

FINANCE COMMITTEE AGENDA

Date: October 18, 2021
Time: 11:00 A.M.
Location: 50 Water Street, Room 1515 - A & B - **VIRTUAL**

- | | |
|--|--------------------|
| <p>I. Call to Order
Adoption of the July 21, 2021 Minutes</p> | <p>Freda Wang</p> |
| <p>II. Action Item: Creative Snow By Cow Bay, Inc.
Authorizing New York City Health and Hospitals Corporation (the “System”) to sign a contract with Creative Snow by Cow Bay, Inc. (the “Vendor”) to provide snow removal services for its facilities for the period of three years with two one-year renewal options at the discretion of New York City Health and Hospitals Corporation for a total amount not to exceed \$6,920,000 for the period November 1, 2021 through October 31, 2026.
Vendex: Approved; EEO: Pending</p> | <p>Joe Wilson</p> |
| <p>III. Financial Update</p> | <p>John Ulberg</p> |
| <p>IV. Old Business
V. New Business
VI. Adjournment</p> | <p>Freda Wang</p> |

MINUTES

Finance Committee

Meeting Date: July 21, 2021

Board of Directors

The meeting of the Finance Committee of the Board of Directors was held on July 21, 2021 virtually with Freda Wang presiding as Chairperson.

Attendees

Committee Members

Freda Wang, Matthew Siegler representing Mitchell Katz in a voting capacity, Sally Hernandez-Piñero, Feniosky Peña-Mora, Barbara Lowe – arrived at 9:42 a.m.

H+H Staff

John Ulberg, Krista Olson, Ted Long, Paul Albertson, Andrea Cohen, Chris Keeley, Sarah Lum, Michline Farag, Meg Thompson, Colicia Hercules, Machelles Allen, Eric Wei, Linda DeHart, James Cassidy, Marji Karlin

CALL TO ORDER

Ms. Wang called the meeting to of the New York City Health + Hospitals Board of Directors Finance Committee Meeting to order at 09:33 a.m.

Upon motion passed and duly seconded the minutes of Finance Committee meeting held on June 07, 2021 were adopted.

ACTION ITEM: Waste Management Services

Mr. Paul Albertson introduced the Waste Management Services action item by reading the Resolution.

Authorizing the New York City Health and Hospitals Corporation (the “System”) to sign 2-year agreements with each of Approved Storage and Waste Handling, Inc. (“ASWH”) and Action Carting Environmental Services, Inc. (“Action”) for waste management services with options to renew each agreement for 2 years held exclusively by the System subject to expenditure limits not to be exceeded on the ASWH agreement of \$10,058,560 for the initial term, \$6,902,000 for the Action agreement during the initial term, \$10,058,560 on the ASWH agreement during the renewal term and \$7,322,332 for the Action agreement during the renewal term.

Mr. Albertson presented on the action item background. NYC Health + Hospitals conducted a solicitation via RFP in 2015 for waste management services. Stericycle was selected as the vendor and was awarded a 6 year agreement. The agreement included both waste management and carting/disposal of all waste, with an all-inclusive flat fee. The contract expired on June 30, 2021; a 3 month extension through September 30, 2021 was executed. The total cost is \$46,042,474. Waste management includes municipal solid waste, regulated medical waste and sharps, construction and demolition debris, recyclables, confidential documents, hazardous waste, e-waste, universal waste, pathological waste, and pharmaceutical waste. Waste Management has several oversight services, including city, state and federal regulatory agencies and accrediting bodies including The Joint Commission, the State and City Departments of Health, and NYC Health + Hospitals operating procedures.

Mr. Albertson reviewed the annual aggregate waste volumes for select waste categories. Each type of waste requires a unique container for standardization of education, training and management of each waste stream for safety and regulatory purposes. Every staff person in every facility uses one or more type of container each day. There are several thousand containers in daily use across the System.

Mr. Albertson reviewed the scope of services. Priorities for the services include patient, staff and visitor safety; compliance with all regulatory requirements and accrediting standards; uniform organizational and staff communication; uniform provision of all services, programs, and cost controls throughout the System; technical expertise and required licensure/regulatory approach; full-time on-site management to work with COOs, safety environment services directors, and infection preventionists; electronic dashboard reporting; emergency preparedness plans for each waste system; and ongoing training and education.

Mr. Albertson reviewed the procurement process. A request to issue an RFP for managing all or segments of the waste stream was approved by the CRC and subsequently posted in the City Record. Minimum requirements included MWBE utilization plans, full-time office within NYC, and five years' experience with waste management within healthcare.

Mr. Albertson continued to review the procurement and selection process. Six vendors responded to the solicitation request. The evaluation committee recommended Approved Storage and Waste Handling and Action Carting Environmental Services. ASWH is located in NYC, has excellent references, will provide dedicated program managers, meets the 30% MWBE utilization plan, and provided a detailed facility based transition plan. Action had significant footprint in NYC, will provide enhanced containers for waste at their own cost, will work directly with the system through a new contract to enhance services, and meets the 30% MWBE utilization plan.

Ms. Wang polled the members for questions.

Ms. Sally Hernandez-Piñero asked why the incumbent vendor was not selected.

Mr. Albertson replied that the vendors selected offered three advantages over the incumbent which include onsite management, education and training, and their MWBE utilization plans.

Ms. Hernandez-Piñero asked what the transition plan is for waste hauling and disposal.

Mr. Albertson said the transition plan for the hauling will be easier because the vendor already subcontracts in the current arrangement. The vendor will swap out the containers.

Ms. Hernandez-Piñero asked what the transition timeline is.

Mr. Albertson replied 45-60 days.

Ms. Hernandez-Piñero asked if we are paying the previous vendor during the transition.

Mr. Albertson replied yes.

Mr. Feniosky Peña-Mora asked if ASWH has done business with any other clients in the area.

Mr. Albertson replied that they work with Montefiore.

Mr. Peña-Mora commended the vendors' MWBE utilization plan and asked what the previous vendor's MWBE utilization plan was.

Mr. Albertson replied 5%.

Ms. Wang noted the previous contract was one and asked why this iteration if being broken into two contracts.

Mr. Albertson responded there are two vendors to ensure stronger regularity of pick-up and because the new contracts will be a weight-based fee rather than a flat-fee which enables H+H to have better metrics on the waste produced.

Ms. Wang asked how the vendors will ensure the waste is being handled in compliance with regulations.

Mr. Albertson said the major way they do this is by having different types of waste containers.

Ms. Hernandez-Piñero requested Mr. Albertson add into the presentation the reason the committee decided to split the contract into two.

Mr. Peña-Mora asked what services are being added to these contracts that the previous contract didn't have.

Mr. Albertson stated that the fees are based on weight and there is a not-to-exceed value.

Mr. Peña-Mora asked if we anticipate spending in this contract to be lower than the previous.

Mr. Albertson said no.

Ms. Wang brought the action item up for motion. Upon motion made and duly seconded, the Committee unanimously approved the resolution.

ACTION ITEM: DOE and Mobile Unit Testing Expansion

Mr. Chris Keeley introduced the DOE and Mobile Testing Expansion action item by reading the Resolution.

Authorizing the New York City Health and Hospitals Corporation (the "System") to sign 11-month agreements with each of the 12 vendors listed in Annex A attached to this Resolution (each a "Vendor" and together, the "Vendors") to perform COVID testing both in schools and in the community on an as-needed basis for an amount for all Vendors not to exceed \$250,480,410.

Mr. Keeley reviewed the background of the contracts. T2 solicited proposals in November 2020 and awarded contracts to conduct COVID-19 testing through 1. In-school testing and 2. Community testing. In-school testing is done in all NYC public schools on a routine basis and is currently performed by several vendors, including BioReference Labs, Fulgent Genetics, SOMOS Community Care, and MedRite. The spend averaged \$16M, ranging from \$7M and \$34M per month. Community Testing was done through mobile and sidewalk units and is executed by Rapid Reliable Testing, MedRite, and Premier Assist. The average spend is \$9M. In May 2021 the CRC approved the release of a solicitation for application to contract for both of these testing modalities starting in August 2021.

Mr. Keeley discussed the contract development goals. The scope of work is based on both the current and anticipated needs. Service level agreements included requirements around turnaround time and

number of teams deployed daily. The fee structure for both in-school and community testing vendors proposed budgets with a per test fee and/or a per team per day fee. Testing was priced at \$75 per test based on prior experience under existing contracts.

Mr. Keeley reviewed the RFP criteria. The minimum criteria included proven success in providing large scale COVID-19 testing in relevant settings, ability to begin work and scale quickly, and MWBE certification or utilization plan.

Mr. Keeley reviewed the procurement and selection summary. T2 issued the RFP in May 2021 and 29 vendors applied and 12 vendors were selected to enter into contract. Work will be assigned at T2 discretion based on testing needs and vendor capabilities. Five of the vendors are able to do both in-school and community-based testing and seven can do only school testing. Of the six incumbent vendors, two met or exceeded MBE targets, two made progress through good faith effort, and two must take considerable and immediate strides to receive assignment of work under the new contracts. The contracts allow for cost savings with existing vendors and new testing capabilities include saliva testing. The not to exceed amount is \$250,480,410, with \$150,802,946 dedicated to in-school testing and \$99,677,463 dedicated to community testing.

Mr. Keeley asked the finance committee for approval to enter into contract with 12 vendors beginning August 1, 2021 through June 30, 2022. The not to exceed amount is \$250,480,410. The funds spent will be agreed upon with OMB in advanced and covered under the T2 MOU with OMB. The chart on the slide reviews each of the 12 vendors MWBE goals. BRL, Fulgent, and DayBreak vendors did not include a list of MWBE subcontractors in their proposals. However, since the time the proposals were submitted Mr. Keeley met with the vendors and received a list of their subcontractors. For BRL, they propose to subcontract with Olympic Glove and Safety Company, Redstream Technology, A+ Tape and Packaging Supply Co., and East West Systems. Fulgent has identified Cure Staffing, Cen-Med Enterprises, Globe Scientific Inc., and the Olympic Glove and Safety Company. Daybreak has identified Deluxe Delivery and Joanna Franklin.

Ms. Hernandez-Piñero asked if Fulgent and BRL will have 30% MWBE utilization plans going forward.

Mr. Keeley replied yes.

Ms. Barbara Lowe asked how many vendors have previously worked in schools.

Mr. Keeley replied that 4 of the 6 incumbents have been working in schools and all of the new vendors that will be doing in-school testing have at least some school testing experience and that all new vendors will begin with testing in the community before moving into schools.

Ms. Wang asked if the 4 vendors that have experience in the schools have sufficient capacity to cover school testing if the other vendors are not able to adequately perform on the community testing.

Mr. Keeley replied that it depends on the policy decisions around how much testing and how frequently but the 4 vendors probably could handle the demands.

Mr. Peña-Mora asked if all the vendors from the original contract were selected for the new contract.

Mr. Keeley replied yes.

Mr. Peña-Mora requested to see the performance results of the selected vendors and the criteria that was used to evaluate each vendor.

Mr. Peña-Mora asked about the MWBE utilization plans for the vendors that were in the previous contract. As noted, only 2 of the 6 actually achieved the MWBE utilization goals. Mr. Peña-Mora expressed significant concern over BRL and Fulgent, who did a significant volume of work and did not demonstrate good faith efforts to MWBE and yet we are contracting with them again. Further, the vendors did not provide names in their proposals for MWBE subcontractors. Mr. Peña-Mora expressed concern that Mr. Keeley and his team were not taking the Board's MWBE utilization goals seriously.

Mr. Keeley first spoke to BRL. BRL failed to provide names in their proposal but under the existing contract they have had a 39% MWBE utilization achievement (\$16M out of \$41M).

Mr. Peña-Mora asked if the subcontractors that BRL has been using are the same subcontractors they have used in the existing contract.

Mr. Keeley said yes, they are the same subcontractors and that the timing of the proposal submission did not allow for the names to be include in the presentation.

Mr. Keeley then spoke to Fulgent's failure to meet the MWBE utilization goals. Fulgent did not put in a good faith effort to meet the MWBE utilization goals. Mr. Keeley has emphasized to their team that if they do not have a concrete plan to achieve the MWBE utilization goal they will not be given work in the new contract. Mr. Keeley's team has made contingency plans in the event that we do not move forward with Fulgent. Mr. Keeley assured the Committee that Fulgent understands clearly that they will not be awarded work if they do not meet the goals. Mr. Keeley looked at Fulgent's spend with their current staffing subcontractor, who is not MWBE, and the spend is 34%. Because of this, Mr. Keeley feels confident that Fulgent will meet the MWBE goals with their replacement staffing subcontractor Cure Staffing, which is an MWBE firm. Though Fulgent has not performed in good faith on MWBE, Mr. Keeley emphasized that they were one of the strongest performers in other areas and that we are working to move this publicly-traded company into the MWBE space.

Mr. Peña-Mora asked what Fulgent's MWBE spend is to date.

Mr. Keeley replied that is 2% to date and that he believes the July data will show the numbers around 30% due to the transition from their existing staffing vendor to Cure Staffing.

Mr. Peña-Mora again stated his concerns over selecting a vendor that did not make a good faith effort to our goals and Mr. Keeley and his team for not pressing harder on this. Mr. Peña-Mora asked Mr. Keeley to answer two questions. 1. That he believes that even with a reluctance on Fulgent's part, they have gotten the message and they will perform.

Mr. Keeley said yes on both counts and that he is confident they have gotten the message and that they know they must perform if they are to be awarded work going forward.

Mr. Peña-Mora asked his second question – if Mr. Keeley and his team have gotten the message about how important this is and whether he will stay on top of the vendor's performance and if they are not performing to our standard he will take appropriate actions.

Mr. Keeley confirmed yes.

Mr. Peña-Mora asked if it would be possible to request a monthly report on the performance of the vendors in all the measure categories and including MWBE realizations. In the monthly report, if any of the vendors are falling behind Mr. Peña-Mora requests that Mr. Keeley include an action plan to get the vendors on track or to take the actions necessary to reallocate work.

Ms. Wang agreed and confirmed that it is appropriate to request a monthly report on all the vendor's performance.

Ms. Lowe asked who the partners are at the sites and mentioned parents as stakeholders.

Mr. Keeley responded, they are partnering closely with DOE who are responsible for the parent relationships and collecting consents.

Ms. Lowe asked about school based clinics.

Dr. Ted Long replied that he has worked closely and directly with parents to understand their concerns. School-based clinics operate separately from the testing.

Ms. Hernandez-Piñero echoed Mr. Peña-Mora's concerns with Fulgent and asked how much Fulgent has made under the existing contract.

Mr. Keeley replied around \$31M.

Ms. Wang stated that in the first monthly report they should see Fulgent meeting and exceeding the 30% requirement given their change in staffing vendors and other vendors that you previously mentioned.

Mr. Keeley asked if it is expected that they over perform the benchmark set.

Ms. Wang said this is a good faith effort discussion. We would not require them to have higher than 30% but they should meet and exceed our expectation.

Mr. Peña-Mora wants the resolution to include monthly reporting of the vendors.

At the advice of Legal - Ms. Wang called for a vote to move the finance committee into executive session which was duly seconded and approved.

The Finance Committee then went into executive session at 10:45 a.m.

Executive session ended at 10:59 a.m.

Ms. Wang brought the action item up for motion, contingent on the monthly reporting requested. Upon motion made and duly seconded, the Committee unanimously approved the resolution.

FINANCIAL UPDATE

Ms. Freda Wang asked Mr. John Ulberg to hold the full financial update and report on time-sensitive or urgent items. Ms. Wang appreciated the revenue cycle updates in the deck.

Ms. Hernandez-Piñero asked for what accounted for our successes related to coverage of the eligible uninsured.

Mr. Ulberg replied that we have improved due to our ongoing work with MetroPlus, better data and analytics, changes in workflows, and exchange/enrollment work.

Mr. Peña-Mora asked for an update on FEMA reimbursement.

Mr. Ulberg said we are working closely with Senator Schumer's office to advocate to FEMA to move our package forward.

ADJOURNMENT

There being no further business the meeting was adjourn at 11:06 a.m.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “**System**”) to sign a contract with Creative Snow By Cow Bay, Inc (the “**Vendor**”) for three years with two one-year renewal options at the discretion of New York City Health and Hospitals Corporation to provide snow removal services for a total amount not to exceed \$6,920,000 for the period November 1, 2021 through October 31, 2026.

WHEREAS, currently New York City Health and Hospitals Corporation (the “**System**”) uses NAC Industries and Cow Bay Inc to provide snow removal services as needed during winter weather events; and

WHEREAS, the current contracts in place will expire on October 15, 2021, and there will be a need to continue snow removal services; and

WHEREAS, Finance has approved the funding of snow removal services from the current facility budget; and

WHEREAS, following the issuance of an open and competitive Request for Proposals, the System selected the Vender for the award of the proposed contract; and

WHEREAS, the Sr. Vice President of Supply Chain Services will manage the proposed contract.

NOW THEREFORE, BE IT RESOLVED, that New York City Health and Hospitals Corporation be and it hereby is authorized to sign a contract with Creative Snow By Cow Bay Inc for three years with two one-year renewal options at the discretion of New York City Health and Hospitals Corporation to provide snow removal services for its facilities for a total amount not to exceed \$6,920,000 for the period November 1, 2021 through October 31, 2026.

EXECUTIVE SUMMARY

CONTRACT WITH CREATIVE SNOW BY COW BAY INC. FOR SNOW REMOVAL SERVICES

**BACK-
GROUND:**

New York City experiences multiple snowfalls each winter season. The onset of winter weather creates hazardous conditions for patients, employees, and contractors. The risk of such conditions includes physical risk of harm due to falling and potential delays in patient care due to snow accumulation on facility sidewalks and parking lots. Such conditions have been mitigated by the timely and coordinated execution of snow removal services, provided by NAC Industries and Cow Bay Inc over the last five years.

**SELECTION
OF VENDORS**

Under the supervision, and with the approval, of the Contract Review Committee, the System issued an RFP and posted an advertisement on City Record to seek out qualified vendors to perform Snow Removal Services. After considering many proposals, the Evaluation Committee voted to award the contract to the Vendor.

TERMS:

The proposed contract will be for a term of three years with two one-year renewal options at the discretion of New York City Health and Hospitals Corporation for an amount not to exceed \$6,920,000, extending from November 1, 2021 through October 31, 2026.

MWBE:

Vendor intends to subcontract 10% of contract spend to Serrano Fence and Son, Inc., a NYC MBE, for labor, fencing and equipment, 15% to KES Construction Co., Inc., a NYC MBE for labor, equipment, and consulting, and 5% to Chief Equipment, Inc., a WBE for equipment and parts



To: Colicia Hercules
Chief of Staff, Office of the Chair

From: Keith Tallbe Tallbe, Keith
Senior Counsel
Office of Legal Affairs

Digitally signed by Tallbe, Keith
Date: 2021.10.04 15:37:14 -04'00'

Re: Vendor responsibility, EEO and MWBE status

Vendor: Creative Snow By Cow Bay, Inc.

Date: October 4, 2021

The below chart indicates the vendor's status as to vendor responsibility, EEO and MWBE:

Vendor Responsibility
Approved

EEO
Pending

MWBE
30% Utilization Plan

M/WBE Utilization Plan Detail			
Vendor	Scope	Certification	Percentage
Serrano Fence and Son, Inc.	Labor, fencing, and equipment	NYC MBE	10%
KES Construction Co., Inc.	Labor, equipment, and consulting	NYC MBE	15%
Chief Equipment, Inc.	Equipment and parts	NYC WBE	5%

The above status is consistent and appropriate with the applicable laws, regulations, and operating procedures to allow the Board of Directors to approve this contract.

Snow Removal Services

**Application to
Enter into Contract with
Creative Snow By Cow Bay Inc.**

**Finance Committee
October 18, 2021**

Joe Wilson – Senior AVP Strategic Sourcing



Background / Current State

- NYC Health + Hospitals requires professional snow removal services during the winter season
- The current contracts in place for Snow Removal services expire October 14th, 2021
- The existing contracts are with: NAC Industries and Creative Snow by Cow Bay Inc. Current vendors also perform landscaping in addition to snow removal. Landscaping will be bid separately in the spring
- Creative Snow by Cow Bay Inc. currently provides snow removal services for 74% of enterprise. NAC Industries covers the remaining 26%.
- Scope of services include Acute Care, Gotham Health, and Long Term Care facilities
- Previous fiscal year spend was \$1,193,853
- Proposed contract term: 5 years (three base years, two one-year options at the discretion of NYC Health + Hospitals)



Overview of Procurement

- 07/06/21: CRC approved an application to issue RFP
- 07/23/21: RFP posted on City Record
- 07/27/21: RFP sent directly to 18 vendors
- 08/02/21 – 08/06/21: 5 vendors attended facility walk-throughs
- 08/10/21: Pre-proposal conference call; 6 vendors attended
- 08/26/21: Proposal deadline, 5 proposals received
- 09/08/21: Evaluation committee reviewed proposals and finalized scoring. Creative Snow by Cow Bay Inc. was the highest rated proposer.



RFP Criteria

- Minimum criteria:
 - 5 years in business
 - MWBE Utilization Plan, or MWBE Certification
 - New York City presence with NYC customers
 - \$3 million in annual gross sales
 - Multiple references of other large commercial real estate customers

- Substantive Criteria
 - 30% Cost
 - 30% Substance of Vendor's Proposal
 - 20% Appropriateness and quality of firm's experience
 - 20% MWBE

- Evaluation Committee:
 - 3 Chief Operating Officers
 - 2 Central Office OFD Representatives
 - 1 Senior Associate Director
 - 13 Facility Representatives



Vendor Performance

Department of Supply Chain
Vendor Performance Evaluation

Creative Snow by Cow Bay Inc.

DESCRIPTION	ANSWER
Did the vendor meet its budgetary goals, exercising reasonable efforts to contain costs, including change order pricing?	Yes
Has the vendor met any/all of the minority, women and emerging business enterprise participation goals and/or Local Business enterprise requirements, to the extent applicable?	Yes
Did the vendor and any/all subcontractors comply with applicable Prevailing Wage requirements?	Yes
Did the vendor maintain adequate records and logs, and did it submit accurate, complete and timely payment requisitions, fiscal reports and invoices, change order proposals, timesheets and other required daily and periodic record submissions (as applicable)?	Yes
Did the vendor submit its proposed subcontractors for approval in advance of all work by such subcontractors?	Yes
Did the vendor pay its suppliers and subcontractors, if any, promptly?	Yes
Did the vendor and its subcontractors perform the contract with the requisite technical skill and expertise?	Yes
Did the vendor adequately supervise the contract and its personnel, and did its supervisors demonstrate the requisite technical skill and expertise to advance the work	Yes
Did the vendor adequately staff the contract?	Yes
Did the vendor fully comply with all applicable safety standards and maintain the site in an appropriate and safe condition?	Yes
Did the vendor fully cooperate with the agency, e.g., by participating in necessary meetings, responding to agency orders and assisting the agency in addressing complaints from the community during the construction as applicable?	n/a
Did the vendor adequately identify and promptly notify the agency of any issues or conditions that could affect the quality of work or result in delays, and did it adequately and promptly assist the agency in resolving problems?	Yes



Vendor Selection

- Creative Snow by Cow Bay Inc. leverages their construction business for supplementary resources to deploy as needed
- Prior experience serving a large bank with over 180 locations
- Utilizes GPS technology for equipment and labor tracking
- Track record of success with existing H+H facility base



Finance Committee Approval Request

- Supply Chain Services is seeking approval to enter into contract with Creative Snow by Cow Bay Inc. for Snow Removal Services at a not-to-exceed amount of \$6,920,000
- Contract Term: Three Years with two one year renewal options at the discretion of H+H
- Meets MWBE target of 30%; has partners for both labor and equipment:

M/WBE Utilization Plan Detail			
Vendor	Scope	Certification	Percentage
Serrano Fence and Son, Inc.	Labor, fencing, and equipment	NYC MBE	10%
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NYC Health + Hospitals
Finance Committee Meeting
October 18, 2021



Financial/Programmatic Highlights

- Achieved over \$1 billion in recurring revenue-generating and expense-reducing initiatives, enabling us to close each of the last three fiscal years with over \$700 million cash-on-hand.
- Implemented Epic systemwide, which enables us to improve Case Mix Index by over 30% over 2015, and achieved over 70% MyChart activation to-date, which allows us to better communicate with, monitor, and support our patients.
- Increased MetroPlus membership by nearly 200,000 since 2015, including 100,000 since January 2020.
- Implemented NYC Care (universal access to health care) Citywide with enrollment exceeding 80,000 to-date.

COVID-19 Response/Test & Trace Corps Highlights

- Led the initial response in the “epicenter of the epicenter”
- Provided ongoing telehealth and remote patient monitoring to our patients
- Supported our Health Care Heroes with meals, clothing, transportation, and child care, while also expending our Helping Healers Heal (H3) program to address staff trauma and stress
- Administered over 4M PCR tests at over 100 sites, including 1.5M in public schools
- Provided isolation hotels to 25K New Yorkers
- Successfully reached 90% of positive cases
- Set up vaccinations sites Citywide, including 24-hour and mobile sites
- Administered over 1.1M vaccinations, providing more vaccinations to communities of color than any other provider in NYC



FY21 Year-End Close-Out Highlights

- Closing Cash Balance of **\$737M**, which is in line with the financial plan value of \$733M.
- The **Net Budget Variance** at fiscal year end was close to planned value, at -\$22.8M (0% variance), this also reflects the timing impact on cash of the delayed COVID-19 Federal reimbursement received in FY22.
- Patient Care Receipts came in **\$636M higher than planned**, due to the higher acuity of the COVID patients as well as Revenue Cycle and other targeted efforts plus improved timing of risk pool payment.
- Overall, Strategic Initiatives continued to stay on track despite COVID-19. We met or exceeded our target in:
 - Revenue Cycle & Enrolling the Uninsured (**\$432M**)
 - 340B pharmacy revenue (**\$69M**)
 - Value-Based Payment initiatives (**\$52.8M**)
- Key Investments made since FY19:
 - RNs (+486) and other Nursing positions (+257) to ensure quality patient care;
 - Targeted clinical growth initiatives to meet patient care needs while ensuring financial sustainability;
 - Stabilizing and sustaining Revenue Cycle Operations (+361) to enhance and ensure billing integrity.
 - NYSNA/Doctors' Council contract agreements, including COLA increases










- The system expects to close September with approximately \$700 million (33 days cash-on-hand).
 - This is due in large part to the system receiving \$410M in DSH funds at the end of month.
- As we enter FY22 Q2, there are still major revenue streams that we need to receive prior to the end of the calendar year to maintain a sustainable cash balance including:
 - FEMA (\$350M)
 - UPL/UPL Conversion (\$500M)
 - VBP QIP (\$100M)
- Due to the above delays in receiving these State/federal revenues, we have continued to delay our remaining FY20 and FY21 obligations to the City. We are in the process of working with them on the payment timing, given the remaining uncertainty about our cash position given COVID-19.



- H+H has paid out approximately \$2.4B on direct COVID-19 expenses through September 2021. Current commitments are nearing \$3.0B.
- We have received \$266M in FEMA advances to-date with an expectation of additional \$354M in the coming months associated with temporary surge staffing for cumulative reimbursement totaling \$620M.
- The system is preparing a subsequent FEMA reimbursement package for PPE.
- To date, H+H has received \$1.2B thus far, largely from the High Impact (\$754M), Safety-Net (\$359M), and General Allocation Provider Relief Fund (\$69M)
- We are in the process of submitting our required financial reporting to HRSA for Provider Relief Fund (PRF) Phase 1 for revenues/expenses through June 30th, 2021. Additionally, HRSA has opened up the application period for Phase 4 Provider Relief Funds. We will submit an application ahead of the October 26th deadline and are hopeful that we will receive additional funds.



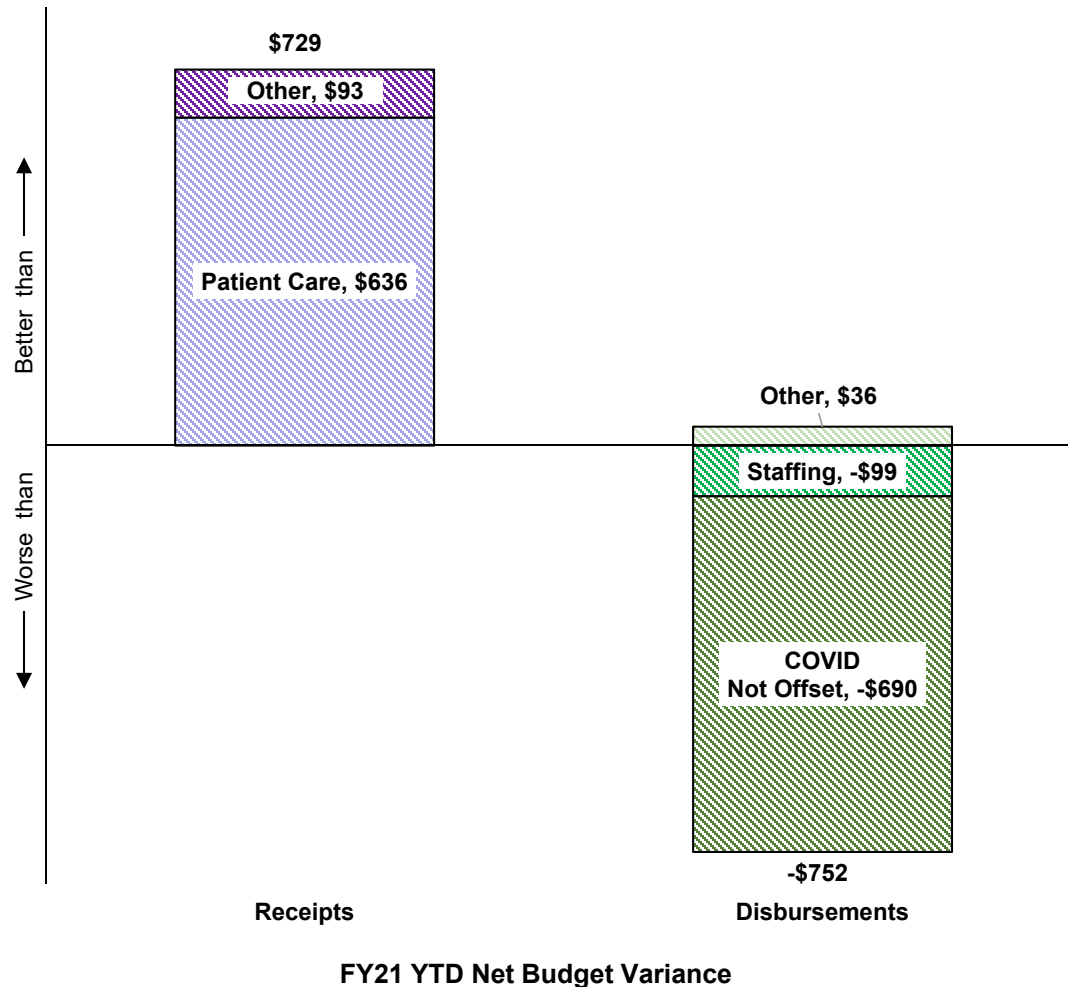
Risk	Status
FEMA Reimbursement at 100% Federal	
Federal DSH Cut 3-Year Delay	
Federal DSH eFMAP Glitch (Still awaiting receipt of funds)	
State/H+H/City Medicaid Initiatives (Ongoing meetings with State DOH on the implementation timeline and next steps)	
State/City Budget Risks (Nearly all State budget cuts were restored in the Enacted budget.)	
FEMA Reimbursement (Direct COVID spending through September 2021 totals \$2.4B. FEMA reimbursement to-date totals \$266M with \$354M anticipated based on FEMA's preliminary approval of temporary staffing costs. We will be submitting a reimbursement package for PPE.)	
Vaccine Mandate (Effective September 27 th ; we are calculating the financial impact due to requiring to backfill staff/provide additional overtime.)	



Financial Performance

FY 2021





Highlights

Ended FY21 close to target with a net budget variance of **-\$22.8M (0%)** where

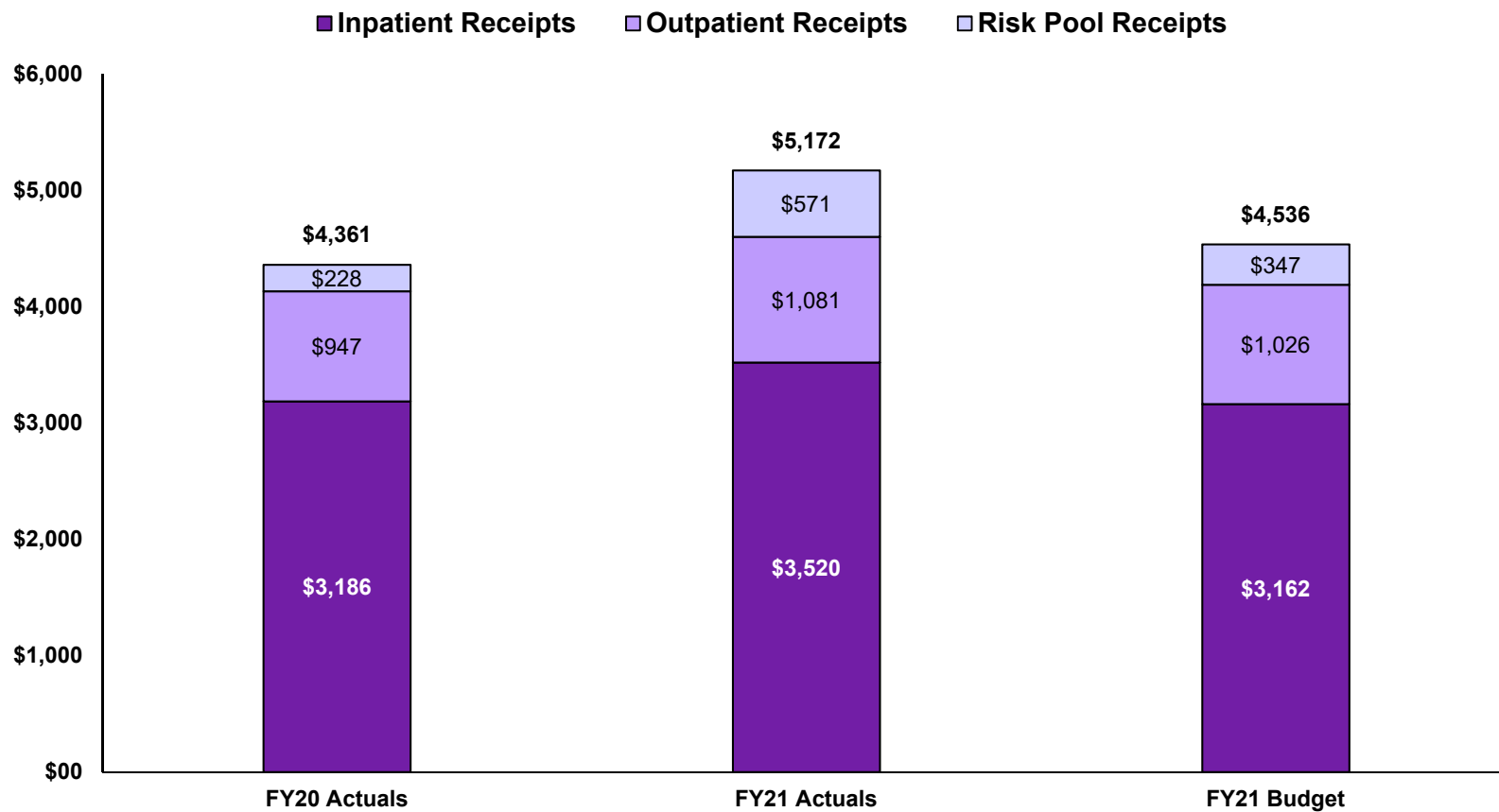
- Receipts exceeded budget by \$729M (\$636M in Patient Care) due to COVID patients, Medicare rates, and risk payment catch-up and better performance.
- Disbursements exceeded budget by \$752M, \$653M of which was OTPS which included \$690M spend associated with COVID some of which was offset at the start of FY22 as part of the FEMA payment.

Notes:

- Net Budget Variance does not include COVID expense and receipts of \$626M.
- The "COVID Not Offset" amount of \$690M can be offset once additional Federal relief funds are received.
- Test and Trace not included in the Net Budget Variance.

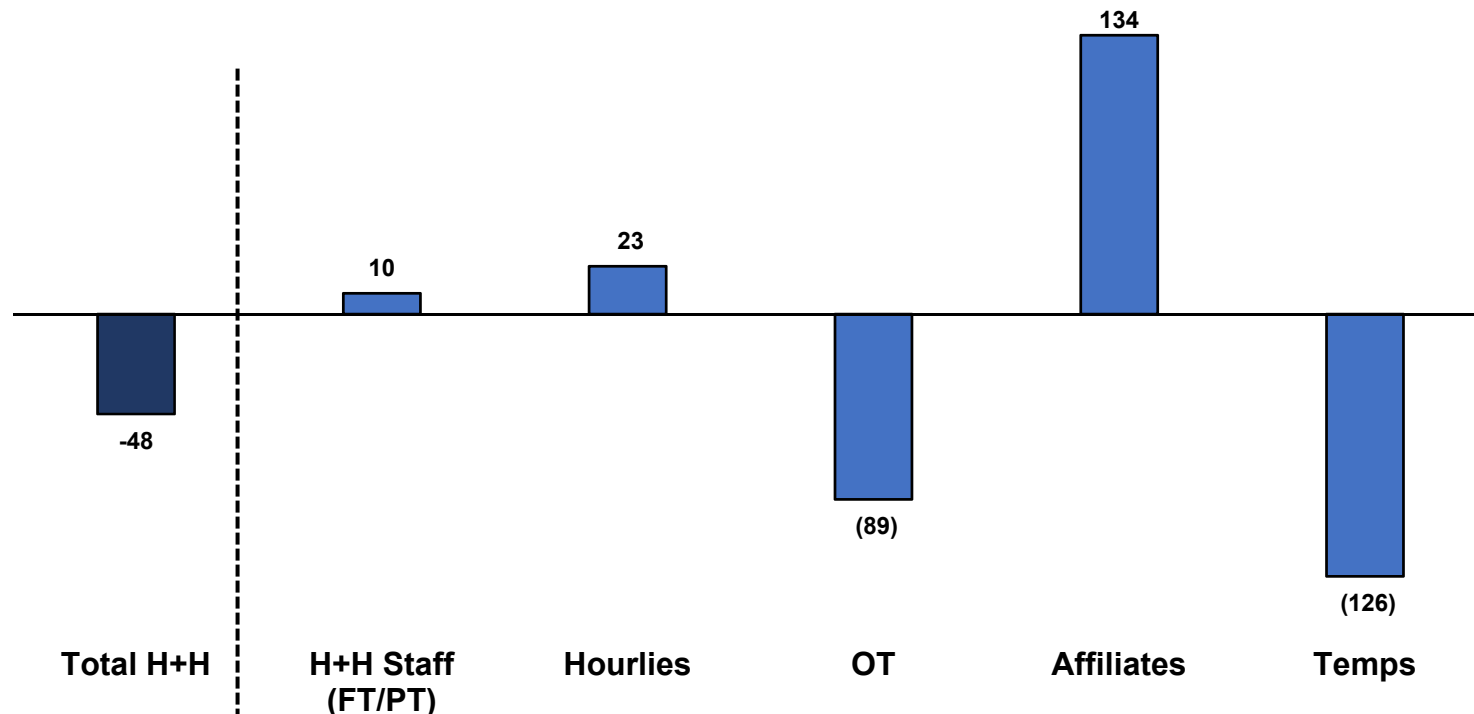


- FY21 patient care revenue is \$811M higher than FY20 actuals.
- Patient revenue improvements year-over-year can be attributed to a combination of increased patient acuity including COVID patients, increased rates, continued improvement on strategic initiatives, and MetroPlus risk payment timing.
- Case Mix Index (CMI) is up by 12.5% from 1.31 in FY20 to 1.47 in FY21



H+H Global Staff Growth Has Shifted From Temps to Full-Time

- Global Full Time Equivalents (GFTEs) have decreased by **48 through FY21**,
 - continuing to move away from the use of Temp Staffing, reducing our Temps number by 126 FTEs in FY21
 - reducing reliance on OT and shifting to FT hires where appropriate, FY21 OT dropped by 89 FTEs
 - Affiliates increased by 134 as we continue to invest in clinical business plans (such as OR Services expansion, Comprehensive Stroke Centers certification and expanded cardiology services) and NYC CARE; Kings County hospital also had a staff shift from H+H to Affiliates.



Notes:

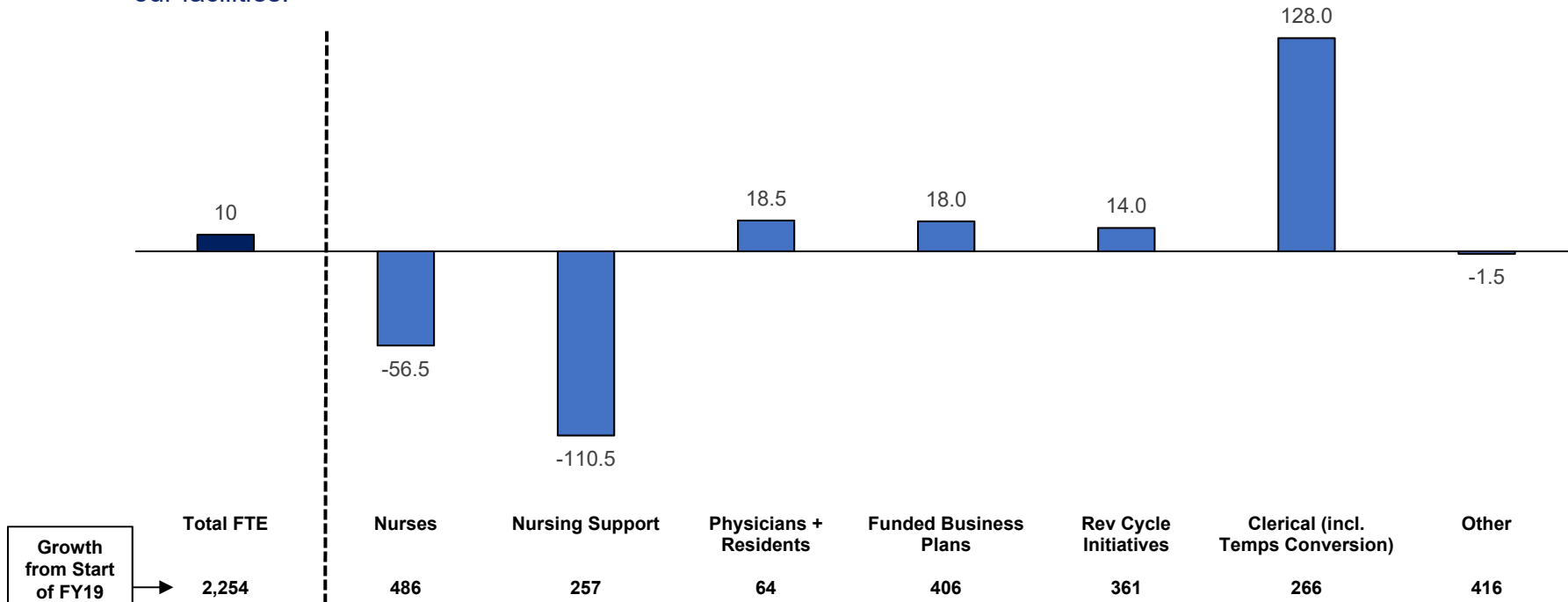
The staff hired under the T2 Initiative is not included (+ 277 FTEs over FY21)

Temporary staff hired in response to the COVID effort are not included.



H+H Recalibrating Staffing Mix to Support Clinical and Revenue Generating Investments and Temp Conversions

- H+H staff growth since FY19 is in line with NYC H+H Strategic Direction, with significant investments in clinical and revenue cycle staff as well as support services.
- In Nursing, we invested in stabilizing nurse staffing workloads by adding 486 Nurses and 257 Nursing Support since FY19. In FY21 working into FY22, we have developed and funded the Emergency Department nursing model.
- Significant investments were also made to right-size revenue cycle staffing where we have funded 361 FTEs since FY19, we have also finalized and invested in an Environmental Services personnel model in FY22 to properly support our facilities.



Notes:

Staff hired under the T2 Initiative is not included (+ 277 FTEs over FY21)

During FY21, due to the urgency of COVID surge needs, we secured nursing temp staff to meet systemwide COVID-related emergency staffing gaps.

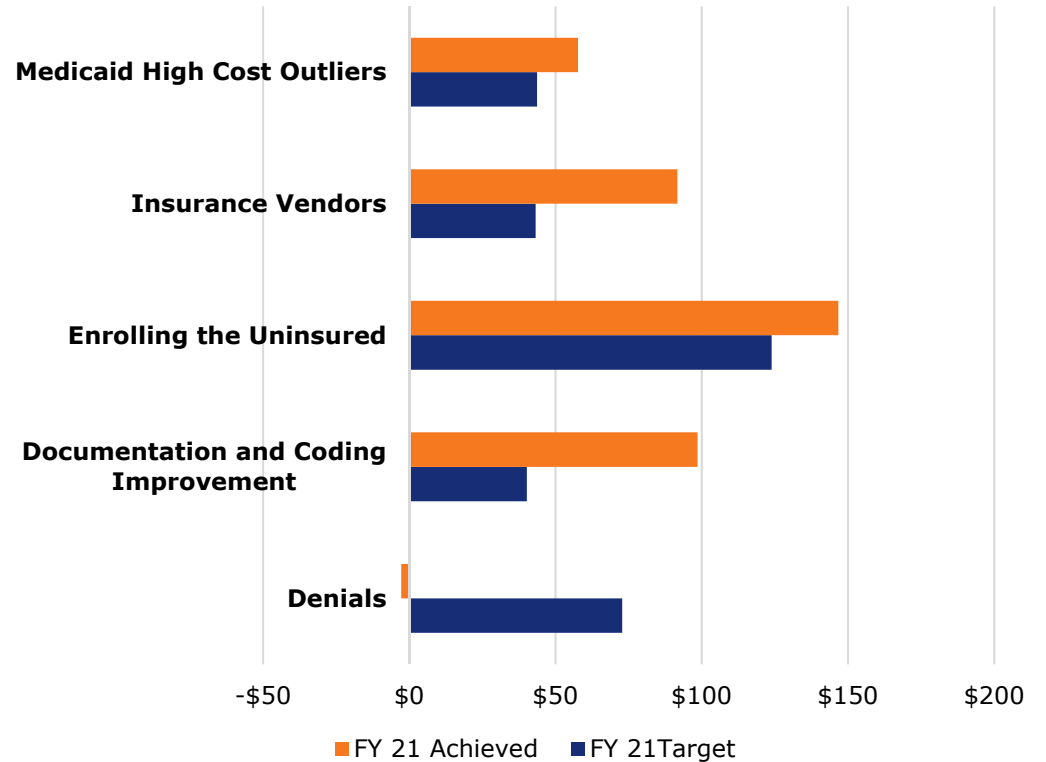


Revenue Cycle Update



Revenue Cycle Initiatives: Achieved \$392 million outperforming target \$324 million

	Target	Actual	
<i>July</i>	\$29.1	\$31.0	✓
<i>August</i>	\$24.2	\$20.7	✗
<i>September</i>	\$24.2	\$32.2	✓
<i>October</i>	\$29.1	\$25.5	✗
<i>November</i>	\$24.2	\$24.1	✓
<i>December</i>	\$29.1	\$46.2	✓
<i>January</i>	\$24.2	\$43.3	✓
<i>February</i>	\$24.2	\$16.5	✗
<i>March</i>	\$24.2	\$53.5	✓
<i>April</i>	\$29.1	\$26.6	✗
<i>May</i>	\$24.2	\$37.9	✓
<i>June</i>	\$38.1	\$34.4	✗
FY Total	\$323.8	\$391.9	✓



FY21 Denials Performance
 ✓ Authorization, Timely Filing
 ✗ Eligibility, Administrative



System-wide Strategic Initiatives

FY 2021



Strategic Initiatives Financial FY21 Year-End

In millions

Summary Initiative Category	FY 21 Target*	FY21 Achieved	Program highlights
Growth and Other Service Line Improvements	\$86.2	148.1	<ul style="list-style-type: none"> • 340B Contract Pharmacy • Medical Necessity Denials Reduction
Revenue Cycle and Managed Care Initiatives	\$149.9	431.9	<ul style="list-style-type: none"> • Coverage Insight Vendor • Insurance for eligible uninsured • Managed Care High Cost Outliers
System Efficiencies	\$11.3	18.2	<ul style="list-style-type: none"> • EITS Consultant Contracts • H2O Consultant Savings
Value-Based Payment Initiatives	\$22.7	52.8	<ul style="list-style-type: none"> • HARP Conversions • Primary Care Membership
Grand Total	\$270.1	650.5	

*Risk-adjusted incremental target

- FY21 Highlights:
 - Achieved 98% of line of sight projection
 - Realized 93% ROI on 340B Contract Pharmacy initiative
 - Revenue Cycle operations initiatives exceeded internal target by 21%
 - Surpassed systemwide Primary Care membership target, 28,152
 - Outperformed HARP conversion goal by nearly 200% (includes both M+ and HF members)



FY22 Budget Strategy Builds on FY21 Successes and Lessons

FY21 Strategic Focus	Result	FY 22 Initiative
Improve surgical efficiency and margin; grow surgical volume	System-wide performance improvement and accountability; meaningful revenue even given COVID surge and OR reductions; improved incoming referral processing and scheduling	<ul style="list-style-type: none"> • Continue OR efforts with updated targets • Facility level outpatient specialty and radiology performance improvement and growth targets
Succeed in Value Based Payment	Grew attributed membership and grew HARP/HIV SNP enrollment; successful performance in managed care quality programs	<ul style="list-style-type: none"> • More granular focus on panel management • Grow primary care patient panel sizes • Retain substantial growth in membership • Build on other efforts and incorporate into standard work • Implement Public Health Corps
Revenue cycle and managed care	Continued improvement in operations and contracting; certain denial types still too high	<ul style="list-style-type: none"> • Multi disciplinary teams efforts on key denial types and insurance enrollment • Contract renegotiations and additional oversight
Ambulatory care and telehealth	Major My Chart growth and huge testing/vaccine success; some improvement in Gotham margin and ambulatory care efficiency	<ul style="list-style-type: none"> • Optimize in person vs video vs phone visit mix • My Chart outreach, engagement, and performance improvement • Grow virtual express care
Be Great at the Basics	Post acute margin improvement, IT savings, hit pharmacy revenue target, lab efficiencies	<ul style="list-style-type: none"> • Community Care strategic plan • Continued pharmacy and supply chain improvements • Staffing Models and physician workforce plans
MRTII and special populations opportunities	UPL Conversion signed	<ul style="list-style-type: none"> • Advance special populations proposal



Test and Trace



Test and Trace FY21

- H+H incurred \$1.4 billion of FY21 Test and Trace expenses
- OMB provided H+H with revenue through the T2 MOU to cover FY21 committed expenses
 - Revenue included CDC ELC grants and FEMA funding
 - H+H received over \$300 million of billing revenue at T2 testing sites

	FY21 Expenses
Testing	\$ 736M
Tracing	\$ 417M
Take Care	\$ 122M
Vaccine	\$ 69M
Data Analytics, Program Management, and Public Awareness	\$ 97M
Total Expenses	\$ 1,441M



Test and Trace FY22

- ❑ Test and Trace will continue operations into FY22 to meet citywide COVID response needs. The timeline of programmatic ramp downs will continue to evolve as COVID trends remain unpredictable.
- ❑ Currently, T2 is operating the following programming:
 - ❑ 15 pop-up sites, 17 facility testing sites, 47 mobile testing units, and at home testing teams
 - ❑ Contact tracing
 - ❑ School testing for students and Situation Room for public school contact tracing
 - ❑ Two isolation hotels
 - ❑ Three 24/7 vaccine sites
 - ❑ Canvassing program for vaccine education and outreach
- ❑ Through the MOU, the City has provided T2 with sufficient funding for FY22 programming to date. Funding sources include:
 - ❑ ELC grants (Enhancing Detection, Expansion, and School Reopening)
 - ❑ FEMA
 - ❑ American Rescue Plan funds
 - ❑ CTL
 - ❑ Third party billing revenue

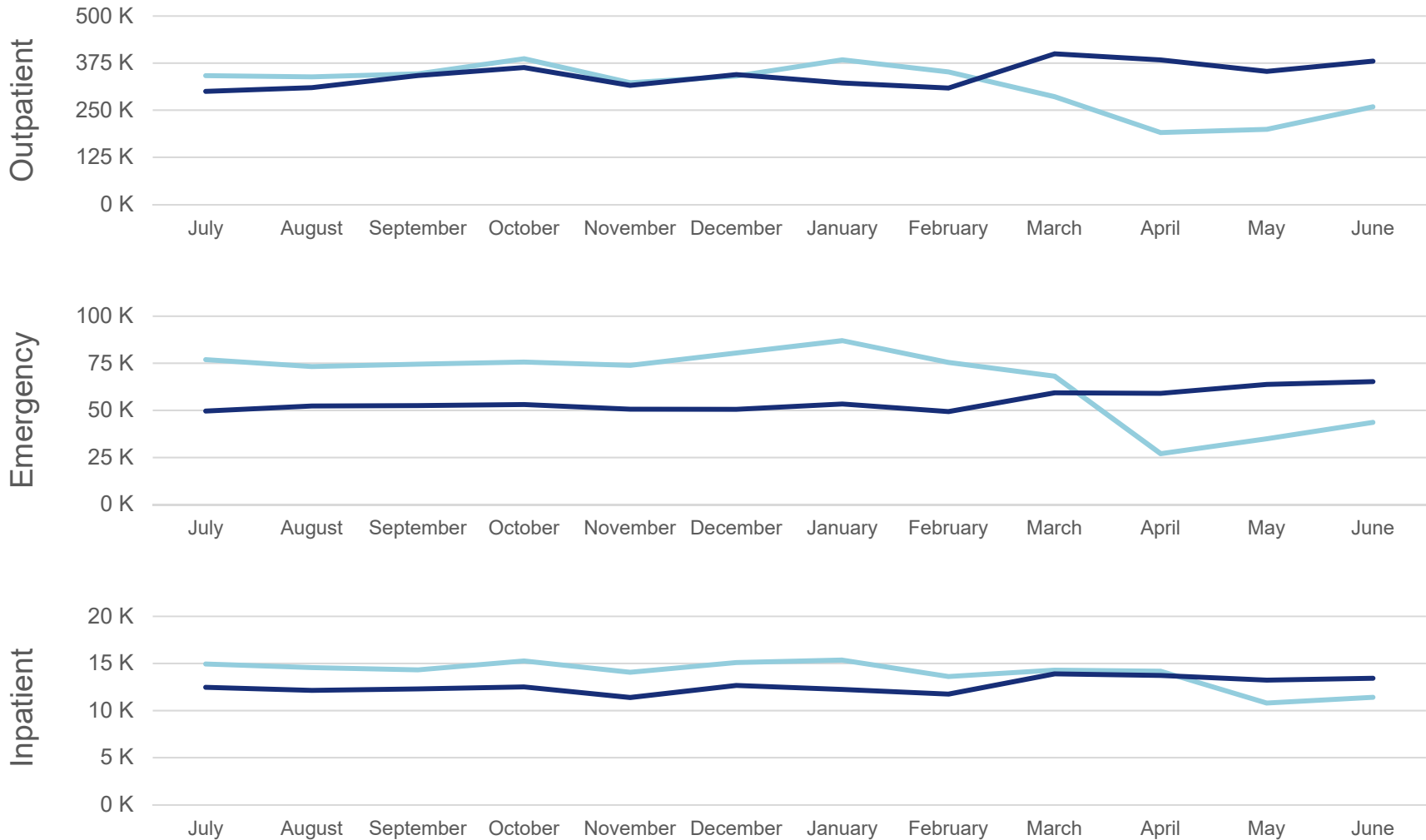


Appendix



Monthly Service Volume by Fiscal Year

FY 2020 
FY 2021 



Telemedicine as a Percentage of Outpatient Visits by Month (FY 2021)

