

<p><u>CALL TO ORDER - 3:00 PM</u></p>	<p>Mr. Campbell</p>
<p>1. Adoption of Minutes: September 20, 2018</p>	<p>Mr. Campbell</p>
<p><u>Acting Chair's Report</u></p>	
<p><u>President's Report</u> EPIC Implementation Update</p>	<p>Dr. Katz</p>
<p><u>Informational Item:</u> 2018 Audited Financial Statement</p>	<p>Mr. Ulberg</p>
<p>>> <u>Action Items</u><<</p>	
<p>2. Authorization to negotiate and execute a contract with Hawkins Delafield & Wood LLP ("Hawkins") to provide bond counsel services related to the structuring and continuing implementation of the System's tax-exempt financing program for the period beginning December 1, 2018 through November 30, 2021, with two one-year renewal options solely exercisable by the System all at hourly rates (Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour) (Finance Committee – 10/15/18) EEO: NA/Vendex: NA</p>	<p>Mr. Rosen</p>
<p>3. Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with six vendors for the provision of accounts receivable ("AR") services, in four specialized AR areas, as requested by the System. The six vendors are Betz Mitchell Associates, Inc., JZanus Ltd., MedMetrix LLC, nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with a total amount over the combined five-year term, not to exceed \$46,381,321.00 to the six vendors with all payments to be made contingent on the amounts the vendors recover for the System. (Finance Committee – 10/15/18) EEO: Approved – nThrive; PhyCare Solutions Inc.; Sutherland Healthcare Solutions Inc.; Betz Mitchell Associated Inc.; JZanus Ltd.; MedMetrix LLC Vendex Pending: (nThrive Inc.; PhyCare Solutions Inc.; Sutherland Healthcare Solutions Inc.) Vendex: Approved (Betz Mitchell Associated, Inc.; JZanus Ltd.; MedMetrix LLC)</p>	<p>Mr. Rosen</p>
<p>4. Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an agreement with Kone, Inc. ("Kone") to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000. (Capital Committee – 10/15/18) EEO: Approved / Vendex: Pending</p>	<p>Mr. Page</p>
<p>5. Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Community Care Behavioral Health Organization ("CCBHO"), to provide administration of behavioral health and substance use disorder services for a term of two (2) years with three (3) one-year options to renew the agreement, solely exercisable by MetroPlus, for an amount not to exceed \$19.8 million per year for the first 2 years with a 5% annual increase per year for each 1 year renewal term. (MetroPlus Board of Directors – 09/13/18) EEO: Approved / Vendex: Pending</p>	<p>Mr. Rosen</p>

<p>6. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a lease with 7 Hanover Owner LLC (“Landlord”) for a term to expire on December 31, 2043 with a ten-year option to renew that may be exercised only by the System with the approval of its Board of Directors for approximately 526,552 rentable square feet of space on floors 2 through 12, floors 15 through 17 and a portion of the ground floor lobby (the “Premises”) at 7 Hanover Square, to be known as 50 Water Street (the “Building”) with the System having certain options to take additional contiguous floors in the Building and to give back the 17th floor, to house the Central Office administrative functions described in the attached Summary of Economic Terms all of which shall be relocated from their current office locations with the use and occupancy of the Premises to be at rental rates scheduled in the Summary of Economic Terms for a total rental obligation through December 31, 2043 of \$758 Million exclusive of real estate tax escalation charges, operating expense escalation charges, utilities and other customary occupancy costs. (Capital Committee – 10/15/18) EEO: NA / Vendex: NA</p>	<p>Mr. Page</p>
<p>7. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute an assignment to the City of New York City acting by and through its Department of Health and Mental Hygiene (“DOHMH”) of its lease (the “Lease”) with Factory Lessor LLC (the “Landlord”) for approximately 47,522 square feet of space on the 4th Floor (Suites 412, 414, 418 & 440) at 30-30 47th Avenue, Long Island City, Borough of Queens (the “Premises”) in a transaction that will relieve the System of all liability under the Lease with no payments by or to the System or DOHMH. (Capital Committee – 10/15/18) EEO: NA / Vendex: NA</p>	<p>Mr. Page</p>
<p>8. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a lease with Roosevelt Parc LLC (the “Landlord”) for an initial term of 15 years with one five-year option to renew for approximately 28,696 square feet of second floor space (the “Premises”) in the building at 71-17 Roosevelt Avenue, Queens, New York (the “Building”) to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$1,033,056 per year or \$36/sf to be escalated by 3% annually for a total rent over the 15 year term after factoring in eight months of free rent plus a common area maintenance charge (“CAM”) of \$2.50/sf or \$71,740/year, which is fixed over the term, for a total cost including CAM of \$19,601,116 and subject to other lease terms summarized in the Executive Summary attached. (Capital Committee – 10/15/18) EEO: NA / Vendex: NA</p>	<p>Mr. Page</p>
<p>9. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a net lease with 815 Broadway Equities LLC (“Landlord”) for 30 years and 20 months for the entire building at 815 Broadway, Brooklyn consisting of approximately 52,343 sq. ft. on a lower level and 6 above grade floors (the “Building”) to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$2,350,000/year or \$44.05/sq. ft. to be escalated by 10% every 5 years for a total rent over the term after factoring in 20 months of free rent, of \$86,742,415 and which, after including estimated operating expenses of 12/ft. or \$640,116 per year represents a total occupancy cost of approximately \$117,196,200. (Capital Committee – 10/15/18) EEO: NA / Vendex: NA</p>	<p>Mr. Page</p>
<p>10. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a lease with Master Lease LLC (the “Landlord”) for an initial term of 15 years with one five- year option to renew for approximately 21,236 square feet of ground floor space (the “Premises”) in the building at 1910 Webster Avenue, Bronx, New York (the “Building”) to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$919,828 year or \$42.50/square foot to be escalated by 3% annually for a total rent after factoring in eight months of free rent, of \$16,483,086 over the lease term and subject to other lease terms summarized in the Executive Summary attached. (Capital Committee – 10/15/18) EEO: NA / Vendex: NA</p>	<p>Mr. Page</p>

Committee Reports

- Capital
- Audit
- Finance
- Strategic Planning)
- Accountable Care Organization (ACO)
- OneCity Health/Centralized Service Organization
- MetroPlus

Executive Session | Facility Governing Body Report

- NYC Health + Hospitals | Coney Island
- NYC Health + Hospitals | Sea View

Semi-Annual Governing Body Report (Written Submission Only)

- NYC Health + Hospitals | Coler Nursing Facility
- NYC Health + Hospitals | Carter Hospital and Nursing Facility

2017 Performance Improvement Plan and Evaluation (Written Submission Only)

- Renaissance | Gotham Health

>>Old Business<<

>>New Business<<

Adjournment

Mr. Page
Ms. Youssouf
Mr. Rosen
Mr. Campbell
Dr. Katz
Israel Rocha
Mr. Rosen

Mr. Campbell

Mr. Campbell

NYC HEALTH + HOSPITALS

A meeting of the Board of Directors of NYC Health + Hospitals was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 20th day of September 2018 at 3:12 P.M. pursuant to a notice which was sent to all of the Directors of NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

Mr. Gordon Campbell
Dr. Mitchell Katz
Dr. Oxiris Barbot
Mr. Scott French
Ms. Hillary Kunins
Ms. Helen J. Arteaga
Ms. Barbara A. Lowe
Mr. Robert Nolan
Mr. Mark Page
Mr. Bernard Rosen
Ms. Emily A. Youssef
Ms. Deborah Brown

Deborah Brown was in attendance representing Dr. Herminia Palacio; Hillary Kunins was in attendance representing Dr. Gary Belkin and Scott French was in attendance representing Mr. Steven Banks all in a voting capacity. Mr. Gordon Campbell chaired the meeting and Ms. Colicia Hercules, Corporate Secretary, kept the minutes thereof.

CHAIRPERSON'S REPORT

Mr. Campbell called the meeting to order, noting that a few Board members were delayed for a few minutes while they received flu vaccinations. He then congratulated Dr. Mary Bassett, Dr. Machel

Allen, and Ms. Alina Moran for the prestigious recognition they received from Crain's as leading women in healthcare. He also recognized Dr. Bassett, in absentia, for being a distinguished and committed member of the Board of Directors and a long-standing Chair of the Quality Assurance Committee and noted she would be missed. He then welcomed Dr. Oxiris Barbot, Acting Commissioner of the Department of Health and Mental Hygiene, to the Board of Directors and noted her many notable positions prior to her current one.

In accordance with Article VI; section C of the By-Laws - Mr. Campbell moved a motion to appoint Dr. Oxiris Barbot as a member of the Strategic Planning Committee. Then on motion made and duly seconded, the Board unanimously approved the appointment.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on July 26, 2018 were presented to the Board. Then on motion made and duly seconded, the Board unanimously adopted the minutes.

RESOLVED, that the minutes of the meeting of the Board of Directors held on July 26, 2018, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT - PART 2

Mr. Campbell reported that there were four new items on today's agenda of which, one is Vendex approved and three are pending. There are four items from previous board meetings pending Vendex approval. Since the Board last met, one Vendex approval was received and is in the Board's materials. Mr. Campbell said that

the Board would be notified as outstanding Vendex approvals are received.

Mr. Campbell then turned to Dr. Mitchell Katz for his President's report.

PRESIDENT'S REPORT

Dr. Katz's remarks were in the Board package and made available on the NYC Health + Hospitals website. A copy is attached hereto and incorporated by reference.

Dr. Katz welcomed Dr. Barbot to the Board and referred the Board to his written report. He then reported on the System's fiscal sustainability, including noting that it was reported in the Finance Committee that patient revenue is \$150 million above what was expected at this point in the year. He noted that the increased revenue showed the impact of the efforts to improve billing of insurance companies for services we provide to patients. He also noted that as part of our efforts toward financial sustainability and safe staffing for patient care, the System has recently reduced the number of administrative staff. He noted that the loss of this staff is not a reflection on the performance of the individuals who departed but reflects the need to focus resources on patient care.

He also reported on the promotion of Cristina Contreras to Executive Director of NYC Health + Hospitals/North Central Bronx and the transition of Kim Mendez from Chief Nursing Officer to

System Chief Health Informatics Officer, which he noted is a critical role particularly for our success in transitioning to EPIC. He also introduced Mary Ann Marra, as Interim Chief Nursing Officer. Finally he reported that Alina Moran has taken on the role of Chief Patient Growth Officer, in addition to being CEO at NYC Health + Hospitals/Metropolitan.

ACTION ITEMS

RESOLUTION

Adopting the attached Mission Statement, Performance Measures and additional information to be submitted on behalf of New York City Health and Hospitals Corporation ("NYC Health + Hospitals") for Fiscal Year 2018 to Office of the State Comptroller's Authorities Budget Office (the "ABO") as required by the Public Authorities Reform Act of 2009 (the "PARA").

Dr. Eric Wei, Vice President and Chief Quality Officer, and Matt Siegler, Senior Vice President, Managed Care, presented on the resolution. The Public Authorities Accountability Act requires that the Board of Directors annually adopt a mission statement, identify and assess key performance measures of the Corporation, and answer certain questions as required by the law. Mr. Siegler reviewed the key questions, the performance measures from the System scorecard that had already been reviewed by the Strategic Planning Committee, and the mission statement. Ms. Arteaga clarified in response to one of the questions that some committees meet quarterly and some monthly or bi-monthly, and the answer to the relevant question should be modified to address that. Upon motion made and duly seconded, to adopt the resolution incorporating the

modification to the required question, the Board unanimously approved the resolution.

Mr. Campbell then recognized Dr. Machelles Allen, Chief Medical Officer, and Dr. Sheldon Teperman, to present on six resolutions related to seeking adult trauma center designations for six acute care facilities, and three pediatric trauma center designations for three acute care facilities. The designation is sought from the New York State Department of Health, which relies on the American College of Surgeons (ACS) to verify that all appropriate resources, structures, and processes are in place for optimal care of an injured patient. The ACS verification process requires the commitment of the system governing body.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Bellevue ("Bellevue") as a trauma center. Committing to maintain the high standards needed to provide optimal care of all trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Trauma Center designation for Bellevue through the American College of Surgeons, Committee on Trauma.

Discussion on the resolution ensued, and Dr. Allen clarified that the six facilities for which the adult trauma certifications were being sought were continuing their status as trauma centers. Dr. Katz discussed the considerations as to which acute care facilities would be

trauma centers. Ms. Lowe noted that she is not aware of any other system in the country that has taken on such a substantial burden and responsibility to have so many trauma centers to serve its community, and commended the System for having done so.

Mr. Campbell indicated that the resolution for approving the application for each adult trauma center would be voted on in turn, and then the resolution for approving the application for each pediatric trauma center would be voted upon in turn.

Upon motion moved and duly seconded and discussed the Board unanimously approved the resolution relating to Bellevue.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Elmhurst ("Elmhurst") as a trauma center. Committing to maintain the high standards needed to provide optimal care of all trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Trauma Center designation for Elmhurst through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board unanimously approved the resolution relating to Elmhurst.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Harlem ("Harlem") as a trauma center. Committing to maintain the high standards needed to provide optimal care of all trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Trauma Center designation for Harlem through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board
unanimously approved the resolution relating to Harlem.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Jacobi ("Jacobi") as a trauma center. Committing to maintain the high standards needed to provide optimal care of all trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Trauma Center designation for Jacobi through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board
unanimously approved the resolution relating to Jacobi.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Kings County ("Kings County") as a trauma center. Committing to maintain the high standards needed to provide optimal care of all trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Trauma Center designation for Kings County through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board
unanimously approved the resolution relating to Kings County.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Lincoln ("Lincoln") as a trauma center. Committing to maintain the high standards needed to provide optimal care of all trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Trauma Center designation for Lincoln through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board
unanimously approved the resolution relating to Lincoln.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Jacobi ("Jacobi") as a pediatric trauma center. Committing to maintain the high standards needed to provide optimal care of all pediatric trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Pediatric Trauma Center designation for Jacobi through the American College of Surgeons, Committee on Trauma.

In response to a question, Dr. Allen clarified that the pediatric trauma center applications are new designations from the American College of Surgeons, not renewals. There are three hospitals - Jacobi, Harlem, and Bellevue -- starting the process of application, verification, site visit, verification review, and then designation by the State. Discussion ensued about other hospitals with the designation in the different boroughs; why certain System facilities were selected to be designated facilities; the costs of designation.

Upon motion moved and duly seconded and discussed the Board unanimously approved the resolution relating to Jacobi as a Pediatric Trauma Center.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Harlem ("Harlem") as a pediatric trauma center. Committing to maintain the high standards

needed to provide optimal care of all pediatric trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Pediatric Trauma Center designation for Harlem through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board
unanimously approved the resolution relating to Harlem as a Pediatric
Trauma Center.

RESOLUTION

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Bellevue ("Bellevue") as a pediatric trauma center. Committing to maintain the high standards needed to provide optimal care of all pediatric trauma patients, and that the multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunities for improvement, and implement corrective actions; and Authorizing the appropriate officer of the System to execute any and all documents necessary to verify Pediatric Trauma Center designation for Bellevue through the American College of Surgeons, Committee on Trauma.

Upon motion moved and duly seconded and discussed the Board
unanimously approved the resolution relating to Bellevue as a Pediatric
Trauma Center.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an amendment to extend its contract with Harris

Computer Corporation ("Harris") to continue operation, maintenance and support of NYC Health + Hospitals' legacy electronic medical record system, Quadramed, for a term of three years with four (4) one-year renewals in an amount not to exceed \$61,316,936.00.

Mr. Kevin Lynch, Chief Information Officer, and Dr. Al Garafalo, Senior Assistant Vice President, Clinical Information Systems presented the proposal. Their presentation provided an overview of the planned phased transition to EPIC electronic health record across the System and the need for continuing read-only access for the existing electronic health record, Quadramed, during a transitional period. A presentation is included in the public materials of the meeting.

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

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an amendment to the Participation Agreement ("Participation Agreement") between Northwell and Cerner Corporation ("Cerner") by which Cerner will provide implementation and support services to complete the installation and roll-out of the Cerner laboratory information system (the "LIS") across all of the NYC Health + Hospitals system with the resulting amendment to the Cerner Agreement increasing the total budgeted cost by \$12,955,085 bringing the cost of such implementation and roll-out to a not to exceed total, inclusive of all expenses, of \$34,379,677 over the period required for such implementation and roll-out currently estimated to be approximately June, 2020.

Mr. Lynch, Dr. Garafalo, and Ms. Kenra Ford, Senior Assistant Vice President, presented on this resolution.

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

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an agreement with Fusion, a division of Fusion Capital Management, to procure a Correctional Health specific electronic medical record for the System's Correctional Health Services division with primary care, pharmacy, specialty services, mental health and drug treatment in all correctional health facility sites, with an initial term of three years with two one-year options to renew solely exercisable by the System and with total amount over the combined five-year term not to exceed \$12,999,354 to pay Fusion.

Mr. Lynch and Dr. Patsy Yang, Senior Vice President for Correctional Health Services, presented on the resolution.

Ms. Youssouf clarified on the record that there is an amendment to the resolution from what was presented to the Information Technology Committee to read "all correctional health facilities sites" instead of "11 jails" as presented to the Information Technology Committee.

Discussion followed. Ms. Lowe noted the high rates of incarceration of African American males and the desire to serve them better when they return to their communities; she asked if health data from the new correctional health record could be integrated with data in the community. Dr. Yang indicated that integration of the data is the plan, after initial implementation is completed.

Ms. Youssouf moved the adoption of the resolution with amendment to reflect "all correctional health facilities" instead of "11

jails", which was duly seconded and unanimously adopted by the Board.

BOARD COMMITTEE REPORTS

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

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

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Mr. Campbell reported that the Board (1) received and approved an oral governing body submission from NYC Health + Hospitals/Woodhull; and (2) received and approved semiannual governing body (written submission) reports from NYC Health + Hospitals/Lincoln and NYC Health + Hospitals/Gouverneur; and (3) received and approved the (written submission) of the 2017 performance improvement plan and evaluation for NYC Health + Hospitals/Cumberland/Gotham Health.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 5:45 P.M.



Colicia Hercules
Corporate Secretary

COMMITTEE REPORTS

Community Relations Committee: September 12, 2018

As Reported by Mrs. Bolus

Committee members present: Josephine Bolus, Robert Nolan, Machelles Allen for Mitchell Katz in a voting capacity.

The Chairperson, Mrs. Josephine Bolus, NP-BC, called the meeting of the Community Relations Committee (CRC) to order at 5:40 p.m. Mrs. Bolus, announced that a quorum had been established. She requested a motion for the adoption of the minutes of May 8, 2018. A motion was made and seconded. The minutes were adopted.

CHAIRPERSON'S REMARKS:

Mrs. Bolus began her remarks by encouraging Members, CAB Chairs and invited guests to vote in the Primary Elections on Thursday, September 13th. She continued and highlighted notable community related initiatives and accomplishments from across the system as follows:

- Congratulated J. Edward Shaw on being elected as chair of the Council of CABS and extended a warm welcome to NYC Health + Hospitals newly elected CAB Chairs, John Roane, Chair of the Bellevue CAB; William Hamer, Chair of the Harlem CAB and Jessica Arocho, Chair of the Woodhull CAB.
- Thanked all for attending the annual Marjorie Matthews Community Advocate Recognition Barbecue that was held on July 19th held on the lawn of the Coler campus. Mrs. Bolus noted that more than 200 CAB and Auxiliary members, leadership and facility staff were in attendance.
- Reported that a ribbon cutting for the new Gotham Health Vanderbilt Health Center was held on July 26th. Mrs. Bolus added that this new health center will expand access to primary care for children and adults, mental health counseling and referrals for opioid treatment on Staten Island. She noted that the center is expected to serve 15,000 patients annually.
- Announced that Roberto Clemente Health Center, located on Manhattan's Lower East Side, was reopened on July 16th after the completion of a \$1 million renovation. Mrs. Bolus noted that the project was funded by the City Council and the Manhattan Borough President, Gale Brewer.
- Informed Members, CAB Chairs and invited guests that the new Gotham Health/Bedford-Stuyvesant Community Health Center in Brooklyn opened in August. Mrs. Bolus added that this new health center was funded by a \$3.1 million capital investment through Mayor de Blasio's Caring Neighborhoods Initiative.

- Announced that on August 22nd, Coney Island unveiled its new Outpatient Diagnostic/Women's Health Imaging Suite, which has some of the most advanced imaging technologies.
- Reported that the public health care system is working to reduce the disproportionate number of maternal deaths and life threatening complications of childbirth among women of color. Mrs. Bolus added that a new program had been launched to provide simulation training in all hospitals' obstetric units focusing on the identification and response to the top causes of pregnancy related deaths for women of color.
- Announced that NYC Health + Hospitals' farmers markets will be available at the facilities until November 2018. Mrs. Bolus added that the farmer's markets helps to promote good nutrition and healthy eating habits. Mrs. Bolus asked all to help spread the word about these markets in their respective communities. She noted that a flyer with a listing of the locations can be found in tonight's packet.

Mrs. Bolus concluded her remarks by announcing that NYC Health + Hospitals would be partnering again with the Centers for Medicare and Medicaid Services to provide Health Insurance 101 Workshops at four of our facilities, just in time for open enrollment. Mrs. Bolus added that the workshops would cover Medicare Parts A, B, C, and D; Medicaid basics; preventive services and what's new for 2019 and beyond.

- Thursday, October 25, 2018, 1:30pm - 5:00pm at Woodhull
- Thursday, November 8, 2018, 1:30pm - 5:00pm at Jacobi
- Tuesday, November 13, 2018, 8:30am - 12:30pm at Coney Island
- Thursday, November 15, 2018, 3:00pm - 6:00pm at Metropolitan

Mrs. Bolus continued with the agenda and welcomed Matthew Siegler, Senior Vice President for Managed Care and Patient Growth. Mrs. Bolus added that Mr. Siegler is overseeing the Office of Government and Community Relations, and would be providing remarks on behalf of Dr. Katz, who was attending the New York State Indigent Care Workgroup meeting in Albany.

PRESIDENTS REMARKS:

Matthew Siegler

Matthew Siegler, Sr. Vice President, welcomed Committee Members, CAB Chairs and invited guests and informed members of the Committee and CAB Chairs how excited he was to meet them. Mr. Siegler, noted that his remarks would be brief because he looked forward to hearing the CABs' annual reports. Mr. Siegler continued and highlighted the following:

- Reiterated Dr. Katz's goal of primary care access and specialty services.

- Stressed the importance of the functions of CABs. He noted that the CAB are the voice, eyes and ears of the community. Mr. Siegler added that "the more in touch we are the better job we can do."

Mr. Siegler concluded the president's remarks by encouraging CAB members to continue to share information with the community.

COMMUNITY ADVISORY BOARD (CAB) ANNUAL REPORTS

NYC Health + Hospitals/Kings

Mrs. Bolus introduced Mr. Warren Berke, Chairperson of NYC Health + Hospitals/ Kings County CAB and invited him to present the CAB's annual report.

Mr. Berke began his presentation by greeting members of the Committee, CAB Chairs and invited guests. Mr. Berke highlighted the following key points and accomplishments:

- Reported that the most significant health care service needs and concerns for the Central Brooklyn community are: Hypertension, Diabetes, Heart Disease, Obesity, Asthma, Mental illness and HIV/AIDS.
- Reported that the most frequent complaints raised by patients includes excessive wait time for appointments, Pharmacy and Emergency Department customer service and a lack of communication. Mr. Berke noted that in the recent months there had been a new head of Emergency Department and the pharmacy department had improved.
- Reported the most frequent compliments provided by patients and the community included: professionalism and the quality of care. Mr. Berke added that one of the challenges of York New City is stability and affordable housing. Mr. Berke announced that on the grounds of Kings County there are now three (3) new CAMBA buildings (residential housing).

Mr. Berke concluded his presentation by informing members of the Committee, CAB Chairs and invited guests that the Kings County CAB provides input into the development of the facility's strategic priorities. Mr. Berke continued and explained that the CAB engages with all levels of staff at the facility for the purpose of transparency. Mr. Berke added that the CAB is fortunate that the leadership of NYC Health + Hospitals/Kings respects the input which the CAB offers. Mr. Berke thanked NYC Health + Hospitals/Kings County leadership for their dedication and commitment to the community.

NYC Health + Hospitals/Coney Island

Mrs. Bolus introduced Rosanne DeGennaro, Chairperson of NYC Health + Hospitals/ Coney Island CAB and invited her to present the CAB's annual report.

Ms. DeGennaro began his presentation by thanking members of the Community Relations Committee for the opportunity to present Coney Island's CAB annual report and acknowledging William Brown, CEO, NYC Health + Hospitals/Coney Island for his leadership and support.

Ms. DeGennaro continued and highlighted the following key points and accomplishments:

- Informed members of the Committee, CAB Chairs and invited guests that the CAB participated in last year's Breast Cancer Walk. Ms. Degennaro added that this year the CAB will participate in Pink Wednesday. Ms. DeGennaro explained that Pink Wednesday, raises money for the fight against Breast Cancer and the Walk in October.
- Reported that the Coney Island CAB has had a voter registration drive in October, 2017 and looked forward to participating in National Voters' Registration Drive on Tuesday, September 25th.
- Reported that in March the CAB held its Annual Legislative Breakfast. She noted that it was very successful.
- Reported that on August 22nd the CAB joined Mr. Brown and staff at the Women's Health Imaging Suite.

Ms. DeGennaro concluded her presentation by thanking Lakeisha Weston, CAB Liaison for her dedication and commitment to the CAB.

NYC Health + Hospitals/North Central Bronx

Mrs. Bolus introduced Ms. Esme Sattaur-Low, Chair of NYC Health + Hospitals/ North Central Bronx (NCB) CAB and invited her to present the CAB's annual report.

Ms Sattaur-Low began her presentation by thanking members of the Committee for the opportunity to present the NCB CAB's annual report. Ms. Sattaur-Low highlighted key points and accomplishments:

- Informed members of the Committee that the NCB CAB received periodic updates throughout the year on Women's Health Service /Labor and Delivery. Ms. Sattaur-Low continued and announced that since the reopening approximately 2,853 babies were delivered.

- Reported that the NCB CAB had expanded its advocacy role by having a representative on the Patient Experience Committee. Ms. Sattaur-Low explained that the committee is comprised of executive leadership, administrative staff and nursing officers who listen intently to patients talk about their experience. Ms. Sattaur-Low noted that the committee hears both good and bad experiences.
- Reported the community most significant health issues include; obesity, diabetes, and hypertension. Ms. Sattaur-Low added that these health issues are addressed by the distribution of health education materials, free screenings and health fairs.
- Announced that during the month of August, the NCB CAB participated in the Back to School Health Fair. She noted that the event was well attended and very successful.

Ms. Sattaur-Low concluded her presentation by informing members of the Committee, CAB Chairs and invited guests that NYC Health + Hospitals/NCB, is a hospital that has provided quality health care to generations of families. She noted that the CAB is proud of the hospital and will continue to make the hospital and community stronger. Ms. Sattaur-Low continued and congratulated Cristina Contreras, on her newly appointed role as the Executive Director.

The meeting was adjourned at 6:25 PM.

Information Technology Committee Meeting - September 12, 2018

As Reported by Emily Youssof

Committee Members Present: Emily Youssof, Josephine Bolus, Dr. Vincent Calamia, Scott French (representing Steven Banks in a voting capacity), Dr. Mitchell Katz

Emily Youssof called the meeting to order at 10:05 AM. The minutes of the July 19, 2018 meeting were adopted.

CHIEF INFORMATION OFFICER REPORT

Kevin Lynch thanked the Committee and then spoke to the CIO Report.

He began with an Update on Post-Acute Care and Correctional Health. He informed the Committee neither Post-Acute Care nor Correctional Health Services can utilize Epic as an Electronic Medical Record solution until mid/late 2020 because of the work effort to deploy across our current remaining Acute Care and Gotham/Ambulatory landscape.

Mr. Lynch detailed the current systems for both Post-Acute Care and Correctional Health Services use. He talked about the possibility of creating niche products to support them or possibly using Epic or others in

the future. He discussed costs. He said both Post-Acute Care and Correctional Health Services niche systems will need integration options, which will be evaluated with some of the industry standard tools available.

Governance

Mr. Lynch informed the Committee the Health Information Technology Prioritization Steering Committee continues the work effort of prioritizing the highest strategic IT projects (10) listed on the CIO Report. Those that are underlined will be addressed in this CIO Report below.

Epic Electronic Medical Record (EMR) Initiative

Mr. Lynch informed the Committee the GO team continues the work efforts to extend our enterprise electronic medical record system across all NYC Health + Hospitals Acute Care, Gotham, and Ambulatory patient care locations. It is scheduled to be completed by the end of calendar year 2019.

He informed the Committee that the next go-live is scheduled for October 20, 2018 (in 35 days). This includes Clinical and Revenue Cycle Epic applications at Woodhull/Cumberland and the retrofit of Revenue Cycle at Queens, Elmhurst, and Coney Island.

Enterprise Radiology Integration Update:

Mr. Lynch spoke about Enterprise Radiology Integration. Our PACS (picture archiving and communication system). The system is now live at Coney Island, Woodhull, Kings County, and most recently at Metropolitan; it is on track for go-lives at the remaining sites including Lincoln, Harlem, Bellevue, North Central Bronx, Jacobi, Queens, and Elmhurst which scheduled for fall through winter of 2018/19.

Enterprise Resource Planning (Project Evolve) Update:

Mr. Lynch said this project has completed Phase 1, Waves 1-5 which included PeopleSoft's Finance (Accounts Payable, Asset Management, Budget, General Ledger) and Supply Chain (eProcurement, Inventory) modules across all NYC Health + Hospitals locations.

Mr. Lynch then addressed Cost Accounting, which has moved from its planned September go-live to a date yet to be determined. The plan is being reworked and a new date is being worked out. Mr. Lynch then spoke to the slides titled Acute Facilities + Post-Acute Care + Correctional Health Services + Gotham Health Facilities, Current Electronic Medical Record + Revenue Cycle Landscape, EMR Future State, NYC H+H Epic and QuadraMed Instances, NYC H+H Epic and QuadraMed Instances, Post October 20, 2018, NYC H+H 2020 EMR Landscape, Future State integration with Post-Acute Care EMR and Correctional Health Care EMR, NYC H+H Clinical IT Systems, Current and Future State, NYC H+H Clinical IT Systems Interfaces, Epic EMR Implementation Timeline, GO Program Executive Budget Summary, and Enterprise Radiology Integration Initiative Time Line.

ACTION ITEM 1:

RESOLUTION FOR CERNER LABORATORY INFORMATION SYSTEMS AMENDMENT TO THE PARTICIPATION AGREEMENT WITH NORTHWELL

Mr. Lynch read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute an amendment to the Participation Agreement (the "Participation Agreement") with Northwell Health, Inc. ("Northwell") to support an amendment to the agreement (the "Cerner Agreement") between Northwell and Cerner Corporation ("Cerner") by which Cerner will provide implementation and support services to complete the installation and roll-out of the Cerner laboratory information system (the "LIS") across all of the NYC Health + Hospitals system with the resulting amendment to the Cerner Agreement increasing the total budgeted cost by \$12,955,085 bringing the cost of such implementation and roll-out to a not to exceed total, inclusive of all expenses, of \$34,379,677 over the period required for such implementation and roll-out currently estimated to be approximately June, 2020.

Mr. Lynch, Kenra Ford, and Dr. Alfred Garofalo addressed the presentation called Northwell - Cerner Laboratory Information Systems, Application to Approve an Amendment to the Participation Agreement with Northwell September 20, 2018.

In response to a question, Ms. Ford said regarding emergency planning, we can rely on ourselves by sending to other enterprise sites and moving staff around. Dr. Katz said when I see patients at Gouverneur, the labels have normal or abnormal listings on each test. I have to open each one to see the information. This will change with Epic. I will see results and not just abnormal flag.

The resolution, which was duly seconded and discussed, was unanimously adopted by the Committee.

ACTION ITEM 2:

RESOLUTION FOR QUADRAMED/HARRIS CONTRACT RENEWAL (THE "4TH AMENDMENT")

Mr. Lynch read the resolution:

Authorizing the New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute an amendment to extend its contract with Harris Computer Corporation ("Harris"), successor in interest of QuadraMed, to continue operation, maintenance and support of NYC Health + Hospitals' legacy electronic medical record system, QuadraMed, for a term of three-years with four (4) one-year renewals in an amount not to exceed \$61,316,936.00.

Mr. Lynch and Dr. Garofalo addressed the presentation called QuadraMed Contract Renewal, The "4th Amendment." Harris now owns the QuadraMed system. H+H will need to maintain the six QuadraMed system until we go to Epic.

Ms. Bolus said this system has been sold a lot.

Mr. Lynch said there is stability in this agreement. The four years allow us to move forward with implementing Epic and the one year options give us a safety net of future service, whether we need it or not.

Dr. Katz said it was probably a good thing they were bought. That makes it more secure. Big companies want systems like this to maintain cash flow for the future. They do not have much to do. It is a guaranteed source of income.

The resolution, which was duly seconded and discussed was unanimously adopted by the Committee.

ACTION ITEM 3:

RESOLUTION FOR CERNER LABORATORY INFORMATION SYSTEMS AMENDMENT TO THE PARTICIPATION AGREEMENT WITH NORTHWELL

Dr. Katz said since we were all here for the previous presentation by Correctional Health, we do not need to do it again.

Ms. Youssouf said she wanted the record to show she was present for the previous meeting (Medical and Professional Affairs Committee) and heard the presentation and that Ms. Bolus is a member of that committee also. Everyone here was present.

Mr. Lynch read the resolution:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Fusion, a division of Fusion Capital Management, to procure a Correctional Health specific electronic medical record for the System's Correctional Health Services division with primary care, pharmacy, specialty services, mental health and drug treatment in 11 NYC jails, with an initial term of three years with two one-year options to renew solely exercisable by the System and with total amount over the combined five-year term not to exceed \$12,999,354 to pay Fusion.

Ms. Youssouf said when you mentioned Post-Acute Care and Correctional Health would be separate from the rest. That is because Epic does not have a module for those. I do not think we need to hear it all again.

Ms. Bolus said I know the company that previously had Rikers Island. I want to say the current Correctional Health Services team is a big improvement.

The resolution, which was duly seconded and discussed was unanimously adopted by the Committee

There being no further business, the meeting was adjourned at 11:10 AM.

Medical and Professional Affairs Committee Meeting - September 13, 2018
As Reported by Dr. Vincent Calamia
Committee Members Present- Vincent Calamia, Mitchell Katz, Josephine Bolus, Emily Youssouf

Dr. Vincent Calamia, Chair of the Committee, called the meeting to order at 9:14 AM. On motion, the Committee voted to adopt the minutes of the June 13th, 2018 Medical and Professional Affairs Committee.

CHIEF MEDICAL OFFICER REPORT

Machelle Allen MD, Chief Medical Officer, reported on the following initiatives.

Buprenorphine Update:

305 H+H providers have gone through the X-waiver training. There have been 11 H+H X-waiver trainings with 2 more scheduled for this fall. Metropolitan and Bellevue are both now starting Bupe inductions in the EDs. Each Acute and Gotham site has an X-waivered primary care bupe provider champion currently taking part in the Bupe ECHO project to help them with current patients or help them launch Bupe Clinics in their PC practice.

Domestic Violence:

The Family Justice Center sites provide co-located mental health services at the domestic violence centers. All sites are now open: Manhattan, Brooklyn, Queens, Bronx and Staten Island.

Dr. Jennifer Havens is joining staff of the Office of Behavioral Health to develop a comprehensive, system-wide plan for Child and Adolescent Behavioral Health Services. Dr. Havens has been the Director of Child and Adolescent Psychiatry at Bellevue and faculty at NYU.

Homeless mentally ill:

Two programs are being developed that will better serve the homeless mentally ill. H+H/OBH is developing a mental health and primary care clinic in a homeless shelter, located in the Meyer Building on Ward's Island, specifically for those with mental illness. We will provide a full range of services including screening and assessment, pharmacological treatment, therapy, and support services. The second program is the development of extended care inpatient units for those who are homeless and need an extended stay to stabilize and be prepared to live in more independent settings such as supportive housing. The unit's goal is to prevent readmissions and engage the patients in ongoing ambulatory treatment for both mental and physical disorders.

Clinical Services Update

In collaboration with OneCity Health, NYC Health + Hospitals Clinical Services and Operations continues to focus on the following clinical services initiatives:

- New Care model to Decrease Avoidable Utilization - Providing patients with faster access to the appropriate level of care while lowering the volume and wait time in the ED by offering ExpressCare services

ExpressCare Services

Progress to date includes a soft go-live at Lincoln Hospital in Aug. 2018 with Elmhurst hospital preparing for a September launch. Efforts are underway to finalize the next 2 sites to go-live.

Clinical Decision Unit-

Progress to date includes:

- Bellevue identified to initiate system model
 - Site visit to NYU to understand "lessons learned"
- Financial implications, staffing model
- Over next 12 months, and working with other national health system leaders and American Hospital Association learning to accelerate adoption of model

Stroke Certification

NYS stroke designation strategy is to develop a hub and spoke model, with one level 1 H+H trauma center being the H+H comprehensive stroke center, and the other level 1 trauma centers the spokes as thrombectomy capable stroke centers..

In addition, all other H+H acute care facilities are being encouraged to apply for advanced primary designation.

The functioning of this model will be highly dependent on a strong, efficient, and competent inter-facility transportation system.

Progress to date includes:

- Establishment of system-wide clinical expert workgroup
- Development of business plan template for all sites, Elmhurst business plan reviewed and provided was okayed to proceed

Ambulatory Surgery/ GI Services

Progress to date includes:

- Reviewing level data
- Establishing GI clinical expert workgroup

Pharmacy Services

• Retail Pharmacy Expansion

- NYC Health + Hospitals has embarked on an interdisciplinary effort to modernize the outpatient pharmacy services. A large focus of this work is to enhance the sixteen retail pharmacies across the system, which dispense 2.5M of the 18.5M total prescriptions generated by our prescribers each year. As part of this effort, we are working on implementing a Retail Pharmacy Enhancement initiative. The following progress has been made:
 - Harlem is set to go-live sometime later this fall, Gouverneur, Kings, and Woodhull will follow
 - Workflow, layout, and labeling, are being upgraded
 - Simulation exercise of the proposed workflow has been completed by IMSAL simulation partners to identify failure modes and understand capacity of the new system
 - Staffing considerations continue to evolve as Harlem has hired three additional technicians to support the Go Live.
 - Revenue management is in progress and in good status for capturing all revenue generated into the General Ledger
 - Tier 2 facilities including Gouverneur, Bellevue, Kings County, and Woodhull kickoffs have taken place.

System Chief Nurse Executive Report

Kim Mendez, Chief Nurse Executive, reported to the committee on the following:

A power point presentation was provided on Patient Experience which was rated 0 - 10 for all 11 acute care facilities.

Nursing Leadership Announcement

On October 1, 2018, Kim K. Mendez, EdD, ANP, RN will transition from System Chief Nurse Executive to her new role in EITS as System Chief Health Informatics Officer. Mary Ann Marra, PhD, RN, CNO NYC H+H/ North Central Bronx, will provide corporate nursing leadership as the Interim System Chief Nursing Officer.

NYC Health + Hospitals 2018 Nurse of Excellence- SAVE the DATE

On October 30th, 2018 NYC Health + Hospitals will be holding the 2018 Nurse of Excellence Awards. The event will be held at Jacobi from 2-4pm. To date we have received 170 nominations from across our system. Our Nursing Champion awardee this year is CUNY Hunter School of Nursing.

MetroPlus Health Plan, Inc.

Total plan enrollment as of August 1, 2018 was 516,105. Breakdown of plan enrollment by line of business is as follows:

Medicaid	365,762
Child Health Plus	17,961
MetroPlus Gold	12,552
Partnership in Care (HIV/SNP)	4,071
Medicare	7,892
MLTC	1,891
QHP	14,842
SHOP	1,276
FIDA	210
HARP	12,836
Essential Plan	75,011
GoldCare I	1,152
GoldCare II	649

Membership/Growth

MetroPlus has seen a 27% increase in the number of new enrollment gross application submissions in the month of July 2018 versus the same month one year prior in 2017. This will have a positive impact on the August - October 2018 Net Enrollment membership report. The EP and QHP lines of business have seen the greatest increase in membership from 2017 to 2018. EP increase by 7,907 members (12%) and QHP increased by 6,283 members (78%). MetroPlus Gold continues to grow year over year and has seen a 481% increase from January 2015 to July 2018. Retention efforts for Medicaid/EP/CHP continue at 82% for 2018 compared to 79% during 2017.

Disenrollments continue to decline in 2018. The 2018 average disenrollment rate for all lines of business (LOB) is about 4% (18,626 dis-enrolled members) while Medicaid is 3% (11,703 dis-enrolled members). For 2017, the average **monthly** disenrollment rate for all LOB was 4% (21,334 dis-enrolled members) while Medicaid was 4%. (13,388 dis-enrolled members). Marketing and Retention collaborate closely to retain members via outstanding premium outreach and promotion of the Finity Rewards program. Retention efforts continue at 82% this year compared to 79% in 2017 (annual average).

Other factors that contributed to the improvement in member retention and disenrollment percentages are as follows:

- Increased evening and weekend outreach;
- Dedicated unit of MFEs that focus on outreach to members who owe a Premium Payment; and
- Dedicated unit of MFEs that focus on document collection to facilitate application submission

Our CHP disenrollment rate reached a low of 5% in June 2018. This is down from a high of 8% in January 2017. In addition, the EP disenrollment rate

remained under 6% for the last eight months (November 2017 - July 2018). This is down from as high as 9% in June 2017. Overall, MetroPlus has seen a 4% increase (18,013 members) in net membership from June 2017 to June 2018.

Medical Management

Our Quality Management (QM) team implemented several key initiatives in Q2, including a project focused on in-home gaps in care. As part of this project, QM staff partnered with MedXM to provide at home visits to members facing numerous gaps in care, including Care of Older Adults (medication review, functional status assessment, and pain screening), Colorectal Cancer Screening, BMI, blood pressure reading, and Diabetic exams (HbA1c, eye exam and urinalysis). In addition to closing the gaps, these visits were used to evaluate the members overall health. Any members requiring additional outreach and connection to a primary care provider or specialist had their outreach coordinated through our Care Management team. From April to June, the team contacted 307 members and 268 of those patients received a home visit. MedXM also included incentive talking points into their call script to bring awareness to our Finity Member Rewards Program.

MetroPlus and NYC Health + Hospitals (H+H) continue to collaborate extensively on many outreach initiatives to both members and the greater community. One of the highlights was the MetroTeen Health Fair, which took place at Woodhull Hospital. Of the 264 attendees, 120 were MetroPlus adolescents. Our teams conducted 14 Adolescent Well Child exams, scheduled 23 medical appointments, and completed 110 dental screenings as well as 8 chlamydia screenings. They enrolled 52 members into the MetroPlus rewards program, signed up 2 attendees for health insurance coverage, and enrolled 38 members for Health and Wellness creative art classes. We also referred 30 adolescents for employment via our workforce development community partner. Overall, 94% of attendees were satisfied with MetroTeen Health Fair, and 89% expressed that the Fair changed their view of Woodhull in a more positive way.

MetroPlus is also focused on mobile outreach through our partnership with HealthCrowd, a texting communications vendor. For Q2, HealthCrowd delivered over 384,000 text messages to our members on a variety of health matters. Every message covered appointment assistance, transportation services, provider information, and rewards program details. More specific communications included information on Adolescent Well Care, cervical cancer screenings, asthma medication adherence, breast cancer screenings, diabetes care, annual dental visits, prenatal care, and postpartum awareness and support.

On the Medicaid front, MetroPlus has collaborated diligently with H+H facilities on improving perinatal care management, and this work paid off with significant positive changes in two key areas. First, the percentage of pregnant women screened for depression during prenatal visits improved

from 70% in 2017 to 84% in 2018. Second, 80% of pregnant women were screened for tobacco use during their prenatal visit in 2017, but in 2018 this increased to 86%.

Industry Updates

- MetroPlus is required to reduce the number of Licensed Home Care Service Agency (LHCSA) providers within our MLTC network by October 1, 2018, to comply with recent state regulations. We retained 24 entities who demonstrated higher quality care and lower level of member complaints and were also able to ensure that over 75% of our members will continue to receive care from the same aide and agency. We are dedicated to minimizing member disruption and maintaining all higher quality vendors in our network within the regulatory restrictions.
- Due to changes in both New York State Public Health Law Article 29 and Social Services Law sections 365-a and 367-u, NYS Medicaid is expanding coverage of telehealth services to include additional originating and distant sites, additional practitioner types, and telehealth applications e.g. secure email transmission of medical information and remote patient monitoring. Medicaid Managed Care Plans, HIV Special Needs Plans and Health and Recovery Plans will be responsible for expanded Telehealth services starting October 1, 2018.

ACTION ITEMS:

Machelle Allen, MD, Senior Vice President, and Chief Medical Officer of Medical and Professional Affairs, presented to the committee the following resolutions:

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Bellevue ("Bellevue") as a pediatric trauma center.

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Bellevue ("Bellevue") as a trauma center.

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Elmhurst ("Elmhurst") as a trauma center.

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Harlem ("Harlem") as a pediatric trauma center

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Harlem ("Harlem") as a trauma center.

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Jacobi ("Jacobi") as a pediatric trauma center.

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Jacobi ("Jacobi") as a trauma center.

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Kings County ("Kings County") as a trauma center

Approving the application of New York City Health and Hospitals Corporation (the "System") for verification by the American College of Surgeons for NYC Health + Hospitals/Lincoln ("Lincoln") as a trauma center.

The resolution which was duly seconded and discussed and unanimously adopted by the Committee for consideration by the full board.

Ross MacDonald, MD, Chief Medical Officer for Correctional Health Services presented to the committee for following resolution:

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Fusion, a division of Fusion Capital Management, to procure a Correctional Health specific electronic medical record for the System's Correctional Health Services division with primary care, pharmacy, specialty services, mental health and drug treatment in 11 NYC jails, with an initial term of three years with two one-year options to renew solely exercisable by the System and with total amount over the combined five-year term not to exceed \$12,999,354 to pay Fusion.

The resolution which was duly seconded and discussed and unanimously adopted by the Committee for consideration by the full board.

There being no further business, the meeting was adjourned 10:05 AM.

SUBSIDIARY REPORTS

MetroPlus Health Plan, Inc. September 13, 2018

As reported by Mr. Bernard Rosen

CHAIRPERSON'S REMARKS

Mr. Rosen welcomed everyone to the MetroPlus Board of Director's meeting of September 13, 2018. Mr. Rosen stated that the meeting would consist of the Executive Directors report presented by Dr. Saperstein, followed by the Medical Directors report presented by Dr. Talya Schwartz. Mr. Rosen stated that there would be two resolutions presented for approval.

EXECUTIVE DIRECTOR'S REPORT

Dr. Saperstein presented his report. Dr. Saperstein's remarks were in the Board of Directors packet and a copy is attached hereto and incorporated by reference.

Before Dr. Saperstein began his report, he introduced Ms. Karen Bartlett, MetroPlus' Chief Operating Officer. Dr. Saperstein informed the Board that Ms. Bartlett has a lot of experience within government, commercial, and Medicare programs.

Dr. Saperstein stated the membership as of August 1, 2018 was 516,105. Dr. Saperstein highlighted the increase in applications and changes that are being made within membership retention. Dr. Saperstein referenced the membership growth chart in his report where he compared the number of gross application submissions in the month of July 2017 to July 2018 gross application submission. The gross application increased from 12,795 in July 2017 to 16,275 July 2018. This was a 27% increase.

Dr. Saperstein informed the Board that there was a contract negotiation between Office of Labor Relations (OLR) and the DC37 union. Part of the contract negotiation between OLR and DC37 union is that all new DC37 employees will be enrolled in Emblem Health for the first year of hire. Only after a year will new DC37 employees be able to change their health insurance. Dr. Saperstein stated that this will be a challenge during the Plan's enrollment period.

Dr. Saperstein reported for HIV Special Needs Plans, the Plan has 4,000 members. Dr. Saperstein informed the Board of the State's quality incentive program, the total State wide incentive dollars is 17 million. Of the 17 million dollars, MetroPlus received 7.4 million dollars. The Plan scored 100/100 points in quality. The only area in which the Plan lost points was for consumer satisfaction, mostly on Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores and one point for compliance. Dr. Saperstein stated that the Plan received 109/120 points and received 7.4

million dollars return for a small population of 4,000 members.

MEDICAL DIRECTOR'S REPORT

Dr. Schwartz informed the Board on quality rating and incentives for the Exchange line of business. The Plan increased the total quality rating from 2 to 4 stars, this was a huge increase for the Plan seeing as how last year the Plan scored 1 star and increased to 2 and is currently at 4 stars. Dr. Schwartz stated that there is no financial incentive that relates to the stars rating for the Exchange population, but the indirect financial incentive is that the exchange membership is more educated. The Plan's star rating is made public so potential members who do research before enrolling in a Plan will see the rating and hopefully enroll in MetroPlus because of the stars' rating.

Dr. Schwartz stated that there are three domains in the star rating for the exchange population. One of which being the clinical quality measures, where the Plan scored 4 stars. Another domain being Plan efficiency, affordability, and management, here the Plan scored 4 stars as well. The last domain the Plan scored 2 stars. Dr. Schwartz stated that because the Plan did well in the first two domains the Plan was able to receive 4 stars overalls. Mr. Williams inquired as to how the Plan received an overall 4-star rating cumulatively if the Plan received a 2-star rating in one domain. Dr. Schwartz answered that the rating is rounded up and that health plans must be at a 3.51 rating to be considered 4 stars rating.

Dr. Schwartz informed the Board that the Plan received the final CMS final star rating for 2019. Dr. Schwartz stated that the 2019-star rating relates to 2017's year performance. Unfortunately, the Plan remained at 3.5-star rating. The Plan had hoped to reach 4 stars but was not able to achieve it. For controlling blood pressure, the Plan received 5 stars, and 4 stars for controlling A1C in the Plan's diabetic population. Dr. Schwartz noted that these were significant improvements but unfortunately wasn't sufficient to compensate for the areas in which the plan struggled. Dr. Schwartz stated an area of opportunity was the member experience domain where measures are weighted more heavily. Dr. Schwartz stated that the Plan must figure out how to improve the member's experience. Mr. Still inquired what the main measures that are problematic for the Plan. Dr. Schwartz replied that MetroPlus received 1 star on access, 1 star on members receiving care quickly, and one 1 star on patient satisfaction. Dr. Schwartz stated that there is a huge discrepancy between how the Plan is doing on the clinical side versus how the Plan is doing on member experience.

Dr. Saperstein stated that it's important to note that the rating for overall satisfaction with MetroPlus is 4 stars. Dr. Saperstein stated that the members are satisfied with the Plan, it's only when the members try to receive services that the members face issues. Dr. Saperstein added that the Plan operations and the Plan's extraction of quality results are

doing well, the providers are delivering high quality care. The real issue may rely in the waiting time and the appointment access. Dr. Schwartz stated that the Plan is hopeful with the transformation that New York City Health + Hospital (NYC Health + Hospital) is going through that this will be reflected in the patient experience and hopefully in the scoring. Mr. Williams stated that the issue is that the Plan is only looking at the reports but not listening to the members who are dissatisfied with the services. Mr. Williams added that bringing up the CMS scores will not have sufficiently addressed the members the Plan is serving. Mr. Williams inquired as to how the Plan is going to satisfy and improve the member experience.

Dr. Schwartz replied that the Plan is serving every single member who has a primary appointment at NYC Health + Hospitals. The Plan reaches out to these members within 24-48 hours to get feedback from the member on how the appointment went. If the member is dissatisfied, MetroPlus staff intervenes and tries to resolve the member's issue. The Plan has been doing this service for the Medicare population because the Medicare population is small, but the Plan has recently started doing this feature in an automated fashion for the entire MetroPlus membership including Medicaid. When the Plan identifies that there is dissatisfaction. The Plan can't intervene because the volume is too large. Dr. Schwartz stated that the Plan needs to figure out a way to resolve the issues outside of Medicare. Mr. Williams stated that this issue reminds him of when Mrs. Gail Smith MetroPlus' Chief Customer Service Officer, shared with the Board that she did not have sufficient staffing support to service the members. Mr. Williams stated that it may be a staffing issue at the facilities and medical offices. Mr. Williams added that the Plan must figure out a way to put more staffing and manpower to reach the members.

Dr. Saperstein stated that the staffing and manpower at the Plan when it has been reviewed is doing fine. Dr. Saperstein stated that after the meeting where Ms. Smith mentioned that she needed additional staffing the Plan increased staffing within the Customer Service Department and were able to meet call guidelines for multiple lines of business. Dr. Saperstein informed the Board that the challenge here is that the results of the survey are the member's perception. Dr. Saperstein informed the Board that the member's satisfaction is separated by 5 or 6% in comparison to other Health Insurance Plan regarding satisfaction. Dr. Saperstein stated that it's not a matter of the Plan's staffing but more so a matter of the member's perception when they receive clinical services and if the member faces any issues when doing so. The Plan is currently paying a lot of attention to this issue and rectifying these issues by adding more primary care doctors, opening new locations in underserved areas, opening access to the Gotham site.

Mr. Williams clarified that he agreed with Dr. Saperstein and the issue was changing the member's perception. Mr. Siegler added that NYC Health +

Hospital is making changes by hiring primary care doctors and making changes to staffing and processes.

ACTION ITEM

The resolution was introduced by Dr. Talya Schwartz, MetroPlus' Chief Medical Officer.

Authorizing the submission of a resolution to the Board of Directors of the New York City Health and Hospitals ("NYC Health + Hospitals"), to authorize the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Community Care Behavioral Health Organization ("CCBHO"), to provide administration of behavioral health and substance use disorder services for a term of two (2) years with three (3) options to renew for a one (1) year term each, solely exercisable by MetroPlus, for an amount not to exceed \$19.8 million per year for the first 2 years with 5% annual increase for each 1 year term renewal.

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

The second resolution was introduced by Mrs. Kathryn Soman, MetroPlus' Director of Communication.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Culver Associates, LTD d/b/a Hospital Media Network ("HMN") to produce and display framed posters in New York City Health + Hospitals ("NYC Health + Hospitals") facilities using creative material supplied by MetroPlus for a period of one year with three 1-year options to renew with an amount not to exceed \$662,200 per year

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

There being no further business Mr. Rosen adjourned the meeting at 4:02 P.M.

<p>HHC ASSISTANCE CORPORATION/ONECITY HEALTH SERVICES BOARD OF DIRECTORS - AUGUST 30, 2018 As Reported by Israel Rocha</p>

The meeting of the HHC Assistance Corporation Board of Directors, d/b/a OneCity Health Services, was held on August 30, 2018 in Room 405 located at 125 Worth Street.

The Board discussed the following matters:

- Tatyana Seta, Chief Financial Officer for OneCity Health, reviewed the full Fiscal Year 2018 (FY18) financial statement, highlighting revenue, operating expenses, and partner payments as well as the first month of

FY19. Financial statements were prepared on a cash basis, consistent with OneCity Health Performing Provider System's (PPS) reporting to the New York State Department of Health. Disbursements in FY18 include \$140 million in direct partner payments earned through contracted performance. Overall actual expenses were substantially lower (~\$44 million) than the budgeted amount in FY18 due to significant cuts to the consulting fees that were related to start-up investments in a Management Services Organization. Since the last report, the PPS has seen a sharp increase in partner payments.

- Tatyana Seta provided a status update on external audit activities requested by the CSO and conducted by the Bonadio Group. The audit fieldwork concluded recently and a draft report will be available within a week. The final report will be presented to the CSO Board at the next meeting.
- Mr. Rocha presented on the topic of DSRIP Measurement Year 3 performance to the Board members. Included in the review of performance was an update on the current state performance of Value-Based Payment programs across OneCity Health's portfolio, including the Delivery System Reform Incentive Payment (DSRIP) program, Value-Based Payment Quality Improvement Program (VBP-QIP), the Care Restructuring Enhancement Pilot (CREP), and the Capital Restructuring Financing Program (CRFP). Board members discussed DSRIP performance and future revenue opportunities. Performance was reviewed against PPSs statewide to see how OneCity compares on key metrics associated with preventable hospital use and behavioral health. Mr. Rocha introduced the ExpressCare model and Clinical Decision Units as pilot interventions to increase performance on utilization measures. Board members discussed further opportunities to address social determinants of health, under CRFP funding. Mr. Rocha pointed out that OneCity Health is also supporting the development of borough-based initiatives across the City where hospitals, Managed Care Organizations, and community-based organizations work together and develop new strategies for improvement across various priority measures.

Mitchell Katz, M.D.

NYC Health + Hospitals President and CEO

Report to the Board of Directors - Thursday, September 20, 2018

FEDERAL, STATE, CITY UPDATE

State - The State Department of Health convened its second meeting of the temporary workgroup on indigent care funding in which I am a member. The meeting was held on September 12th in Albany and focused on the transition dollars associated with the indigent care pool. There will be two additional meetings this fall with a report on policy recommendations on disproportionate share hospital (DSH) funding and indigent care funding due to the State Legislature on December 1st. NYC Health + Hospitals needs to be treated fairly and we will work closely with labor and community advocates to ensure that the distribution formula provides DSH funds to hospitals that treat a disproportionately larger share of Medicaid and uninsured patients.

Primary elections for state officials were held last week. Governor Cuomo and the Lieutenant Governor won their respective primaries. There were a number of incumbents defeated in the Democratic primary and, as a result, several of our facilities will have new representatives in Albany: Elmhurst, Jacobi, Kings County, McKinney, Queens, and Woodhull. The General Election is on November 6th and we look forward to working with the members of the State Legislature on the important role of NYC Health + Hospitals in their communities.

Federal - The House and Senate are expected to remain in session for a few additional weeks before the mid-term elections. Congress will need to take action to fund the government before a September 30th deadline. Despite ongoing discussion of funding for a border wall, it appears likely the President will sign a short term continuing resolution to keep the government open without funding for a wall. The federal Centers for Medicare & Medicaid Services (CMS) released its Medicare outpatient prospective payment system proposed rule for FFY 19. The proposal would expand "site neutral" payment policies to off-campus hospital outpatient departments, and cut payments for services known as "evaluation and management" services to more closely match the rate paid to physician offices. Hospital trade groups have strongly opposed the changes in the proposed rule and NYC Health + Hospitals continues to analyze the rules potential impact on our operations and finances. We also continue to monitor the developments related to the 340B program and opioid-related legislation, though it appears unlikely that major legislation will pass or major regulations will be issued prior to the mid-term elections.

ONECITY HEALTH UPDATE

- To address the unmet needs of patients and community members, OneCity Health launched its Hospital-Community Partnerships which aim to improve health outcomes. As a part of this effort, new Hub Advisory Workgroups will convene bi-monthly to examine local issues and opportunities to improve performance on priority outcome measures that are tied to DSRIP and value-based payment programs. The Hub Advisory Workgroups will also devise performance improvement strategies inclusive of hospital-community partnerships.
- OneCity Health was asked by the New York State Department of Health to host a Winston Churchill UK Fellow as part of her visit to the United States. Churchill Fellows spend up to two months abroad researching innovative practices on the topic of their choice to explore the practical exploration of practices in other countries. Geraldine Esdaille received the fellowship in partnership with the Mental Health Foundation to focus on community-based approaches, specifically state-funded and community-led interventions for women, particularly black women, who are living with mental illness or managing substance abuse and domestic violence issues.
- In collaboration with NYC Health + Hospitals, Medical & Professional Affairs, OneCity Health applied for the American Hospital Association High-Value Care Collaborative on behalf of NYC Health + Hospitals and was selected. The collaborative brings together national health system leaders in a provider learning network to accelerate adoption of proven high-value care models and innovative pay models. Participation in the collaborative will support NYC Health + Hospitals efforts to implement a system-wide observation services strategy. Implementation of these tactics will support DSRIP goals to reduce avoidable utilization including potentially preventable emergency room visits and inpatient readmissions.
- OneCity Health continues its successful strategies to identify patients in need of a routine visit and to proactively reach out to these members to arrange primary care appointments. Interested patients then receive a call from the NYC Health + Hospitals call center to schedule their primary care appointment. From mid-February through August 2018, over 1,500 primary care appointments have been scheduled.

FINANCIAL SUSTAINABILITY

Earlier this month, we took the difficult, but necessary step to eliminate administrative positions across our facilities as we continue to reduce costs that do not impact direct patient care and allow us to be in a better position to support the front lines of care.

We made it clear that these administrative staff reductions do not reflect on performance by any individual. We know staff separations are

difficult. And with the help of our HR team, we were able to offer our colleagues the needed post-employment assistance to ease their transition.

While I hope this represents the last round of administrative staff reductions, we will continue to be diligent about identifying other opportunities to realign our staff resources to support new models of care and our long-term financial health.

I'm very proud of the work we've accomplished over the last eight months to advance the top priorities for our health system -- to invigorate and expand primary care, improve access to needed specialty care, and bring fiscal solvency to NYC Health + Hospitals. I look forward to celebrating many positive achievements as we work together to build the best public health care system in the country.

EXPANDING ACCESS TO CARE

Mayor de Blasio Marks Opening of Staten Island's New NYC Health + Hospitals Community Health Center

Mayor Bill de Blasio marked the opening of a new \$28 million NYC Health + Hospitals/Gotham Health community health center on Staten Island, the organization's first full service ambulatory center in this borough. NYC Health + Hospitals/Gotham Health, Vanderbilt will expand access to primary care for children and adults, mental health counseling and referrals, and opioid treatment. The modern, 18,000-square-foot health center is expected to serve more than 4,500 patients this year—growing to 15,000 patients and 40,000 annual visits by 2020—and help reduce the reliance on overcrowded emergency rooms and prevent avoidable hospitalizations. Located at 165 Vanderbilt Avenue, the new community health center will offer comprehensive primary care by a team of physicians, nurses, social workers, and other health care professionals, with a focus on the medical needs of neighborhood residents.

NYC Health + Hospitals/Woodhull Expands Emergency Psychiatric Care

NYC Health + Hospitals/Woodhull expanded its Comprehensive Psychiatric Emergency Program (CPEP) that was open for patients on September 12th and provides a more modern, comfortable space to manage, treat, and follow up with patients presenting with psychiatric emergencies. The new CPEP will more than double the current space from 4,230 square feet to 9,267 square feet, increase the number of extended observation beds from three to six, and accommodate a larger therapist staff. The expansion reflects both a response to the community's growing need for behavioral health services and the health system's ongoing transformation, with its focus on increased access to services. This expansion will enable staff to manage the average daily census of 20 people in a safe, therapeutic environment. Located on the fifth floor, the enlarged unit will immediately eliminate

the overcrowding of the old unit, providing space to care for patients in psychiatric distress.

Correctional Health Services Expands Enhanced Pre-Arrest Health Screenings to Brooklyn Central Booking

NYC Health + Hospitals/Correctional Health Services expanded its Enhanced Pre-Arrest Screening Unit (EPASU) to Brooklyn Central Booking. First launched at Manhattan Central Booking, the EPASU is designed to increase the scope of services provided during pre-arrest screening, and will eventually be extended to all four of the City's central booking facilities. The EPASU program currently conducts health screenings and assessments for medical and behavioral health needs 24 hours a day, 7 days a week for people pending arrest in Manhattan. The Brooklyn EPASU is projected to screen approximately 35,000 individuals in its first year. The expansion is part of Correctional Health Services' role in the City's plan to decrease the jail population and promote health equity in the criminal justice system.

NYC Health + Hospitals/Coney Island Opens New Imaging Suite

NYC Health + Hospitals/Coney Island opened its new Outpatient Diagnostic Center/Women's Health, a 7,093-square-foot imaging suite with some of the most advanced imaging technologies, including 3D mammography, Hologic bone densitometry (DEXA)/Osteoporosis scanning, a panorex unit - which moves around the patient's head to capture jawbone and dental x-rays, and an ultrasound unit that uses high-frequency sound waves to capture images for a range of health care purposes, including ultrasound-guided biopsies.

NYC Health + Hospitals Opens New Neighborhood Clinic in Bedford-Stuyvesant

NYC Health + Hospitals marked the opening of a new neighborhood clinic in Bedford-Stuyvesant, Brooklyn, which has been funded by a \$3.1 million capital investment through Mayor Bill de Blasio's Caring Neighborhoods Initiative. The NYC Health + Hospitals/Gotham Health neighborhood clinic is the latest addition to the public health system's transformation, expanding access to community-based ambulatory care, especially in underserved neighborhoods. The NYC Health + Hospitals/Gotham Health site is initially offering pediatric care. Additional services will be added, including adult primary care and women's health services starting in mid-September. Located at 485 Throop Avenue, the neighborhood clinic is expected to serve nearly 3,000 patient visits in the first year, growing to more than 15,000 annual visits over time, as staffing grows to accommodate the anticipated patient demand.

Women's Pavilion at NYC Health + Hospitals/Elmhurst Expands Hours of Operation for Expectant Mothers

NYC Health + Hospitals/Elmhurst expanded the hours of operation in its Women's Pavilion—an outpatient prenatal and obstetric care clinic located at 78-20 41st Avenue, adjacent to the hospital's main building—to better accommodate patients in the community. The pavilion is now open Monday through Thursday from 7:30 a.m. to 7:00 p.m., on Fridays from 7:30 a.m. to 4:00 p.m., and on Saturdays from 8:00 a.m. to 12:00 p.m. The Women's Pavilion offers a range 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 pavilion also hosts free childbirth, breastfeeding, nutrition, and diabetes education classes through an ongoing health lecture series. The two-story building has spacious reception areas featuring glass facades, 18 exam rooms, and on-site phlebotomy and urine labs to facilitate easy access to test results.

EXCELLENCE AND INNOVATION

New Simulation Training to Reduce Life-Threatening Complications and Deaths from Childbirth among Women of Color

NYC Health + Hospitals this week showcased our new medical simulation training to educate doctors, nurses, and other members of the labor and delivery team to demonstrate best practices in the management of maternal hemorrhage, one of the top causes of pregnancy-related deaths for women of color. The simulated high-risk birthing scenario conducted by a team at NYC Health + Hospitals/Harlem is part of the new training program that will be rolled out starting in December to approximately 1,000 labor and delivery staff and other health care professionals who interact with the high-risk patient population, including primary care providers, anesthesiologists, and members of rapid response teams. The simulation training program also includes the opening of new mini-sim labs—one- and two-room satellite simulation training facilities located close to Labor and Delivery units at six of our hospitals—to focus exclusively on maternal care. This new training program is a major component of the city's four-point plan, announced in July, to reduce severe maternal morbidity and maternal mortality events over the next five years. Thanks to Deputy Mayor Dr. Herminia Palacio for attending the simulation exercise and for the support we've received from the City to make this training a reality.

NYC Health + Hospitals' ACO Is Only One in the State and among Few Nationwide to Earn Medicare Shared Savings for Five Consecutive Years

NYC Health + Hospitals Accountable Care Organization (ACO)—a group of doctors and other providers who coordinate care for patients under the Medicare Shared Savings Program (MSSP)—earned more than \$2 million from the federal government for reducing costs and meeting high standards of quality care for patients. These results mark the fifth consecutive year that the public health system's ACO has achieved savings and outstanding quality performance by improving care coordination in the primary care setting and preventing unnecessary emergency department visits, avoidable

hospitalizations, and other high-cost care for the more than 10,000 Medicare fee-for-service patients who are served through the program. HHC ACO, Inc., is the only MSSP ACO based in New York State to earn shared savings for five consecutive years and one of only 21 ACOs around the country to have earned that distinction.

New Pilot Program to Promote a Plant-Based Diet and Reduce the Risk for Heart Disease and Diabetes

NYC Health + Hospitals/Bellevue will embark on a pilot program to help patients transition to a healthy lifestyle that includes a whole-foods, plant-based diet to improve, and in some cases reverse, chronic conditions such as heart disease, diabetes, obesity, high cholesterol, and high blood pressure. The Plant-Based Lifestyle Medicine Program will launch this Fall and serve up to 100 adult patients with chronic disease who wish to reduce their cardiometabolic risk through healthful lifestyle changes, including following a diet that emphasizes legumes, whole grains, fruits, vegetables, nuts, and seeds, and reduces animal products, fried foods, refined grains, and added sugars. The pilot program is a result of Brooklyn Borough President Eric L. Adams' advocacy around plant-based nutrition. Dr. Michelle McMacken, director of the NYC Health + Hospitals/Bellevue Adult Weight Management Program, will lead the Plant-Based Pilot Program.

High Performing Hospitals Named by U.S. News & World Report

U.S. News & World Report named NYC Health + Hospitals/Lincoln a "High Performing" hospital for both heart failure and chronic obstructive pulmonary disease (COPD) and NYC Health + Hospitals/Coney Island a "High Performing" hospital in heart failure. The recognition was published as part of the national magazine's "Best Hospital" issue for 2018-19.

NYC Health + Hospitals/Kings County Receives National Recognition for Support of Infant Safe Sleep Practices

NYC Health + Hospitals/Kings County has been recognized by the National Safe Sleep Hospital Certification Program with a bronze certification for its commitment to the reduction of infant mortality and to providing the best patient experience and safe sleep outcomes for mothers and families in Central Brooklyn and beyond. The "Safe Sleep" certification is a significant accomplishment for the Women's Services team worked tirelessly and played a critical role in this achievement.

New MRI Technology at NYC Health + Hospitals/Lincoln

Bronx Assemblywoman Carmen Arroyo provided \$2.4 million for state-of-the-art 3T Magnetic Resonance Imaging (MRI) equipment at NYC Health + Hospitals/Lincoln. The new technology will be installed by 2020 and will help improve both diagnosis and patient experience.

IMPROVING PATIENT EXPERIENCE

NYC Health + Hospitals Introduces Advanced Meal Delivery System

NYC Health + Hospitals is rolling out a new advanced meal delivery system to enhance the patient experience at all our hospitals. The new state-of-the-art food delivery meal carts are equipped with technology that ensures food reaches hospital patients at optimal temperatures and maintains its nutritious elements. The carts feature a refrigerator and a low-temperature convection oven. Hot food maintains its temperature for 50-minutes while in the unit, which allows ample time for delivery from the hospital's kitchen to patient rooms. In addition to keeping hot foods moist, the convection oven also expands menu options over the old system. NYC Health + Hospitals/Coney Island became the first hospital in our system to adopt the new system. We are already using the meals carts at a number of our long term care facilities and plan to roll them out at all of our hospitals as well.

NYC Health + Hospitals/Queens Opens New Waiting Area for Hospital's Pediatric Patients

NYC Health + Hospitals/Queens and The Joy in Childhood Foundation, the charitable foundation supported by Dunkin' Donuts and Baskin-Robbins, announced the creation of a Starlight Site in the hospital through a \$1.5 million partnership with Starlight Children's Foundation. The new Starlight Site will transform NYC Health + Hospitals/Queens' pediatric waiting area into an updated, brighter, and happier space for its pediatric patients. The waiting room update will include a private breastfeeding room, a reading nook, and a teen-friendly area with iPads, headphones and other state-of-the-art equipment. The Starlight Site will be open for patients and their families before the end of the year.

STAFF NEWS

Cristina Contreras New Executive Director of NYC Health + Hospitals/North Central Bronx

Cristina Contreras, MPA, LMSW, was appointed executive director of NYC Health + Hospitals/North Central Bronx. Ms. Contreras has worked in the New York City public health care system for more than 20 years, including the last ten at NYC Health + Hospitals/North Central Bronx, where she has served as deputy executive director and chief operating officer for the past year. She assumed her expanded leadership role effective September 1st.

Kim Mendez Appointed New System Chief Health Informatics Officer

Kim K. Mendez, EdD, ANP, RN will be taking on a major new leadership role to help advance our work in Information Technology and represent the needs and interests of doctors, nurses and other clinicians in our

system. As the new System Chief Health Informatics Officer, Kim will partner with CIO Kevin Lynch, who is responsible for all Enterprise IT Services, and will focus on all clinical information systems, applications and EMR. Kim will transfer from her current role as Sr. VP, System Chief Nurse Officer and will begin her new duties on September 30th.

Mary Anne Marra, DNP, MSN, RN Appointed Interim Chief Nurse Officer

Mary Anne Marra, DNP, MSN, RN has been appointed Interim Chief Nurse Officer for NYC Health + Hospitals. Mary Ann currently serves as CNO at NYC Health + Hospitals/North Central Bronx and will transition into her new role on October 1st. She has served as nurse leader, quality improvement manager and hospital administrator in acute care, ambulatory care, psychiatric care and long term care operations. I look forward to working with Mary Ann as part of our health system's senior cabinet team.

Alina Moran Appointed New Chief Patient Growth Officer

Alina Moran was appointment Chief Patient Growth Officer of NYC Health + Hospitals. Alina is taking on this additional responsibility for our organization while remaining CEO of NYC Health + Hospitals/Metropolitan. In her new role as Chief Patient Growth Officer, Alina will collaborate with MetroPlus, HealthFirst, and other health plans to minimize patient leakage and grow patient volume, assist in developing capacity to increase referrals from community physicians, and contribute to our clinical services and business planning processes.

#

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the “System”) to negotiate and execute a contract with Hawkins Delafield & Wood LLP (“Hawkins”) to provide bond counsel services related to the structuring and continuing implementation of the System’s tax-exempt financing program for the period beginning December 1, 2018 through November 30, 2021, with two one-year renewal options solely exercisable by the System all at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

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

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

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

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

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

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

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute a contract with Hawkins Delafield & Wood LLP to provide bond counsel services related to the structuring and continuing implementation of the System tax-exempt financing program for the period beginning December 1, 2018 through November 30, 2021, with two one-year renewal options solely exercisable by the System all at hourly rates set forth - Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

EXECUTIVE SUMMARY

Hawkins Delafield & Wood LLP

Bond Counsel Services

NEED: The System funds a vast majority of its major capital expenditures with the proceeds of bonds, notes, leases, or other publicly traded securities issued either by the System or by a third-party on the System's behalf. This activity has become increasingly diverse as various financial products were introduced in response to market changes. Currently, the System's debt portfolio encompassed various fixed and variable rate bond issues, equipment leases, and lease-leaseback financings. The System cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure and ancillary documents.

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

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

PROCUREMENT: Hawkins was selected from 1995 to 2018 through a RFP process, with the exception of 2001 and 2004, where the System's Board of Directors approved Hawkins as its bond counsel for a three-year sole source contract primarily due to the wealth and depth of Hawkins' health care experience, and its thorough working knowledge of the System's legal and business components gained over the years.

Hawkins' knowledge had proven to be extremely beneficial to the System. Due to its past experience with the System, Hawkins has an intimate understanding of the System's credit, its legal structure and its relationship with the City of New York, resulting in effective advocacy on the System's behalf. This can be demonstrated by Hawkins' successful interpretation of the System's lockbox security structure to credit rating agencies, which resulted in a Moody's upgrade from Baa3 to A3 in 2001. In 2015, Hawkins was instrumental in the creation of the secondary lien security structure that afforded the System's the ability to borrow short-term capital funds from the commercial banking community to finance medical and IT equipment purchases as well as small scale renovation projects. Hawkins' extensive health care experience and outstanding reputation

among the credit rating agencies and the investment banking community has served the System very well in the past.

The two firms that responded to the 2018 RFP were both invited to make on-site presentations to the Selection Committee. Selection criteria included: overall firm and individual team members' experience in health care, New York City, tax-exempt/taxable debt; taxation experience in arbitrage rebate, legislative and/or regulatory issues; firm's reputation and cost proposal. The Selection Committee comprised of representatives from the New York City Office of Management and Budget, New York City Office of the Comptroller, senior staff from Coney Island Hospital, the Corporation's Finance and Legal Affairs staff.

HOURLY RATES: Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour.

Bond Counsel Services

Application to Enter into a Bond Counsel Contract

Board of Directors Meeting October 25, 2018

**John Ulberg
Linda DeHart
Paulene Lok
Finance**



Bond Counsel Services

- H+H currently finances major capital projects, ongoing capital improvements and major movable equipment through funds received from the proceeds of tax-exempt bonds and/or leases issued by the System or by other issuers on behalf of the System
- Experienced bond counsel is needed to prepare and review documents, to issue formal independent legal opinions relating to security and tax law, and other areas, and to provide related legal advice
- These services fall under OP 40-58 (Debt Finance & Treasury) which requires presentation to the Finance Committee and approval by the Board



NYC
HEALTH+
HOSPITALS **Timeline and Response**

- Released RFP on May 21.
- Two firms submitted proposals on June 25
- Both proposers were invited to present to the selection committee - comprised of representatives from the New York City Office of Management and Budget, New York City Office of the Comptroller, senior staff from Coney Island Hospital, the Corporation's Finance and Legal Affairs staff - on August 6
- Committee scored and selected the firm on August 6



Selected Vendor

- Selected Vendor: Hawkins Delafield & Wood LLP
- Contract Term: Three year term, with two 1-year renewal options:
 - December 1, 2018 through November 30, 2021 (Three year term)
 - Hourly rates by level



Request of the Board of Directors

- Authorization to negotiate and execute a contract with Hawkins Delafield & Wood LLP (“Hawkins”) to provide bond counsel services related to the structuring and continuing implementation of the System’s tax-exempt financing program for the period beginning December 1, 2018 through November 30, 2021, with two one-year renewal options solely exercisable by the System all at hourly rates (Partners, \$465 per hour; Senior Associates, \$415 per hour; Associates, \$390 per hour; Junior Associates, \$245 per hour; and paraprofessionals, \$160 per hour)



RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with six vendors for the provision of accounts receivable (“AR”) services, in four specialized AR areas, as requested by the System. The six vendors are Betz Mitchell Associates, Inc., JZanus Ltd., MedMetrix LLC, nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with a total amount over the combined five-year term, not to exceed \$46,381,321.00 to the six vendors with all payments to be made contingent on the amounts the vendors recover for the System.

WHEREAS, an application to issue a request for proposals was presented before the Contract Review Committee at its July 24, 2018 meeting and was approved by its approval letter dated July 24, 2018; and

WHEREAS, after the Office of Supply Chain Services issued a request for proposals, twenty-nine proposals were received, the ten highest-rated proposers presented before the Selection Committee and upon final evaluation by the Selection Committee, Betz Mitchell Associates, Inc., JZanus Ltd., MedMetrix LLC, nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. were selected; and

WHEREAS, during each evaluation process each vendor was evaluated based on each response to any or all four specialized AR areas: (1) low dollar, high volume insured, (2) self-pay early out, (3) workers compensation, and (4) out-of-state Medicaid; and

WHEREAS, as a result of the evaluations the proposed vendors for each specialized area include: (1) low dollar, high volume: MedMetrix LLC., nThrive Inc., and Sutherland Healthcare Solutions, Inc., (2) self-pay early out: Betz Mitchell Associates, Inc., JZanus Ltd., and Sutherland Healthcare Solutions, Inc. (3) workers compensation: Betz Mitchell Associates, Inc. and (4) out-of-state Medicaid: PhyCare Solutions, Inc.; and

WHEREAS, under the proposed agreements the System will partner with vendors to resolve accounts receivable claims in their area of expertise. Vendors will be responsible for resolving account issues including: resolving edits, rebilling claims, providing medical records, completing requests for information, appealing denials and requesting payments;

WHEREAS, the proposed agreement for these services will be managed by the Senior Vice President for Revenue Management.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with six vendors for the provision of accounts receivable (“AR”) services, in four specialized AR areas, as requested by the System. The six vendors are Betz Mitchell Associates, Inc., JZanus LTD, MedMetrix LLC., nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with total amount over the combined five-year term not to exceed \$46,381,321.00 to the six vendors with all payments to be made contingent on amounts the vendors recover for the System.

**EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH SIX VENDORS
FOR THE PROVISION OF ACCOUNTS RECEIVABLES SERVICES**

BACKGROUND: The purpose of the proposed agreement is for selected vendors to conduct follow-up actions on four populations of accounts receivable that will result in payment to the System for the medical services provided by the System. Vendors will be responsible for resolving account issues including: resolving edits, rebilling claims, providing medical records, completing requests for information, appealing denials and requesting payments;

PROCUREMENT: The System issued a Request for Proposals on August 9, 2018. A mandatory pre-proposers conference was held on August 20, 2018, which forty-four prospective vendors attended. Twenty-nine proposals were received, evaluated and scored. The ten highest rated proposers were invited to present before the Selection Committee. Vendor presentations were held on September 17th-18th, 2018, followed by a final evaluation and scoring. Through this process the Selection Committee evaluated the proposals and presentations on the basis of the proposed fees, proven results collecting on the specified population, clearly defined work protocols, and technology and reporting capabilities. Betz Mitchell Associates, Inc., JZanus LTD, MedMetrix LLC., nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. was selected on these criteria based on the following specialized Accounts Receivable areas:

- (1) Low dollar, high volume - MedMetrix LLC., nThrive Inc., and Sutherland Healthcare Solutions, Inc.
- (2) Self-pay early out - Betz Mitchell Associates, Inc., JZanus Ltd., and Sutherland Healthcare Solutions, Inc.
- (3) Workers compensation - Betz Mitchell Associates, Inc.,
- (4) Out of state Medicaid - PhyCare Solutions, Inc.

BUDGET: The cost of the proposed agreement will not exceed \$46,381,321.00 over the full five year term. The System will receive the collections generated by the vendors and will pay them solely on the basis of the amounts generated by the vendors. The total amount has been budgeted and signed off by Central Finance.

TERM: The term of the proposed agreement is three years with two one-year options to renew solely exercisable by the System.

31656A

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: David Larish, Director
Procurement Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: March 3, 2017

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Betz Mitchell Associates, Inc., has submitted to the Supply Chain Services Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Inpatient and Emergency Department No
Fault Claims

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT/srf

31659A

TO: David Larish
Procurement Operations
Materials Management

FROM: Keith Tallbe *KT*

DATE: March 27, 2017

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **Jzanus, Ltd.**, has submitted to the Supply Chain Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Collections Services

Submitted by: Procurement Operations

EEO STATUS:

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

COMMENTS:

KT:srf

32217

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: Mitchell Jacobs, Director
Procurement Systems/Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: October 1, 2018

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Med-Metrix, LLC, has submitted to the Supply Chain Services Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____ Project: Consulting Services

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT/srp

32217

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

October 1, 2018

Garett M. Kreitz, VP
Business Development
Med-Metrix, LLC
9 Entin Road
Parsippany, NJ 07054

RE: Conditional Approval for Consulting Services

Dear Mr. Kreitz:

NYC Health + Hospitals has reviewed the Employment Report submitted pursuant to Mayor's Executive Order 50 of 1980 by Med-Metrix, LLC in connection with the above-referenced contract. We have identified one area of workforce underrepresentation: Job Group 5A, Admin-AR for minorities. Underrepresentation means a deficit in minority or women in the job category of more than two standard deviations given the relevant labor market area.

Your contract has been approved on the condition that Med-Metrix demonstrate a good faith effort in correcting the underrepresentation and subject to the following terms. Med-Metrix shall develop a correction plan that will include: 1) efforts to develop training programs that will result in opportunities for minorities and or women to enter or be promoted within the organization; 2) efforts to conduct recruiting and hiring activities that will result in increased opportunities for minorities and women; 3) efforts to assure that staff reductions do not impact disproportionately on minorities or women.

Such plan shall be received by NYC Health + Hospitals' Supply Chain Diversity within a month of receiving this letter.

Sincerely,



Keith Tallbe

KT/sp

32220

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: Paul Angeli, Director
Procurement Systems/Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: October 15, 2018

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, nThrive Revenue Systems, LLC, has submitted to the Supply Chain Services Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Account Receivables Partnership

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT/srp

32214

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: Mitchell Jacobs, Director
Procurement Systems/Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: September 25, 2018

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, PhyCARE Solutions, Inc., has submitted to the Supply Chain Services Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____ Project: Accounts Receivable Services

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT/srp

32200

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: Mitchell Jacobs, Director
Procurement Systems/Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: April 24, 2018

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Sutherland Healthcare Solutions, Inc., has submitted to the Supply Chain Services Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Coding Services

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT/srp

32200

April 24, 2018

Anil Joseph, VP & India Head of Human Resources
Sutherland Healthcare Solutions, Inc.
2 Brighton Road, Ste. 300
Clifton, NJ 07012

RE: Conditional Approval for Coding Services

Dear Mr. Joseph:

NYC Health + Hospitals has reviewed the Employment Report submitted pursuant to Mayor's Executive Order 50 of 1980 by Sutherland Healthcare Solutions, Inc. (Sutherland) in connection with the above-referenced contract. We have identified two areas of workforce underrepresentation: Professionals Job Group 2.1 for minorities and Technicians Job Group 3 for minorities. Underrepresentation means a deficit in minority or women in the job category of more than two standard deviations given the relevant labor market area.

Your contract has been approved on the condition that Sutherland demonstrate a good faith effort in correcting these underrepresentations and subject to the following terms. Sutherland shall develop a correction plan that will include: 1) efforts to develop training programs that will result in opportunities for minorities and or women to enter or be promoted within the organization; 2) efforts to conduct recruiting and hiring activities that will result in increased opportunities for minorities and women; 3) efforts to assure that staff reductions do not impact disproportionately on minorities or women.

Such plan shall be received by NYC Health + Hospitals' Supply Chain Diversity within a month of receiving this letter.

Sincerely,



Keith Tallbe

KT/sp

Revenue Management Accounts Receivable Partnerships

Application to Enter into New AR Partnership Agreements

**Board of Directors Meeting
October 25, 2018**

Marji Karlin

Robert Melican

Robert Sargenti

Revenue Management



Accounts Receivable Partnerships

- The Office of Revenue Management received approval from Contract Review Committee (CRC) on July 24, 2018 to release an RFP for long-term Accounts Receivable (AR) vendors across 4 categories:
 - Insured Low Dollar & High Volume
 - ❖ Targeting balances < \$5,000
 - Self Pay Early Out
 - ❖ **Of note, this is not a traditional collection agency; All vendors have financial aid counselors to help patients apply for Medicaid and/or H+H Options and will treat patients respectfully in alignment with H+H mission.**
 - ❖ This population includes uninsured and balances after insurance.
 - Workers Compensation
 - Out of State Medicaid



- Resolution was amended per Finance Committee request to include contingency based reimbursement
 - Authorize New York City Health and Hospitals Corporation (the “System”) to execute an agreement with six vendors for the provision of accounts receivable (“AR”) services, in four specialized AR areas, as requested by the System. The six vendors are Betz Mitchell Associates, Inc., JZanus Ltd., MedMetrix LLC, nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with a total amount over the combined five-year term, not to exceed \$46,381,321.00 to the six vendors with all payments to be made contingent on the amounts the vendors recover for the System.



AR Partnership Goals

- Increase insurance and patient collections by ensuring consistent coverage of all AR in a cost-effective way, while allowing H+H staff to focus on maximizing non-specialized, high-return populations and transition to Epic
- Part of overall plan to reduce and maintain outstanding receivable to align with industry benchmarks – increase revenue cycle staffing levels, training staff, improve productivity, prioritize accounts, and create partnerships
- Increase collections by capitalizing on AR Partner technology including:
 - Proprietary Account Batching: Categorization and prioritization logic to increase efficiency in collections
 - Expanded Eligibility Response Tools: Identify patient insurance coverage
 - Dialers: Automated outbound calls, increasing live phone connections
 - Medicaid Eligibility & Propensity to Pay Scoring: Logic to prioritize patient follow-up based on presumptive eligibility for third party coverage and ability to pay
 - Online Payment Portals: Web-based platform to accept patient payments



NYC
HEALTH+
HOSPITALS **Timeline and Response**

- Released RFP on August 9
- 54 firms participated in pre-proposal conference
- Received over 300 questions and responded on August 27
- 29 firms submitted proposals on August 31
- First round of scoring selected 10 firms for on-site presentations on September 17 & 18
- Committee scored and selected from the 10 presenting firms on September 20



Selected Vendors

- H+H is partnering with vendors to work on accounts that are not currently being worked by H+H staff
- Vendors will receive referrals of accounts receivable that H+H is unable address
- Over 5-year term of contract:
 - Projected expenses not to exceed of \$46,381,000
 - Annual Contract Value \$9.4 Million over 4 categories
 - Projected net revenue of \$441,961,000.

	(in millions)	
	Revenue	Expense
Insured Low Dollar & High Volume	\$64.7	\$6.1
Self Pay Early Out	\$29.3	\$2.6
Workers Compensation	\$2.2	\$0.6
Out of State Medicaid	\$1.3	\$0.1
Total	\$97.5	\$9.4

- All vendors agree to participate in the Minority and Women Business Enterprises (MWBE) process. Four vendors have identified MWBE partners.
- Office of Legal Affairs will work with remaining 2 vendors to ensure compliance with the MWBE program



Selected Vendors

- Six vendors selected across the 4 populations
- Rigorous selection and scoring process based on RFP response and presentation
- The low dollar, high volume and the self-pay early out categories will have three vendors each to allow for comparison of efficiency.
 - It is the expectations that the collection practices of all selected vendors are aligned with the H+H mission. Any patient complaints regarding those practices will be investigated; if necessary, business can be moved between vendors if we are dissatisfied with their practices.
- Better performing vendors will receive more referrals

Low Dollar, High Volume	Self-Pay Early Out	Workers Compensation	Out-of-State Medicaid
MedMetrix nThrive Sutherland	Betz Mitchell JZanus Sutherland	Betz Mitchell	PhyCare



Request to the Board of Directors

Authorize New York City Health and Hospitals Corporation (the “System”) to execute an agreement with six vendors for the provision of accounts receivable (“AR”) services, in four specialized AR areas, as requested by the System. The six vendors are Betz Mitchell Associates, Inc., JZanus Ltd., MedMetrix LLC, nThrive Inc., PhyCare Solutions, Inc., and Sutherland Healthcare Solutions, Inc. Each agreement shall be for an initial term of three years with two one-year options to renew solely exercisable by the System and with a total amount over the combined five-year term, not to exceed \$46,381,321.00 to the six vendors with all payments to be made contingent on the amounts the vendors recover for the System.



RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an agreement with Kone, Inc. ("Kone") to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000.

WHEREAS, in the past, the System has used multiple vendors to maintain and repair the 336 elevators in service throughout the System's facilities with the two principle vendor contracts due to expire by October 31, 2018; and

WHEREAS, the System wishes to move to having a single vendor perform virtually all System elevator maintenance and repair; and

WHEREAS, pursuant to approval of the Contract Review Committee (the "CRC"), the System issued a request for proposals ("RFP") for a single vendor to perform all of its elevator maintenance and repair work; and

WHEREAS, a Selection Committee scored proposals received in response to the RFP and gave Kone the highest score on the basis of experience, cost, technical qualifications and performance metrics; and

WHEREAS, the CRC approved the selection of Kone recommended by the Selection Committee; and

WHEREAS, the System wishes to enter into an agreement with Kone for its elevator maintenance services including preventative maintenance, minor repairs, inspections, and other maintenance services for all 336 elevators across the System; and

WHEREAS, the Vice President, Office of Facility Development shall have the overall responsibility for monitoring the proposed contract.

NOW THEREFORE, BE IT:

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with Kone, Inc. to provide elevator maintenance services with an initial term of five years with two one-year options to renew solely exercisable by the System and with total amount not to exceed \$46,742,000.

32221

Keith Tallbe
Senior Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: Joseph Varghese, Director
Procurement Systems/Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: October 18, 2018

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **Kone, Inc.**, has submitted to the Supply Chain Services Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Maintenance, Repair and Modernization of
Elevators and Escalators

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT/srp

RESOLUTION

Authorizing the Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus”) to negotiate and execute a contract with Community Care Behavioral Health Organization (“CCBHO”), to provide administration of behavioral health and substance use disorder services for a term of two (2) years with three (3) one-year options to renew the agreement, solely exercisable by MetroPlus, for an amount not to exceed \$19.8 million per year for the first 2 years with a 5% annual increase per year for each 1 year renewal term.

WHEREAS, MetroPlus, a subsidiary corporation of New York City Health and Hospitals Corporation (“NYC Health + Hospitals”), is a Managed Care Organization and Prepaid Health Services Plan, certified under Article 44 of the Public Health Law of the State of New York; and

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

WHEREAS, MetroPlus seeks a qualified selected vendor to provide behavioral health and substance use disorder and home and community-based services for membership in all lines of business including the new Children’s Physical and Behavioral Health program; and

WHEREAS, MetroPlus seeks a qualified vendor to provide and manage credentialing and maintenance and management of all behavioral health providers, claims processing, customer services, provider services, utilization, case and quality management etc.; and

WHEREAS, an Negotiated Acquisition for Administration of Behavioral Health Services was issued in compliance with the MetroPlus’ contracting policies and procedures; and

WHEREAS, CCBHO was the vendor selected to provide these services; and

WHEREAS, the Board of Directors of MetroPlus has duly considered and approved the proposed contract between MetroPlus and CCBHO on September 13, 2018.

NOW THEREFORE, be it

RESOLVED, that the Executive Director of MetroPlus is hereby authorized to negotiate and execute a contract with Community Care Behavioral Health Organization to provide administration of behavioral health services for a term of two (2) years with three (3) one (1) year options to renew the agreement, solely exercisable by MetroPlus, for an amount not to exceed \$19.8 million per year for the first 2 years with a 5% annual increase per year for each 1 year renewal term.

FOR NEW YORK CITY HEALTH AND HOSPITALS
BOARD OF DIRECTORS

Authorization for MetroPlus Health Plan, Inc.
to Enter into An Agreement with
Community Care Behavioral Health Organization

The Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus” or the “Plan”) seeks to negotiate and execute a contract with Community Care Behavioral Health Organization (“CCBHO”) to provide Behavioral Health (BH) and Substance Use Disorder (SUD) Management Services.

Because contracts over the amount of three million dollars per year are reserved in the certificate of incorporation of MetroPlus for approval by the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”), the negotiated acquisition process was undertaken and NYC Health + Hospitals Board authorization is now sought to enter into an agreement with the selected vendor. The MetroPlus Board of Directors has approved submission of this resolution to NYC Health + Hospitals Board for authorization.

CCBHO has been selected as the result of a Negotiated Acquisition procurement process, NA No. DCN 100912N017 to provide these services directly to MetroPlus. The purpose of NA No. DCN 100912N017 was to select a vendor to administer credentialing, contracting and maintenance of a BH and SUD provider network, network management, claims processing, customer services, provider and member call center support, utilization management, intensive case/disease management, quality management, ambulatory follow-up services, data collection and analysis for MetroPlus members for the duration of the contract. These services are required by the Medicaid Managed Care Model Contract and by regulations of the State of NY.

Background of CCBHO

Since 1999, CCBHO, part of the Insurance Services Division of University of Pittsburgh Medical Center, has grown to manage services for over one million members in 39 counties, with 10 operational centers. In New York CCBHO has been at the forefront of the Medicaid transition beginning with the NYC Care Monitoring Initiative in 2009. In 2012 CCBHO was awarded the BHO 1 contract for the Hudson River Region. CCBHO currently manages the Behavioral Health, Substance Use Disorder and HARP services for a client in Upstate New York and is fully recommended by both NYS Office of Mental Health and NYS Office of Alcohol and Substance Abuse Services.

The contract is for a 2-year term with three 1-year options to renew. The projected start date is July 1, 2019.

32213

Keith Tallbe
Associate Counsel, Director of Procurement
Legal Affairs, Supply Chain Services

TO: Kathleen Nolan, Assistant Director
for Corporate Affairs
MetroPlus Health Plan

FROM: Keith Tallbe *KT*

DATE: September 4, 2018

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **Community Care Behavioral Health Organization**, has submitted to the Supply Chain Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): MetroPlus Health Plan

Contract Number: _____

Project: Administrator of Behavioral Health Services for MetroPlus Health Plan

Submitted by: MetroPlus Health Plan

EEO STATUS:

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

COMMENTS:

KT/srp

CONTRACT FACT SHEET
MetroPlus Health Plan, Inc.
A subsidiary corporation of New York City Health + Hospitals
For RFP, RFB, PSA, SS, NA

Contract Title: Administration of Behavioral Health Services
Project Title & Number: 100912N017
Project Location: MetroPlus Health Plan
Requesting Dept.: Medical Management

Community Care Behavioral Health (CCBHO)	
Successful Respondent:	_____
Contract Amount:	Not to exceed: \$ \$19.8 million per year for 2 years with 5% increase per year for each 1-year term renewal.
Contract Term:	2 years with 3 one-year renewal options

Number of Respondents: 3

Range of Proposals: \$15.8 Million –\$ 19.8 Million

Minority Business Enterprise Invited: Yes

Funding Source
 Capital
 General Care
 Grant: Explain
 Other: [General Operating Fund]

Method of Payment
 Lump Sum
 Per Diem
 Time and Rate
 Other: [As invoiced]
(required for contracts that exceed the amount of \$25,000)
 Yes

Compliance with HHC's McBride Principles
 Yes No

Vendex Clearance
(required for contracts In the amount of \$100,000 or more)
 Yes No - In Progress
(if applicable)
Privacy Addendum: Yes No Executed with Contract

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

In order to successfully meet NY State Medicaid Managed Care Model Contract and regulatory requirements and Children's Behavioral Health and Physical Health Carve-in of 2019 MetroPlus is seeking to partner with Community Care Behavioral Health Organization (CCBHO), a highly qualified vendor with an established core competency in the management of Behavioral Health and HARP benefits and services; to provide the administration of behavioral health and substance abuse management services for all lines of business and to improve coordination of medical and behavioral health care services for special populations in addition to the expanded home and community based services and Children's carve-in membership in the most effective and efficient manner, while keeping with MetroPlus' vision and mission.

Contract Application Approval (not applicable to PSA or RFB)

Was the proposed contract application approved: Yes in March 2018.

Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since the approval of the Contract Application? If so, please indicate how the proposed contract differs since that approval: No

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

Selection Committee Members (Applicable to RFP, RFB, or NA)

(For RFP, RFB or NA only: Need to have an odd number of persons but no less than 5 upper/mid-level managers and that includes 3 persons from different departments)

(For PSA or SS: Project Manager and Department Head)

Talya Schwartz – Committee Head

John L. Cuda - CFO

Ryan Harris - CHRO

Gail L. Smith - CCSO

Susan Sun - CIO

Karen Bartlett – Deputy COO

Larry Klein – AED BH + HARP

Firms Responding (Applicable to RFP, RFB, PSA or NA)

Beacon Health Options, LLC.

Optum, Inc.

Community Care Behavioral Health Organization

Firms Considered (Applicable to RFP, RFB, PSA or NA)

Beacon Health Options, LLC.
Optum, Inc.
Community Care Behavioral Health Organization

Justification of Vendor Selection (Provide greater detail for Sole Source, Negotiated Acquisition or PSA)

The vendors were evaluated against a pre-defined criterion; weighing each company against key components including:

- BH Provider Network
- 24/7/365 Support Center
- Data Integration, Reporting, Fraud Monitoring; Performance Standards
- Understanding and experience with BH Managed Care + HARP
- Ability to integrate BH with Plan's Physical Health services
- Ability to develop, design, execute implementation plan
- Demonstrated Management Plan and Organizational structure
- Cost

Community Care Behavioral Health Organization received the highest rating overall rating.

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

MetroPlus does not currently have the organizational structure or systems, required staff in place or the core competency to meet the NYS requirements for BH, SUD and HARP administration. Two separate full-scale analyses were completed to gain this conclusion.

Will the contract produce artistic/creative/intellectual property? Who will own It? Will a copyright be obtained? Will it be marketable? Did the presence of such property and ownership thereof enter into contract price negotiations?

Not likely – and none known at this time.

Contract monitoring (include which Executive Staff is responsible):

Contract monitoring and governance will be managed under the Behavioral Health / HARP Associate Executive Director and Director of BH/HARP Operations, reporting to Dr. Talya Schwartz – CMO.
CONTRACT FACT SHEET (continued)

Equal Employment Opportunity Analysis (include outreach efforts to MBE/WBE's, selection process, comparison of vendor/contractor EEO profile to

EEO criteria. Indicate areas of under-representation and plan/timetable to address problem areas):
(applicable to contracts that exceed \$25,000)

Received By E.E.O.

Date August 31, 2018

Analysis Completed By E.E.O.:

Approved on 9/4/18

MetroPlus Health Plan

Community Care Behavioral Health Organization

Arnold Saperstein, MD

President and CEO

and

Talya Schwartz, MD

Chief Medical Officer

Health + Hospitals Board of Directors Meeting

October 25, 2018



500,000 MEMBERS STRONG

MetroPlus Delegated Behavioral Health Services

- **Mental Health and Substance Use Disorder Services** have been delegated to Beacon Health Options since January, 2015
- Delegation initiated in 2015 to meet all of the New York State Behavioral Health and HARP requirements
- **Behavioral health services delegated include:**

Utilization Management	Case Management
Clinical Programs	Customer service
Claims processing and payment	Reporting
Behavioral Health Network	Credentialing
Aspect of quality work	Back Office Operations

Why did we do a new Negotiated Acquisition

- Multiple areas of concern identified with current vendor:
 - ❑ Claims Configuration and payment (accuracy and timeliness)
 - ❑ Encounter Data Reporting (NY State and CMS)
 - ❑ Lack of Internal Controls of reporting with repeated errors and inaccuracies
 - ❑ Failure to deliver on consistent, measurable improved clinical outcomes.
 - ❑ Lack of clinical innovation
- Overall dissatisfaction of Beacon by H+ H, NY State Office of Mental Health, NY State Department of Health and behavioral health network providers



Negotiated Acquisition

- Three Respondents
 - Community Care Behavioral Health Organization
 - Beacon Health Options
 - Optum
- Overall highest score to Community Care Behavioral Health Organization (a Not-for-profit behavioral health managed care organization, wholly owned by UPMC)

Community Care Behavioral Health Organization

Strengths:

- ❑ As a not-for-profit HMO, vision and mission alignment
- ❑ Experience being part of an Integrated Delivery System
- ❑ Participant in NY State BHO-1 Project and HARP and highly recommended by OMH and OASAS leadership
- ❑ Proven, published and award winning innovative clinical programming including Integrated Care, Medication Assisted Treatment and Field Based Case Management models
- ❑ Accomplishments through provider relationships and value based contracting rather than utilization denials (essentially no denials)
- ❑ Proven lower than average readmission rates and higher rates of follow up after hospital discharges in NY state
- ❑ JD Power top rating for claims processing timelines, quality and efficiency in exceeding industry standards



Cost and Term

- Cost of current vendor, Beacon for 2018 17.2 million based on administrative costs (Jan-June 2018)
- Projected comparative cost of new vendor, CCBH is 18.6 million annually. Resolution for 19.8 million to allow for membership growth. Actual spend will be based on membership.
- Term of contract: Two years with three options to renew for one year each, solely exercisable by MetroPlus



Metro Plus
Health Plan
planning ahead.
plan ahead.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “**System**”) to execute a lease with 7 Hanover Owner LLC (“**Landlord**”) for a term to expire on December 31, 2043 with a ten-year option to renew that may be exercised only by the System with the approval of its Board of Directors for approximately 526,552 rentable square feet of space on floors 2 through 12, floors 15 through 17 and a portion of the ground floor lobby (the “**Premises**”) at 7 Hanover Square, to be known as 50 Water Street (the “**Building**”) with the System having certain options to take additional contiguous floors in the Building and to give back the 17th floor, to house the Central Office administrative functions described in the attached Summary of Economic Terms all of which shall be relocated from their current office locations with the use and occupancy of the Premises to be at rental rates scheduled in the Summary of Economic Terms for a total rental obligation through December 31, 2043 of \$758 Million exclusive of real estate tax escalation charges, operating expense escalation charges, utilities and other customary occupancy costs.

WHEREAS, the System now occupies space at 125 Worth Street, 199 Water Street, 160 Water Street, 55 Water Street, 33 Maiden Lane and 1 Metrotech Center to house the System’s Central Office functions and those of MetroPlus; and

WHEREAS, with the exception of 125 Worth Street and 55 Water Street, the above occupancies are all pursuant to leases that will expire between March 31, 2019 and December 31, 2024 although the System holds a five-year renewal option at 160 Water Street; and

WHEREAS, it is necessary to plan for the relocation of the functions in expiring leases and in doing so it is desirable to formulate a plan that consolidates the functions in a single location to avoid the considerable inefficiencies caused by the current dispersal of such functions across six locations; and

WHEREAS, the Department of Citywide Administrative Services (“**DCAS**”) welcomes the chance to put a City Agency into the System’s space at 125 Worth; and

WHEREAS, 50 Water Street is directly across the street from 55 Water Street so that the two locations could together form a consolidated campus; and

WHEREAS, by consolidating the six current locations to one, the System can reduce the rental footprint involved by 20% through space efficiencies due to the use of larger floor plates, consolidation of functions and more efficient design; and

WHEREAS, the proposed lease when compared to the alternative of the System exercising its option to remain at 160 Water Street and leasing individual blocks of space for the System’s other locations as their leases expire at market rates will save the System approximately \$95 Million over the initial term of the lease, or \$111 Million if the benefit of an exemption from real estate tax is considered (both calculated on a Net Present Value basis using a 7% discount rate) including all capital and rental expenses but exclusive of the additional benefit the System might realize if it either sublets the remainder of its 160 Water Street lease term or is released from the lease by the property owner; and

WHEREAS, the management of the relocation, the build out of the space and the administration of the lease will be the responsibility of the Vice President for Facilities Development.

NOW THEREFORE, be it hereby resolved that the New York City Health and Hospitals Corporation (the “**System**”) be and the same hereby is authorized to execute a lease with 7 Hanover Owner LLC (“**Landlord**”) for a term to expire on December 31, 2043 with a ten-year option to renew that may be exercised only by the System with the approval of its Board of Directors for approximately 526,552 rentable square feet of space on floors 2 through 12, floors 15 through 17 and a portion of the ground floor lobby at 7 Hanover Square, to be known as 50 Water Street (the “**Building**”), with the System having certain options to take additional contiguous floors in the Building and to give back the 17th floor, to house the Central Office administrative functions described in the attached Summary of Economic Terms all of which shall be relocated from their current office locations with the use and occupancy of the Premises to be at rental rates scheduled in the Summary of Economic Terms for a total rental obligation through December 31, 2043 of \$758 Million exclusive of real estate tax escalation charges, operating expense escalation charges, utilities and other customary occupancy costs.

EXECUTIVE SUMMARY
LEASE OF OFFICE SPACE FROM AN AFFILIATE OF GFP REAL ESTATE
AT 50 WATER STREET, NY, NY

OVERVIEW/NEED: The System's Central Office and MetroPlus staff is currently housed at several rental locations: 199 Water Street, 160 Water Street, 55 Water Street, 33 Maiden Lane, 1 Metrotech Center and at the City-owned 125 Worth Street, which the City provides rent-free. The 55 Water lease, signed shortly after Hurricane Sandy (at favorable rates due to the storm), has fifteen years remaining with an option for an additional five years. However, the current dispersion leads to fragmented communications, limited team building, time lost to travel, and inefficient operations. The System needs to reduce the inefficiencies created by multiple leases and staff in multiple buildings and improve the System's financial position by decreasing rental costs through consolidation.

The System has several other outstanding long-term and short-term needs. In the long-term, the system needs to replace the 31st floor of 199 Water St which currently houses the DSRIP and Population Health groups until March 2019. The System also needs to replace 160 Water St, 33 Maiden Lane, and 1 Metrotech over the next six years as those leases expire. The System can exercise an option to renew at 160 Water St but the rent will increase. MetroPlus also seeks to consolidate staff from 33 Maiden Lane and 1 Metrotech into one location, ideally with the remainder of MetroPlus.

In the short-term, the System wishes to benefit from the advantages that 50 Water Street offers over the Long Island City lease it signed a year ago to house its Epic team. 50 Water Street offers the following advantages (i) it can house the entire Epic team whereas LIC could house only a large part of the team; (ii) the location is close to 55 Water Street where EITS senior leadership is located thereby facilitating coordination and management; (iii) being in Manhattan, 50 Water St. is central to the other boroughs where the team will be working; (iv) it provides a long term home to the part of the Epic team that will remain with the System after the Epic rollout whereas the lease for LIC expires in 12 years; and (v) part of the early occupancy space for the Epic team will be shifted to other Central Office uses in 18 – 24 months. Since the System accelerated the Epic implementation timeline to capture additional revenue and improve patient quality sooner. This heightens the need to obtain the benefits that 50 Water Street offers whereas under the prior plan the LIC space could have been made to work. However to make this shift, the early occupancy parts of 50 Water Street is required by November 2018.

PROPOSAL: Fortunately, 50 Water Street is changing ownership and its major tenant is vacating. This has resulted in an available block of space that is large enough that it can house all the Central Office staff now in rental locations as well as the staff at 125 Worth Street. Because of the large size of the block of space the System proposes to lease, it has been able to negotiate favorable terms, and the premises' current condition will also allow the System to occupy the space with less capital expense than the likely alternatives. Furthermore, with the ability to consolidate all Central Office functions at 55 Water and 50 Water, which face each other across Water Street, Central Office can dispense with the shuttle bus it has operated among its various locations, staff time can be saved in traveling among locations

and in person meetings can more easily be scheduled. All of this can be achieved at substantial savings over the alternative of extending the 160 Water Street lease through its option term ending 2028 and replacing the other leases individually as they expire at market rates. The proposed lease will effect a reduction in the Central Office footprint of approximately 20% per employee due to design and space efficiencies. Moreover, early occupancy floors can be made available to house EITS, One City Health, and Population Health. The City's Department of Health and Mental Hygiene has agreed to assume the Long Island City lease and the System will not have any termination costs (a separate board item). In short, the 50 Water Street opportunity allows the System to accomplish long-term and short-term goals.

In addition to these efforts, the System will complete space use studies at hospital campuses to unlock available space for future call centers, IT support and other growth that benefits from clinical co-location. The System has already capitalized on this circumstance by renovating 9,900 sf at Jacobi for use by the System's Central Payroll unit, 9,476 sf at Bellevue for use by the System's IT Help Desk, 3,195 sf at Cumberland for use by EITS and 17,361 sf at NYC Health + Hospitals/Metropolitan for use as an EITS and other training space.

To take further advantage of unused space at the System's hospitals it is necessary to go beyond merely renovating currently vacant blocks of space. Instead, it is necessary to consider existing functions with the goal of freeing up significant blocks of space. Architects are now studying such possibilities and will report the possibilities and the estimated costs. The resulting finding will be reported to the Board to determine whether the costs of the retrofit are justified by the assemblage of useable space produced and then, whether such space is best used for healthcare programs, social service program or administrative functions.

BENEFITS:

The proposed lease allows the System to meet long-term and short-term space and operational objectives. The System will reduce the total number of leases, achieve operational efficiencies, and meet all headcount needs. The lease is also highly competitive compared to other recent transactions (please see attached list of comparable transactions). 50 Water Street rent is 20% cheaper than market rents (\$39.36/sf vs \$49.25/sf). Last but not least, the lease provides a unique opportunity to generate savings. The 50 Water landlord will pay NYC H+H \$6M upon lease signing and \$1.5M over three years to cover rent at 160 Water St. The System will pay no more than ~4 months of double rent (at a single location, 1 Metrotech) total across all leases during consolidation.

COSTS:

Occupancy Cost (25 Year Term)

- Total Rent: \$758M
- Rent + Operating & Taxes: \$866M
- Total expenses including operating, taxes and remaining lease obligations through term (at 160 Water St): \$948M
- Total Potential Value of Real Estate Tax Exemption: \$153M

Out-of-Pocket Capital Expenses: \$29.8M (\$56.54 / Sq. Ft.)

- Total Construction & Moving Budget: \$82.4M (\$156.54 / Sq. Ft.)
- Landlord's Work Letter: \$52.7M (\$100 / Sq. Ft.)
- Existing City Capital will be used for out-of-pocket capital expenses

**SAVINGS VS
CURRENT
STATE:**

In addition to costs, the 50 Water lease generates savings compared to the System’s most conservative like alternative. The Current State Scenario is an estimate of the cost of office space for the employees currently at 160 Water Street, 199 Water Street, 33 Maiden Lane, 125 Worth Street, and eventually One Metrotech over the next 25 years, which assumes renewing at existing locations when possible (160 Water St) and relocating to new market rate buildings when necessary (199 Water St, 33 Maiden Lane, 1 Metrotech). The goal of the scenario is to estimate the minimum alternative cost to a relocation to 50 Water Street, and as such the System assumes that: 1) the new relocation buildings will allow for a 20% space use efficiency gain, similar to 50 Water Street, 2) the System will not need to relocate a second time during the analysis period, limiting capital expense exposure, 3) no maintenance capital will be required for the existing premises being renewed, 3) no on-going transportation costs between locations will be required. Even with these assumptions, the 50 Water St lease yields significant savings over the 25 year term as shown below:

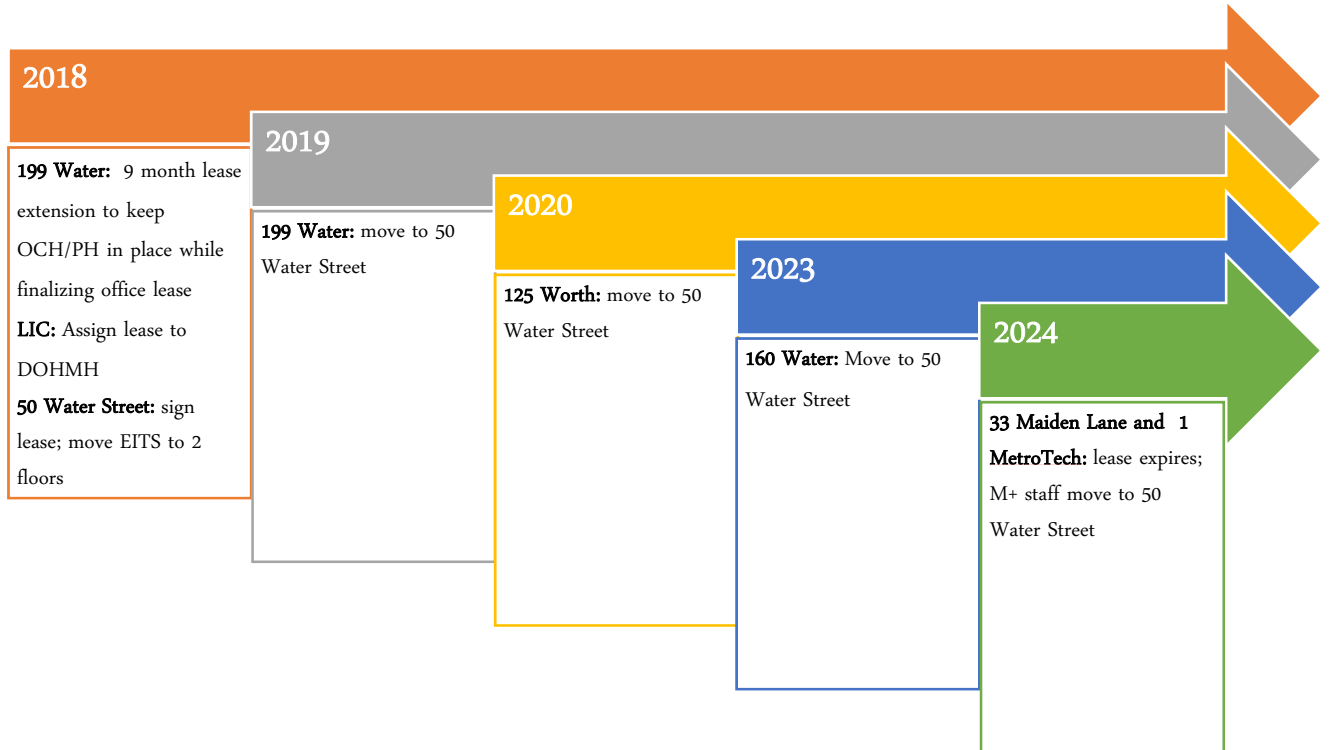
<u><i>First 5 Years (though FY23)</i></u>	<u><i>Current State</i></u>	<u><i>50 Water St</i></u>	<u><i>Savings</i></u>
Recurring Costs (Rent, Operating Exp. Esc., RE Tax Esc.)	\$118.3M	\$114.8M	
Buy-Out Proceeds	\$0.0M	(\$7.3M)	
Projected Capital Expenses & Moving Costs	\$27.0M	\$29.8M	
Total	\$145.3M	\$137.3M	\$8.0M
RE Tax Exemption (to be reviewed by DOF)	(\$6.9M)	(\$15.4M)	
Total with RE Tax Exemption	\$138.4M	\$121.9M	\$16.5M
<u><i>Whole Term</i></u>			
Total	\$1,151.9M	\$970.0M	\$181.8M
NPV(7%)	\$516.2M	\$421.4M	\$94.8M
Total with RE Tax Exemption	\$1,019.7M	\$816.6M	\$203.1M
NPV(7%) with RE Tax Exemption	\$469.5M	\$358.5M	\$111.0M

REAL ESTATE TAX: The System believes that the real estate tax exemption will be available as-of-right, but that the City Department of Finance will need to review all relevant submissions.

TIMING:

The 14 floors to be rented will become available at several different times. The System will take Floors 4 and 5 immediately in their as-is condition for occupancy by the System’s EITS Epic unit to meet that unit’s urgent need for space. Next the System will take Floor 2 which will be used by the DSRIP and Population Health units after the 199 Water Street lease expires. The balance of the space, including dedicated lobby space will be delivered October 1, 2019.

The phasing chart below shows the plan for moving:



STAFF TO BE RELOCATED:

The staff to be relocated is summarized below. The system anticipates that a total of approximately 2,600 staff members will be relocated to 50 Water Street. These numbers may vary slightly based on hiring and organizational changes in the out years prior to the move.

Location	Occupants	Headcount
160 Water Street Floors 2-13	*MetroPlus *Corporate Finance *Supply Chain *At Home *Inspector Gen *Compliance *WTC Program *Internal Audit	1,453
199 Water St., 31st Floor	*DSRIP/OneCity *Population Health	145
125 Worth Street 4th and 5th floors	*M&PA *Ambulatory Care *Acute Care Ops *President’s Office *Legal Affairs *Emergency Management *Board Office and Board Room *Marketing *Quality *IGA	237
1 Metrotech Center	Metroplus Call Center	247
33 Maiden Lane	Metroplus Administrative Staff	126
55 Water St or New Hires TOTAL	EITS Epic Team	408 2,616

**SUMMARY OF ECONOMIC TERMS
LEASE OF OFFICE SPACE FROM AN AFFILIATE OF GFP REAL ESTATE
AT 50 WATER STREET, NY, NY**

RENTAL RATES:	11/1/18 –9/30/19:	\$48.00 per RSF for Floors 4 and 5
	3/1/19 – 9/30/19:	\$48.00 per RSF for Floor 2
	10/1/19 – 11/30/25:	\$56.58 per RSF for All Floors
	12/1/25 – 11/30/30:	\$61.58 per RSF “ “
	12/1/30 – 11/30/35:	\$66.58 per RSF “ “
	12/1/35 – 11/30/40:	\$71.58 per RSF “ “
	12/1/40 – 12/31/43:	\$76.58 per RSF “ “

FREE RENT The System will receive free rent as follows:
 Floors Ground, 2-6: 11/1/2019 – 11/30/2020
 Floors 7-12, 15-17 10/1/2019 – 12/31/2023

TAX ABATEMENT: Real estate taxes on the Premises will be abated when the bulk of the space is delivered on October 1, 2019 and the benefit will be passed through to the System on a dollar for dollar basis. This will represent an estimated reduction of approximately \$9/ RSF from rent commencement October 1, 2019 for the first year of the lease or \$4.8M. Thereafter, the abatement will produce increased annual savings as the real estate taxes increase. The System believes that the real estate tax exemption will be available as-of-right, but that the City Department of Finance will need to review all relevant submissions.

OPTIONS: The System will have the right to give back the 17th Floor after 5 years upon payment of Landlord’s allocable unamortized rental costs including free rent, brokerage and work allowance. Additionally, the System will have a right of first offer to rent the floors contiguous to the Premises at 95% of FMV if they are available.

CONSTRUCTION/ OUTFITTING Based on a detailed study performed by Perkins Eastman architects and cost estimating performed by Gardiner and Theobald, the total cost of preparing the space for use and occupancy by the System and moving staff from their current locations to the new building will be approximately \$82.4 Million.

WORK LETTER: Landlord will give the System \$100/RSF or \$52.7M for use in renovating the Premises.

ADDITIONAL FUNDING: Existing City Capital (29.8M) will be used for capital expenses above landlords work letter. That commitment was based on a review of all of the financial projections reflected in this Executive Summary.

LOBBY: The System will get a dedicated entrance and lobby on Water Street so it can control the entrance to the Premises and make allowance for public attendance at Committee and Board meetings.

BOARD ROOM: One floor is already legal for public assembly and contains a meeting room that will hold approximately 250 people. That room can be adapted for use as a Board Room

FINANCIAL ANALYSIS; CASH FLOW & CAPITAL COSTS COMPARED TO ALTERNATIVE See attached Appendix 1

RENTAL COMPARABLES See Attached Appendix 2

SECURITY: DEPOSIT None

CLEANING: Provided by Landlord. If supplemental is desired, Tenant may choose its own vendor or provide with its own forces.

HVAC: Provided by Landlord including after hours.

BRANDING: The System may attach its name to the lobby of the Building.

APPENDIX 1

Financial Analysis

	RSF	Jan 19 - Jun 19	FY20	FY21	FY22	FY23	5 Year Jan 19 - Jun 23 Total	25 Year Jan 19 - Dec 43 Total	25 Year Total Jan 19 - Dec 43 NPV (7%)
Current State Recurring Costs <i>Including Remaining Obligation</i>	533,039	\$8.6M	\$22.8M	\$28.6M	\$29.0M	\$29.4M	\$118.3M	\$1,009.5M	\$430.3M
Current State Capital Expenses & Movings Costs	533,039	\$20.6M	\$0.0M	\$0.0M	\$0.0M	\$6.4M	\$27.0M	\$142.4M	\$85.9M
Current State Total (before RET Exemption) <i>Including Remaining Obligation</i>	533,039	\$29.2M	\$22.8M	\$28.6M	\$29.0M	\$35.8M	\$145.3M	\$1,151.9M	\$516.2M
Value of Real Estate Tax Exemption for Current State	533,039	\$0.0M	(\$0.9M)	(\$1.9M)	(\$2.0M)	(\$2.0M)	(\$6.9M)	(\$132.2M)	(\$46.7M)
Current State Recurring Total (after RET Exemption) <i>Including Remaining Obligation</i>	533,039	\$29.2M	\$21.8M	\$26.6M	\$27.0M	\$33.7M	\$138.4M	\$1,019.7M	\$469.5M
50 Water Street Recurring Costs <i>Including Remaining Obligation</i>	526,552	\$8.6M	\$19.0M	\$25.3M	\$30.7M	\$31.3M	\$114.8M	\$947.8M	\$402.6M
50 Water Street Buyout Proceeds	526,552	\$0.0M	(\$6.0M)	(\$0.3M)	(\$0.5M)	(\$0.5M)	(\$7.3M)	(\$7.5M)	(\$6.9M)
50 Water Street Capital Expenses & Moving Costs <i>\$100 psf Work Allowance</i>	526,552	\$0.0M	\$0.0M	\$26.6M	\$3.2M	\$0.0M	\$29.8M	\$29.8M	\$25.6M
50 Water Street Total (before RET Exemption) <i>Including Remaining Obligation</i>	526,552	\$8.6M	\$13.0M	\$51.6M	\$33.4M	\$30.8M	\$137.3M	\$970.0M	\$421.4M
Value of Real Estate Tax Exemption at 50 Water Street⁽¹⁾	526,552	\$0.0M	(\$2.1M)	(\$3.8M)	(\$4.7M)	(\$4.8M)	(\$15.4M)	(\$153.5M)	(\$62.8M)
50 Water Street Total (after RET Exemption) <i>Including Remaining Obligation</i>	526,552	\$8.6M	\$10.9M	\$47.8M	\$28.7M	\$26.0M	\$121.9M	\$816.6M	\$358.5M
Δ Current State vs. 50 Water Street (before RET Exemption)	6,487	\$20.6M	\$9.8M	(\$23.0M)	(\$4.4M)	\$5.0M	\$8.0M	\$181.8M	\$94.8M
Δ Current State vs. 50 Water Street (after RET Exemption)	6,487	\$20.6M	\$10.9M	(\$21.1M)	(\$1.7M)	\$7.8M	\$16.5M	\$203.1M	\$111.0M

NOTES

(1) During the free rent period at 50 Water Street, NYC H+H is responsible for it's proportionate share of the building's real estate taxes provided they are not exempt.

(2) Fiscal Year 2019 Likely Alternative Capital Expenses include the costs associated with the replacement of the 199 Water Street Space (based on the gut renovation budget) and the additional 200k rsf for new hires (based on the limited scope budget)

APPENDIX 2

Sign Date	Tenant Name	Building Address	District	Floor(s)	SF	Terms (months)	Rent (\$/Sqft)	Work Amount (\$/Sqft)	Free Rent (months)	Net Effective Rent (\$/Sqft)
TBD	NYC HH	7 Hanover Sq - GFP 8/19/18	Downtown East		322,873	291	10/1/19: \$56.58 12/1/25: \$61.58 12/1/30: \$66.58 12/1/35: \$71.58 12/1/40: \$76.58	\$100 +\$6 MM Buyout & \$500k / yr for 3 years	51	\$33.94
TBD	NYC HH	7 Hanover Sq - GFP 8/19/18	Downtown East		530,000	291	10/1/19: \$56.58 12/1/25: \$61.58 12/1/30: \$66.58 12/1/35: \$71.58 12/1/40: \$76.58	\$100 +\$6 MM Buyout & \$500k / yr for 3 years	51 - 322,873 rsf 14 - 200,000 rsf	\$39.36
TBD	Law Firm	PENDING	Downtown East		200,000	252	Yrs 1-10: \$56.50 Yrs 11-15: \$63.00 Yrs 16-20: \$68.00	\$100.00	12	\$45.10
9/18	WeWork	85 Broad Street	Downtown East	E8-9	76,814	193	Yrs 1-6: \$55.00 Yrs 7-11: \$60.00 Yrs 12-16: \$65.00	\$90.00	13	\$43.22
7/18	MDRC	200 Vesey Street	Downtown West	E23	54,000	193	Yrs 1-6: \$54.00 Yrs 7-11: \$60.00 Yrs 12-16: \$66.00	\$85.00	13	\$43.53
7/18	J Crew	225 Liberty Street	Downtown West	E17-23	324,000	252	Yrs 1-6: \$54.00 Yrs 7-11: \$59.00 Yrs 12-16: \$64.00 Yrs 17-21: \$69.00	\$25.00	12	\$51.92
5/18	National Debt Relief	180 Maiden Lane	Downtown East	E29-31	95,284	180	Yrs 1-6: \$60.00 Yrs 7-13: \$66.00	\$115.00	24	\$37.67
5/18	McKinsey & Company Inc.	3 World Trade Center	Downtown West	E60-64	185,000	196	Yrs 1-5: \$80.00 Yrs 6-10: \$86.00 Yrs 11-15: \$92.00	\$100.00	16	\$62.79
4/18	Wolters Kluwer	28 Liberty Street	Downtown East	E42	130,000	193	Yrs 1-5: \$61.00 Yrs 6-10: \$66.00 Yrs 11-15: \$71.00	\$100.00	13	\$47.54
2/18	New York Liquidation Bureau	180 Maiden Lane	Downtown East	E14, P15	43,135	192	Yrs 1-5: \$50.00 Yrs 6-10: \$55.00 Yrs 11-15: \$60.00	\$90.00	12	\$38.99
12/17	Momentum New York	300 Vesey Street	Downtown West	P14, E15	58,000	133	Yrs 1-5: \$62.50 Yrs 6-10: \$67.50	\$85.00	13	\$43.54
10/17	Booking.com	28 Liberty Street	Downtown East	P28, E29	53,384	133	Yrs 1-5: \$60.00 Yrs 6-10: \$65.00	\$80.00	13	\$42.09
10/17	Lewis Brisbois	77 Water Street	Downtown East	E18-21	100,952	187	Yrs 1-5: \$53.00 Yrs 6-10: \$58.00 Yrs 11-15: \$62.00	\$20.00	7	\$51.07

<i>Sign Date</i>	<i>Tenant Name</i>	<i>Building Address</i>	<i>District</i>	<i>Floor(s)</i>	<i>SF</i>	<i>Terms (months)</i>	<i>Rent (\$/Sqft)</i>	<i>Work Amount (\$/Sqft)</i>	<i>Free Rent (months)</i>	<i>Net Effective Rent (\$/Sqft)</i>
10/17	New York City Economic Development Corporation (EDC)	1 Liberty Plaza	Downtown West	E10-14	219,486	254	Yrs 1-5: \$53.00 Yrs 6-10: \$58.00 Yrs 11-15: \$63.00 Yrs 16-20: \$68.00	\$85.00	14	\$44.55
9/17	New York City Department of Investigation	180 Maiden Lane	Downtown East	E16-24	276,000	249	Yrs 1-5: \$52.00 Yrs 6-10: \$57.00 Yrs 11-15: \$62.00 Yrs 16-20: \$67.00	\$77.00	9	\$45.35
8/17	MacMillan Communications, Inc.	120 Broadway	Downtown East	E22-26	260,836	255	Yrs 1-5: \$48.00 Yrs 6-10: \$53.00 Yrs 11-15: \$58.00 Yrs 16-20: \$63.00	\$80.00	15	\$38.83
7/17	Stagwell Group	1 World Trade Center	Downtown West	E62-63	83,955	157	Yrs 1-6: \$61.00 Yrs 7-12: \$66.00	\$85.00	13	\$44.13
5/17	Business Insider	1 Liberty Plaza	Downtown West	E8-9	88,050	127	Yrs 1-5: \$53.00 Yrs 6-10: \$58.00	\$90.00	7	\$37.99
5/17	New York City Human Resources Administration	375 Pearl Street	Tribeca/City Hall	P20, E21-25	193,821	249	Yrs 1-5: \$46.75 Yrs 6-10: \$49.75 Yrs 11-15: \$52.75 Yrs 16-20: \$57.75	\$65.00	9	\$40.00
1/17	New York State Attorney General	28 Liberty Street	Downtown East	E13-21, 33	340,000	183	Yrs 1-5: \$58.00 Yrs 6-10: \$63.00 Yrs 11-15: \$68.00	\$120.00	3	\$47.48

50 Water Street Lease

Board of Directors Meeting

October 25, 2018

**Maureen McClusky and John
Ulberg**



Proposal



Achieve administrative savings and efficiencies by consolidating multiple sites into one Central Office campus located at 50 and 55 Water St

Building	Tenants		Staff	Lease Expiration	Annual Cost‡ (Proj. 2019)
160 Water	<ul style="list-style-type: none"> IG and Compliance Supply Chain WTC Internal Audit 	<ul style="list-style-type: none"> Finance At Home Metroplus 	1,453	2023	\$13.2M
199 Water	<ul style="list-style-type: none"> OCH/DSRIP 	<ul style="list-style-type: none"> Pop Health 	145	2019	\$2.1M
33 Maiden	<ul style="list-style-type: none"> Metroplus 		126	2023	\$1.5M
1 MetroTech	<ul style="list-style-type: none"> Metroplus 		247	2024	\$1.0M
Long Island City [^]	<ul style="list-style-type: none"> EITS 		408*	2025	\$1.7M
125 Worth	<ul style="list-style-type: none"> Acute Care Primary Care Legal CMO President's Office 	<ul style="list-style-type: none"> IGA Marketing Board Emergency Management Quality 	237	N/A	N/A
TOTAL			2,616		\$19.5M

[^]NYC DOHMH will assume LIC lease.

*Additional staff from other locations included in this total. 279 staff can fit in LIC.

‡Annual Cost is the projected 2019 Base Rent, Real Estate Tax Escalations & Operating Expenses Escalations. Leases with obligations expiring during 2019 are annualized.

Key Business Terms



Lease Length: 25 years with option to renew for 10 additional years at 95% Fair Market Value

Space: 526,552 square feet over 14 floors and dedicated portion of lobby with options to add and/or drop a floor as needed

Landlord: 7 Hanover LLC which will close on 50 Water in October 1, 2019 but with early occupancy of 2 floors 11/1/18 and 1 floor 3/1/19

Free Rent: \$79.6M total

Rent: \$758M in total rent (\$56.58/sf, increasing by \$5/sf every five years)

Capital Costs: Projected \$82.4M total capital cost

- \$52.7M from landlord
- \$29.8M covered by existing City Capital



Benefits



- Cost effective opportunity to consolidate
 - 50 Water Street rent is 20% cheaper than market rents (\$39.36/sf vs \$49.25/sf)*
- Gain administrative efficiencies from consolidation
 - More face-to-face meetings and opportunities for collaboration
 - Less time spent in transit and decreased reliance on teleconferencing
- Reduce costs and increase savings from consolidation
 - \$6M upfront signing incentive and \$1.5M incentive split over next three years
 - 20% less space needed
 - Lower operating costs due to efficiencies (ending shuttle service, gaining 24/7 heating and cooling, free freight elevator use)
- Compared to the current state, NYC H+H will save \$16.5M in 5 years and \$203.1M in 25 years including real estate tax exemption

Financials



Key takeaway: H+H will save significant \$ in the short and long-term.

<u>First 5 Years (though FY23)</u>	<u>Current State*</u>	<u>50 Water St</u>	<u>Savings over Current</u>
Recurring Costs (Rent, Operating Exp. Esc., RE Tax Esc.)	\$118.3M	\$114.8M	
Projected Capital Expenses & Moving Costs	\$27.0M	\$29.8M	
Buy-Out Proceeds	\$0.0M	(7.3M)	
Total	\$145.3M	\$137.3M	\$8.0M
RE Tax Exemption (to be reviewed by DOF)	(\$6.9M)	(\$15.4M)	\$8.5M
Total with RE Tax Exemption	\$138.4M	\$121.9M	\$16.5M
 <u>Whole Term</u>			
Total with RE Tax Exemption	\$1,019.7M	\$816.6M	\$203.1M~

*Current state costs are conservative because they do not include multiple moves, transport costs, or capital spent to refresh/maintain current leased space. Assumes H+H will extend current leases or move to more efficient locations if no renewal option exists.

~Estimated \$111M in net present value savings for whole term.

Phasing



2018

LIC: Assign lease to DOHMH
50 Water Street: sign lease; move EITS to 2 floors

2019

199 Water: move to 50 Water Street

2020

125 Worth: move to 50 Water Street

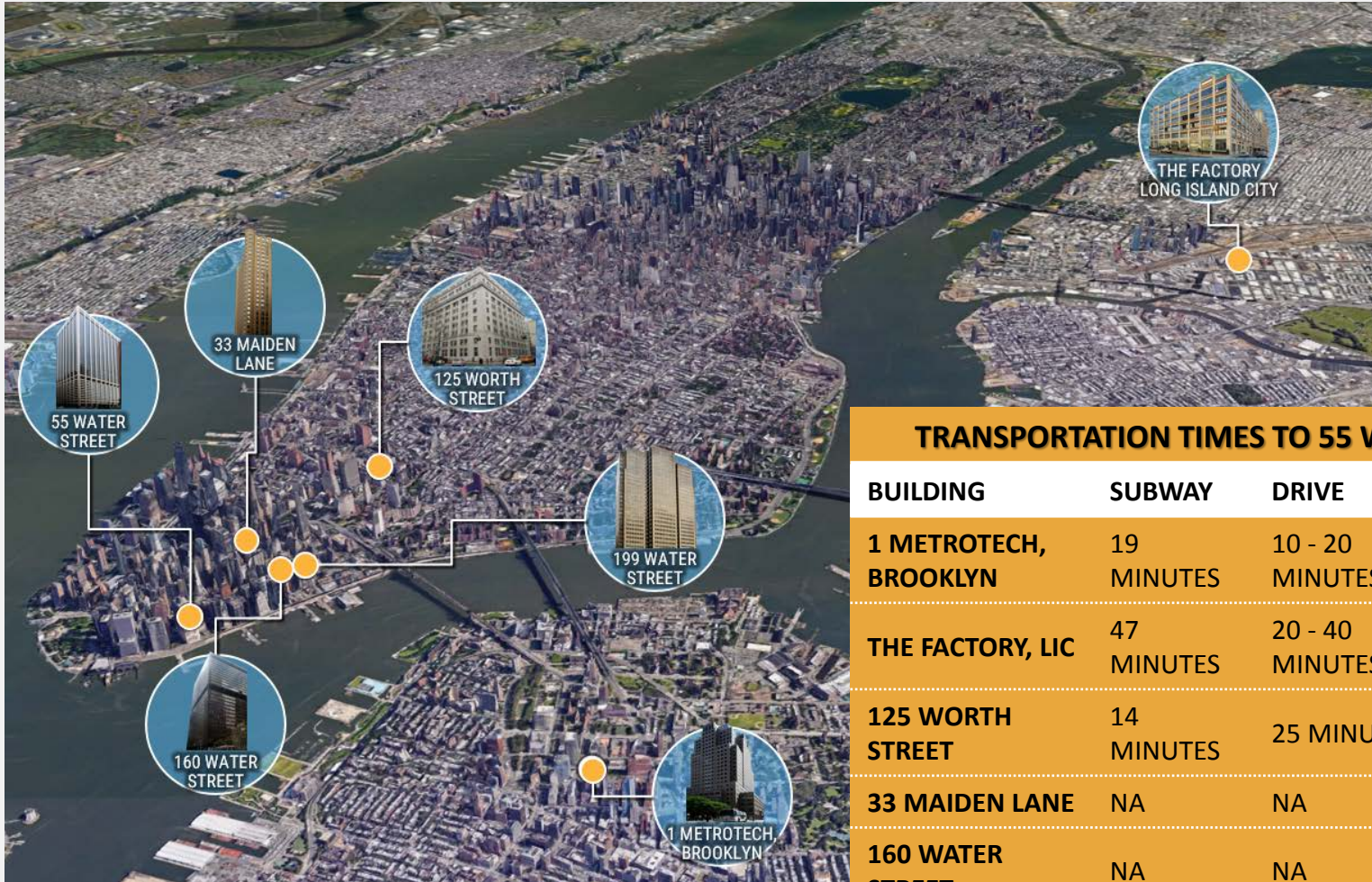
2023

160 Water: Move to 50 Water Street

2024

33 Maiden Lane and 1 MetroTech: lease expires; M+ staff move to 50 Water Street

Current Portfolio



TRANSPORTATION TIMES TO 55 WATER STREET

BUILDING	SUBWAY	DRIVE	WALK
1 METROTECH, BROOKLYN	19 MINUTES	10 - 20 MINUTES	NA
THE FACTORY, LIC	47 MINUTES	20 - 40 MINUTES	NA
125 WORTH STREET	14 MINUTES	25 MINUTES	22 MINUTE
33 MAIDEN LANE	NA	NA	10 MINUTES
160 WATER STREET	NA	NA	6 MINUTES
199 WATER STREET	NA	NA	7 MINUTES

Proposed Portfolio



TRANSPORTATION TIMES TO 55 WATER STREET

BUILDING	SUBWAY	DRIVE	WALK
50 WATER STREET	NA	NA	1 MINUTE

RESOLUTION

NOW THEREFORE, be it hereby resolved that the New York City Health and Hospitals Corporation (the “**System**”) be and the same hereby is authorized to execute a lease with 7 Hanover Owner LLC (“**Landlord**”) for a term to expire on December 31, 2043 with a ten-year option to renew that may be exercised only by the System with the approval of its Board of Directors for approximately 526,552 rentable square feet of space on floors 2 through 12, floors 15 through 17 and a portion of the ground floor lobby at 7 Hanover Square, to be known as 50 Water Street (the “**Building**”), with the System having certain options to take additional contiguous floors in the Building and to give back the 17th floor, to house the Central Office administrative functions described in the attached Summary of Economic Terms all of which shall be relocated from their current office locations with the use and occupancy of the Premises to be at rental rates scheduled in the Summary of Economic Terms for a total rental obligation through December 31, 2043 of \$758 Million exclusive of real estate tax escalation charges, operating expense escalation charges, utilities and other customary occupancy costs.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute an assignment to the City of New York City acting by and through its Department of Health and Mental Hygiene ("DOHMH") of its lease (the "Lease") with Factory Lessor LLC (the "Landlord") for approximately 47,522 square feet of space on the 4th Floor (Suites 412, 414, 418 & 440) at 30-30 47th Avenue, Long Island City, Borough of Queens (the "Premises") in a transaction that will relieve the System of all liability under the Lease with no payments by or to the System or DOHMH.

WHEREAS, pursuant to a resolution of the System's Board of Directors adopted in August, 2017 the System entered into a lease with the Landlord for the use and occupancy of the Premises; and

WHEREAS, the Premises were originally intended to be used by the portion of the System's EITS unit that has been tasked with the Epic EMR and Epic Revenue Cycle rollouts; and

WHEREAS, the System has found a superior alternative space to house the EITS team responsible for the Epic rollouts pursuant to a lease to be separately authorized by the System's Board concurrently with this Resolution; and

WHEREAS, such alternative location for the Epic team is superior to the Long Island City space in that it allows the entire team to work in close proximity to each other and it is central to all boroughs where the team's work will be performed, it is large enough to house the entire team and it provides a permanent space solution for the portion of the Epic team that will likely remain with the System after the Epic rollout whereas the Long Island City lease can be extended only to twelve years; and

WHEREAS, DOHMH has been looking for office space and the Premises suits its needs better than the other locations it had been considering; and

WHEREAS, the General Counsel and Senior Vice President will be responsible for the execution of the proposed assignment and ensuring that the System's liability under the Lease is extinguished.

NOW THEREFOR, IT IS RESOLVED THAT, the New York City Health and Hospitals Corporation (the "System") be and hereby is authorized to execute an assignment to the City of New York City acting by and through its Department of Health and Mental Hygiene ("DOHMH") of its lease with Factory Lessor LLC for approximately 47,522 square feet of space on the 4th Floor (Suites 412, 414, 418 & 440) at 30-30 47th Avenue, Long Island City, Borough of Queens in a transaction that will relieve the System of all liability under the Lease with no payments by or to the System or DOHMH.

EXECUTIVE SUMMARY

Assignment of Lease to Space at 30-30 47th Avenue, Long Island City To the NYC Department of Health and Mental Hygiene

- Background:** The System entered into a lease (the "Lease") with Factory Lessor LLC (the "Landlord") for the use and occupancy of approximately 47,522 square feet of space on the 4th Floor (Suites 412, 414, 418 & 440) at 30-30 47th Avenue, Long Island City, Borough of Queens (the "Premises"). The Lease was authorized by the System's Board of Directors in August, 2017. The Premises were intended to be used by the portion of the System's EITS unit that has been tasked with the Epic EMR and Epic Revenue Cycle rollouts. However, in the System's search for space for its Central Office functions it has found a superior alternative to the Premises. This location offers the following benefits over the Premises: (i) it can house the entire Epic team whereas the Premises could house only a large part of the team; (ii) the location is close to 55 Water Street where EITS senior leadership is located thereby facilitating coordination and management; (iii) being in Manhattan, the new location is central to the other boroughs where the team will be working; (iv) it provides a long term home to the part of the Epic team that will remain with the System after the Epic rollout whereas the lease for the Premises expires in 12 years.
- Program:** The EITS unit responsible for the Epic Rollouts will consist of approximately 410 individuals, many of whom are not employees of the System but rather staff furnished to the System by staff augmentation contractors for limited periods of time. Roughly half of this group will not be retained after Epic go live in approximately 18 months whereas the other half will become part of EITS going forward. The alternative location provides only temporary space for the temporary part of the team and long term space for the permanent part of the team.
- The Assignment:** The New York City Department of Health and Mental Hygiene ("DOHMH") has been looking for space in Long Island City and was happy when the System offered the Premises. The Premises, apparently, better fits the needs of DOHMH than the other space it had been considering.
- Terms:** DOHMH will assume the Lease and become fully and solely responsible for all rent and other obligations under the Lease. There will be no fees or costs associated with the assignment.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a lease with Roosevelt Parc LLC (the "Landlord") for an initial term of 15 years with one five-year option to renew for approximately 28,696 square feet of second floor space (the "Premises") in the building at 71-17 Roosevelt Avenue, Queens, New York (the "Building") to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$1,033,056 per year or \$36/sf to be escalated by 3% annually for a total rent over the 15 year term after factoring in eight months of free rent plus a common area maintenance charge ("CAM") of \$2.50/sf or \$71,740/year, which is fixed over the term, for a total cost including CAM of \$19,601,116 and subject to other lease terms summarized in the Executive Summary attached.

WHEREAS, System wishes to increase the number of unique patients seen in primary care; and

WHEREAS, part of this initiative is opening new community health centers in medically underserved neighborhoods with underserved patients including MetroPlus enrollees; and

WHEREAS, the Board of Directors of Gotham Health FQHC, Inc., a Federally-Qualified Health Center, has voted to locate a primary care clinic in the Jackson Heights section of Queens ; and

WHEREAS, the proposed clinic will provide comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients; and

WHEREAS, the Premises will be delivered to the System as a newly renovated "vanilla box" with all base building and structural elements in good working order, however, it will require construction to outfit the Premises for use as a medical facility; and

WHEREAS, the System will return to the Board of Directors for authorization to undertake the fit-out of the Premises with a defined budget; and

WHEREAS, the fit-out of the Building shall be the responsibility of the System's Vice President for Corporate Operations and the clinical operation of the Community Health Center will be the responsibility of the System's Vice President for Ambulatory Care.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a lease with Roosevelt Parc LLC for an initial term of 15 years with one five-year option to renew for approximately 28,696 square feet of second floor space in the building located at 71-17 Roosevelt Avenue, Queens, N.Y. to house a community health clinic to be operated by the System under the NYC + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$1,033,056/year or \$36/sf to be escalated by 3% annually for a total rent over the 15 year term after factoring in 8 months of free rent plus a common area maintenance charge of \$2.50/sf or \$71,740/year, which is fixed over the term, for a total cost including CAM of \$19,601,116 and subject to other lease terms summarized in the Executive Summary attached.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/GOTHAM HEALTH FQHC 71-17 ROOSEVELT AVENUE, QUEENS, NEW YORK

- BACKGROUND:** The System seeks authorization from its Board of Directors to execute a lease with Roosevelt Parc LLC for a term of 15 years with one five-year option for approximately 28,696 square feet of second floor space at 71-17 Roosevelt Avenue located in the Jackson Heights section of Queens for the System's operation of a community health clinic under the NYC Health + Hospitals/Gotham FQHC, Inc. structure.
- NEED:** The System is working to expand its primary care services and the number of unique patients seen in primary care. Currently the System sees approximately 417,000 unique patients in primary care at hospital-based clinics and community health centers. Part of this expansion is opening new community health centers in medically underserved neighborhoods where there is potential for attracting patients not currently attached to a regular primary care provider including those who are MetroPlus enrollees.
- GOTHAM STRUCTURE:** The System is party to a Co-applicant Agreement with Gotham Health FQHC, Inc. ("Gotham") pursuant to which the System and Gotham share certain aspects of the governance of certain health care clinics according to guidelines established by the Health Resources and Services Administration ("HRSA"). The System operates such clinics with its staff, resources and facilities and collects all of the revenues generated by such clinics. In accordance with HRSA regulations, the Gotham board is entirely independent of the System though some of its members also serve on Community Advisory Boards associated with the System's hospitals. Per such regulations, some members of the Board are patients at the health center. HRSA has recognized the clinics operated under such structure as a Federally Qualified Health Center (an "FQHC") which is entitled to Medicaid reimbursement at preferential rates. In the allocation of governance powers mandated by HRSA, the Board of Directors of Gotham has the authority to approve the opening of a new site. Following that approach, the Gotham Board visited many prospective sites and has voted to locate a new community health center in the Premises. With the vote by the Gotham Board, the question now shifts to the System's Board to determine if the System wishes to operate an FQHC at the Premises.
- THE BUILDING:** The Building is a 15-story mixed use structure that will contain 150 affordable housing units on the upper floors and retail on the ground floor. It is located near the E, F, M, R and 7 subway lines and is .8 miles from NYC Health + Hospitals/Elmhurst and 6.5 miles from NYC Health + Hospitals/Queens Hospital. The Building is currently under construction and the base building mechanical, electrical and plumbing systems for the second floor space will be completed by mid-2019. The Premises will be delivered in finished "vanilla box" condition. The System, at its own expense, will build out the interior to accommodate an Article 28 health facility.
- CONSTRUCTION:** The System has not yet prepared detailed plans for the fit-out of the Premises and accordingly a definite budget for such construction does not yet exist. Recent experience indicates that the design and fit-out of a clinic of this size to Article 28 standards including design, FF&E and IT infrastructure, will cost approximately \$800/ft. for a total of approximately \$23M. When detailed plans and a definite construction budget have been developed, the System will return to the Board of Directors for authority to proceed with the fit-out.

It is anticipated that the clinic will open in 2021.

PROPOSED PROGRAM The clinic at the Building will offer comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients to be finalized based on detailed community analysis. A projected status-quo Profit and Loss statement will be attached.

TERMS:	<i>Term.</i>	15 years
	<i>Renewal Option.</i>	One five-year option
	<i>Base Rent.</i>	\$36/square foot or \$1,033,056 per year, a total of \$19,213,720 over the term
	<i>Escalation.</i>	3% per year
	<i>Free Rent.</i>	8 months valued at \$688,704
	<i>CAM.</i>	In addition to Base Rent, Tenant will pay a flat maintenance charge of \$2.50/sf or \$71,740/year that will not escalate over the term
	<i>Total Rent and CAM</i>	Total rent and CAM over the term will be \$19,601,116
	<i>Landlord Work Letter</i>	\$36/sf
	<i>Utilities.</i>	Tenant will be responsible for payment of all utilities.
	<i>Repairs/Maintenance.</i>	Landlord shall be responsible for all exterior maintenance and repairs and all exterior and interior structural maintenance and repairs to the building-wide mechanical systems including repair/replacement of the roof, windows and the main utility feeder, water and waste lines.
	<i>Real Estate Taxes.</i>	Tenant shall pay its proportionate share of real estate tax increases above the 2019/2020 base year.
	<i>Construction.</i>	Tenant will be responsible for buildout of the interior space at an estimated cost of \$23M which includes design, FF&E and IT/telecomm infrastructure. When detailed plans and a construction budget is finalized, Capital Committee approval will be obtained.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a net lease with 815 Broadway Equities LLC ("Landlord") for 30 years and 20 months for the entire building at 815 Broadway, Brooklyn consisting of approximately 52,343 sq. ft. on a lower level and 6 above grade floors (the "Building") to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$2,350,000/year or \$44.05/sq. ft. to be escalated by 10% every 5 years for a total rent over the term after factoring in 20 months of free rent, of \$86,742,415 and which, after including estimated operating expenses of 12/ft. or \$640,116 per year represents a total occupancy cost of approximately \$117,196,200.

WHEREAS, System wishes to increase the number of unique patients seen in primary care; and

WHEREAS, part of this initiative is opening new community health centers in medically underserved neighborhoods with underserved patients including Metroplus enrollees; and

WHEREAS, the Board of Directors of Gotham Health FQHC, Inc., a Federally-Qualified Health Center, has voted to locate a primary care clinic in this Brooklyn community; and

WHEREAS, the proposed clinic will provide comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients; and

WHEREAS, as a net lease, virtually all maintenance and repairs needed for the Building will be performed by the System at its expense and the System will be also obligated to reimburse the Landlord for its cost of fire and casualty insurance all of which is estimated to cost approximately \$640,116/year; and

WHEREAS, the Building will be delivered to the System as a newly renovated "vanilla box" with all base building and structural elements in good working order, however, it will require extensive construction to outfit the Building for use as a medical facility; and

WHEREAS, the System will return to the Board of Directors for authorization to undertake the fit out of the Building with a defined budget; and

WHEREAS, the fit out of the Building and its maintenance and repair shall be the responsibility of the System's Vice President for Corporate Operations and the clinical operation of the Community Health Center will be the responsibility of the System's Vice President for Ambulatory Care.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a net lease with 815 Broadway Equities LLC for a term of 30 years and 20 months for the entire building at 815 Broadway, Brooklyn consisting of approximately 52,343 square feet on a lower level and 6 above grade floors, to house a community health clinic to be operated by the System under the NYC + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$2,350,000/year or \$44.05/sq. ft. to be escalated by 10% every 5 years for a total rent after factoring in 20 months of free rent, of \$86,742,415, and which, after including estimated operating expenses at \$12/ft or \$640,116 per year represents a total occupancy cost of approximately \$117,196,200.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/GOTHAM HEALTH FQHC 815 BROADWAY, BOROUGH OF BROOKLYN

- BACKGROUND:** The System seeks authorization from its Board of Directors to execute a net lease for a term of 30 years and 20 months for the entire building at 815 Broadway in the Bushwick portion of Brooklyn which consists of approximately 52,343 square feet for a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham FQHC, Inc. structure.
- NEED/** The System is working to expand its primary care services and the number of unique patients seen in primary care. Currently the System sees approximately 417,000 unique patients in primary care at hospital-based clinics and community health centers. Part of this expansion is opening new community health centers in medically underserved neighborhoods where there is potential for attracting patients not currently attached to a regular primary care provider including those who are MetroPlus enrollees.
- GOTHAM STRUCTURE:** The System is party to a Co-applicant Agreement with Gotham Health FQHC, Inc. ("Gotham") pursuant to which the System and Gotham share certain aspects of the governance of certain health care clinics according to guidelines established by the Health Resources and Services Administration ("HRSA"). The System operates such clinics with its staff, resources and facilities and collects all of the revenues generated by such clinics. In accordance with HRSA regulations, the Gotham board is entirely independent of the System though some of its members also serve on Community Advisory Boards associated with the System's hospitals. Per such regulations, some members of the Board are patients at the health center. HRSA has recognized the clinics operated under such structure as a Federally Qualified Health Center (an "FQHC") which is entitled to Medicaid reimbursement at preferential rates. In the allocation of governance powers mandated by HRSA, the Board of Directors of Gotham has the authority to approve the opening of a new site. Following that approach, the Gotham Board visited many prospective sites and has voted to locate a new community health center in the Building. With the vote by Gotham Board, the question now shifts to the System's Board to determine if the System wishes to operate an FQHC at the Building.
- THE BUILDING:** The Building is a 6-story building with a basement that is located at the corner of Broadway and Ellery Streets and is adjacent to the J and M subway trains. The building is located a few blocks from NYC Health + Hospitals/Woodhull. Renovations to the structure have recently been completed and the base building mechanical, electrical and plumbing systems are newly installed. An engineer retained by the System has inspected the Building and determined the Building to be in good condition and suitable for the System's use after its fit-out. The interior of the Building is in finished "vanilla box" condition. The System, at its own expense, will buildout the interior to accommodate an Article 28 health facility.
- CONSTRUCTION:** The System has not yet prepared detailed plans for the fit-out of the Building and according a definite budget for such construction does not yet exist. Recent experience indicates that the design and fit-out of a clinic of this size to Article 28 standard will cost approximately \$800/ft. for an estimated total of \$40 M. When detailed plans and a definite construction budget have been developed, the System will return to the Board of Directors for authority to proceed with the fit-out.

It is anticipated that the clinic will open in 2021.

PROPOSED PROGRAM The clinic at the Building will offer comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients to be finalized based on detailed community analysis. A projected status-quo Profit and Loss statement will be attached.

TERMS:

Term. 30 years and 20 months

Base Rent. \$44.05 per square foot or \$2,350,000 per year

Operating Expenses. \$12 per square foot or \$640,116 per year

Escalation. 10% every five years

Free Rent. 20 months, \$3,916,000

Landlord Work Letter. \$3,200,580

Utilities. Tenant will be responsible for the payment of all utilities

Repairs/Maintenance. Tenant will be responsible for all maintenance and repairs except for the roof, façade, and water resistant basement

Construction. Tenant will be responsible for buildout of the interior space at an estimated cost of \$800 per square foot or approximately \$40M.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "System") to execute a lease with Master Lease LLC (the "Landlord") for an initial term of 15 years with one five- year option to renew for approximately 21,236 square feet of ground floor space (the "Premises") in the building at 1910 Webster Avenue, Bronx, New York (the "Building") to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$919,828 year or \$42.50/square foot to be escalated by 3% annually for a total rent after factoring in eight months of free rent, of \$16,483,086 over the lease term and subject to other lease terms summarized in the Executive Summary attached.

WHEREAS, System wishes to increase the number of unique patients seen in primary care; and

WHEREAS, part of this initiative is opening new community health centers in medically underserved neighborhoods with underserved patients including MetroPlus enrollees; and

WHEREAS, the Board of Directors of Gotham Health FQHC, Inc., a Federally-Qualified Health Center, has voted to locate a primary care clinic in the Tremont section of the Bronx; and

WHEREAS, the proposed clinic will provide comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients; and

WHEREAS, the Premises will be delivered to the System as a newly renovated "vanilla box" with all base building and structural elements in good working order, however, it will require construction to out-fit the Premises for use as a medical facility; and

WHEREAS, the System will return to the Board of Directors for authorization to undertake the fit-out of the Premises with a defined budget; and

WHEREAS, the fit-out of the Building shall be the responsibility of the System's Vice President for Corporate Operations and the clinical operation of the Community Health Center will be the responsibility of the System's Vice President for Ambulatory Care.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a lease with Master Lease LLC for an initial term of 15 years with one five-year option to renew for approximately 21,236 square feet of ground floor space in the building located at 1910 Webster Avenue, Bronx, New York to house a community health clinic to be operated by the System under the NYC + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$919,828/year or \$42.50/sf to be escalated by 3% annually for a total rent after factoring in 8 months of free rent, of \$16,483,086 over the lease term and subject to other lease terms summarized in the Executive Summary attached.

EXECUTIVE SUMMARY

NYC HEALTH + HOSPITALS/GOTHAM HEALTH FQHC 1910 WEBSTER AVENUE, BRONX, NEW YORK

- BACKGROUND:** The System seeks authorization from its Board of Directors to execute a lease for a term of 15 years with one five-year option for approximately 21,236 square feet of ground floor space at 1910 Webster Avenue located in the Tremont section of the Bronx for the System's operation of a community health clinic under the NYC Health + Hospitals/Gotham FQHC, Inc. structure.
- NEED:** The System is working to expand its primary care services and the number of unique patients seen in primary care. Currently the System sees approximately 417,000 unique patients in primary care at hospital-based clinics and community health centers. Part of this expansion is opening new community health centers in medically underserved neighborhoods where there is potential for attracting patients not currently attached to a regular primary care provider including those who are MetroPlus enrollees.
- GOTHAM STRUCTURE:** The System is party to a Co-applicant Agreement with Gotham Health FQHC, Inc. ("Gotham") pursuant to which the System and Gotham share certain aspects of the governance of certain health care clinics according to guidelines established by the Health Resources and Services Administration ("HRSA"). The System operates such clinics with its staff, resources and facilities and collects all of the revenues generated by such clinics. In accordance with HRSA regulations, the Gotham board is entirely independent of the System though some of its members also serve on Community Advisory Boards associated with the System's hospitals. Per such regulations, some members of the Board are patients at the health center. HRSA has recognized the clinics operated under such structure as a Federally Qualified Health Center (an "FQHC") which is entitled to Medicaid reimbursement at preferential rates. In the allocation of governance powers mandated by HRSA, the Board of Directors of Gotham has the authority to approve the opening of a new site. Following that approach, the Gotham Board visited many prospective sites and has voted to locate a new community health center in the Premises. With the vote by Gotham Board, the question now shifts to the System's Board to determine if the System wishes to operate an FQHC at the Premises.
- THE BUILDING:** The Building is a 13-story mixed use structure that will contain 256 affordable housing units on the upper floors and retail on the ground floor. It is located near the B and D subway lines and is 3.8 miles from NYC Health + Hospitals/Jacobi and 3.6 miles from NYC Health + Hospitals/North Central Bronx. The Building is currently under construction and the base building mechanical, electrical and plumbing systems for the ground floor space will be completed in early 2019. The Premises will be delivered in finished "vanilla box" condition. The System, at its own expense, will build-out the interior to accommodate an Article 28 health facility.
- CONSTRUCTION:** The System has not yet prepared detailed plans for the fit-out of the Premises and accordingly a definite budget for such construction does not yet exist. Recent experience indicates that the design and fit-out of a clinic of this size to Article 28 standards including design, FF&E and IT infrastructure, will cost approximately \$800/ft. for a total cost of \$17M. When detailed plans and a definite construction budget have been developed, the System will return to the Board of Directors for authority to proceed with the fit-out.

It is anticipated that the clinic will open in 2021.

PROPOSED PROGRAM The clinic at the Building will offer comprehensive primary care services including internal medicine, pediatrics, women's health, behavioral health, dentistry, optometry, medical imaging service/radiology, laboratory services and certain subspecialties serviced required for a one-stop healthcare experience for patients to be finalized based on detailed community analysis. A projected status-quo Profit and Loss statement will be attached.

TERMS:

Term. 15 years

Renewal Option. One five-year option

Base Rent. \$42.50/sf or \$919,828/year for, a total of \$17,107,802 over the term

Escalation. 3% annually

Free Rent. 8 months valued at \$624,716

Total Rent. Total rent over the term with free rent included will be \$16,483,086

Landlord Work Letter. \$33/sf

Utilities. Tenant will be responsible for payment of all utilities

Real Estate Taxes. Tenant shall pay its proportionate share of real estate tax increases above the 2019/2020 base year.

Repairs/Maintenance. Landlord shall be responsible for all exterior maintenance and repairs and all exterior and interior structural maintenance and repairs to the building-wide mechanical systems including repair/replacement of the roof, windows and the main utility feeder, water and waste lines.

Construction. Tenant will be responsible for build-out of the interior space at an estimated cost of \$17M which includes design, FF&E and IT/telecomm infrastructure. When detailed plans and a construction budget is finalized, Board approval will be obtained.

Primary Care Expansion

New Site Opportunities

Board of Directors Meeting

October 25, 2018

Dr. Theodore Long



Primary Care Strategy

Access

Employee engagement

Value

Growth

- Grow where we are (additional PCPs, clinical efficiencies)
- Grow in new locations
 - Grow with integrated primary care and one-stop-shopping services
 - Grow where there is need AND opportunity
 - Grow in spaces that will attract and retain patients

Proposal: Lease and build 3 new primary care sites

Impact:

- 50K additional patients
- \$82M of capital required—already allocated by City
- Positive revenue for all sites by year 2



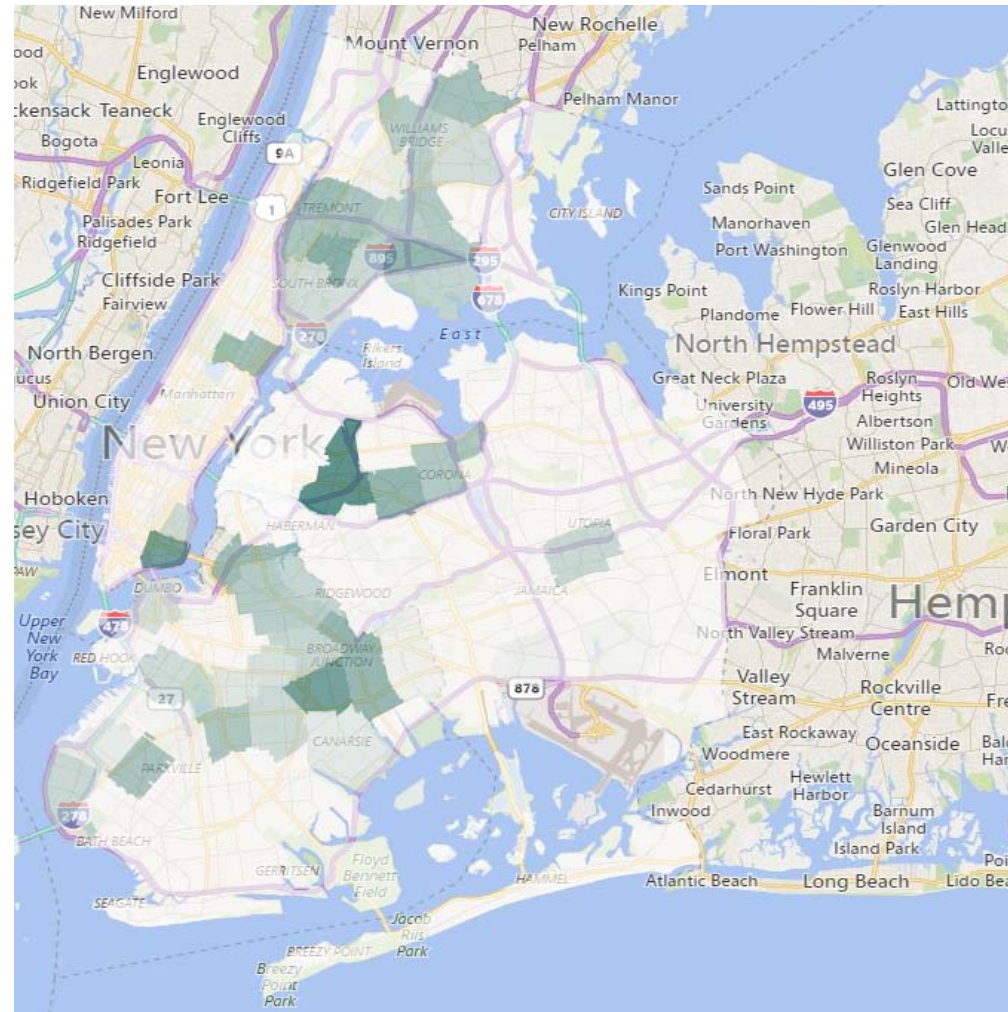
Neighborhood Selection Criteria

Need

- Current health outcomes
- Social determinants of future health outcomes
- Physical environment

Opportunity

- Relative number of newly insured individuals in a particular area that need primary care
- Concentration of M+ enrollees



Opportunity and need (darker for greater composite score).



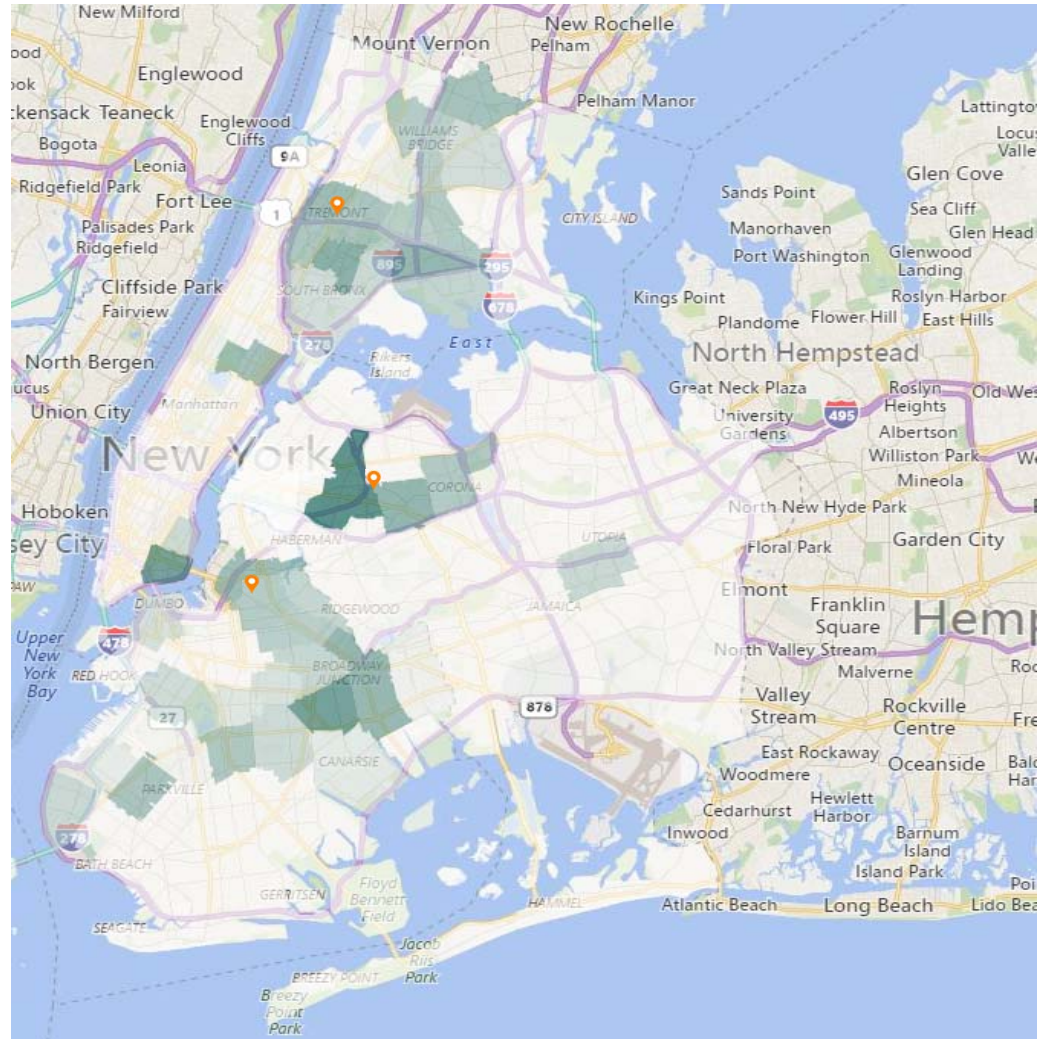
Expansion Proposal

Three-borough expansion

- Brooklyn:
815 Broadway
- Queens:
71-17 Roosevelt Ave
- Bronx:
1920 Webster Ave

Services

- Integrated primary care
- Full one-stop shopping experience
- Evening and weekend hours



Opportunity and need (darker for greater composite score)

📍 Proposed sites



71-17 Roosevelt Ave

- High-need section of Queens with opportunity to build flagship Queens Gotham location
- Co-located with 154 units of affordable and market rate housing directly across from the subway
- Private ground floor/retail entrance
- Population growth means more patients with Medicaid and private insurance will seek care in the future
- New site will complement specialty services at Elmhurst Hospital



H+H location



1920 Webster Ave

- Bronx has densest concentration of high- need zip codes in NYC and opportunity for new patients in Tremont
- Ground floor retail in mixed-use building with 256 units of affordable housing and grocery store
- Site has excellent access to MetroNorth, subways, and bus
- New construction allows H+H to match service environment provided by Montefiore to Bronx patients and increase referrals to NCB and Jacobi



H+H location



815 Broadway

- High-need section of Brooklyn with opportunity to create one-stop-shop model at full scale
- Building is newly renovated and directly across from the subway
- Significant development nearby including 200+ housing units will create more primary care demand in future
- Site located less than 5 minutes from Woodhull Hospital and can complement specialty services



Case Study: Bushwick

Care is currently dispersed across multiple sites in the neighborhood.



*This map is for illustrative purposes and does not include every provider in Bushwick. It shows a segment of providers near 815 Broadway.



Case Study: Bushwick

815 Broadway will integrate primary care and additional services.



Summary of Terms

Site	Area (Square Feet)	Lease Term	Total Rent	Rent/sqft	Local Comp Rent/sqft	Capital Cost Estimate	Unique Patients	Exit
71-17 Roosevelt Ave	28,696	15 years; 5 year option	\$19,601,116	\$36.00	\$47.00	\$23M	>12.5K	Cancellation clause; sublet
1920 Webster Ave	21,236	15 years; 5 year option	\$16,483,086	\$42.50	\$39.00	\$17M	>12.5K	Cancellation clause; sublet
815 Broadway	52,343	31 years and 8 months	\$117,196,200	\$44.05	\$66.20	\$42M	>25K	Sublet



Capital Committee Follow Up

1. Hours of operations
2. Evaluation of impact to acute facilities in close proximity
3. Approximate distance from nearest acute facility
4. Evaluation and plans for current low performing sites
5. Would physicians be referring back to H+H acute sites



Request to the Board of Directors

1. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a lease with Master Lease LLC (the “Landlord”) for an initial term of 15 years with one five- year option to renew for approximately 21,236 square feet of ground floor space (the “Premises”) in the building at 1920 Webster Avenue, Bronx, New York (the “Building”) to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$919,828 year or \$42.50/square foot to be escalated by 3% annually for a total rent after factoring in eight months of free rent, of \$16,483,086 over the lease term and subject to other lease terms summarized in the Executive Summary attached.
2. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a net lease with 815 Broadway Equities LLC (“Landlord”) for 30 years and 20 months for the entire building at 815 Broadway, Brooklyn consisting of approximately 52,343 sq. ft. on a lower level and 6 above grade floors (the “Building”) to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$2,350,000/year or \$44.05/sq. ft. to be escalated by 10% every 5 years for a total rent over the term after factoring in 20 months of free rent, of \$86,742,415 and which, after including estimated operating expenses of 12/ft. or \$640,116 per year represents a total occupancy cost of approximately \$117,196,200.



Con't Request to the Board of Directors

3. Authorizing the New York City Health and Hospitals Corporation (the “System”) to execute a lease with Roosevelt Parc LLC (the “Landlord”) for an initial term of 15 years with one five-year option to renew for approximately 28,696 square feet of second floor space (the “Premises”) in the building at 71-17 Roosevelt Avenue, Queens, New York (the “Building”) to house a community health clinic to be operated by the System under the NYC Health + Hospitals/Gotham Health FQHC, Inc. structure at an initial rent of \$1,033,056 per year or \$36/sf to be escalated by 3% annually for a total rent over the 15 year term after factoring in eight months of free rent plus a common area maintenance charge (“CAM”) of \$2.50/sf or \$71,740/year, which is fixed over the term, for a total cost including CAM of \$19,601,116 and subject to other lease terms summarized in the Executive Summary attached.

