery system. Although the bulk of the waiver remains consistent with what the State Department of Health (SDOH) has recently presented, there are several noteworthy areas of difference. The key components of the waiver are as follows:

- **$1.08 Billion for Medicaid Redesign purposes.** This funding is for Health Homes and investments in long term care and enhanced behavioral health services. The Health Home funding will be distributed through a rate add-on that can be used for member engagement, promotion of Health Homes, workforce training, health information technology and technical assistance.

- **$6.42 Billion for Delivery System Reform Incentive Payments (DSRIP) projects.** The DSRIP program focuses on using community-level collaborations to achieve system transformation with an over-arching goal of reducing avoidable hospital use by 25 percent over the five years of the Waiver.

  DSRIP is available to safety net providers, which are defined very broadly so that approximately 77 percent of the State's hospitals will qualify. All DSRIP participants will be required to collaborate with other providers on innovative projects focusing on system transformation, clinical improvement and population health improvement. Unlike previous Waivers, with the exception of Planning Grants, funds will only be distributed after the provider achieves project milestones, based on process and performance outcomes.

  SDOH will determine how much funding is available to a DSRIP provider, using a detailed process for assigning overall value of their application. Providers must choose from a variety of pre-approved projects that assigned varying values. One of the significant changes in the Waiver is that DSRIP providers will be assigned a specific

population of Medicaid patients, for whom they will assume responsibility. The size of the Medicaid population the provider is serving will be one of the factors used in determining project value. Patients will be assigned to only one provider based on their history of healthcare usage.

SDOH estimates that DSRIP applicants will receive approximately $500,000 for planning grants to be used for expenses associated with developing their application. This may include conducting a Community Needs Assessment, drafting business agreements and retaining legal counsel. Applicants will be required to submit a Letter of Intent in mid-May and a Planning Grant Application in mid-June. Complete DSRIP applications, including project plans, will be due in December. Unlike what has previously been described, the first year of the five-year Waiver period will not begin until April 2015.

- **$500 Million for an Interim Access Assurance Fund.** This was not included in previous versions of the Waiver. It is designed to provide temporary, time-limited funding to help stabilize struggling safety net providers so they can participate in the DSRIP program. The funding will be divided into two pools; $250 million will be available for public healthcare facilities and $250 million for voluntary facilities. The State will determine eligibility for this funding, but it will be limited to providers at "high financial risk" who serve "significant numbers" of Medicaid patients. HHC intends to apply for this funding, which is expected to be available soon.

There is a public comment period for the Waiver: 15 days for the terms and conditions, ending April 29th, and 30 days for the appendixes, ending May 14th. HHC is reviewing the details of the Waiver and actively coordinating with the other public providers and SDOH to develop comments for submission.

TRAINING FOR HHC STAFF TO ASSURE APPROPRIATE AND SENSITIVE HEALTHCARE FOR LGBT PATIENTS

On April 28, more than 150 HHC staff members from all HHC facilities, MetroPlus and Health & Home Care will participate in a half-day training on appropriate and sensitive healthcare for lesbian, gay, bisexual and transgender (LGBT) persons. The trainer will be Shane Snowdon, director of the health and aging program of the Human Rights Campaign (HRC), the largest civil rights organization working to achieve equality for LGBT Americans. It will be held in the Harlem Hospital Auditorium. The purpose of the training is to improve access to HHC healthcare for LGBT individuals and help to reduce health disparities related to sexual orientation and gender identification. The training is consistent with my commitment that our public hospital system is responsive to the healthcare needs of all New Yorkers, especially for those who have historically experienced healthcare inequity.

In 2013 the HRC designated Metropolitan Hospital Center as a "Leader in LGBT Healthcare Equality," naming it as an organization that has made a special effort in training staff members, and ensuring it has anti-discrimination policies and publicly disseminating those

policies. The April 28 training is the most recent action for many HHC facilities to follow their lead.

SUCCESSFUL HRSA SURVEY OF DIAGNOSTIC AND TREATMENT CENTERS HELD TO COMPLETE MILESTONE TOWARD FQHC DESIGNATION

The Health Resources and Services Administration (HRSA) conducted a site visit in response to HHC's application for designation of our six Diagnostic and Treatment Centers as a Federally Qualified Health Center Look-Alike (FQHC-LAL) under a public entity co-applicant governance structure known as Gotham Health. The site visit took place March 26 through 28. The aim of the site visit was to determine Gotham Health's compliance with HRSA's statutory and regulatory requirements.

The site visit team reviewed Gotham Health's policies and operations pursuant to HRSA's 19 Program Requirements covering areas such as Administration and Finance, Governance, and Clinical Management. Overall, the outcome of the site visit was positive -- with only 4 of the 19 Program Requirements identified as unmet or partially met.

Some examples of the areas in which the HRSA site visit team recommended clarification or improvement were Gotham Health's Sliding Fee Scale policy; Financial Management and Control policies and procedures, relating to HHC's provision of financial and budget reports to the Gotham Health Board; and Board Authority specifically in reference to certain mandatory board responsibilities.

HHC's Corporate Planning, Corporate Finance and Legal Departments and the Gotham Health leadership are working together to address the site visit team's preliminary findings pending receipt of HRSA's formal report.

OPENINGS OF MAJOR NEW FACILITIES AT LINCOLN AND ELMHURST

Several HHC facilities have celebrated the opening of new facilities that will provide more healthcare services to New Yorkers.

In Queens, on March 28, Elmhurst Hospital Center officials and community leaders marked the completion of the hospital's new 17,370 sq ft, $16.3 million Women's Pavilion. The new outpatient healthcare facility will expand access to prenatal and comprehensive obstetrical services for women in Queens. The Women's Pavilion will offer a variety of women's health services, including walk-in pregnancy testing, prenatal care, HIV counseling and testing, genetic counseling, high-risk pregnancy services, antepartum fetal testing and postpartum services. The new building will also provide additional space for classes in childbirth, breastfeeding, nutrition, and diabetes education. The new facility will provide 15 percent greater capacity in patient volume, while allowing for five percent annual growth in service capacity over a 5-year period.

In the Bronx, on April 4, Lincoln Medical Center officials and community leaders marked the completion of a major modernization and expansion of Lincoln's emergency department (ED), a Level 1 Trauma Center and the City's busiest single site emergency room, seeing more than 177,000 visits every year. The hospital's new 34,200 square-foot, $24 million state-of-the-art ED expands on the previous space by almost 70 percent, improving patient flow and comfort. Included in the new construction are larger pediatric and psychiatric emergency areas, and "Fast Track," Lincoln's urgent care treatment area for adults with non-emergencies. The completion of the adult ED area is the final phase of the expansion project and will be available to patients mid-May.

The opening of the new facilities represent investments of more than $2 billion in facility modernizations that have been made by HHC over the last decade.

HHC GLOBAL AMBASSADOR "SWIZZ BEATZ" DONATES ARTWORK AS A TRIBUTE TO PATIENTS AT CARTER

On April 17, HHC Global Ambassador Kasseem "Swizz Beatz" Dean unveiled a piece of art he created called *Victory* to the residents and staff of HHC Henry J. Carter Specialty Hospital and Nursing Facility. Mr. Dean met with fellow philanthropist Henry J. Carter, the namesake of this long-term care hospital, and spent time visiting with residents to learn more about them and hear their inspirational stories. The piece symbolizes the monumental daily effort required as residents work toward rehabilitation goals and physical progress.

The Fund for HHC, the philanthropic arm of the New York City Health and Hospitals Corporation, named Mr. Dean HHC's Global Ambassador in 2012. Mr. Dean supports HHC's mission to provide quality healthcare for all New Yorkers, and advocates for the importance of art as a key part of the therapeutic and healing process.

HHC ON SCHEDULE TO SAVE $50 MILLION IN FIRST YEAR USING CENTRALIZED PROCUREMENT SYSTEM

HHC announced the progress of its centralized procurement system for goods and pharmaceuticals that will make purchasing more efficient and transparent, and will save HHC approximately $50 million in its first year.

HHC has combined the purchasing power of its integrated network of 11 hospitals, five long-term care facilities and dozens of community health centers to leverage better pricing for its 58,000 catalogued items -- from hospital socks and sutures to services like printing and snow removal -- that range in price from under a dollar to tens of thousands of dollars. It will also establish a limited, standardized list of products available for purchase by HHC facilities to reduce waste and duplication, while maintaining the ability to purchase high quality products preferred by clinicians.

Each product category, such as perioperative services, will be guided by a value analysis committee of physicians, nurses and key administrative staff who will evaluate product selections, focusing on quality, cost, service and outcomes. These steps reduce waste and unnecessary variability in our purchasing practices while ensuring that clinical staff has timely access to quality products and all the supplies they need to properly care for patients.

HHC's effort was recently recognized by the "ECRI Institute" in Pennsylvania with its "2014 Supply Chain Achievement Award," which honors healthcare organizations that demonstrate excellence in overall supply chain management.

In Fiscal Year 2010, facing a projected $1.2 billion budget gap for Fiscal Year 2013, HHC created a plan that called for $600 million in cost containment and restructuring and $600 million in additional revenue from the City and Federal governments. Supply chain and procurement reforms were identified as areas that could be targeted to meet a revised financial plan.

HHC's new centralized purchasing system was fully operational in December. HHC expects to have 90 percent of its overall purchasing under the new system. As part of the procurement initiative, a new centralized procurement office of approximately 70 purchasing agents was established at HHC, with most staff relocating from other facilities. No employees were laid off.

CARNEGIE HALL MUSICAL CONNECTIONS EVENTS AT HHC FACILITIES

The Carnegie Hall Weill Music Institute's Musical Connections program provided concerts in several HHC facilities in recent months, courtesy of its ongoing partnership with The Fund for HHC. The program brings live music and public health messaging to local communities. Concerts at Queens Hospital, Bellevue Hospital, Jacobi Medical Center and Lincoln Medical Center were also opportunities to disseminate information about National Nutrition Month and Colon Cancer Awareness.

UNITED HOSPITAL FUND HONORS HHC VOLUNTEERS AND AUXILIANS

On March 14, the United Hospital Fund held its annual event to honor 91volunteers and auxilians who provide exceptional service at hospitals throughout the New York area. Volunteers and auxilians were acknowledged from many HHC facilities, including Bellevue Hospital, Metropolitan Hospital, Kings County Hospital, and Lincoln Medical Center.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

NYC man thanks hospital staff for saving son hurt in East Harlem explosion, Dr. Ram Raju, HHC President Denise Soares, SVP, Generations + Northern Manhattan Network, Dr. Arthur Cooper, Director of Trauma and Pediatric Surgical Services, Harlem, aria Lopez, Qualified Medical Translator, Harlem, NY1, WABC, WCBS, WNBC, FOX5, Univision, Telemundo, 4/2/14

Bellevue Hospital Helps Enrollees on Last Day for ACA sign up, Dr. Ram Raju, President, Bellevue, NY1, WABC, Reuters TV, Telemundo Ch. 47, Univision Ch. 41, 3/31/14

Gama Droiville, 13-Year-Old Shot In East Flatbush, Released From Kings County Hospital, Dr. Douglas Lazzaro, Chief of Ophthalmology, NY1, News 12 Brooklyn, WABC, WNBC, WPIX, Univision, WCBS/1010WINS Radio, 4/22/14

Harlem Hospital Center Unveils New Emergency Department, Trauma Center, Denise Soares, SVP, Generations + Northern Manhattan Network, Dr. Maurice Wright, Chief Medical Officer, Harlem, NY1, 3/22/14

Wheelchair-Bound Women Have Trouble Receiving Gynecology Services in City, HHC, Morrisania Dinah Surh, Senior Executive Administrator, NY1, 4/15/14

Elmhurst Hospital Unveils Women's Pavilion, NY1, 3/28/14

Kings County Hospital offers bilingual help to enroll under Affordable Care Act, Roger Milliner, Deputy Executive Director, MetroPlus, News 12 Brooklyn, 3/26/14

Counselors Help ACA Insurance Sign Up, Dr. Martha Adams Sullivan, Executive Director, Gouverneur, Lincoln, News 12 Bronx, Univision Ch. 41, 3/26/14

DOH: Additional Measles Cases Confirmed on Lower East Side, Dr. Denise Infante, Gouverneur Health, NY1, 4/2/14

13-Year-Old Boy Talks To CBS 2 After Horrifying Shooting In Brooklyn, Kings County, WCBS, 4/17/14

Print

Teen boy shot in eye released from hospital, Dr. Douglas Lazzaro, Chief of Ophthalmology New York Post, 4/23/12 (Also covered in the Wall Street Journal/Associated Press, NY Daily News, Epoch Times, amNewYork)

Teen Recovers From Multiple Injuries in East Harlem Blast, Dr. Ram Raju, HHC President, Denise Soares, SVP, Generations + Northern Manhattan Network, Dr. Arthur Cooper, Director of Trauma and Pediatric Surgical Services, Harlem, Maria Lopez, Qualified Medical Translator, Harlem, The Wall Street Journal, 4/2/14 (Also covered in NY Daily News and DNAinfo)

New centralized procurement process will cut costs and bring long-term savings to HHC Healthcare Purchasing News, 4/16/14

HHC nurses cheer on patients, Monefa M. Anderson, RN, Deputy Director, Nursing Administration, Lincoln, Doris Amalu, RN, Harlem, Nana Lau, RN, Renaissance, Nurse.com, 4/7/14

Harlem Hospital opens new emergency department, New York Amsterdam News, 3/27/14 (Also covered in Capital New York)

Lincoln launches Level 1 trauma center, HHC, Amsterdam News, 4/10/14 (Also covered in Modern Healthcare, Capital New York and Crain's Health Pulse)

Elmhurst Hospital gets new pavilion for women, President Alan D. Aviles, Chris Constantino, SVP, HHC Queens Health Network, The Queens Courier, Times Ledger, 3/28/14 (Also covered in DNAinfo, Western Queens Gazette andTheRealDeal.com)

City's public hospitals get Obamacare boost, HHC, Crain's New York Business, 3/19/14

MetroPlus' Ad Push, MetroPlus, HHC, Crain's Health Pulse, 4/17/14 (Also covered in Capital New York)

HHC Global Ambassador Swizz Beatz Dedicates Artwork to Henry J. Carter Hospital, New York Daily News, 4/17/14 (Also covered in New York Post, DNAinfo, InFlexWeTrust.com,TheSource.com, HipHopWired.com, Harlem World Magazine, Rolling OUT)

2014 Top 25 Minority Executives in Healthcare, Dr. Ram Raju, President, Modern Healthcare, 4/14/14

Mayor de Blasio's cabinet, high-level staffers mostly reside in Brooklyn, Dr. Ram Raju, HHC President, New York Daily News, 4/6/14

Dr. Ramanathan Raju's First Day, Capital New York, 3/31/14

Simpler Consulting Recognizes Alan Aviles for a Career of Leadership Excellence, HHC, The Herald, 4/10/14

Colon Cancer Screening Could Save Your Life, Dr. Joan Culpepper-Morgan, Harlem, Harlem News Group, 3/20/14 (Also covered in the Epoch Times and The Chief Leader)

Understanding Kidney Disease, Dr. Isaiarasi Gnanasekaran, Lincoln, The Bronx Free Press, 4/9/14

Preventing Teen Violence, Dr. Jay A. Yelon, Chief of Surgery, Lincoln, The Bronx Free Press, 3/19/14

Belvis Black History Program, New York Amsterdam News, March 27-April 2, 2014

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Petrone Associates LLC to provide Hospital Medical Physicist Consulting Services to all Corporation facilities on an"as needed" requirements basis. The Hospital Medical Physicist Consulting Services contract will be for a term of three years with two, one year options to renew, exercisable solely at the discretion of the Corporation, for a total cost not to exceed $5,117,004. The contract amount includes a 12% contingency reserve of $537,460 for additional physicist services that may be required.

WHEREAS, the Corporation requires Nuclear Medicine Physicist services currently not available in-house to provide regular testing and audits to ensure compliance with regulatory agencies as required in order to maintain ACR Accreditation, assist in accreditation process, provide onsite support as needed for Nuclear Medicine therapy treatments and provide consultant physicist services to other Radiation areas; and

WHEREAS, a Request for Proposals ("RFP") was issued seeking the services of a Hospital Medical Physicist Consulting Services firm; and

WHEREAS, a selection committee comprised of representatives from the Corporation's Office of Operations and Contract Control, several facility Associate Executive Directors and representatives from several facilities' Office of Radiology Administration using criteria specified in the RFP, determined that Petrone Associates LLC was the highest rated of all proposers and will best meet the Corporation's requirements for nuclear medicine physicist services; and

WHEREAS, the Senior Vice President of each network utilizing the agreement shall be responsible for monitoring and enforcing the contract terms.

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 Petrone Associates LLC to provide Hospital Medical Physicist Consulting Services on an "as needed" requirements basis. The Hospital Medical Physicist Consulting Services contract will be for a term of three years with two, one year options, to renew, exercisable solely at the discretion of the Corporation for a total cost not to exceed $5,117,004. The contract amount includes a 12% contingency reserve of $537,460 for additional physicist services that may be required.

APPROVED: April 24, 2014

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("Corporation") to negotiate and execute an agreement with KPMG LLP ("KPMG") to provide the Corporation with auditing services and other directly related services including debt issuance related services, debt compliance letter, tax services, and certification/attestation for cost reports for a term of four (4) years, for an amount not to exceed $3,487,000 plus a 10% contingency reserve of $340,000.

WHEREAS, the Corporation is required by Corporate By-Laws, bond covenants and city, state and federal regulations to engage an independent certified public accounting firm to audit its annual financial statements; and

WHEREAS, the Corporation's current contract with an independent certified public accounting firm ends June 30, 2014; and

WHEREAS, the Corporation in accordance with its policies and procedures issued on January 2, 2014, a Request for Proposals to perform annual audits of the financial statements, to issue annual management letters, and to perform other directly related services for the New York City Health and Hospitals Corporation, MetroPlus Health Plan, Inc., HHC Insurance Company, Inc. and HHC Accountable Care Organization, Inc.;

WHEREAS, the RFP Evaluation Committee reviewed and rated the submitted proposals using criteria specified in the Request for Proposals and gave KPMG the highest rating of any other proposer; and

WHEREAS, the overall responsibility for managing and monitoring the contract shall be under the Senior Vice President/CFO and Corporate Comptroller.

NOW, THEREFORE, Be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("Corporation") be and hereby is authorized to negotiate and execute an agreement with KPMG LLP ("KPMG") to provide the Corporation with auditing services and other directly related services including debt issuance related services, debt compliance letter, tax services, and certification/attestation for cost reports for a term of four (4) years, for an amount not to exceed $3,487,000 plus a 10% contingency reserve of $340,000.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute requirements contracts with four firms; Environmental Planning & Management, Inc.; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC; and Woodard and Curran to provide environmental services; on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed $3,000,000 for services provided by these consultants.

WHEREAS, the facilities of the Corporation may require professional environmental services; and

WHEREAS, the Corporation has determined that the needs of the Networks for these services can best be met by utilizing outside firms, on an as-needed basis, through a requirements contract; and

WHEREAS, the Corporation conducted a selection process for such professional services through a Request for Proposals (RFP), and determined that these consultants' proposals best met the Corporation's needs; and

WHEREAS, the overall monitoring of this Contract shall be under the direction of the Senior Assistant Vice President, Facilities Development.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to negotiate and execute requirements contracts with four firms: Environmental Planning & Management, Inc.; LiRo Engineers, Inc.; Warren & Panzer Engineers, PC; and Woodard and Curran to provide environmental services; on an as-needed basis at various facilities throughout the Corporation. The contracts shall be for a term of one year with two (2) one-year options for renewal, solely exercisable by the Corporation, for a cumulative amount not to exceed $3,000,000 for services provided by these consultants.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an extension of Affiliation Agreement with the New York University School of Medicine ("NYUSOM") for the provision of General Care and Behavioral Health Services at Woodhull Medical and Mental Health Center ("Woodhull") and Cumberland Diagnostic and Treatment Center ("Cumberland") for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement;

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

WHEREAS, the Corporation has entered into affiliation agreements pursuant to which various medical schools, voluntary hospitals and professional corporations provided General Care and Behavioral Health Services at Corporation facilities; and

WHEREAS, the current Affiliation Agreement with NYUSOM, to provide General Care and Behavioral Health Services at Woodhull and Cumberland expires on June 30, 2014; and

WHEREAS, prior to the expiration date, the Corporation recognized the need to revise the current agreement to provide improved contract management and service delivery; and

WHEREAS, it is necessary for the President to have the managerial flexibility to insure that the rights of the Corporation remain protected during the negotiation process; and

WHEREAS, a summary of the financial terms of the extension is set forth in Attachment A; and

WHEREAS, the Community Advisory Boards of Woodhull and Cumberland have been consulted and apprised of such proposed extension; and

WHEREAS, the Corporation, in the exercise of its powers and fulfillment of its corporate purposes, now desires that NYUSOM continue to provide General Care and Behavioral Health Services at Woodhull Center and Cumberland.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation is hereby authorized to negotiate and execute an Affiliation Agreement with New York University School of Medicine ("NYUSOM") for the provision of General Care and Behavioral Health Services at Woodhull Medical and Mental Health Center("Woodhull") and Cumberland Diagnostic and Treatment

Center ("Cumberland") for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A; to provide the parties adequate time to conclude negotiations for a new agreement; and

BE IT FURTHER RESOLVED, that the President is hereby authorized to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

ATTACHMENT A

Summary of Financial Terms and Conditions for the Fiscal Year 2015 Contract Extension

Facility	Annualized Cash Rate
Woodhull Medical & Mental Health Center	**$97,427,796**
Cumberland Diagnostic and Treatment Center	**$4,010,116**
Total	**$101,437,912**

- The Affiliate payment will continue to be based on the current cost based compensation reimbursement methodology.
- Payments are subject to adjustment due to new initiatives, expanded programs or services, elimination or downsizing of programs or services, market recruitment, retention-based salary adjustments, service grant reimbursement, contractual adjustments and/or designated programs consistent with the terms of the agreement.
- As per policy the Joint Oversight Committee, and as applicable the Corporation, must approve all changes to the budget.
- The amounts reported above exclude additional compensation (up to $2,000,000) for achieving compliance with specific performance indicators.
- The figures reported above assume no material change in patient volume or services provided and no additional impact from managed care programs or other third-party payer developments.
- The Corporation retains the right to bill all patients and third-party payers for services rendered.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an extension of the Affiliation Agreement with New York University School of Medicine ("NYUSOM") for the provision of General Care Health Services at Coler Specialty Hospital and Nursing Facility ("Coler") and Henry J. Carter Specialty Hospital and Nursing Facility ("Carter"),for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement;

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

WHEREAS, the Corporation has for some years entered into affiliation agreements pursuant to which various medical schools, voluntary hospitals and professional corporations provided General Care and Behavioral Health Services at Corporation facilities; and

WHEREAS, the current Affiliation Agreement with NYUSOM to provide General Care Services at Coler and Carter expires on June 30, 2014; and

WHEREAS, prior to the expiration date, the Corporation recognized the need to revise the current agreement to provide improved contract management and service delivery; and

WHEREAS, it is necessary for the President to have the managerial flexibility to insure that the rights of the Corporation remain protected during the negotiation process; and

WHEREAS, a summary of the financial terms of the extension is set forth in Attachment A; and

WHEREAS, the respective Community Advisory Boards of Coler and Carter have been consulted and apprised of such proposed general terms and conditions; and

WHEREAS, the Corporation, in the exercise of its powers and fulfillment of its corporate purposes, now desires that NYUSOM continue to provide General Care Health Services at Coler and Carter.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("the Corporation") is hereby authorized to negotiate and execute an extension to the Affiliation Agreement with New York University School of Medicine ("NYUSOM") for the provision of

General Care Health Services at Coler Specialty Hospital and Nursing Facility ("Coler") and Henry J. Carter Specialty Hospital and Nursing Facility ("Carter"), for a period of one year, commencing on July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement; and

BE IT FURTHER RESOLVED that the President is hereby authorized to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

ATTACHMENT A

Summary of Financial Terms and Conditions Contract Extension

Coler Specialty Hospital and Nursing Facility
Henry J. Carter Specialty Hospital and Nursing Facility

Fiscal Year	Annualized Cash Rate
FY 2015	$24,500,000

- Affiliate payment will continue to be based on the current cost based compensation reimbursement methodology.

- Payments are subject to adjustment due to new initiatives, expanded programs or services, elimination or downsizing of programs or services, market recruitment, retention-based salary adjustments, service grant reimbursement, contractual adjustments and/or designated programs consistent with the terms of the agreement.

- As per policy the Joint Oversight Committee, and as applicable the Corporation, must approve all changes to the budget.

- The amount reported above excludes addition compensation (up to $498,000) for achieving compliance with specific performance indicators.

- The figures reported above assume no material change in patient volume or services provided and no additional impact from managed care programs or other third-party payer developments.

- The Corporation retains the right to bill all patients and third-party payers for services rendered.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an extension of the Affiliation Agreement with the New York University School of Medicine ("NYUSOM") for the provision of General Care and Behavioral Health Services at Bellevue Hospital Center ("Bellevue") and Gouverneur Healthcare Services ("Gouverneur") for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement;

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

WHEREAS, the Corporation has entered into affiliation agreements pursuant to which various medical schools, voluntary hospitals and professional corporations provided General Care and Behavioral Health Services at Corporation facilities; and

WHEREAS, the current Affiliation Agreement with NYUSOM, to provide General Care and Behavioral Health Services at Bellevue and Gouverneur expires on June 30, 2014; and

WHEREAS, prior to the expiration date, the Corporation recognized the need to revise the current agreement to provide improved contract management and service delivery; and

WHEREAS, it is necessary for the President to have the managerial flexibility to insure that the rights of the Corporation remain protected during the negotiation process; and

WHEREAS, a summary of the financial terms of the extension is set forth in Attachment A; and

WHEREAS, the Community Advisory Boards of Bellevue and Gouverneur have been consulted and apprised of such proposed extension; and

WHEREAS, the Corporation, in the exercise of its powers and fulfillment of its corporate purposes, now desires that NYUSOM continue to provide General Care and Behavioral Health Services at Bellevue and Gouverneur.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation is hereby authorized to negotiate and execute an extension of the Affiliation Agreement with New York University School of Medicine ("NYUSOM) for the provision of General Care and Behavioral

Health Services Bellevue Hospital Center ("Bellevue") and Gouverneur Healthcare Services ("Gouverneur"), for a period of one year, commencing July 1, 2014 and terminating on June 30, 2015, consistent with the general terms and conditions and for the amounts as indicated in Attachment A; to provide the parties adequate time to conclude negotiations for a new agreement; and

BE IT FURTHER RESOLVED, that the President is hereby authorized to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A.

ATTACHMENT A

Summary of Financial Terms and Conditions for the Fiscal Year 2015 Contract Extension

Facility	Annualized Cash Rate
Bellevue Hospital Center	**$146,350,000**
Gouverneur Healthcare Services	**$9,800,000**
Total	**$156,150,000**

- Affiliate payment will continue to be based on the current Relative Value Unit methodology (RVU) except for certain services such as Anesthesia, Pathology, Radiology, Psychiatry and services at Gouverneur. The RVU model ensures that payments to the Affiliate will correlate with actual workload. RVUs are a nationally recognized methodology used to measure the resources utilized in providing health care services per patient encounter. RVUs account for a patient's severity of illness and the length and intensity of care provided by a provider.

- Payment to the Affiliate is subject to adjustment due to changes in workload, new initiatives, expanded programs or services, elimination or downsizing of programs or services, market recruitment, retention-based salary adjustments, service grant reimbursement, contractual adjustments and/or designated programs consistent with the terms of the agreement.

- As per policy the Joint Oversight Committee, and as applicable the Corporation, must approve all changes to the budget.

- The amounts reported above exclude additional compensation (up to $2,400,000) for achieving compliance with specific performance indicators.

- The budget figures reported assume no material change in patient volume or services provided and no additional impact from managed care programs or other third-party payer developments.

- The Corporation retains the right to bill all patients and third-party payers for services rendered.

* FY 2015 One Year Extension of the Affiliation Agreements with NYU School of Medicine

Presented by

Antonio D. Martin,

Executive Vice President/ Chief Operating Officer

May 2014

*Facilities

The Affiliation Agreement with NYU School of Medicine is being extended one year to continue to provide services at the following facilities:

- Bellevue Hospital Center
- Gouverneur Healthcare Services
- Coler Specialty Hospital and Nursing Facility
- Henry J. Carter Hospital and Nursing Facility
- Woodhull Medical & Mental Health Center
- Cumberland Diagnostic & Treatment Center

*Reason for Extension

- The extension gives the Corporation the opportunity to develop a standardized approach to the affiliation agreements
- Allows for the development of the next generation of performance indicators
- Allows for sufficient time for the parties to conclude negotiations for a new agreement

* Contract Terms and Conditions

- Contract term: One Year Extension – Fiscal Year 2015
- No Change in Current Contract Terms and Conditions

*Proposed Contract Costs: FY 2015

Bellevue Hospital Center	$146,350,000
Gouverneur Healthcare Services	$9,800,000
Total	$156,150,000

*Proposed Contract Costs: FY 2015

Coler Specialty Hospital & Nursing Facility Henry J. Carter Specialty Hospital & Nursing Facility	$24,500,000

*Proposed Contract Costs: FY 2015

Woodhull Medical & Mental Health Center	$97,427,796
Cumberland Diagnostic & Treatment Center	$4,010,116
Total	$101,437,912

Financial Overview

- Affiliate payment at Woodhull, Cumberland, Coler and Carter will continue to be based on the current cost based reimbursement methodology.
- Affiliate payment at Bellevue will continue to be based on the current Relative Value Unit methodology (RVU) except for certain services such as Anesthesia, Pathology, Radiology, Psychiatry and services at Gouverneur. The RVU model ensures that payments to the Affiliate will correlate with actual workload.
- RVUs are a nationally recognized methodology used to measure the resources utilized in providing health care services per patient encounter. RVUs account for a patient's severity of illness and the length and intensity of care provided by a provider.

* Financial Overview Continued...

- The Corporation retains the right to bill all patients and third-party payers for services rendered.
- The budget figures reported assume no material change in patient volume, services provided and no additional impact from managed care programs or other third-party payer developments.
- Payment to the Affiliate is subject to adjustment due to changes in workload, new initiatives, expanded programs or services, elimination or downsizing of programs or services, market recruitment, retention-based salary adjustments, service grant reimbursement, contractual adjustments and/or designated programs consistent with the terms of the agreement.
- As per policy the Joint Oversight Committee, and as applicable the Corporation, must approve all changes to the budget.

Thank You!

RESOLUTION

Authorizing the President to negotiate and execute a contract extension between the New York City Health and Hospitals Corporation ("HHC" or the "Corporation") and Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management, and filing claims for reimbursement from the Federal Emergency Management Agency ("FEMA") for expenses incurred by the Corporation in connection with damages caused by Superstorm Sandy. The extension will be for a term of 12 months commencing August 1, 2014 through July 31, 2015, with one option to extend for an additional 12 months exercisable solely by the Corporation for an amount not to exceed $2,590,600.

WHEREAS, on October 29, 2012 Superstorm Sandy caused substantial damage to numerous HHC facilities, which required the evacuation of all patients and staff from Bellevue Hospital Center and Coney Island Hospital; and

WHEREAS, the President of HHC issued a Declaration of Emergency and directed that repairs and replacement of facility assets necessary to have the facilities resume providing medical care to their respective communities be carried out immediately; and

WHEREAS, a Request for Proposals was issued November 23, 2012 and Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1, 2013 through July 31, 2014; and

WHEREAS, said contact is expiring and a change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Superstorm Sandy; and

WHEREAS, the extension of the Base Tactical contract will enable the Corporation to secure FEMA obligations, identify appropriate solutions to harden HHC facilities' physical structures so that they can resist future storms and proceed with their reconstruction; and

WHEREAS, the Executive Vice President and Chief Operating Officer of the Corporation shall be responsible for the overall management, monitoring and enforcement of the contract extension.

NOW, THEREFORE be it

RESOLVED, that the President be and hereby is authorized to negotiate and execute a contract extension between the New York City Health and Hospitals Corporation and Base Tactical Disaster Recovery, Inc. to provide expert consulting services for disaster recovery, project management, and filing claims for reimbursement from the Federal Emergency Management Agency for expenses incurred by the Corporation in connection with damages caused by Superstorm Sandy. The extension will be for a term of 12 months commencing August 1, 2014 through July 31, 2015, with one option to extend for an additional 12 months exercisable solely by the Corporation for an amount not to exceed $2,590,600.

EXECUTIVE SUMMARY

A contract was awarded to Base Tactical Disaster Recovery on November 6, 2012 via the President's Declaration of Emergency for the purpose of assuring that the Corporation had expert consulting services in the area of Disaster Recovery Project Management in response to the catastrophic damage caused to HHC facilities by Superstorm Sandy. The contract, which was for an amount not to exceed $1.2 million, expired on January 31, 2013.

A Request for Proposals was issued November 23, 2012 to test the market. Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1, 2013 through July 31, 2014 for Consulting Services for FEMA Related Disaster Recovery reimbursable expenses and for assuring FEMA mitigation funding. The contract was for an amount not to exceed $4,422,700.

Base Tactical is currently in negotiations with FEMA for the provision of mitigation funding and for reimbursement for emergency work that has been completed by the facilities. HHC requires Base Tactical's services to secure FEMA obligations, identify appropriate solutions to harden the facilities structures so they can avoid damage in future storms and proceed with their reconstruction. A change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Superstorm Sandy.

It is not in the Corporation's best interest to solicit a new vendor via a Request for Proposals for Consulting Services rather than extend Base Tactical's contract for an amount not to exceed $2,590,600. The contract extension is for a period of one year with an option to extend for one year exercisable solely by the Corporation.

Under the contract extension, Base Tactical shall perform expert consultant services in disaster management and recovery including strategic planning and project management and the finance processes involved in applying for and claiming public assistance from the Federal Emergency Management Agency (FEMA).

Strategic Planning The Corporation is currently challenged with identifying appropriate solution to harden structure for future events. The consultant shall provide a strategic process to secure approval for FEMA Hazard Mitigation

programs 404 and 406 which may allow HHC to secure an additional $500M in federal grants to protect

Project Management Reporting on a regular basis to the CEO's of the individual hospitals, the consultant shall provide project management services for reconstruction projects related to Superstorm Sandy. The consultant shall also provide weekly updates to the Corporate CEO, COO and Finance.

Finance The Corporation is securing FEMA public assistance. This effort is being centrally managed by the Corporate CFO. The consultant shall perform accounting and compile actual costs data while securing FEMA obligation and grant administration and funding reimbursement.

Contract Administration Requirements during reconstruction on FEMA claims generate a need for significant additional documentation to account for change orders, scope comparisons, and codes and standards. The consultant shall perform these services as reconstruction proceeds.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title:	**Consulting Services for Federal Emergency Management Agency (FEMA) Related Disaster Recovery Funding**
Project Title & Number:	**Consulting Services for FEMA Related Disaster Recovery Funding**
Project Location:	**Bellevue, Central Office, Coler, Coney Island, Harlem, Health and Home Care, Kings, Metropolitan, Metro Plus, Neponsit**
Successful Respondent:	**Base Tactical Disaster Recovery**
Contract Amount:	**Not to exceed $2,590,600**
Contract Term:	**1 year with the option to extend for one year.**
Requesting Dept.:	Corporate Operations
Number of Respondents: (If Sole Source, explain in Background section)	Contract extension
Range of Proposals:	N/A
Minority Business Enterprise Invited:	X Yes
Funding Source:	X Grant: eligible for 90% FEMA and 10% CDBG (Community Development Block Grant) reimbursement
Method of Payment:	X Other: explain Project based, not to exceed $2,590,600
EEO Analysis:	Approval
Compliance with HHC's McBride Principles?	Yes
Vendex Clearance	Vendex approval

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

The New York City Health and Hospitals Corporation (HHC) requires the services of a consultant expert in disaster management and recovery including strategic planning and project management and the finance processes involved in applying for and claiming public assistance from the Federal Emergency Management Agency (FEMA).

Strategic Planning The Corporation is currently challenged with identifying appropriate solution to harden structure for future events. The Consultant shall provide a strategic process to secure approval for FEMA Hazard Mitigation programs 404 and 406 which may allow HHC to secure an additional $500M in federal grants to protect

Project Management Reporting on a regular basis to the CEO's of the individual hospitals, the consultants shall provide project management services for reconstruction projects related to Hurricane Sandy. The consultant shall also provide weekly updates to the Corporate CEO, COO and Finance.

Finance The Corporation is securing FEMA public assistance. This effort is being centrally managed by the Corporate CFO. The consultant shall perform accounting and compile actual costs data while securing FEMA obligation and grant administration and funding reimbursement.

Contract Review Committee

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

The Contract Review Committee (CRC) reviewed and approved the issuance of a Request for Proposal (RFP) on its November 21, 2012 meeting.

The Contract was presented and approved on January 4, 2013.

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

The budget will be $2.59 million and the timeframe will be 12 months with an option to extend for one year.

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

Selection Committee Members:
Roslyn Weinstein, SAVP, President's Office, Chair
Alfonso Pistone, AVP, OFD
Daniel Collins, Director/Engineering, CIH
Frederick Covino, AVP, Budget
Joseph Quinones, SAVP, Operations
Michael Buchholz, AED, Coler
Michael Rawlings, AED, Bellevue

List of firms responding to RFP:

David M Shapiro
Jacobs
Base Tactical
Witt Associates
CDM Smith/Navigant
Resilire
Ernst & Young
Experis

List of firms considered for Best and Final:

Jacobs
Base Tactical

The Selection Committee members rated each proposal and voted on weighted average based upon the following evaluation criteria (in order of priority):

- Depth and Technical Expertise of Staff
- Sufficient Staff to complete the project within the contract term
- Ability to Work with and Educate Corporate Staff so that it can Become Self Sufficient
- Methodology that will be used to support HHC's FEMA application and claiming
- Strategy for applying for FEMA funding
- Demonstrated knowledge of hospital building infrastructure, equipment, space adjacencies and operations
- Deliverables that meet HHC's needs
- Number of Hours Assigned to Each Category Appropriate
- Allocation of the staff and expertise allow for cost effective completion of the engagement
- Hourly rates for staff reasonable

Base Tactical received the highest rating from the Committee members.

Provide a brief costs/benefits analysis of the services to be purchased.
FEMA will reimburse 90% of direct administrative costs under typical circumstances. The City of New York will reimburse 10% from funding received from CDBG (Community Development Block Grants). The Corporation has submitted nearly $150 million in costs for Emergency Protective Measures to FEMA for the initial dewatering and abatement activities needed to restore services at Bellevue, Coler, and Coney. Base Tactical will coordinate the Corporation's submittal of Project Worksheets for more than $200M in costs for reconstruction at Bellevue, Coler, Coney, and Metropolitan Hospitals.

Base Tactical has worked with the Hospital staff to assess the damages and catalog and video tape data needed for the Project Worksheets. In addition, the City has appropriated another $300 million for permanent work to bring electrical and other operations back, as a down payment on expected FEMA reimbursement. In addition FEMA will provide funding to harden the facilities from future events and there is potential to secure more than $500M for Hazard Mitigation.

If we assume the City appropriation number of $300 million at 90%, the potential reimbursement is $270 million. If we assume more current estimates including Hazard Mitigation the potential reimbursement is $850 million. FEMA both allows and encourages the use of outside experts and reimburses for their services. In sum, the Corporation would be well advised to avail itself of this much needed expertise.

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

A contract was awarded to Base Tactical Disaster Recovery on November 6. 2012 via the President's Declaration of Emergency for the purpose of assuring that the Corporation had expert consulting services in the area of Disaster Recovery Project Management in response to the catastrophic damage caused to HHC facilities by Hurricane Sandy. The contract expired on January 31. 2013 for an amount not to exceed $1.2 million.

A Request for Proposals was issued November 23, 2012 to test the market. Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1. 2013 through July 31, 2014 for Consulting Services for FEMA Related Disaster Recovery reimbursable expenses and for assuring FEMA mitigation funding. The contract was for an amount not to exceed $4,422,700.

Base Tactical is currently in negotiation with FEMA for the provision of mitigation funding and for reimbursement for emergency work that has been completed by the facilities. It would create an exposure for the Corporation to change vendors at this time. A change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Hurricane Sandy.

It is not in the Corporation's best interest to solicit a new vendor via a Request for Proposals for Consulting Services in this area. Therefore, the Corporation shall extend HHC Contract #CO-DIS-14-07-031, Consulting Services for FEMA Related Disaster Recovery Funding for a period of one year with an option to extend for one year to secure FEMA obligations, identify appropriate solutions to harden structures for future events and proceed with reconstruction of HHC facilities.

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

Corporate staff does not have the requisite experience in such matters.

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?

NO

Contract monitoring:

Antonio Martin, Executive VP/COO, President's Office

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.: December, 2012

Analysis Completed By E.E.O.: January 2, 2013

By Manassess Williams, AVP, Affirmative Action

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc
346 Broadway • Room 5003 • New York, NY 10013 • Tel: 212-788-3380 • Fax: 212-788-3689

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO
manasses.williams@nychhc.org

TO: David Larish
Director Procurement System and Operations

FROM: Manasses C. Williams

DATE: January 2, 2013

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **BASE Tactical Disaster Recovery, Inc.**, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.

This company is a:

[.] Minority Business Enterprise [ ] Woman Business Enterprise [X] Non-M/WBE

Project Location(s): HHC's Corporate wide

Contract Number: _____ Project: Consulting services in disaster management and recovery

Submitted by: HHC's Operations department

EEO STATUS:

1. [✓] Approved

2. [ ] Conditionally approved with follow-up review and monitoring-No EEO Committee Review

3. [ ] Not approved

4. [ ] Conditionally approved subject to EEO Committee Review

COMMENTS:

MCW:pat

c:


The New York City
Health and Hospitals Corporation
Hurricane Sandy Recovery
Update & Phase 3
April 2014

Agenda

- Update on the status of HHC FEMA claims
- Next steps
  - Obligated Project Worksheets
  - Approved HMP 406 Projects
  - Design, contract and reconstruct
- Timeline
- HHC proposed Hazard Mitigation solutions for Coney Island and Bellevue Hospitals

Response

- Emergency Stabilization

Recovery

- Complete Project Worksheets
- Determine permanent solutions and flood mitigation options
- Develop BCA's for HMGP 406 & 404

Reconstruction

- Restore facilities to pre-disaster condition with hazard mitigation improvements.

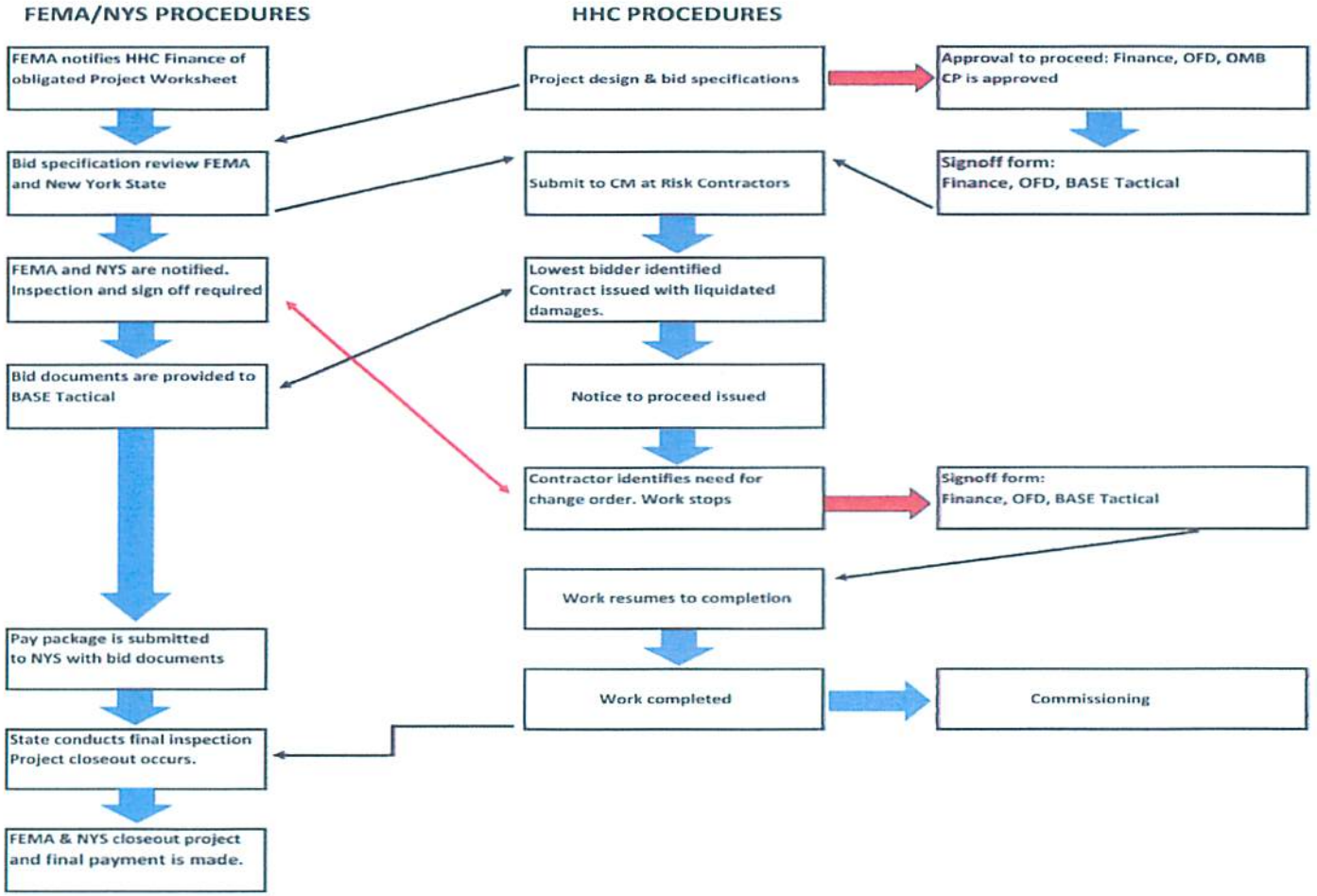
Facility projects

- Bellevue:
  - Raise infrastructure
  - Replacement generator
  - Mitigate from future events
- Coler:
  - Lighting, doors, 1st floor auditorium
  - Replace generator
  - Mitigate from future events
- Coney Island:
  - Significant first floor construction including moving services to higher floors
  - Replace switchgear
  - Mitigate from future events
- Metropolitan:
  - Duct bank, electrical feeds, switchgear, conference center

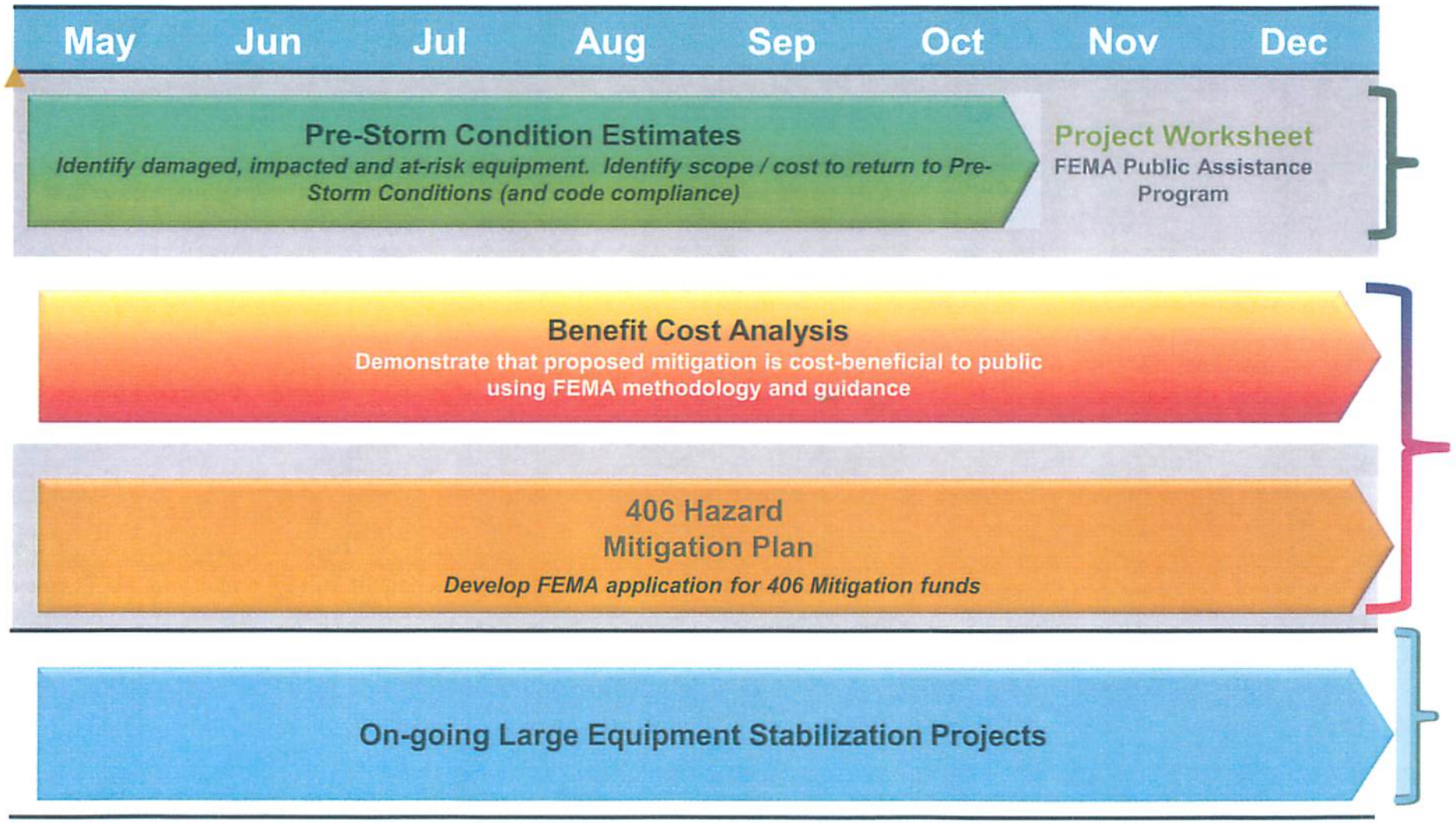
HHC PERMANENT RECONSTRUCTION PROCESS - FEMA CLAIMS

February 7, 2014

Project Formulation and Cost Estimates → Project Worksheet created → HHC/FEMA Agreement → FEMA Obligation



Timeline for Obtaining Hazard Mitigation Funding



RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("Corporation") to negotiate and execute an agreement with BSI Healthcare Audit Services LLC ("BSI") to provide the Corporation with payment recapture/recovery services and to improve the Corporation's ability to detect, recover and prevent future improper payments on a contingency basis, at a fee of 17% of net recoveries. The contract is for an initial term of three (3) years with an option to extend for up to two additional one-year terms, solely exercisable by the Corporation.

WHEREAS, gaining control of potential revenue leakage, improving financial transparency and eliminating fraud are paramount to sustaining the Corporation's operations; and

WHEREAS, healthcare and government entities generally can discover payments in excess of contractual requirements through audit techniques using sophisticated computer-auditing methods; and

WHEREAS, the Corporation recognizes that it requires the services of a firm experienced in healthcare recovery services and risk assessment;

WHEREAS, the Corporation issued a Request For Expression of Interest, and, as a result of the Corporation's evaluation process, determined that BSI's proposal best meets the requirements of the solicitation and would be most advantageous to the Corporation; and

WHEREAS, the overall responsibility for managing and monitoring the contract shall be under the Senior Vice President/CFO and the Corporate Comptroller.

NOW, THEREFORE, Be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("Corporation") be and hereby is authorized to negotiate and execute an agreement with to negotiate and execute an agreement with BSI Healthcare Audit Services LLC ("BSI") to provide the Corporation with payment recapture/recovery services and to improve the Corporation's ability to detect, recover and prevent future improper payments on a contingency basis, at a fee of 17% of net recoveries. The contract is for an initial term of three (3) years with an option to extend for up to two additional one-year terms, solely exercisable by the Corporation.

EXECUTIVE SUMMARY

Background:
Federal Healthcare Reform contained within the Affordable Care Act coinciding with New York State's cuts in reimbursements are presenting financial challenges within the health care industry in the City of New York as well as for the NYC Health and Hospitals Corporation (The Corporation). Gaining control of potential revenue leakage, improving financial transparency and eliminating fraud are paramount to sustaining the Corporation's operations.

Healthcare and government entities generally can discover payments in excess of contractual requirements through audit techniques using sophisticated computer-auditing methods. The Corporation seeks to take advantage of these methods, which have been developed through contractor experience. Excess payments include any payments made to vendors and contractors in excess of contractual amounts. Annual accounts payable volume for the Corporation is $1.5 billion. The processing and payments are both highly manual processes which can be subject to errors. Four of the Corporation's facilities have utilized other accounts payable recovery firms and realized an average recovery of $308,781 per facility per contract period.

BSI Healthcare Services is a $5M+ professional consulting firm with healthcare clients ranging from 100 to well over 1,000 beds per site. They have worked with the largest networks and individual hospitals in the country for over 23 years.

RFEI Issued:
On November 1, 2013, HHC issued a Request for Expression of Interest (RFEI) to provide Accounts Payable Recovery, and Risk Assessment Services. The purpose of the RFEI is to select an Accounts Payable Recovery, and Risk Assessment services company that will detect and assist the Corporation to recover accounts payable overpayments while making recommendations to improve processes that will eliminate overpayments in the future.

Responses Received:
The RFEI was sent to 5 vendors who had entered into Accounts Payable Recovery, and Risk Assessment Services via a New York state, local, federal government or HHC group purchasing contract vehicle (Premier, Novation, Amerinet, etc). Five firms responded to the RFEI with their proposals. They were APR iKnowHow, ST Health Group, The Audit Group, BSI Healthcare Services and Provider Audit Services.

Selection Process:
Franco Sagliocca, Director, Procurement Systems and Operations reviewed the proposals for minimum requirements. The Selection Committee was then provided with a copy of the RFEI, the proposal from each firm and evaluation forms. The Selection Committee members are as follows:

1. James Linhart, Chairperson, Deputy Corporate Comptroller
2. Anthony Rosanno, CFO, Health and Home Care
3. Rosa Gentile, Manager Accounts Payable, MetroPlus
4. Thomas Sexton, Controller North Bronx Health Network
5. Ilysse Wilensky, Director of Accounts Payable, Bellevue

The Selection Committee unanimously voted BSI Healthcare Services as the selected contractor. Please refer to the Contract Fact Sheet for a complete description of the selection process.

Implementation:
Once the contract is awarded, BSI Healthcare Services will:

- Provide payment recapture/recovery services, for the Corporation's programs and activities (e.g., grants, loans, benefits, contracts and other assistance), to improve the Corporation's ability to detect, recover and prevent future improper payments. The Contractor shall provide the tools, methodologies, and skills necessary to work with appropriate personnel to address the payment recapture/recovery needs of the Corporation.

- Provide periodic reports on conditions giving rise to overpayments identified by the Contractor and any recommendations on how to mitigate such conditions. These reports shall include but are not limited to a description of the causes of the improper payments, actions planned or taken to correct those causes, and the planned or actual completion date of the actions taken to address those causes. The Contractor shall notify the Corporation of any overpayments identified by the Contractor pertaining to the Corporation or to any other agency or agencies that are beyond the scope of the contract. The Contractor shall attest to their staff's skill and experience to detect fraud.

- Review and analyze accounts payable and purchasing information from the Corporation's internal and external sources to discover payments in excess of contractual and legal requirements. Recovery services will include the identification of overpayments, or asset misdirection, and tracking recouping amounts or assets identified for the Corporation.

- Provide best practice recommendations and training to the Corporation for improvements based upon observations and discoveries made during and throughout the contract period.

- Provide a bi-weekly report of recoveries and confirmed credits.

The Office of the Corporate Comptroller will monitor the progress of the above goals.

Contract Costs:

The contract for these services will be for a period of three years, with two one-year renewal options, at a contingency rate not to exceed 17% of net recoveries. In addition, the Corporation will also receive a rebate of 1.5% of the 3% fee that the vendor is charged through contractual terms with their GPO (Premier). The rebate is paid directly to the Corporation by Premier.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: ACCOUNTS PAYABLE RECOVERY, AND RISK ASSESSMENT SERVICES FOR NYCHHC

Project Title & Number:

Project Location: Corporate Wide

Requesting Dept.: Corporate Comptroller

Successful Respondent: BSI Healthcare Audit Services LLC.

Contract Amount: 17 % of the Net Recoveries

Contract Term: 3 years with two additional one year options

Number of Respondents: Five
(If sole source, explain in background section)

Range of Proposals: 17% to 25% of Net Recoveries

Minority Business Enterprise Invited: ☐ Yes If no, please explain: The RFEI was sent to 5 vendors who had entered into Accounts Payable Recovery, and Risk Assessment Services via a New York state, local, federal government or HHC group purchasing contract vehicle. The RFEI was also posted on HHC's website and the City's website

Funding Source:
☑ General Care ☐ Capital
☐ Grant: explain
☐ Other: explain

Method of Payment:
☐ Lump Sum ☐ Per Diem ☐ Time and Rate
☑ Other: explain Contigency billing. Paid based on monthly invoices after payments are recovered by HHC.

EEO Analysis: E.E.O. office has approved BSI Healthcare Audit Services LLP.

Compliance with HHC's McBride Principles? x Yes ☐ No

Vendex Clearance ☐ Yes ☐ No ☐ N/A *Pending*
(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.)
Vendex documents provided by the vendor & its subcontractors have been sent to the Office of Legal Affairs.

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

Federal Healthcare Reform contained within the Affordable Care Act coinciding with New York State's cuts in reimbursements are presenting financial challenges within the health care industry in the City of New York as well as for the NYC Health and Hospitals Corporation (The Corporation). Gaining control of potential revenue leakage, improving financial transparency and eliminating fraud are paramount to sustaining the Corporation's operations.

Healthcare and government entities generally can discover payments in excess of contractual requirements through audit techniques using sophisticated computer-auditing methods. The Corporation seeks to take advantage of these methods, which have been developed through contractor experience. Excess payments include any payments made to vendors and contractors in excess of contractual amounts. Annual accounts payable volume for the Corporation is $1.5 billion. The processing and payments are both highly manual processes which can be subject to errors. Four of the Corporation's facilities have utilized accounts payable recovery firms and realized an average recovery of $308,781 per facility per contract period.

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

5/7/14

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:

Previously not submitted to CRC

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):*

The Selection Committee members are:

1. *James Linhart, Chairperson, Deputy Corporate Comptroller*
2. *Anthony Rosanno, CFO, Health and Home Care*
3. *Rosa Gentile, Manager Accounts Payable, MetroPlus*
4. *Thomas Sexton, Controller North Bronx Health Network*
5. *Ilysse Wilensky, Director of Accounts Payable, Bellevue*

Minimum Requirements Reviewer and non-voting member

6. *Franco Sagliocca, Director, Procurement Systems and Operations*

The financial institutions responded to the RFP:

APR iKnowHow
ST Health Group
The Audit Group
BSI Healthcare Services
Provider Audit Services

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): (con'td)*

The Selection Committee reviewed proposals submitted by five firms and decided to eliminate two because of the high contingency fees that they had proposed. The Committee reviewed the proposals using the evaluation criteria to eliminate one additional firm and to select two firms (BSI Healthcare Audit Services and The Audit Group) to send additional questions to. The firms were then evaluated based on their proposals and responses to additional questions. The breadth of knowledge, experience and approach to Accounts Payable cost recoveries of the two firms were comparable however BSI's pricing was favorable to HHC, hence BSI Healthcare Audit Services was chosen.

Scope of work and timetable:

Scope of Work:

- The Contractor shall provide payment recapture/recovery services, for the Corporation's programs and activities (e.g., grants, loans, benefits, contracts and other assistance), to improve the Corporation's ability to detect, recover and prevent future improper payments. The Contractor shall provide the tools, methodologies, and skills necessary to work with appropriate personnel to address the payment recapture/recovery auditing needs of the Corporation.

- The Contractor shall provide periodic reports on conditions giving rise to overpayments identified by the Contractor and any recommendations on how to mitigate such conditions. These reports shall include but are not limited to a description of the causes of the improper payments, actions planned or taken to correct those causes, and the planned or actual completion date of the actions taken to address those causes. The Contractor shall notify the Corporation of any overpayments identified by the Contractor pertaining to the Corporation or to any other agency or agencies that are beyond the scope of the contract. The Contractor shall attest to their staff's skill and experience to detect fraud.

- The Contractor will be expected to review and analyze accounts payable and purchasing information from the Corporation's internal and external sources to discover payments in excess of contractual and legal requirements. Recovery services will include the identification of overpayments, or asset misdirection, and tracking recouping amounts or assets identified for the Corporation.

- The contractor will be expected to provide best practice recommendations and training to the Corporation for improvements based upon observations and discoveries made during and throughout the contract period.

- The contractor will be expected to provide a bi-weekly report of recoveries and confirmed credits.

Deliverables/Timeframes:

ITEM	DELIVERABLE / EVENT	OBJECTIVE	DUE BY
1	**Kick-Off Meeting**	Introductions and discussions to include implementation strategy and confirm assumptions with the Corporation's finance staff.	No Later Than 7 business days after date of award
2	**Proposed Project Plan**	Proposed plan to define responsibilities, timelines, deliverables, and milestones necessary to accomplish the objectives of contract.	Due with proposal - will be discussed at the Kick-Off Meeting.
3	**Final Project Plan**	Detailed plan to define responsibilities, timelines, deliverables, and milestones necessary to accomplish the objectives of contract as agreed to at the Kick-Off meeting	Due no later than 5 business days after the Kick-Off Meeting.
4	**Bi-Weekly Project Status Meetings**	a) Overall status; b) major accomplishments for the week as compared to the work plan tasks and milestones; c) outstanding issues/incidents logs; d) outline of the major goals for the coming week.	Bi-Weekly

Costs/Benefits:

The contract does not cost the Corporation anything unless recoveries are made. Two of the Corporation's Networks (NBHN and Queens) have recovered dollars by employing similar companies. If BSI Healthcare Audit Services is able to recover the estimated $10 million in overpayments in Accounts Payable, the contingency fees of 17% of net recoveries would be worth the expense.

Why can't the work be performed by Corporation staff:

The Corporation does not have the staff or the expertise to conduct this work.

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?

No

Contract monitoring (include which Vice President is responsible):

Marlene Zurack, Senior Vice President/Chief Financial Officer and Jay Weinman, Corporate Comptroller

CONTRACT FACT SHEET (continued)

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

Received By E.E.O. 4/2/14
Date

Analysis Completed By E.E.O. 4/3/14 Manasses C. Williams
Date *Name*

Accounts Payable Recovery, and Risk Assessment Services RFEI

Why HHC Needs an Accounts Payable Recovery Vendor?

- Accounts Payable Recovery vendors are uniquely trained and have proprietary sophisticated computer auditing methods to detect overpayments.

- Corporation's annual vendor spend = $1.5 billion.
  - Projected overpayment recovery at 0.25% of HHC's spend = **$3.75 M**.

- Vendor's fee is based on a contingency amount of the amount recovered. If no recoveries are made, no fee is expended.

Vendor Selection

- Request For Expression of Interest (RFEI) released in November 2013, posted to the city and HHC websites and sent to five vendors.

- The RFEI Selection Committee Members:
  - James Linhart, Chairperson, Deputy Corporate Comptroller
  - Anthony Rosanno, CFO, Health and Home Care
  - Rosa Gentile, Manager Accounts Payable, MetroPlus
  - Thomas Sexton, Controller, North Bronx Health Network
  - Ilysse Wilensky, Director of Accounts Payable, Bellevue
  - Franco Sagliocca, (Non voting) Director, Procurement Systems and Operations

- Five firms responded to RFEI.

- The RFEI Selection Committee chose BSI Healthcare Services, Inc. as the highest rated proposer for both cost and quality.

Who is BSI Healthcare Services?

- BSI Healthcare Audit Services LLC (BSI) is a $5M+ professional consulting firm with 23 years of success in healthcare recovery services.

- BSI has provided healthcare recovery services to healthcare clients ranging from 100 to well over 1,000 beds per site. Including:
  - Kaiser Permanente, Oakland, CA (8,100 beds). Contract for 4+ years
  - Fairview Health Services, Minneapolis, MN (1,400 beds). Contract for 8+ years
  - BJC Health Care, St. Louis, MO (3,200 beds). Contract for 5+ years
  - NY Medical Center, Queens, NY (500+ beds). Contract for 1 year.

- According to BSI, gross savings from recent clients range from $1.9M to $8.5M per contract

How does BSI identify overpayment?

- Duplicate Payments
- Cash/trade discounts
- Purchase order exceptions
- Contract compliance
- Vendor Returns
- Pricing differences
- Rebates

Scope of the Contract

- The contract is for 3 years with option to renew for two (2) one year extensions.

- BSI will be reviewing
  - Materials Management purchases
    - FY2011
    - FY2012
    - FY2013
  - Pharmacy purchases for fiscal year 2013

Contract costs and benefits

Corporation's Vendor Spend	$	1,500,000,000
(e.g.) Estimated Recovery % per year		0.25%
Estimated Recovery per year	$	3,750,000
Contingency Fee %*		16.75%
Contingency Fee per year	$	627,938
Estimated Net Recovery per year	**$**	**3,122,063**
* Contingency fee = 17%, less Premier's rebate		

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a five year revocable license agreement with Bellevue Day Care Center, Inc. (the "Licensee") for the use and occupancy of 3,031 square feet in the C&D Building at Bellevue Hospital Center (the "Facility") in which to operate a daycare center at no charge to the Licensee.

WHEREAS, the Licensee is a not-for profit organization created in 1971 by the three auxiliary organizations to Bellevue, and is experienced in the provision of childcare services to Bellevue Hospital employees and the New York City community; and

WHEREAS, since 2001, the Licensee has provided childcare services to the Facility's employees and the New York City community from the Facility's C&D Building under a succession of license agreements with the Corporation; and

WHEREAS, in November 2009 the Board of Directors of the Corporation authorized a license agreement with the Licensee which will expire on June 30, 2014; and

WHEREAS, the Facility has determined that there continues to be a shortage of on-site childcare for its employees; and

WHEREAS, the Corporation recognizes the benefit conferred upon it by having the Licensee's program located on the Facility's campus; and

WHEREAS, the Corporation desires to allow the Licensee to continue to occupy space at the Facility and operate its childcare center;

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to execute a five year revocable license agreement with Bellevue Day Care Center, Inc. for the use and occupancy of 3,031 square feet in the C&D Building at Bellevue Hospital Center in which to operate a daycare center at no charge to the Licensee.

EXECUTIVE SUMMARY

LICENSE AGREEMENT
BELLEVUE DAY CARE CENTER, INC.

BELLEVUE HOSPITAL CENTER

OVERVIEW:

The President seeks authorization from the Board of Directors of the Corporation to execute a revocable license agreement with Bellevue Day Care Center, Inc., ("Bellevue Day Care") for the use and occupancy of space to operate a childcare center at Bellevue Hospital Center ("Bellevue").

PROGRAM/ NEED:

Bellevue Day Care Center is a not-for profit organization created in 1971 by the three auxiliary organizations to Bellevue. Since 2001, the Bellevue Day Care Center has operated in Bellevue's C&D Building, providing services to the community and Bellevue staff. The program was established to address the shortage of on-site childcare for Bellevue employees. In January 2008 the Board of Directors of the Corporation authorized the President to enter into a license agreement with the Bellevue Day Care Center.

The agreement will allow the employees of Bellevue to have access to affordable on-site childcare. The Bellevue Day Care Center will be open from 7:00 a.m. to 7:00 p.m., Monday through Friday. The program will result in a reduction of employee absenteeism related to childcare issues, while increasing staff productivity and satisfaction. The program also helps Bellevue retain its professional staff. The service will also be available to members of the Bellevue Hospital Community. In case of a major disaster, the Bellevue Day Care Center will provide childcare for essential staff and other emergency service staff.

Because of the benefits accruing to Bellevue staff, and to patients residing in the surrounding community, the occupancy fee due from Bellevue Day Care to the Corporation is waived. The majority of the childcare slots will be allocated to Bellevue employees who may receive a 10% discount to help defer the cost. In addition to the 10% discount, some Bellevue staff may be eligible for a further discount through a program offered by the Administration for Children's Services. The monthly charge for non-Bellevue staff is approximately $2,000 per month. The parties will execute an agreement for back-up medical services whereby, if necessary, Bellevue will provide emergency medical services to the children in the daycare program.

TERMS:

Bellevue Day Care will be granted the continued use and occupancy of approximately 3,031 square feet of space in the C&D Building. The occupancy fee will be waived. Bellevue will provide electricity, hot and cold water, heating, air conditioning, refuse removal and structural maintenance. Bellevue Day Care will be responsible for housekeeping, food service, routine maintenance and security.

Bellevue Day Care will be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of its use of the Licenses Space and will provide appropriate insurance naming the Corporation and the City of New York as additional insured parties.

The license agreement will not exceed five (5) years without further authorization by the Board of Directors of the Corporation and will be revocable by either party upon ninety (90) days prior written notice.