

BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 28, 2012

A-G-E-N-D-A

| | |
|--|--------------|
| Call to Order - 4 pm | Dr. Stocker |
| 1. Adoption of Minutes: May 24, 2012 June 12, 2012 – Executive Committee | |
| <u>Chairman's Report</u> | Dr. Stocker |
| <u>President's Report</u> | Mr. Aviles |
| >>Action Items<< | |
| <u>Naming / Re-naming Opportunities</u> | |
| 2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to rename the Department of Dentistry and Oral Surgery at Harlem Hospital Center the " Dr. James E. McIntosh Department of Dentistry and Oral Surgery. " <i>(Capital Committee – 06/07/2012)</i> | Ms. Yousseuf |
| 3. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to name in its entirety the new location of the former Goldwater Specialty Hospital and Nursing Facility, which will be constructed on the campus of the former North General Hospital, the " Henry J. Carter Specialty Hospital and Nursing Facility. " | Mr. Aviles |
| <u>Various Networks</u> | |
| 4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an extension to the Affiliation agreements with the Physician Affiliate Group of New York, PC (PAGNY) for the provision of General Care and Behavioral Health Services at Lincoln Medical and Mental Health Center, Morrisania Diagnostic and Treatment Center, Segundo Ruiz Belvis Diagnostic and Treatment Center, Jacobi Medical Center, North Central Bronx Hospital, Harlem Hospital Center, Renaissance Health Care Network Diagnostic and Treatment Center and Coney Island Hospital for a period of three months, commencing July 1, 2012 and terminating on September 30, 2012, with a funded option for another three months commencing October 1, 2012 and terminating on December 31, 2012, to provide the parties adequate time to conclude negotiations for a new agreement; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A. <i>(Med & Professional Affairs/Information Technology Committee – 06/14/2012)</i> | Dr. Stocker |
| <u>North/Central Brooklyn and South Manhattan Networks</u> | |
| 5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an amendment to the Affiliation agreement with New York University School of Medicine for the provision of Health Services at Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center which terminates June 30, 2014, to include the provision of General Care Health Services at Coler/Goldwater Specialty Hospital and Nursing Facility , consistent with the general terms and conditions and for the amounts as indicated in Attachment A; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy except that the President will seek approval from the Corporation's Board of Directors for any increases in costs in any fiscal year exceeding twenty-five percent (25%) of the amounts set forth in Attachment A. <i>(Med & Professional Affairs/Information Technology Committee – 05/24/2012)</i> | Dr. Stocker |
| <i>(over)</i> | |

**BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 28, 2012 ~ AGENDA ~ Page Two**

| | |
|---|--|
| <p><u>North/Central Brooklyn Network</u></p> <p>6. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute an Affiliation agreement with the State University of New York/Health Science Center at Brooklyn for the provision of General Care and Behavioral Health Services at Kings County Hospital Center for a period of one year, commencing July 1, 2012 and terminating on June 30, 2013, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement; AND further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy. <i>(Med & Professional Affairs / Information Technology Committee – 06/14/2012)</i></p> | <p align="center">Dr. Stocker</p> |
| <p><u>North Bronx Healthcare Network</u></p> <p>7. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable license agreement with General Vision Services/Cohen Fashion Optical for use and occupancy of space to operate an optical store on the campus of Jacobi Medical Center. <i>(Capital Committee – 06/07/2012)</i> VENDEX: Pending</p> | <p align="center">Ms. Youssouf</p> |
| <p><u>South Manhattan Network</u></p> <p>8. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a license agreement with the New York Legal Assistance Group for use and occupancy of space at Coler/Goldwater Specialty Hospital and Nursing Facility to provide <i>pro bono</i> legal services to patients and training to Corporation staff. <i>(Capital Committee – 06/07/2012)</i> VENDEX: Approved</p> | <p align="center">Ms. Youssouf</p> |
| <p>9. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a license agreement with the New York City Department of Education for its continued use and occupancy of space to operate a Licensed Practical Nurse training program at Coler/Goldwater Specialty Hospital and Nursing Facility, Goldwater Campus. <i>(Capital Committee – 06/07/2012)</i></p> | <p align="center">Ms. Youssouf</p> |
| <p><u>Committee Reports</u></p> <ul style="list-style-type: none"> ➤ Audit ➤ Capital ➤ Equal Employment Opportunity ➤ Finance ➤ Medical & Professional Affairs / Information Technology | <p align="center">Ms. Youssouf Ms. Youssouf Rev. Lacey Mr. Rosen Dr. Stocker</p> |
| <p><u>Information Item</u></p> <ul style="list-style-type: none"> ➤ Overview – HHC's Accountable Care Organization Subsidiary | <p align="center">Ross Wilson, MD, Senior VP & Chief Medical Officer</p> |
| <p><u>Facility Governing Body / Executive Session</u></p> <ul style="list-style-type: none"> ➤ Woodhull Medical and Mental Health Center <p align="center">>>Old Business<< >>New Business<<</p> | |
| <p>Adjournment</p> | <p align="center">Dr. Stocker</p> |

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (hereinafter the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 24th of May 2012 at 4:00 P.M. New York time, pursuant to a notice which was sent to all of the Directors of the Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

Dr. Michael A. Stocker
Rev. Diane E. Lacey
Mr. Alan D. Aviles
Josephine Bolus, R.N.
Dr. Jo Ivey Boufford
Dr. Vincent Calamia
Dr. Adam Karpati
Ms. Anna Kril
Dr. Christina L. Jenkins
Mr. Robert F. Nolan
Mr. Bernard Rosen
Ms. Emily A. Youssouf

Andrea Cohen was in attendance representing Deputy Mayor Linda Gibbs, Dr. Amanda Parsons was in attendance representing Commissioner Thomas Farley and Linda Hacker was in attendance representing Commissioner Robert Doar, each in a voting capacity. Dr. Stocker chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on April 19, 2012 were presented to the Board. Then, on motion made by Rev. Lacey and duly seconded, the Board unanimously adopted the minutes..

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on

April 19, 2012, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

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

Dr. Stocker updated the Board on approved and pending Vendex and will report on the status of pending Vendex at the next Board meeting.

Dr. Stocker informed the Board that the survey by the Joint Commission on the Accreditation of Healthcare Organizations of Lincoln Medical & Mental Health Center went very well. He also stated that Kings County Hospital Center and Sea View Hospital Rehabilitation Center & Home surveys will take place in the near future.

PRESIDENT'S REPORT

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

ACTION ITEMS

RESOLUTION

2. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with **Microsoft Health Solutions Group** to provide a **care plan information system**. The contract shall be for a period of five years with two consecutive one-year options to renew exercisable solely by the Corporation, in an amount not to exceed \$16.1 million for a five year term, with two consecutive one-year options to renew, for a total of seven years, and further authorizing the President to make adjustment to the contract amounts, providing such adjustments consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.

Dr. Ross Wilson, Senior Vice President, presented the resolution and explained that the purpose is to acquire software that will connect outpatients with the various providers they are in contact with.

In response to Ms. Youssouf's request to be updated on the course of the implementation of the Microsoft project, Dr. Wilson advised that routine reports will be provided on the progress.

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

RESOLUTIONS

3. Authorizing the President of the New York City Health and Hospitals Corporation to execute a **license agreement with MetroHealth Homes Housing Development Fund Corporation (HDFC)** for the early stages of **construction of housing for low income elderly and/or disabled persons** on the campus of **Metropolitan Hospital Center** using funds advanced by the Corporation subject to reimbursement upon execution of a long term lease with the HDFC.

- and -

4. Authorizing the President of the New York City Health and Hospitals Corporation to execute a **sublease with MetroHealth Homes Housing Development Fund Corporation (HDFC)** as nominee for Metro East 99 Street LLC (the LLC in such capacities being referred to together with the HDFC as the Tenant) for the development of housing for low income **elderly and/or disabled persons** on the campus of **Metropolitan Hospital Center**.

LaRay Brown, Senior Vice President, explained that the purpose of the resolutions is to provide affordable housing for individuals with mobility impairments, who currently reside at Coler-Goldwater Specialty Hospital and Nursing Facility. We have the ability to develop a previously unused parcel into 176 apartments, using Medicaid funding intended for initiatives to reduce long-term care utilization by providing community based care. The proximity to Metropolitan Hospital is a crucial component in the anticipated success of this project. HHC is being asked to put up front \$2.8 million so that work on the project can begin before the actual closing. This is

necessary because of the need to vacate Coler-Goldwater at the end of 2013.

However HHC will be reimbursed for this expense at closing through the various funding sources.

Ms. Youssouf moved the adoption of the resolutions which were duly seconded and unanimously adopted by the Board.

RESOLUTION

5. Authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable **license agreement** with the **New York City Police Department** for use and occupancy of space to operate radio communications equipment at **Elmhurst Hospital Center**.

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

RESOLUTION

6. Authorizing the President of the New York City Health and Hospitals Corporation to execute a **contract** with the **New York Power Authority** for an amount not to exceed \$7,000,000 for the planning, pre-construction, design services, construction, procurement, construction management and project management services necessary to replace the existing boiler plant at **Coney Island Hospital**.

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

RESOLUTIONS

7. Approving **amendment** of the **Bylaws** of Metroplus Health Plan, Inc. to facilitate **establishment of a Managed Long Term Care Plan** and to better enable MetroPlus to conduct its business.

- and -

8. Approving **amendment** of the **Certificate of Incorporation of Metroplus Health Plan, Inc.** to facilitate **establishment of a Managed Long Term Care Plan** and to better enable MetroPlus to conduct its business.

The two items pertaining to MetroPlus were treated together and have both been approved by MetroPlus' Board of Directors.

Mr. Rosen moved the adoption of the resolutions which were duly seconded and unanimously adopted by the Board.

BOARD COMMITTEE AND SUBSIDIARY REPORTS

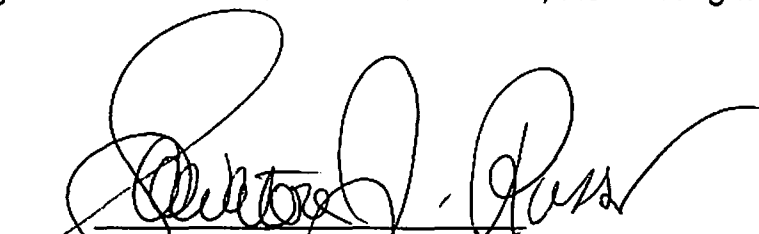
Attached hereto is a compilation of reports of the HHC Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by the Chairman at the Board meeting.

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Dr. Stocker reported that the Board of Directors as the governing body of North Central Bronx Hospital and Jacobi Medical Center reviewed, discussed and adopted each of the facility's reports presented.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:41 P.M.



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

COMMITTEE REPORTS

Capital Committee – May 14, 2012 As reported by Ms. Emily Youssouf

Assistant Vice President's Report

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, advised that there would be four (4) action items on the meeting agenda, the first two involving the disposition of a parcel of property, currently used as a parking lot, on the northern side of 99th Street and 2nd Avenue on the campus of Metropolitan Hospital Center. A development is planned to support the reasonable discharge of residents in shelled nursing facilities into community based non-institutional settings, by HHC, and the Department of Health. The two resolutions presented for consideration are for the sublease of the parking lot to a developer, Metro 99 Housing Development Fund, and a license agreement that will allow for the short term loan of the property to the developer so that they can expeditiously proceed with preliminary construction tasks such as on site preparation, soil preparation, etc., while it continues to engage permanent lending institutions for the remaining project funds. The Corporation will then receive its initial loan made to the developer.

The Corporation caused to have a public hearing on the disposition of the parcel, in accordance with its enabling legislation on May 9, 2012, and members of the public were given an opportunity to voice their opinion on the project at that time. It is anticipated that the project will be completed by the end of 2013. The building is anticipated to be a ten story structure having approximately 150,000 square-feet suitable for approximately 176 units of housing. Further details of the project will be provided during presentation of the action items.

The third item for consideration is a new license agreement with the New York City Police Department to operate communications equipment from the rooftop of Elmhurst Hospital Center.

The fourth agenda item is to authorize a turn-key project for the replacement of existing boilers for new energy efficient units at Coney Island Hospital, a project that will be managed by the New York Power Authority. The existing boilers are well beyond their useful life, are operating inefficiently and will not comply with strict new air emission standards that will become effective in 2014. The new units are expected to reduce operating costs by at least \$1.2 million annually, and reduce carbon emissions by 11.1 tons, or the equivalent elimination or approximately 1,830 cars from operation.

The project has been publicly bid and the lowest responsible bid has been received at \$7 million. The project's engineering estimate was \$8 million, and the \$1 million difference is largely attributed as a result of the soft construction costs, a noted trend that is being seen generally in bid results that have been coming in far below estimates, approximately 10-20%.

In old business there will be a brief update on the status of the Greenpoint Clinic, the EEO presentation by Michael Clay of DASNY, and a status of the physician parking around the perimeter of the North General Hospital.

There is also a 2012 Air Conditioning Readiness Report included in the package, which lists nine (9) locations as "conditional" and zero (0) as "poor". In most of the "conditional" cases remedial work is being performed to address the conditions and there are no issues anticipated throughout the upcoming cooling season.

This concluded the Assistant Vice President's Report.

Action Items:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a license agreement with MetroHealth Homes Housing Development Fund Corporation (the "HDFC") for the early stages of construction of housing for low income elderly and/or disabled persons on the campus of Metropolitan Hospital Center (the "Facility") using funds advanced by the Corporation subject to reimbursement upon execution of a long term lease with the HDFC.

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a sublease with MetroHealth Homes Housing Development Fund Corporation (the "HDFC") as nominee for Metro East 99 Street LLC (the "LLC" in such capacities being referred to together with the HDFC, as the "Tenant") for the development of housing for low income elderly and/or disabled persons on the campus of Metropolitan Hospital Center (the "Facility").

LaRay Brown, Senior Vice President, Corporate Planning, Community Health and Intergovernmental Relations, read the resolutions into the record.

Ms. Brown advised that the sublease agreement would grant the developer the right to develop 176 apartments on a parcel of land on Metropolitan Hospital's campus. She noted that 175 of those units would provide housing for current Coler-Goldwater skilled nursing facility (SNF) residents who no longer require SNF level of care and who can reside in the community. The second resolution, a license agreement, allows for expeditious studies and pre-construction work to be done on East 99th Street parcel, prior to the execution of the sublease agreement, while financing for the project is finalized. This is necessary because the project must be completed by the end of 2013. Ms. Brown noted that closing on the sublease agreement would occur by September 2012. However, the extra months for remediation and early construction work provided by the license agreement are necessary for the project to meet required deadlines for completion and tenancy.

Ms. Youssouf asked how the developer was selected and by whom. Ms. Brown advised that HHC had selected the developer and explained that in 2008/2009 in response to a Health Care Efficiency and Affordability Law of New York (HEAL NY) Request for Grant Applications, HHC had invited a number of experienced housing developers to submit proposals concerning the development of several HHC parcels for affordable and accessible housing for HHC's long term care facilities' residents. While none of the proposed projects were funded through the HEAL NY grant, HHC remained in contact with all of the developers that were part of that initiative. The developer selected for this project was among that group, and had expressed an interest in developing this very parcel of land and another on Metropolitan Hospital's campus. This developer is also very well regarded by HPD/HDC - the principle financier of this project, and they have a proven track record from developing senior housing on the Kings County campus. It was determined that without a second solicitation, this developer was appropriate for this important project. Ms. Youssouf asked that the developer be present at the full of the Board meeting, so that all members of the Board may be privy to all of the project details, given the significance of this project to HHC and the City.

Mrs. Bolus asked about the specific wording in the resolution of the license agreement that read, "The Corporation shall advance funding for the construction to the HDFC upon the Corporation's approval of invoices (which approval shall not be unreasonably withheld) describing in detail the work completed and the cost of such work by trade and professional." Ms. Brown noted that this is unique language that was added to protect the Corporation because the license agreement is covering a period of time prior to the real estate closing, which is when all financing will be secured and finalized. She explained that the Board is, in fact, being asked to do something out of the ordinary due to the time constraints related to the project. The Committee is being asked to allow the President to provide what is tantamount to a loan that will be repaid at the closing, and which will allow for remediation, site preparation and other work to begin prior to closing in order for the project's deadlines to be achieved. This project must be completed in order that Coler-Goldwater residents who need housing can be relocated when the current Goldwater operations move to the Goldwater North campus in Harlem.

Ms. Brown directed the Committee members' attention to the Summary of Economic Terms, which outlines funding. She advised that the project has a \$51.8 million budget funded through a combination of mortgages and tax credit funding. There is also \$7.3 million State Medicaid Redesign funding. This is important, because this is the first time the state has put money towards the construction of this type of development. She advised that, given the total amount of funds that will be available at closing, there is more than enough funding to repay the \$2.8 million loan that the Board authorizes.

Ms. Brown noted that Jeremy Berman, Deputy General Counsel, has played an integral role in designing the agreement between HHC and the developer, as well as formulating the role that HDC and HPD will play in overseeing and approving the early construction work, to minimize risk to HHC. Work will be monitored by HPD, HDC, as well as the banks. HPD/HDC will be authorizing that the work is completed so there will be no risk that the expenditure of dollars that HHC lends during the interim period will not be monitored by all of the financing parties and will conform with all requirements for the use of funds from all sources.

Mrs. Bolus asked who would be responsible for the three (3) mortgages listed in the budget section. Ms. Brown explained that HHC does not hold those mortgages, the developer does, and that while it may look complicated, it is a pretty standard financing arrangement for affordable housing in New York City.

Mrs. Bolus asked what NYSEDA, listed as a funding source, stands for, and whether they are providing any funding. Ms. Brown responded that NYSEDA stood for the New York State Energy Research and Development Authority and that NYSEDA has been listed in error, as it is not a funding source.

Mrs. Bolus asked for clarification of a section of the sublease agreement that notes that the cost of utilities will be passed on to the tenants. Ms. Brown confirmed that utilities will be paid for by the tenants; and she explained that all apartments will be subsidized under HUD Section 8 rental assistance. All residents will be provided information that explains how utilities will be paid for and that the apartments will be sub-metered so that tenants are responsible for their own utilities and are aware of how much they spend. Ms. Youssouf noted that this is frequently done in affordable housing to prevent overuse.

Mrs. Bolus asked about the live-in superintendent. Ms. Brown explained that the on-site superintendent will be there to assure that apartments are maintained in good order and to provide assistance if tenants need small repairs. There will also be desk staff on duty for extended hours, but not seven days/24 hours. Unless the tenants choose otherwise, Ms. Brown noted, all health care will be provided by Metropolitan Hospital Center. In addition, HHC's Home Care Agency will also be available to provide such services as needed. The Coler-Goldwater SNF residents who will move into this development are Medicaid beneficiaries. One of the reasons for locating this development

on Metropolitan's campus is that it affords the facility with a patient base that will benefit from the hospital's centers of excellence - physical rehabilitation, mental health programs, primary care services, and an array of ambulatory care services.

Mrs. Bolus asked if the equipment at the Coler-Goldwater facility will be moved over to the 99th Street building. Ms. Brown asked whether Mrs. Bolus was referring to Goldwater North, as no equipment from Goldwater was being moved to the housing development. In the case of Goldwater North, she explained, the relocation of existing equipment would probably be minimal, however decommissioning of the Goldwater campus is being discussed. Ms. Brown noted that, in terms of the housing, it had been estimated that each apartment would need approximately \$2,500 for basic furnishings and household supplies. She said that the Human Resources Administration and other social services agencies would be approached to provide funding for these things.

Mrs. Bolus asked if the apartments would have special design features to address the needs of elderly or disabled individuals. Ms. Brown responded that the apartments were being designed for tenants with special needs, including those who require wheelchairs. She provided some examples: windows will be lower so that tenants in wheelchairs had visibility, electrical outlets will be higher on walls for easier access, sinks and counters will be positioned for ease of access, bathrooms will be designed for wheelchairs; and various other special design elements are being explored based on input received from a Coler-Goldwater resident focus group.

Ms. Youssouf asked whether HDC had issued a letter of intent. Mr. Berman said that the parties are awaiting a letter from the State Department of Health.

Ms. Youssouf asked what the interest rate would be on the \$7.3 million in MRT funds. Ms. Brown said that she believed there is no interest rate, the \$7.3 million is a grant that is being structured as a loan for HPD's purposes. However, Ms. Brown noted that she would confirm this with HPD.

Ms. Youssouf asked that prior to HHC advancing the \$2.8 million loan, it be determined how the reimbursement will be handled. Ms. Brown advised that prior to the full Board meeting, HDC and HHC staff will have determined how that will be handled.

Ms. Youssouf asked that the developer bring the site plans to the Board meeting to share with all members of the Board.

Mrs. Bolus asked if the staff at Coler-Goldwater would be traveling with the patients to the new site. Ms. Brown explained that this is housing and not a nursing facility. She said it is expected that tenants will obtain services outside of their homes, except for the few that may need home care. Therefore, there is not an expectation that the Coler-Goldwater SNF staff will accompany residents once they are discharged. Support services, such as meal assistance, will depend on individual needs. She added that there is space on site that can be made available to social service organizations. However the developer has been told that they are not to have a competitive health care provider on site. It is hoped that the tenants will take advantage of having Metropolitan located nearby for all of their health care needs. Ms. Brown noted that the original tenancy would be comprised of Coler-Goldwater SNF residents who no longer require a long-term care facility and who could benefit from discharge into affordable housing. However over time, new tenants would come from other HHC facilities; patients for whom continued stays in hospitals or nursing homes could be reduced with affordable, accessible housing alternatives.

Ms. Youssouf asked if occupancy of the available on-site space is something HHC would have a say in. Ms. Brown said yes, and advised that because many of the residents are seniors, it is possible that a senior center may eventually have an outpost in that building - an example of a non-competitive, but complimentary program. Ms. Youssouf asked if a center of that sort would also be open to the community. Ms. Brown said yes, and added that this could be an important approach to engaging the community.

Ms. Youssouf asked if HPD had been in discussions regarding the 3rd mortgage. Ms. Brown said she did not want to make a misstatement and couldn't be sure, but advised that the developer should be able to answer that question.

Ms. Youssouf asked about the piles that would need to be driven on the site, and asked what the likely cost would be. Ms. Brown said that HPD has a draft of what work will need to be done and a cost estimate has been completed. She advised that such work will be complicated due to nearby work being completed on the Second Avenue subway by the Metropolitan Transportation Authority (MTA).

Mrs. Bolus asked about environmental challenges in the area. Ms. Brown noted that a report had been completed and was under review by HPD; and that remediation will take place and will thoroughly address issues identified in the report.

Ms. Youssouf asked that the Board get an overview of the environmental issues as well as issues that the community has with the presence of the Sanitation Department in the area. Ms. Brown advised that there has been an ongoing concern within the community, regarding the garage operated by the Sanitation Department. Ms. Brown noted that all Board Members will have the transcript from the public hearing and in it the concerns about the Sanitation garage are articulated by members of the Metropolitan CAB, Community Board 11 and community residents. Ms. Brown stated that as far as the parking of sanitation vehicles in front of the housing being built, the practice would have to stop when the development is complete and tenants are in the building.

Mrs. Bolus noted that when senior housing was opened on the Kings County Hospital Center campus it was not acknowledged that the project had any HHC involvement, and asked for assurance that when this development is complete there will be plenty of

acknowledgements that HHC was an integral part of the project. Ms. Brown said she would assure at the opening events that everybody was aware of HHC's role.

Ms. Youssouf asked whether decommissioning of the Goldwater facility and the power plant on site had been discussed. Ms. Brown said that discussions are ongoing and it is understood that the Board wants to be sure that HHC does not bear the brunt of the cost of decommissioning the power plant. Mr. Berman advised that the New York City Law Department and Roosevelt Island Operating Corporation (RIOCI) have been told that the power plant would be returned to them and advised that the power plant pre-dates the lease between the City and RIOCI, meaning that when RIOCI rented the land from the City, the power plant was already on the land.

Ms. Brown advised that the decommissioning discussions would be ongoing and all factors would be discussed to ensure that HHC is not being held responsible for unnecessary items. Ms. Youssouf was pleased to hear that and asked that it remain an important discussion point. Ms. Brown assured her that would be the case.

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

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

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with the New York City Police Department ("NYPD" or "Licensee") for use and occupancy of space to operate radio communications equipment at Elmhurst Hospital Center (the "Facility").

Karl Gray, Associate Director, Elmhurst Hospital Center, read the resolution into the record on behalf of Ann Sullivan, Senior Vice President, Queens Health Network. Mr. Gray was joined by Dion Wilson, Assistant Director, Office of Facilities Development, and Vadim Sarkysants, New York City Police Department.

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

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

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a contract with the New York Power Authority ("NYPA") for an amount not-to-exceed \$7,000,000 for the planning, pre-construction, design services, construction, procurement, construction management and project management services necessary to replace the existing boiler plant at Coney Island Hospital (the "Facility").

David Tannenholz, Assistant Director, Coney Island Hospital, read the resolution into the record on behalf of Arthur Wagner, Senior Vice President, Southern Brooklyn/Staten Island Health Network. Mr. Tannenholz was joined by Daniel Collins, Coney Island Hospital, and Ke He, and Edgardo Caban, New York Power Authority (NYPA).

Mr. He advised that the Coney Island Hospital boiler plant was constructed in 1936 and is in need of replacement. He explained that over the course of the years the boilers have had refurbishments and upgrades but are currently in poor condition and in need of replacement rather than undergo extensive renovations. The replacement plant will increase efficiency and burn firm gas, which is paid at a lower rate than number six (6) and/or No. 2 fuel oil, which is currently used.

Ms. Youssouf asked for an explanation of financing for the project. Mr. Tannenholz advised that the project would be paid for by HHC bonds.

Ms. Youssouf asked about expected completion for the project. Mr. Tannenholz advised that the project should be completed by the end of February 2013.

Ms. Youssouf asked whether the project would impact the function of the hospital. Mr. Pistone advised that there would be temporary boilers available for back-up, if needed, over the course of the project.

Dr. Stocker asked about allowances in the design based on the fact that the facility is located in a flood zone. Mr. Tannenholz noted that those factors have been considered and there have been discussion about putting a berm around the building. Dr. Stocker asked if the facility is comfortable that will suffice and there will not be issues. Mr. Collins advised that there has not been any substantial flooding in that area. He referenced the recent hurricane, Irene, which resulted in evacuation of the facility, and advised that it caused no damage or concern at all, and that operations were unaffected.

Ms. Youssouf asked for an explanation of the berm. Mr. Tannenholz explained that the berm is a waterproofing that would be installed around the building that features gates that will close-off the site in an emergency, if necessary. Ms. Youssouf asked why that wasn't

included in the current project scope. Mr. Tannenholz advised that the berm would be located outside of the building and so it would be a separate project.

Mrs. Bolus asked if there was any asbestos work that needed to be completed. Mr. Collins advised that some removal had taken place approximately 15 years ago but there is a very limited amount that will be dealt with during this project.

Ms. Youssouf asked if NYPA would be performing the work themselves. Mr. Caban advised that NYPA would be managing the project and coordinating with the design and engineering teams.

Mrs. Bolus asked if the new boilers would be smaller and more efficient. Mr. Collins said they would be more efficient but similar in size. He stated that two smaller boilers are being replaced with ones more appropriate for the size of the facility.

Mrs. Bolus asked if there would be any noticeable on-site impact during the project. Mr. Tannenholz said no, but it guarantees that the facility will have heat all season.

Mr. Tannenholz advised the Committee that NYPA is currently doing a window replacement project at the facility and it is one of the smoothest operations he has experienced; it is on time and on budget and generally very well managed. He said they have his complete trust.

Dr. Stocker asked if the Corporation was well informed about the state of the infrastructure at the facilities. Mr. Pistone advised that while the Corporation does currently have a good idea as to the state of the infrastructure, as a result of the contract with Johnson Controls, there would be a very extensive report and even more thorough information made available as a result.

Dr. Stocker asked if there was anything in particular that Mr. Pistone was concerned about. Mr. Pistone advised that at present it is pretty clear where the problem areas are and that there shouldn't be any big surprises. The biggest issues will be determining where to direct funds.

Ms. Youssouf asked if the Committee could receive a brief presentation regarding potential infrastructure issues and expected cost when the report from Johnson Controls is completed.

Ms. Youssouf asked about the temporary boilers that will be on site. Mr. He advised that the temporary boilers are sized to match the ones that are being replaced and noted that there will be two of them, one of which will be acting as a back-up to the back-up.

Mrs. Bolus asked about warranty on the boilers. Mr. He said the warranty will be for a term of one (1) year and that is standard.

Dr. Stocker asked what the life expectancy on the new boilers will be. Mr. He said 30 years.

Ms. Youssouf asked if NYPA would be performing any necessary remediation. Mr. He said yes, it is all included in the project.

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

On motion by the Chair, the Committee approved the work order.

Information Items:

Project Status Reports

North Bronx Health Network

South Manhattan Health Network

Southern Brooklyn/Staten Island Health Network

* Network contains project(s) that require a delay report

With no projects in delay by six (6) months or more, there were no reports to be provided. Ms. Youssouf requested that in the future, if a network or facility does not have any active construction projects then it be removed from the report.

Annual Air Conditioning Readiness Report

Mr. Pistone provided an overview of the Air Conditioning Readiness Report in his Assistant Vice President's report. Ms. Youssouf noted that she was pleased that the report included no facilities listed as "in poor condition." Mrs. Bolus agreed.

Old Business:

Greenpoint Clinic

Mr. Pistone provided a requested update on the status of the Greenpoint Clinic. He advised that work on the elevator has been approved by the Department of Buildings and the stairs and roof have been replaced. The Heating Ventilation and Air Conditioning (HVAC) system has been installed and Furniture, Fixtures and Equipment (FF&E) items are in process of being acquired. He noted that the 3rd floor should be occupied sometime in July, and the 2nd floor will be occupied after the 3rd floor.

Mrs. Bolus noted that the space around the elevator had been increased and she was pleased to see that. Ms. Youssouf was also pleased that the elevators had been addressed.

Mrs. Bolus asked whether an elevator could be installed in the rear of the building or if the buildings' landmark status was preventing that from happening. Mr. Pistone advised that the landlord was not open to that idea.

Community Relations Committee – May 1, 2012

As reported by Josephine Bolus, RN

Chairperson's Report

Mrs. Bolus opened the meeting with a warm welcome to everyone in attendance. She shared with the Committee members highlights of important community-related events that occurred since the committee's March meeting.

Mrs. Bolus thanked Community Advisory Board (CAB) and Auxiliary members for their advocacy during the final phases of state budget negotiations. Mrs. Bolus stated that with your help, \$60 million was appropriated for supportive housing initiatives; this is very important to HHC's long term care restructuring and health home efforts.

Mrs. Bolus informed all CAB Chairpersons that their help will be needed again before the legislative session concludes at the end of June. She explained that the State still needs to make changes to how charity care funds are distributed to hospitals to conform to federal law. Mrs. Bolus noted that New York State's Disproportionate Hospital Share (DSH) funding allotment will be reduced by more than \$18 billion between federal fiscal years 2014 and 2020 and that HHC will also lose substantial amounts of DSH funding beginning in 2014 under current federal law. Mrs. Bolus explained that if New York State does not reform how charity care funds are distributed to hospitals, it risks losing considerably more DSH funding; this will mean that HHC could also lose more DSH funding. She added its funding that HHC vitally needs to support our services and mission. Mrs. Bolus asked that all CAB Chairperson and Auxilians keep their eyes out for emails with talking points on this issue in the coming weeks.

Mrs. Bolus announced that on the public health front, there has been a 62% increase in the rate of colonoscopies in just under a decade. Mrs. Bolus noted that the increase in the number of colonoscopies performed at HHC facilities grew by nearly 400% during this period. She added that this increase is the result of hard work by all of HHC's facilities to educate patients and the public about the importance of getting a colonoscopy. Mrs. Bolus stated that as Mr. Aviles said at a press conference last month when announcing the increase, "colon cancer is preventable, treatable and beatable." Mrs. Bolus continued and stated that there is still more work to be done though. Since 2003, the disparity in colonoscopy rates between whites, Asians, African-Americans, and Hispanics has vanished. However, the rate in the Russian-speaking community remains low. She added that the staff at Coney Island Hospital, where one-third of the patients are from this community, stand ready to help close this gap.

Mrs. Bolus reported that over the past two months, many different groups of employees have been honored. In March, to recognize their dedication and commitment to their patients, President Aviles honored 28 HHC physicians "For their leadership and commitment to advancing the mission of the public hospital system and providing the highest quality healthcare to New Yorkers. She noted that the awards were presented at the annual HHC National Doctors' Day Ceremony at Metropolitan Hospital and that many of the physicians have provided several decades of service to their communities and mirrors the rich ethnic diversity of our patients.

Mrs. Bolus continued and stated that as HHC honored their physicians, they are also trying to recruit new ones to add to their ranks. Mrs. Bolus informed Committee members and invited guests that last month, HHC announced the "CityDoctors" medical scholarship program in conjunction with St. Georges University. She explained that over the next five years, the CityDoctors program will provide full and half scholarships worth more than \$11million to New York City residents who aspire to become doctors at HHC facilities. Mrs. Bolus noted that upon graduation, program participants will give back to their communities by becoming primary care doctors at HHC facilities. Mrs. Bolus added that the first class will be awarded scholarships this summer with five (5) New Yorkers who will receive full tuition scholarships and another twenty (20) recipients who will receive half-tuition scholarships.

Mrs. Bolus reported that in addition to recognizing HHC physicians, HHC also recognized the contributions of Social Workers in March as part of Social Work Awareness Month. She stated that President Aviles acknowledged the work of more than 800 social workers from HHC hospitals, health centers and nursing homes.

Mrs. Bolus announced that last month, during National Volunteer Week, HHC celebrated the efforts of more than 8,000 volunteers who donated more than a million hours of contributing their skills at HHC facilities. She acknowledged that some of the volunteers were present in the room tonight. She continued by explaining that this year's National Volunteer Week theme was "Celebrating People in Action" and, President Aviles paid tribute to the Directors of Volunteer Services. Mrs. Bolus thanked all the volunteers and stated that as most of you likely know first-hand, many of HHC's volunteers provide interpretation services, offer spiritual comfort, transport patients to religious services, and also assist patients, by reading aloud to them or writing letters on their behalf.

Mrs. Bolus concluded her report by announcing that on Wednesday, May 9th, HHC's Board of Directors will convene a public hearing at Metropolitan Hospital concerning the proposed lease by HHC of a parcel of land currently on Metropolitan Hospital's campus. Mrs. Bolus stated that under the proposed lease, a building will be constructed on the property to create 172 - 176 apartments, to be rented to low income elderly and disabled individuals who are currently residents at Coler Goldwater's skilled nursing facility. She noted that these individuals can more appropriately benefit from community based, non-institutional long term care. However, affordable and accessible housing is in very short supply.

Mrs. Bolus turned the meeting over to President Aviles for his report.

President Remarks

Mr. Alan Aviles greeted Committee members and invited guests. He apologized that he would have to leave early to attend a concert at his son's school. He began his remarks by thanking the CAB members for their customary effective advocacy on behalf of HHC during the budget period. On a positive note, Mr. Aviles announced that there were no new cuts to HHC. However, the bad news is that the \$174 million of cuts HHC took last year is still moving forward and that the combined cuts for the last three years, amount to \$.5 billion. In addition, the proposed Medicaid spending cap would require millions of dollars in cuts by hospitals, nursing homes and other health care providers. Mr. Aviles stated that Governor Andrew M. Cuomo announced at a press conference earlier today that spending under the health care program stayed \$14 million under the cap, which sounds like a lot of money, but is only about .1% of the overall Medicaid budget of \$15 billion. Nevertheless, the spending is under the cap and it is hopeful that it stays there. However, Mr. Aviles noted that, as the Medicaid world continues to grow since the economy has not improved enough to change that, there is a threat of potentially going above the cap in the next fiscal year and thereby having to contend with more cuts.

Mr. Aviles reminded everyone in the HHC community that, despite the desperate measures including an attrition of 2,600 employees and the various outsourcing initiatives, HHC is still struggling with a structural budget and is projecting significant deficits going forward. Mr. Aviles explained that, one of the reasons why its impact is not felt is because HHC has been receiving overdue supplemental Medicaid payments dating from the Bush's Administration, after negotiating them with the Obama Administration. Mr. Aviles stated that the extra monies amount to hundreds of millions of dollars over the course of the last couple of years. He reported that the last retroactive supplemental payment will be made between now and June 30, 2012. Mr. Aviles added that the supplemental payment monies have been used to cover a lot of the deficits as HHC attempts to close the budget gap. Mr. Aviles warned Committee members and invited guests that the budget crisis will exacerbate going forward, as there will not be any additional retroactive federal supplemental Medicaid funds available.

Mr. Aviles alerted the Committee of the potential outsourcing of chronic dialysis services under scrutiny for submission to the Board next month. Mr. Aviles informed the Committee that HHC has successfully outsourced dialysis services at two HHC facilities: Bellevue Hospital Center, most recently and Elmhurst Hospital Center for the last six years. He explained that HHC rents space to the private providers who provide the dialysis services on site at the facilities. Mr. Aviles noted that in each case there were no layoffs; and, the cost of providing those services through the outside vendors is significantly less than what it cost HHC to run those two programs. Mr. Aviles added that, by replicating the outsourcing initiative at the other five HHC facilities that now provide chronic dialysis services on site, it is projected that HHC will save approximately \$180 million over nine years; roughly an average of about \$20 million a year. While the savings are great, Mr. Aviles reassured the Committee that HHC is committed to ensure that: the quality of care would be as good as or even better than HHC providing these services; those services are accessible to uninsured patients including the undocumented; and that no layoffs would ensue as a result of this outsourcing initiative.

Mr. Aviles stated that there were some concerns about HHC repeating the Grady Health System Dialysis situation. Mr. Aviles explained that the Grady System is the public health system in Atlanta, Georgia. Several years ago, Grady closed its outpatient dialysis clinic and turned it over to a private vendor through a one-year contract. When the contract was extended for another year, there was a lot of controversy about the fact that undocumented patients, in particular, were threatened with having their access turned off and the new contract ended up costing Grady a lot of money. Mr. Aviles clarified that, while chronic dialysis does not qualify for Emergency Medicaid in Georgia, it does in New York State.

Mr. Aviles added that Elmhurst Hospital Center has a higher number of undocumented patients (due to its location in Queens) than any other HHC facility, had never turned away a patient. He stated that Elmhurst also serves all of the undocumented because the vendor knows how to help those who are uninsured and undocumented get Emergency Medicaid. He commented that it is a lot of paper work as the patients are required to be recertified every three months. He added that the vendor's staffs have mastered how to process the paperwork and nobody has been denied services. Mr. Aviles reiterated that open access to the undocumented and the uninsured is the only circumstance under which HHC would allow an outside vendor to provide chronic dialysis services that were provided by HHC staff. Mr. Aviles noted that the previous outsourcing initiatives undertaken by leadership were around ancillary support services and admitted that it is a big deal to outsource a service pertaining to the delivery of healthcare services. He ended his remarks stating that he will follow up with more detailed information as a final decision is reached to submit a resolution to the Board.

Ms. Stephane Howze, Harlem CAB member, stated that she was made aware of a scheduled conference call with elected officials to discuss the outsourcing initiative. In addition, there are a lot of rumors in the Harlem Community about HHC's outsourcing chronic dialysis services as well as privatizing some HHC facilities. She asked about HHC's five-year plan around the outsourcing issue.

Mr. Aviles responded that HHC is looking at every conceivable way to close the budget gap without impacting its capacity of providing services to the community while maintaining the same level of access and quality of care. He noted that, unfortunately a reduction of job opportunities throughout the Corporation, which is not something that HHC leadership is keen on doing, is inevitable. He added, however, that the outsourcing initiative does keep jobs in the community because as the facilities outsource, people are hired locally. Mr. Aviles pointed out that the jobs may not be the same; in some cases, the salary and fringe benefits may be comparable while they may not be in other cases.

Mr. Aviles emphasized that, HHC is looking at every possible way to save significant amount of money to address this big structural deficit by looking at possible cuts across the entire system while retaining capacity and remaining true to its mission. He added that while outsourcing chronic dialysis services may not be the preferred way to go, it is the direction that HHC will continue to focus on as opposed to closing a D&TC or shutting down some of the programs.

Mr. Aviles clarified that the issue is not about privatizing our hospitals. He enlightened the Committee and invited guests that it is illegal to privatize public hospitals and reminded them that this option was unsuccessfully tried in the past. Mr. Aviles noted that privatizing a public hospital requires the approval of the State Legislature.

Mr. Aviles reported that HHC is also looking at consolidating some of its laboratories within the system or at potential joint ventures with others in the hospital industry that might be able to jointly run an operation that would serve our system more cost effectively. He added that these possibilities are in the early stages of analysis and that it will take some time before a final decision is made.

Mr. Aviles stated that outsourcing chronic dialysis services is the only outsourcing initiative under consideration at this time. However, considering the financial picture HHC is facing moving forward, he is not at liberty to say that it will be the last outsourcing type of initiatives that would be presented to the Board. Mr. Aviles noted that the upcoming November election is of paramount importance to the hospital industry, public and private hospitals alike, especially if there is a change of administration in Washington. Mr. Aviles stated that the Republican Leadership's budget proposals include block grant to Medicaid which would cost New York State, in particular, billions of dollars of lost Medicaid revenue. He added that, even under the best case scenario, which is to have a presidential administration with a divided Congress, it is going to be a difficult and challenging time over the next few years. It is hopeful that the economy will turn around enough so that there is more latitude and support that we are going to need to have. Mr. Aviles ended his remarks stating that a lot of advocacy efforts are needed to continue to close the budget gap going forward.

Ms. Brown added that she would forward to Ms. Howze the three-year Executive Summary of the Restructuring plan, which was shared with this Committee a couple of years ago. She added that HHC is currently working under this plan and has just completed the second year of that plan. She reminded the Committee that the restructuring plan was based upon a structural deficit that did not assume the kind of proposals that are being contemplated down in Washington. She reiterated Mr. Aviles' comment that if some of these proposals go through, we must look at even greater savings or restructuring opportunities. Ms. Brown clarified that the conference call Ms. Howze referred to is scheduled with some specific Harlem elected officials to respond to their inquiries about outsourcing issues and provide all other information.

Mr. George Rodriguez, Chairperson of Lincoln Medical and Mental Health Center Community Advisory Board, applauded Ms. Howze for her leadership of the Harlem CAB and her advocacy efforts. He added that the fact of the matter is what is coming down the pipeline does not look good. He stated that the Corporation is a leading economic force throughout the City of New York. He invited the CAB members to get the word out about the Corporation's financial situation and to make sure that the "powers," namely the "elected officials," are motivated. He reminded the Committee and invited guests that the elected officials depend on the constituents' vote to get elected. In addition, Mr. Rodriguez stated that the business sector and the community-based organizations also depend on HHC. For example, Lincoln Hospital Center employs about 3,000 people. He invited CAB members to also join forces with the community-based organizations to advocate on behalf of HHC. Mr. Rodriguez urged CAB members to look at the State's charity care laws to ensure that the hospitals serving Medicaid and uninsured patients get the funding they deserve for serving the undocumented and the underserved.

Ms. Agnes Abraham, Kings County Hospital Center CAB Chairperson echoed Mr. Rodriguez' appeal to motivate the elected officials. She invited the Council of CABs to "agitate and advocate". She added that, while we may like the Governor, the Mayor and all the other elected officials, love has nothing to do with advocacy. She added that healthcare is not about the Boys Scout or the Boys Club; it is about the welfare of our communities. She reminded Committee members and invited guests that elected officials are public servants and that their responsibility is to satisfy the needs of the people who employ them. She emphasized that the reason why *we have not*, is because we *ask not* and that *better* will not come until we seek better. She recommended that in order to do so, we need to focus on those who seek to block the health initiatives to help the least among us. She added that, in order to keep HHC true to its mission, advocacy efforts from CAB members and constituents should be done consistently, persistently and persuasively. She restated that we cannot get if we do not ask, and invited CAB members to ask and demand with respect, the things that are paid for with taxpayers' dollars, sweat and blood.

Generations Plus / Northern Manhattan Network

Lincoln Medical & Mental Health Center (Lincoln) Community Advisory Board

Mrs. Bolus introduced Mr. George Rodriguez, Chairperson of the Lincoln Medical and Mental Health Center CAB and invited him to present the CAB's annual report.

Mr. Rodriguez began the Lincoln CAB report by thanking the members of the Committee for the opportunity to present.

Mr. Rodriguez reported that the Lincoln CAB works very closely with the hospital leadership in many ways to make sure the needs of the community are met. Mr. Rodriguez commended Ms. Iris Hernandez, Senior Vice President of Generations Plus / Northern Manhattan Network for the outstanding job she has been doing since she was appointed to this position.

Mr. Rodriguez reported that the Lincoln CAB is given reports and presentations by the hospital's senior staff on a monthly basis. He noted that the Lincoln CAB members are encouraged to ask questions and to advise the administration on plans and programs.

Mr. Rodriguez suggested that the Office of Intergovernmental Relations modify the CAB's annual report to include benchmarks to make sure that all of HHC's CABs are in compliance with the guidelines for CABs.

Mr. Rodriguez concluded by stating the Lincoln hospital community needs/concerns in the hospital's catchment area are key and very crucial and it's the CABs responsibility to make sure that the staff at each HHC facility are motivated to provide health services to the community with dignity and respect.

Mr. Nolan, Committee member asked Mr. Rodriguez about the Lincoln CAB 50% membership vacancies. Mr. Nolan recommended that the Lincoln CAB reach out to Ms. Tracey McDermott, Bronx Borough President's office and ask for assistance in recruitment of members. Mr. Nolan explained that the Borough President's office receive numerous applicant for a position on the borough of the Bronx Community Boards. He noted that a number of applicants are not placed and may be interested in volunteering on Lincoln's Community Advisory Board.

Mr. Rodriguez responded by stating that he has reached out to the Bronx Borough President's office and is working with Tom and Tracey to fill Lincoln, Morrisania and Belvis CABs vacancies.

Segundo Ruiz Belvis Diagnostic & Treatment Center (Belvis) Community Advisory Board

Mrs. Bolus re-introduced George Rodriguez and invited him to present the Segundo Ruiz Belvis Diagnostic and Treatment Center CAB's annual report on behalf of Mr. Gabriel DeJesus, Chairperson of the Belvis CAB.

Mr. Rodriguez reported that the Belvis CAB's membership recruitment is on going. He explained that current CAB members are reaching out to local community leaders; community based organizations and tenants associations and inviting them to attend the CAB's monthly meeting. Mr. Rodriguez added that several community residents have attended.

Mr. Rodriguez concluded the Belvis CABs report by stating that the administration is working closely with the Belvis CAB in the recruitment process of new members. He noted an Open House for Belvis D&TC will be held during the month of September 2012.

Morrisania Diagnostic & Treatment Center (Morrisania) Community Advisory Board

Mrs. Bolus introduced George Robinson, Acting Chairperson of Morrisania Diagnostic and Treatment Center and invited him to present the CAB's annual report.

Mr. Robinson began the Morrisania CAB's report by thanking the Committee for the opportunity to report the CAB's annual report.

Mr. Robinson reported that major improvements were made to the Morrisania D&TC. Mr. Robinson stated that a wonderful Ribbon Cutting Celebration of its newly renovated Adult Medicine and Pediatric Suites were held attendees included Mrs. Bolus, HHC Board of Directors Community Relations Committee Chairperson, Mr. Alan Aviles, HHC President, Iris Hernandez, Sr. Vice President, Generations+/Northern Manhattan Network and Carmen Arroyo, New York State Assembly.

Mr. Robinson concluded the Morrisania CAB's report by stating that the community is very pleased with the changes made to the facility.

Harlem Hospital Center (Harlem) Community Advisory Board

Mrs. Bolus introduced Stephane Howze, Harlem Hospital Center CAB Chairperson and invited her to present the CAB's annual report.

Ms. Howze began her presentation with a warm welcome to the Committee members, CAB's Chairpersons and invited guests. Ms. Howze commended Denise Soares, RN, Executive Director for her leadership. Ms. Howze explained that the Harlem CAB works closely with the senior administration and work hand-in-hand for the betterment of the community.

Ms. Howze reported that the significant health care needs or concerns facing the community/communities served by Harlem Hospital include:

- Asthma;
- Cancer;
- HIV/AIDS;
- Diabetes,
- Hypertension,
- Low Birth Weight;
- Geriatric Services;
- Mental Illness;
- Nutrition; and
- Shortage of healthcare professionals.

Ms. Howze continued and stating that Harlem Hospital Center administration are meeting the meeting the needs of the Harlem community with various programs such as:

- The Cancer Prevention and Control Initiative
- The Family Center & Pediatric Injury Prevention Program
- The Harlem Children's Asthma Zone Asthma Initiative and Harlem Family Asthma Program
- The Medina Clinic
- Redesign of Primary Care
- Breakthrough @ Harlem Hospital
- One Stop Shop Care for AIDS and HIV
- Outreach Center of Excellence

Ms. Howze reported that facility strategic priorities are patient care, decrease waiting times in the ER and outpatient clinics, to improve patient safety, increase HIV testing, increase Mammography screening, decrease no-show rates, the hospitals' Modernization Project, outreach and cost containment while keeping our continuum of care intact.

Ms. Howze reported that the Harlem CAB monitors waiting times via monthly reports produced by the senior staff at Harlem Hospital. She stated that the CAB work with staff to identify trends as well as share feedback on patient's experiences in the clinic to inform the data reviewed. Ms. Howze added that the hospital has experienced improved waiting times in several clinics as well as the ER. She noted that most recently, the hospital re-opened the Fast Track unit which allows patients with non-emergency illnesses and injuries to be seen quickly. She added that two things were evident almost immediately: patients are being seen faster and there are fewer patients leaving the ER without being seen.

Ms. Howze continued and stated that due to the incidence of HIV in East and Central Harlem it is imperative that the Hospital provide a HIV test at every entry point. She noted that the hospital has made tremendous strides in identify new cases of HIV and engaging patients in treatment.

Ms. Howze reported that the most frequent compliments given by patients at Harlem Hospital is the excellent patient care delivered by the Nursing and Physician staff. She continued and noted that the most compliant raised by patients at Harlem Hospital is:

- Staffing shortages;
- Lengthy waiting time for appointments;
- Cost of health care;
- Customer service;

- Pharmacy;
- Diversity of providers;
- PAGNY; and
- Quality of care.

Ms. Howze reported that the Harlem CAB currently have 28 CAB members and have 7 vacancies. She stated that the CAB's recruitment efforts are led by the Membership Committee under the direction of Betty White. Ms. Howze noted that Community Board Members who are members of the CAB share reports and activities during monthly Community Board and Health Committee Meetings. Ms. Howze added that this year, the Community Board and the Hospital leadership met to redefine its relationship and explored opportunities for further collaboration.

Ms. Howze concluded the Harlem CAB report by highlighting the Harlem CAB participation in various outreach activities, such as: Harlem Week, Health Fairs, Street Fairs, Outreach Programs in the Hospital, Tenant Associations meetings, School Boards meetings, Block Associations, various walks promoted by the Hospital, Breathe New York (Asthma Walk) NYC Family Health Walk, The Percy Sutton 5K Run Making Strides Against Breast Cancer and Step Out: A Fight Against Diabetes.

Renaissance Health Care Network Diagnostic & Treatment Center (Renaissance) Community Advisory Board

Mrs. Bolus introduced Jackie Rowe Adams, Chairperson of the Renaissance Health Care Network Community Advisory Board and invited her to present the CAB's annual report.

Ms. Adams began her report by thanking members of the Committee for the opportunity to give the Renaissance CAB's report and by informing members of the Committee and invited guest that she is the newly elected CAB Chairperson serving in her new capacity for the last four (4) months.

Ms. Adams reported that the most significant health care needs continue to be hypertension, diabetes, childhood obesity, asthma and dental care. She stated that the needs were identified through community board meetings, needs assessments, reports from community organizations and other activities.

Ms. Adams informed members of the Committee, CAB Chairpersons and invited guests that the Renaissance CAB is currently working on this year's CAB Annual Public Meeting. Ms. Adams noted that she will ask Antonio Martin, HHC's Executive Vice President to be this year's Keynote Speaker. She added that the Annual Public Meeting will be held in October 2012.

Ms. Adams concluded that CAB report by commending the leadership of the Renaissance Health Care Network and inviting all to attend this year's Harlem Week Celebration. Ms. Adam noted that the event will be held in August 2012 and the event is sponsored by various healthcare organizations including HHC.

Finance Committee – May 8, 2012 **As reported by Mr. Bernard Rosen**

Senior Vice President's Report

Ms. Marlene Zurack informed the Committee that her report would cover four items. The first of which was that Ms. Jackie Huey, Senior Director, Corporate Revenue Management retired last week. During her thirty year tenure, Ms. Huey made major contributions to the Revenue Management division. She has been and will continue to be a consumer advocate. HHC is extremely proud to have had her as a member of its management team. She will be missed.

Ms. Zurack stated that HHC's cash on hand improved slightly since last month from 42 days to 43 days and is expected to be slightly higher than previously projected by year-end. The third item related to the City's Executive budget which was released last week and includes Programs to Eliminate the Gap (PEG) as previously reported to the Committee in prior months. As part of the January Plan which was presented within the Executive Budget for 2013, a cut of \$4.2 million which will result in an additional fifty FTE reduction for HHC. In addition, it is important to note that there is a critical need for restorations in the City Council funding for those programs that will be discussed as part of the 2012 budget hearing for HHC on June 4, 2012. The restorations include; \$7.8 million for child health clinics; \$1.8 million Mental Retardation & Developmental Disabilities (MRDD); \$3.1 million, rapid HIV testing and \$78,000, mental health transportation.

Ms. Youssouf asked if the funding was committed by the City Council. Ms. Zurack stated that the funding had been restored in the FY 12 budget; however, the Council can only restore items one fiscal year at a time. It is important for HHC to get those items restored on an annual basis; otherwise it will result in a reduction in those programs which would be unsustainable. The fourth item which addresses the Citizen Budget Commission (CBC) report that was released in April 2012, entitled, "*Troubling Prognosis for HHC Finances.*" In light of the assumptions noted in the report, it is important to summarize for the Committee the details of those findings and to providing some context. As a general statement, it is important to note that the CBC acknowledges the important role that HHC plays and has highlighted to the

public the importance of supplemental Medicaid and the potential losses due to cuts in the Disproportionate Share (DSH) funds as part of the federal budget cuts. It is important to note that HHC takes exception to some of the characterizations included in the report and the exclusion of some very notable and pertinent information. It is a very complex topic and the CBC has attempted to summarize a few headlines; however, the policy agenda in taking that approach is not very clear. On the first page of the report the headline as opposed to a scholarly report notes that HHC expects \$1.6 billion in annual revenues through supplemental Medicaid that could be in jeopardy. HHC's financial plan has \$1.4 billion in additional Intergovernmental Transfer (IGT) revenue. The plan takes into account federal reform and cuts to DSH for the life of the plan. The DSH cuts actually occur after the life of the plan. There is no explanation in the report explaining the reason for that assumption. The report suggests that the City may choose not to provide the local match, although there is no indication or statement from the City to support that assumption. The report does not implicate Management but it does mention that part of the concerns is due to the rising cost of fringe benefits, pensions and revenue that are increasing, which are all valid concerns that have been raised by HHC over the past few years. Additionally, there is no mentioning of Tier 6.

Mr. Rosen stated that it is referenced later in the report. Ms. Zurack stated that it does but it is only mentioned as part of HHC's financial plan in the future. Mr. Rosen agreed and added that Tier 6 is expected to provide some savings in the years ahead. Ms. Zurack agreed that it will but that HHC did not address those savings in its financial plan given that the savings are expected to kick-in later. A lot of the information referenced in the report relates to a future period and that would be relevant to that discussion. On the second page of the report there is a review of utilization statistics that are categorized as "HHC Critical Role." However, the statistics relate solely to the inpatient acute care without any mentioning of the important role HHC plays in providing outpatient services to the uninsured. In terms of the CBC's focus on the healthcare sector in New York, it mentions that HHC provides a significant portion of care to patients citywide who are on Medicaid or uninsured. HHC hospitals care for 30% of Medicaid and uninsured patients admitted to inpatient acute care facilities. While the City's voluntary hospitals care for the majority of the indigent population needing acute care; however, their ability to do that depends largely on the public hospital system. That statement assumes the primary nature of the voluntary sector as the main sector excluding the significant outpatient data that would be entirely HHC and excludes HHC's role in the general healthcare capacity of New York in many ways. However, it does highlight HHC's critical role in mentioning the number of psych, discharges, emergency department visits, and the number of hospital discharges. The report does emphasize the critical role that HHC plays in providing services in New York; however, it understates the absolute essentiality of the care to the uninsured by omitting the outpatient services. The report is very much focused on the perspective of the voluntary hospital sector as the primary provider in New York which is inconsistent with the direction of the healthcare industry. The second major concern is the characterization of the City's funding to HHC. The CBC in its analogy references 1967 as it related to Medicaid and John Lindsey's protest that the City had to pay a share of Medicaid, yet it fails to describe the history of HHC which predates Medicaid and the nature of the City's support in 1967 which was 100% of the cost of operating the public hospital system. The City's support for HHC began in 2003 and was catapulted beyond any historical level. During the 1970's and 1980's the City's support to HHC was far greater than currently and before DSH and supplemental Medicaid. Another characterization that is of concern is the way in which the supplemental Medicaid is being defined as an "unwanted obligation" for the City to HHC. However, the City lobbied to get those funds for HHC because the City wanted to have its public hospitals funded and wanted to obtain federal match. In terms of facts, the City's funding as part of the report regarding the supplemental Medicaid which in the write-up, the CBC report attributes the federal share to the City share, which implies that the period prior to 2003, the City has provided much more funding that includes both the City and Federal share as opposed to only the City share which is inaccurate. There is one distributing prognosis which is the characterization of the City's appropriations, which is referred to by HHC as "Funds Appropriated by the City" are highly discretionary excluding the statutory requirement of the City in providing a subsidy to HHC. There is a dollar amount by law that the City must provide at minimum, \$175 million trended forward from 1970.

Ms. Youssef asked what law is the City mandated to comply with as part of that obligation. Ms. Zurack stated that the act that created HHC. HHC was created by a State law and in that act there are requirements that the City provide a minimum subsidy to HHC which was established at \$175 million in 1970 with reference to the need to adjust for inflation; however, there is no specific methodology relative to calculating that inflation. In addition, the act also references the need for the City and HHC to have an operating agreement, a lease, etc and all those documents were prepared and signed by former Mayor John Lindsey. Included in those agreements is the City obligation to provide substantial support to HHC. The City indemnifies HHC for its malpractice; however, HHC chooses to pay the City the cost for that expense even though the City is legally obligation to pay for those expenses. The City is also obligated to pay its bond holders for the debt incurred on HHC buildings. Again, HHC is paying the City for those costs as well. These are not discretionary costs in the City's budget. The CBC's definition of discretionary is inconsistent with the City, in that those subsidies are excluded from HHC's base as part of the Programs to Eliminate the Gap. Therefore, the supplemental Medicaid that the CBC report identifies as discretionary, the City in its own categorization of discretionary funds puts those funds in a mandated funding category by excluding them from the PEG base that includes \$80 million which would be as defined by the City the only amount considered discretionary. While it is understandable that the CBC is looking for facts; however, because of HHC's uniqueness it is difficult to simplify the facts. The strength of the CBC's argument appears to be predicated on the notion that the City is facing dire financial situations which puts HHC's funding from the City at risk. The City is projecting a \$3 billion budget gap in FY 14, which is not a historical high budget gap for the City. Notwithstanding, the report highlights the forecast on the Wall Street bonuses but fails to mention the substantial job growth that the City has seen in recent years and the recent improvement in the real estate market that are included in the City's Executive budget.

Ms. Zurack in summarizing stated that it is important for the Board to review this report with the understanding that it highlights some positive contributions made by HHC in terms of the critical role of HHC in the City in providing healthcare and the relevance of supplemental

Medicaid to HHC; the support provided by the City; and the capital investments in the City. The rebuilding came at a point when a lot of the original debt that the City had incurred on the original buildings had amortized. The debt service that the City bears that HHC pays to the City for that substantial rebuilding program has been from \$150 - \$200 million. Therefore, there has not been a significant increase in that level of support. The purpose of presenting these concerns to the Committee was to put into context some of the concerns raised by the report and to highlight some of the mischaracterizations.

Commissioner Doar asked for clarification of the discretionary aspect of the supplemental Medicaid which has always been viewed as the Medicaid match in any other Medicaid provider payment, a local, state and federal share. Ms. Zurack stated that there is no state share but the City at its discretion lobbied the State to give them statutory authority and requirement that are not discretionary to make those supplemental Medicaid payments.

Commissioner Doar asked if it is covered by the changes in the cap legislation on the local share given that it is not discretionary to the City and that it is a State law. Ms. Zurack stated that it is not. Commissioner Doar added that since those payments are not covered by the cap there will either be an increase or a decrease.

Ms. Zurack stated that the City could have a valid argument against the State due to a factor that occurred during that time. The City benefitted from the cap on Medicaid spending significantly; however, the City which is a large urban center with a large population of uninsured has a large public hospital system that was largely affected by the Medicaid cuts that happened as a result of the State budget reductions which largely happened because the State had to bear the Medicaid cost without the counties. In light of that action, the City lobbied the State to have the State increase supplemental Medicaid for HHC and put it in State law so that it is no longer at the City's discretion. As a result of that, the City did not benefit as much from the county cap as other counties in the State that do not have large urban immigrant communities and public hospital systems. Those counties got the benefit of the Medicaid share without increasing their supplemental Medicaid for their public hospitals, such as Erie, Nassau and Westchester. The benefits of the county cap were not equally distributed because of the DSH for uninsured that are in different part of the state and the need that certain counties had to increase their share of supplemental Medicaid to their public hospitals.

Commissioner Doar stated that if the Mayor characterizes the shift in educational funding over the last five to six years to less State more City; HRA characterizes the shifts in social security spending to less State more City, it would be fair to say the same for the support to HHC.

Ms. Zurack stated that it would be totally fair and that is not reflected in the report.

Commissioner Doar added that it is an important piece for the Board to understand. The State's support for the City's social services, hospitals and education has diminished because the State has taken advantage of the City's larger revenue base and if continued, it is not sustainable.

Mrs. Bolus asked whether a rebuttal of the report is being considered.

Dr. Stocker asked if the report was shared with HHC prior to its publication.

Ms. Zurack asked Mr. Covino to respond to which he indicated that the report had been reviewed by Finance and there were some changes, particularly the characterization of the discretionary funding but the CBC was only willing to make some of the changes.

Dr. Stocker stated that there should be some type of response to the report given that it will be used as reference material about HHC and in that regard, HHC should consider preparing a formal response.

Ms. Zurack stated that it is not clear at this time whether HHC should respond given that this report may not have gotten a lot of review. The purpose for highlighting some of the concerns is to ensure that the Committee is made aware of the issues.

Dr. Stocker stated that having a prepared response in the event the report is referenced should be considered and the distribution should be more than the Committee and the Board.

Ms. Youssouf also supported the suggestion made by both Dr. Stocker and Mrs. Bolus that a response is important given that a number of people use the CBC report as research and reference material, adding that the CBC's reference to HHC's utilization was not very clear.

Ms. Zurack stated that in terms of the discretionary, the CBC was implying that HHC provides a lot of services to NYC and arguably, what is discretionary for the City is that it is not needed. HHC's critical role is an essential part of the mix. A number of changes at the State and City levels would need to change.

Ms. Youssouf stated it is important for HHC to respond to the report given that there will be a new Mayor in the near future.

Ms. Zurack stated that she was in agreement with the Committee that a response is needed; however, it is important not to make an issue of the report.

Mr. Aviles stated that HHC would decide how to respond to the report whether it is directly to the CBC as opposed to referencing the report in a broader context in which it would be discussed as part of HHC's plan for addressing financial challenges while acknowledging that there are financial issues. However, the problem with the CBC report is that it distorts the essentiality of the system and the City's legal obligation with reference to certain foundational funding for HHC. There is no question that HHC is at risk depending upon how the City's economy plays out going forward. HHC could be left in a position whereby HHC is funded at that amount of money that allows HHC to continue to operate but it does not necessarily allow HHC to maintain one level of care. If the City is faced with the decision between healthcare or law enforcement, education, whether it gets better or worse will play a major factor going forward for HHC. In addressing the Committee recommendations, HHC will decide what will be the best approach in responding to the report to correct some of the inaccuracies and mischaracterizations that would not constitute a rebuttal.

Ms. Zurack stated that another mischaracterization made by CBC is that HHC's cost containment program from 2009-2010 was modest. HHC has achieved \$400 million out of the \$600 million reduction which is a significant achievement that should have been highlighted.

Ms. Brown, Senior Vice President, Corporate Planning/HIV Services, Intergovernmental Relations, and Community Health added that the important issue is not whether HHC put together a cogent response or more importantly a cogent iteration of HHC's perspective of these issues but which venue is used to communicate that is of greater importance. It would not be in HHC's best interest to play this out in terms of the media given that it would only bring more attention to the report. As the Committee pointed out, there are different audiences that HHC should make aware of the broader view as opposed to a single one which HHC can decide how to best reach those audiences in a thoughtful, cogent way, including the State.

Commissioner Doar added that the chart included in the report as shown in blue the State and Federal sources, the diminishing support is very clear which is a problem. Mr. Covino stated that the red on the chart implies that it is City but half of that is federal funding.

Ms. Youssef commented that the Committee's suggestions were not necessarily directed at having a broad response but rather addressing the issues in a cogent way.

Mr. Aviles stated that HHC will decide how to respond and inform the Committee of its action.

After concluding her report, Ms. Zurack asked that the order of the agenda be changed to allow Queens Hospital sufficient time to present its information item that was in response to the Committee's request.

Mr. Rosen stated that given the allotted time, Mr. Covino's reports would be moved to later on the agenda to accommodate the request.

Information Items:

Medicaid Eligibility Processing Status Report

Ms. Zurack introduced Brian Stacey, Chief Financial Officer, Queens Health Network and Robert Malone, Deputy CFO, Queens Hospital Center.

Mr. Stacey stated that he and Mr. Malone would present to the Committee some of the improvements in the Medicaid application process at Queens Hospital. One of the major improvements in the process has been Breakthrough. This year there were two Rapid Improvement Events (RIE) at the Queens Network and the outcome of those events have had a significant impact on the facility's overall process and performance as reflected in some of the metrics. In terms of some of the basic data, overall the number of applications submitted decreased by 13% from March 2011 to March 2012 and the percentage of Medicaid eligible decisions increased by 1.3% through March 2012. During the same period, discharges declined by 19% due to a reduction in one-day stays at Queens Hospital. Final self-pay decisions after 120 days have also reduced from 12% to 10% resulting in a relative increase in Medicaid application for the reduced discharges. The reduction in Medicaid applications compared to the decrease in discharges. The increase in Medicaid eligible decisions through March 2012 is at 9%.

Dr. Stocker asked Mr. Stacey if the 6% increase in Medicaid eligible decision could be quantified for the facility in terms of dollars.

Mr. Malone with some assistance from Ms. Zurack stated that it would be approximately \$10,000 per case for total value of \$1.2 million.

Ms. Youssef asked if that would be regardless of the decrease in applications by 13% and eligible decision increased by 6%. Mr. Malone stated that it represented 6% of the discharges.

Mr. Stacey continuing with the presentation stated that the first RIE was a corporate value stream (VS) in the fall 2011 that focused on improving the front-end of the Medicaid application process. In prior practices, self-pay cases were not being interviewed upon admission

compared to the current change in process of interviewing the patient at the time of admission in the emergency department (ED). In the past, communications between the ED staff, admission and patient accounts were not timely which has been resolved by establishing a self-pay chat group in the GroupWise Messenger as a communication mechanism between those departments. The communication process has improved significantly as a result of that implementation. Also in the past only HMO cases were being verified at the time of admission and the verification process which was by telephone was very time consuming. To address this issue, standard process and work; whereby, the staff has access to websites and forms to notify the HMOs via fax or website as opposed to telephone which has simplified the process. Before the RIE the base was at zero given that there were no interviews being conducted in the ED on self-pay patients compared to the current process which has shown improvement since the RIE, 30 days after the RIE in December 2011 the improvement was at 63% which decreased to 61%; after 90 days of the RIE the percentage increased to 68%. The second RIE addressed the hand-off model in January 2012 at Elmhurst Hospital. The objective was to share best practices which Mr. Malone will present to the Committee.

Mr. Malone stated that the second RIE that took place in January 2012 at Elmhurst, related to the no hand-off model which has been adopted by Queens Hospital. As part of the no-hand-off model, the HCI receives the cases that are for the uninsured patients and maintains them until the accounts receive a Medicaid approval. Those cases are not handed off to another department. Rotational shifts were developed and HCI scheduled coverage from evenings to midnight as well as the weekends and during the day was implemented. The first week of this review process, March 2012, the percentage of Medicaid increased to 79%, increased to 88% after six weeks. Another benefit is that the facility captured about 25% of insured patients in the uninsured base. Admitting has transferred the HMO unit in patient accounts that directly eliminated hand-off duplications as well as administrative denials.

Mr. Malone in response to Ms. Youssouf request for clarification of the hand-off model stated that after interviewing the patient at bedside, the HCI would hand off the account to another investigator in the investigation unit who would contact the family for the required documents. If that process did not occur within thirty days it would be handed-off to another unit, self-pay to pursue. After making changes in that process, there is consistency. The initial HCI will handle the case throughout the Medicaid eligibility process. In terms of the changes, the baseline was at zero through the end of March 16, 2012, the first RIE and after the second RIE there is a significant increase in the ED. In terms of the caseload, the fundamentals for the HCIs who conduct the initial interview as shown on the last page of the presentation initially were scattered in terms of the actual assignments compared to a change in focus, rotation and assigning a specific number of cases. By week eighteen all of the staff had similar cases. The processing of cases has been reduced from 29 to 21 per HCI. This is a distinct advantage at the last reporting to the Committee in July 2011. As reported at that time, there were nine HCIs in the investigations unit compared to the current complement of eight HCIs. One HCI was moved to another area.

Dr. Stocker commented that achieving positive results with less staff is a remarkable improvement; however, would increasing the staff improve the process flow.

Mr. Malone stated that for the hospital's model at this time it would not. If there was an increase in discharges, there might be a need to shift staff back into investigations.

Dr. Stocker asked what the goal is beyond the current improvements. Mr. Malone stated that the goal is to get to 90%.

Dr. Stocker asked if that was related to staffing. Mr. Malone stated that staffing and training would be a factor given that it is based on how well the application is documented that would increase the process flow and ultimately a positive outcome.

Commissioner Doar asked what some of the problems are in getting the applications approved.

Mr. Malone stated that excess income and lack of documentation. Commissioner Doar asked of the two which is more significant. Mr. Malone stated that it would be the ability to obtain the appropriate documentation.

Commissioner Doar asked if the documentation is related to citizenship. Mr. Malone stated that it is not but rather the patient's failure to provide the correct information.

Ms. Katz stated that some of those problems have improved due to an improvement on the front-end in the ED and the relaxation of some of documentation requirements by HRA.

Mr. Malone added that the facility has seen consistency with the HCIs who initially interviews the patients. There is confidentiality and the cases do not move to another HCI.

Mrs. Bolus asked if the evening and night staff have the same access to records for HMOs as the day staff.

Ms. Zurack stated that the facility can verify the information but the required notification to the HMO would be the next day since HMOs do not operate 24/7.

Dr. Stocker asked if there is a way to present the percentage of Medicaid eligibility decisions to Medicaid applications submitted in a standardized way across the Corporation.

Ms. Zurack that there is a way in that a report could be produce by facility to show the percentage of improvement; however, there will be significant variance due to the lag in the approval process from HRA.

Ms. Youssouf stated that given that the changes at the Queens hospitals have yielded significant outcomes would this be considered a best practice for implementation across the Corporation.

Ms. Katz stated that as previously reported a RIE was done last January and these were two different models. At Elmhurst, the no-hand-off and the other at Lincoln, hand-off that would decrease the amount of hand-offs. These models are being evaluated although both have shown positive outcomes. The next step is to take the two models that were reviewed corporate-wide at each event and do an analysis with the facilities and decide which works best at each hospital.

Ms. Zurack stated that there is a VS Committee that has representation from all of the facilities and information is shared with all of the facilities. There are certain issues with staffing and configuration that might not make it applicable to each facility. There are many best practices that are being shared with all of the facilities.

Ms. Katz stated that the Value Analysis (VA) looks at all of the data and there have been site visits to each facility and there has been tremendous improvement.

The Queens Hospital presentation was concluded.

Mr. Rosen stated that the next item on the agenda would be the Payor Mix reports given that those reports are not done on a monthly basis but rather quarterly which is important information for the Committee.

*Medicaid Eligibility Inpatient Processing Report
Status of Converting Self-Pay Patients to Medicaid*

Ms. Maxine Katz stated that the Inpatient Discharge Payor Mix Report shows a slight improvement in the percentage of patients insured to the total compared to last year, from 94% to 95%. There has been a total decrease in the number of discharges from 169,000 to 163,000 this year. Self-pay decreased as well. There are payor shifts between Medicaid and Medicaid managed care.

Mr. Rosen asked what is included in the commercial and other categories. Ms. Katz stated that it would include blue cross, indemnity and included in other would be workers comp, no-fault, prisoners, etc.

Ms. Youssouf asked if the self-pay category also included patients who pay. Ms. Katz stated that it would be uninsured patients who pay. It is basically the payor category regardless of whether the patient pays. By combining HHC Options and self-pay categories would equal the total uninsured. HHC Options are those patients who were fee scaled by HHC.

Mrs. Bolus asked where the Medicare deductibles were included. Ms. Katz stated that they are included in the Medicare category; however, from an operational perspective, the co-pay and deductible for those patients are fee-scaled by HHC. Moving to the Adult Payor Mix report which shows that overall patients insured to total, there are significant decreases in the number of visits and shifts between Medicaid and Medicaid managed care, however, HHC Options continues to increase.

Commissioner Doar asked what is the difference between the inpatient and outpatient cost per unpaid case.

Ms. Zurack stated that the inpatient would be \$3,000 to \$50,000 and outpatient, \$250.00 to \$1,000 per case.

Ms. Katz stated that the pediatrics report showed overall that the percentage of insured to total increased to 96%.

Mr. Hartman-O'Connell asked if there was an explanation for the decrease in visits from year to year. Ms. Katz stated that overall visits have decreased.

Ms. Youssouf asked if other hospitals in the City are also experiencing the same level of decrease in outpatient services.

Ms. Zurack stated that the information was not available but that it could be researched and reported back to the Committee.

Ms. Brown added that the data base used to compare hospitals on the outpatient side is not as reliable as the inpatient in addition to being very dated. One factor for the decrease could be that there has been an expansion of federally qualified health centers (FQHC), ambulatory care centers as well as the voluntary hospitals have been shifting their ambulatory care visits to those FQHCs. For HHC the issue relates to capacity and standard weights for outpatient services. Last year, HHC closed six outpatient centers.

Mr. Rosen stated that given that the meeting had gone past the allotted time, the Key Indicators and Cash Receipts and Disbursements reports as of March 2012 would not be reported; however, it was important to note that FTEs were down by 286 against the target which is an important factor in HHC's overall year-end status.

Medical & Professional Affairs / Information Technology Committee – April 19, 2012
As reported by Dr. Michael Stocker

Chief Medical Officer Report:

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

Implementation of Behavioral Health Organization (BHO) and Facility Communication

New York State (NYS) began the mandatory reporting of Inpatient Psychiatry and Detox admissions, treatment updates and discharge plans as part of the readiness activities for mandatory managed care for patients with serious and persistent mental illness. As a communication tool among facilities to highlight new information from the NYS and BHO as well as to share best practices, the Office of Behavioral Health this month launched a BHO Share Point site for HHC facilities with access to utilization management, Departments of Psychiatry and others as requested. A Share Point site provides the ability much like a blog to post information and sharing of questions, answers and comments. This new tool available at HHC will change its ability to share information and better foster a learning environment for its facilities. Two training sessions were held by Corporate IT and the Office of Behavioral Health and they will continue to promote the use of this new tool and strive for improving the care for HHC's patients.

Corser Symposium on Bioethics

The annual Corser Symposium on Bioethics will be held on May 9th at Harlem Hospital Center with a broad program. A key note speaker will be Dr. Bruce Vladeck, a previous Administrator for the Centers for Medicare & Medicaid Services (CMS). One section of the program will deal with the new HHC policy on the determination of brain death, to align with the recent change in NYS policy from two assessments to one assessment to determine brain death.

Designation of Health Home

HHC & MetroPlus Health Plan, Inc were designated by the New York State Department of Health (NYS DOH) as a Health Home in Queens, in addition to the existing designations we have for Brooklyn and the Bronx. We are awaiting their decision for Manhattan, and further discussion of the per member, per month rates for health home services.

HHC Joins the New York City Health Department's New Initiative on Exclusive Breast Feeding

HHC has joined the New York City's health department in this important voluntary initiative to improve the health of babies born at HHC by increasing their likelihood to be breast fed. This continues previous efforts in this area, working towards the spread of "baby friendly hospital" status across the City.

Support from the Committee for Interns and Residents

HHC acknowledges further generous support from the Trustees for Committee of Interns and Residents (CIR) to purchase of medical equipment and educational tools that will improve the quality and safety of care. The list of equipment being provided was finalized after input from all of our facilities.

MetroPlus Health Plan, Inc.

Dr. Arnold Saperstein, Executive Director, MetroPlus Health Plan, Inc. presented to the Committee.

Dr. Saperstein informed the Committee that the total plan enrollment as of March 27, 2012 was 426,364. Breakdown of plan enrollment by line of business is as follows:

| | |
|-------------------------------|---------|
| Medicaid | 358,149 |
| Child Health Plus | 17,538 |
| Family Health Plus | 36,182 |
| MetroPlus Gold | 3,078 |
| Partnership in Care (HIV/SNP) | 5,713 |
| Medicare | 5,704 |

Dr. Saperstein provided the Committee with reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans. In addition, Dr. Saperstein provided a graph showing net transfers for the month of March 2012 for Medicaid and Family Health Plus (FHP).

At each meeting Dr. Saperstein reports on the number of members that transfer in and out of MetroPlus every month. An analysis of the 5,870 members that transferred from MetroPlus to Health First in 2011 revealed that only 21.8% of these continued to receive their care at HHC. The balance transferred not only to Health First, but to a physician not affiliated with HHC or MetroPlus. Mr. Aviles inquired as to what is the number of these that are auto-enrolled. Dr. Saperstein will further drill down into the data and report back to the next meeting.

The New York State Department of Health (SDOH) sponsors a Consumer Satisfaction Survey every two years. This year, it was performed by DataStat in the late fall of 2011, and MetroPlus recently received their results. The survey was performed on adult Medicaid members of each plan. Fifteen hundred surveys were sent out for each plan with multiple mailings and follow up phone calls, of which MetroPlus had a 36.9% response rate. The good news is that, as compared to 2009, MetroPlus had improvements in the indicators measuring the provider's screening and intervention to assist members in quitting smoking. MetroPlus also improved in the rate of flu vaccines, and whether members would recommend the health plan to family and friends, which is now up to 91.9%. MetroPlus' problem areas continue to be measures of access including getting needed care, getting care quickly, and access to specialist appointments. The results of this survey will be used in the ranking of health plans for the quality incentives and the Consumer Guide. MetroPlus is addressing the results and will be making appropriate interventions to improve their results.

In the recent New York State Budget negotiations several groups were pushing for the introduction of "Prescriber Prevails" language related to the Medicaid managed care prescription benefit. The prescriber prevails coverage was previously included in the fee-for-service Medicaid pharmacy benefit. Prescriber prevails allows the prescribing provider to determine what drug/medication their patient would receive, regardless of any authorization or formulary requirements required by the patient's managed care plan. Member advocates and certain groups funded by the pharmaceutical industry argued that providers should have final say in what medications members receive. The coalition of health plans argued that implementing prescriber prevails undercuts the appropriate review and screening of prescription and drug use. The Health Plan Association had reviewed claims data, and found that many of the denials made by plans are for issues related to inappropriate and potentially harmful prescribing. The MetroPlus Prior Approval process, Step Therapy, and Quantity Limits are in place to ensure that medications are being prescribed and dispensed in a safe, appropriate manner. The State also already considers certain drug classes "protected" and not subject to plan formulary or prior authorization requirements. As of the writing of this report, there was an agreement at the State level to include prescriber prevails language for antipsychotics.

KPMG has completed MetroPlus' annual audit for 2011. There were no findings identified by KPMG. In 2011, MetroPlus received \$1,465 million in premiums; had medical expenses of \$1,284 million (a medical expense ratio of 88%) and administrative expenses of \$113 million (admin expense ratio of 8%).

Information Items:

Supply Chain Management Technology Transformation

Presenting to the Committee was Enrick Ramlakhan, Assistant Vice President, Business Applications and Joseph Quinones, Senior Assistant Vice President, Contract Administration & Control.

In the past, HHC's supply chain management contracting and practices were decentralized at the local facility level. There were operational inefficiencies whereby the 'item master' per facility for regularly purchased items varied from facility to facility on a daily basis versus having an electronic database of commonly purchased items across the Corporation. There was also a lack of transparency on line item purchasing across the Corporation electronically – reports per vendor and cost were available, but not for the purchases made on a line item basis. Accountability is important in purchasing to ensure we are making the best decisions at the best prices when purchasing, how we purchase and are we saving money. Therefore, it was in the best interest of the Corporation to obtain a system in which one could obtain a Corporate-wide perspective on HHC's purchasing habits in a supply chain management perspective.

The first step to implementing *psBlue* was to begin managing the Corporation's supply chain as one supply chain versus 21 different ones. An HHC Supply Chain Council (representation from each Network) was established using Breakthrough to improve the medical supply purchasing process by deciding what functionality was needed in HHC's procurement and requisitioning system. The system selected by the Council was GHX, now branded as *psBlue*, which contains a suite of applications resulting in improvement in the following areas: transparency of expenditures on a line item basis; allowed us to do better contracting and standardization thus yielding savings; user compliance – one of the things we felt we absolutely had to have was 'friendliness of use' – users of the system had to be able to use it in an 'easy to use tool' similar to Amazon.com experience; sustained performance means we continually get data from the system to make decisions that we should be held accountability for which saves the organization money while providing the best patient safety related products; due to the fact that manual systems were no longer being used with the *psBlue* system we saw productivity gains by eliminating the back office functions and labor of faxing and phone ordering; and multi-disciplinary collaboration of purchasers, physicians, nurses and

end product users which enabled us to standardize items/equipment/supplies that needed to be ordered which will be highlighted later on in the presentation.

Mr. Quinones then provided the Committee with a slide that demonstrated the cost savings garnered prior to our targeted aggregation of savings for FY 2013 which has not begun. To date, \$9 million in annualized savings has been garnered in Fiscal Year 2012 versus target of \$14 million in Fiscal Year 2013 as a result of the data obtained when we began using one standardized system and committee's reviewing prior purchasing practices. The slide demonstrates that by standardizing IV pumps, supplies and services we saved \$1,471,603 and for NY blood and services we saved \$3,422,631, just to name a few.

Dr. Amanda Parsons states that as early stage savings are coming from a Corporate-wide organization versus 21 different organizations she wondered as we get further along and prior rationalization becomes more inevitable who is responsible for balancing our responsibility for achieving the most savings versus not shutting out smaller suppliers such as minority women suppliers. Mr. Quinones responded that for the most part savings are being obtained from the med-surg product lines which are obtained from very large companies. Mr. Aviles added that there are times they might be a conflict in meeting goals for minority vendors in access to the procurement process with our desire to leverage our buyer efforts in order to award contracts to obtain the lowest cost possible. Dr. Vincent Calamia inquired as to whether there have been issues with standardization raised by staff. Mr. Ramlakhan explained to the Committee that the HHC Supply Chain Council is comprised of clinical representation and when faced with evaluating the clinical products they use a value analysis such as value to the patient, the organization and for the providers and clinicians as well – input and buy-in before implementation of various product standardization eliminated most issues upfront.

Mr. Quinones stated that while we need to talk about and address our challenges we must also note our successes. Our inventory started out at over \$10.5 million across the Corporation which is now down to less than \$5 million due to the controls put in place, the tracking of what is being ordered and standardizing best practices of what products should be ordered across the Corporation.

The staff productivity gains since implementation of *psBlue* is that the standard work was changed due to: development of a contract repository and item master for standardized ordering of products; reduced processing errors for requisitions, purchase orders (POs) and vendor invoicing; and ordering process no longer relies on faxes and phone calls. In addition, we are reducing current staffing from 85 to 57 by June 20, 2012 through attrition and realignment by implementing this automated system.

Using the GHX system affords us validation and tracking of product purchases across the Corporation, yielding transparency which allows for monitoring of implementation of the system. GHX is used by over 3,500 hospitals across the United States. When they average out the amount of orders that are aligned to contracts Nationwide the average is 40% - however, HHC is at 70% of orders on contract which is a great achievement and HHC sets the benchmark for the National GHX customer base. Prior to implementation of the *psBlue* system that was a large number of special purchase requests (requests outside of the system or 'item master'), however, after seven months of full implementation HHC has thus far achieved 50% of HHC item master purchases via approved catalogue. As of February 2012, HHC is currently purchasing a total of \$41 M monthly transactions through the *psBlue* system.

The multi-disciplinary Supply Chain Council meets every two weeks and its approach impacts: standardization through the newly revised Operating Procedure 100-5; standardization of products; clinical effectiveness of new or standardized products; improved reporting; and training of staff. Town hall type meetings were held to be transparent of changes, obtain buy-in and share issues of current purchasing processes.

A user acceptance and satisfaction survey was conducted in November 2011 of requisitioners throughout the Corporation. Eighty-nine percent of the 73 requisitioners surveyed responded that the *psBlue* was a valuable tool and 74% responded that *psBlue* helps to make their job easier. It should be noted that anecdotally these results were confirmed through the Town Hall meetings that were held.

In order to sustain the *psBlue* transformation we need to: continue the challenge of aligning the Legacy system with *psBlue*; engage staff to use the tool through training; leverage Greater New York Hospital Association (GNYHA) resources/expertise; and continued leveraging of group purchasing contracts. We need to continuously communicate to staff on this new initiative and obtain employee feedback as to what is working and what is not to further enhance the system. Compliance with using the system is key for us to maintain objectives and successes of cost reduction which is achieved through lower number of vendors one has to select from and accurate data collection and reporting so that reports are actionable for the Supply Chain to make decisions.

Meaningful Use Update

Presenting to the Committee was Louis Capponi, MD, Chief Medical Informatics Officer. To set the stage, Dr. Capponi noted that meaningful use is part of the stimulus package to roll out electronic medical records in a meaningful way throughout the Country. The purpose of which is to: improve quality, safety, efficiency, and reduce health disparities; engage patients and families; improve care coordination; protect privacy and security of personal health information; and improve population and public health.

In the steps for meaningful use we must use a certified employee health record, and use it in a meaningful way by achieving fifteen (15) core objectives as outlined on the attached slide (Attachment A) [14 for hospitals] as well as five (5) menu objectives out of the ten (10) menu objectives (Attachment B highlights the 5 objectives that HHC selected).

Since the last report Dr. Capponi noted that HHC has come a long way down this path to achieve meaningful use which across the Corporation is worth \$120,000 million in incentives on the hospital side. Dr. Capponi moved on to highlight the project status report and demonstrated progress to date compared to the last three updates to this Committee as follows: tasks completed to date have been the Cache update, 5.1 & 5.2 upgrades, and registration. As of yesterday, all tests for exchange of key clinical information to an outside of HHC provider or entity were completed, along with the security assessment. The attestation period will be completed in the next couple of weeks with mitigation plans ongoing. Dr. Capponi noted that this information only pertains to the inpatient side at this point.

As a reminder HHC will be in stage 2 of meaningful use implementation this year, for 90 days, in Federal Fiscal Year (FFY) 2012 and starting on October 1, 2012 which is the next cycle of FFY we will have to maintain the achievements for all thresholds for the entire year. The monitoring and gains really are just beginning, we have to continue to achieve on all the core objectives/measures and ensure they are met throughout the new FFY.

Dr. Capponi noted that since HHC has been successful in electronic CCDs documents will mean that the doctors who are in MetroPlus and the community will have an easier way to refer patients into HHC and HHC will have an easier way to transmit information back and forth seamlessly.

On February 23, 2012, Centers for Medicare and Medicaid Services (CMS) released the Notice of Proposed Rulemaking (NPRM) for meeting meaningful use in Stage 2 which includes new measures. In 2014, meaningful use will require electronic reporting of new (2014) quality requirements and to avoid penalties in 2015, you must be a meaningful user in 2013 and must have attested by July 1, 2014 (hospitals) or October 1, 2014 (physicians). The thresholds for Stage 2 of meaningful use are much more aggressive and thresholds will be increased, for example, demographics must be recorded for 80% of patients versus 50% in stage 1. Almost all Stage 1 menu requirements will be core which include items that were often deferred by organizations during Stage 1 such as: summary of care at transitions (92% deferred); syndromic surveillance (82% deferred); reportable lab results for public health (77% deferred); medication reconciliation (74% deferred); and provide educational resources (62% deferred).

ATTACHMENT A: Stage 1 15 Core Objectives/Criteria:

- Demographics
- Vital signs, BMI, growth
- Problem List
- Medication List
- Allergy List
- Smoking status
- Give pts clinical encounter summaries
- Give pts health summary
- Transmit prescriptions (eRx)
- CPOE for med orders
- Drug-drug and drug-allergy checks
- Test ability to exchange clinical information (*HIE/RHIO*)
- Implement one clinical decision support rule – and track it
- Security risk analysis
- Report quality measures

Difficulty

ATTACHMENT B: 10 Menu Objectives/Criteria: must select 5

- | | |
|--|--|
| <ul style="list-style-type: none"> ✓ <u>Formulary checking</u> ✓ <u>Clinical lab test results</u> ✓ <u>List of pts with specific conditions</u> ✓ <u>Send data to immunization registry</u> ✓ <u>Advance directives for pts</u> => 65 ■ Use EHR to identify educational resources specific to patient | <ul style="list-style-type: none"> ■ Med reconciliation ■ Send syndromic surveillance data (test) ■ Reportable labs to public health (H) ■ Send preventive care reminders (EP) ■ Give pts access to problems/meds/labs (EP) ■ Pts get summaries for use in referrals |
|--|--|

Strategic Planning Committee – May 8, 2012
As reported by Josephine Bolus, RN

Senior Vice President Remarks

Ms. LaRay Brown informed the Committee that her remarks would include a brief update on federal issues, New York State's recent promulgation of its final Medicaid Redesign Team (MRT) Report, and an update on the City's budget.

FEDERAL UPDATE

Ms. Brown reported that, at the federal level, the House of Representatives had adopted a Budget Resolution that would require the House Committees to report large cuts in domestic programs in order to alleviate or avoid the automatic sequester cuts to the Defense Department. She reminded the Committee that, as part of the Budget Control Act (BCA), there is a requirement that there would be across the board cuts beginning in January 2013, which would apply to all programs with the exception of Medicaid program. Ms. Brown noted that, the Republican leadership had passed this Budget Resolution that would, in fact, offset the automatic sequestering of cuts in Defense, on the back of some of the domestic programs, not just health care.

Ms. Brown reported that the Senate leadership had announced that the Senate would continue to abide by the BCA, and would not take up any additional or new cuts. She noted that, it is expected that there would be a lame duck session following the election with major efforts by both parties to push for reconciliation cuts. The House Committees have reported their domestic program cuts and the reconciliation bill containing these cuts is expected on the floor as early as the week of May 8, 2012.

Ms. Brown explained that the reconciliation bill included the extension of the Disproportionate Share Hospital funding reductions by another federal fiscal year to 2022. Ms. Brown reminded the Committee that the Affordable Care Act (ACA) included annual aggregate Disproportionate Share Hospital (DSH) funding reductions beginning in federal fiscal year 2014 through federal fiscal year 2020. Additionally, as part of last year's Physician Medicare Payment fix, DSH funding reductions would be extended by yet another year to 2021. She noted that, ironically, this extension had been included in the President's budget proposals for fiscal year 2013. If DSH funding reductions were to be extended to 2022, this action would save the federal government \$4.2 billion over 10 years, but would result in a loss for HHC of \$421 million for that year.

Ms. Brown explained that, based on what had already been written into law, HHC has projected that it could lose \$2.3 billion. She reported that the reconciliation bill also included another reduction proposal concerning health care provider taxes. She explained that states are able to use revenues generated from health care provider taxes to help finance states' share of Medicaid expenditures. Under the current law, states are limited to a provider tax threshold of no more than 6 percent of net patient or service revenues. Until October 1, 2011, the provider tax threshold was 5.5 percent. The reconciliation bill would return the cap to 5.5 percent beginning in fiscal year 2013. Ms. Brown noted that the budget that President Obama had proposed would have created a more restrictive policy and would have phased down that tax from 5.5 to 3.5 percent. The Congressional Budget Office (CBO) reported that this proposal would save approximately \$11.2 billion over 10 years. Ms. Brown explained that New York State generates between 5.25 and 5.5 percent from provider taxes. The President's proposal would result in a significant reduction in opportunity for New York State. The reconciliation bill caps the level at 5.5 percent and would not produce an impact for New York State.

Ms. Brown reported that the reconciliation bill included the elimination of the Prevention and Public Health Trust Fund (PPHF). The ACA created a new fund controlled by the Secretary of Health and Human Services (HHS), which is designed to supplement spending on public health programs. These are programs that include educational efforts to prevent health care associated infections, tobacco prevention, suicide prevention and expansion of immunization programs. The law created an advanced appropriation of \$16 million over the next 10 years for that program, and a permanent \$2 billion annual appropriation in perpetuity. The reconciliation bill would repeal that Fund. It is important to highlight that some of the funding that had been designated for the PPHF was reprogrammed to be used as an offset for the Physician Payment Fix earlier in the Congressional session. The CBO estimates that this proposal would save approximately \$11.9 billion over ten years.

Ms. Brown informed the Committee that the reconciliation bill also called for the repeal of the ACA State Exchange grants. The ACA provided "such sums as necessary" for grants to states to facilitate the creation of health insurance exchanges. The reconciliation bill would strike the direct appropriation, and rescind any unobligated funds for this purpose. The CBO estimates that this proposal would save another \$14.5 billion over 10 years.

Ms. Brown provided the Committee with an update concerning the drug shortage legislation. She explained that, the Food and Drug Administration's (FDA's) drug monitoring inspections are funded by fees paid by pharmaceutical manufacturers. These fees are set to expire on October 1, 2012. Without these fees, the FDA would have to terminate staff positions unless such fees are extended. This puts a great deal of pressure on Congress to act. The vehicle to extend these fees is being used as also a vehicle to try to address the drug shortage for certain pharmaceuticals. Ms. Brown noted that the drug shortages include sterile injectables used to treat cancer.

Ms. Brown reported that, on April 25, 2012, the Senate Health Employment Labor and Pensions or HELP Committee, chaired by Senator Harkin of Iowa, had reported a bill titled the Food and Drug Safety and Innovation Act. The principle objective of this bill is to extend the fees that fund the FDA. The bill also included safeguard efforts to address drug shortages.

STATE UPDATE

Ms. Brown reported that, last week, the Cuomo Administration had released the final report of the Medicaid Redesign Team's (MRT's) work. It was released as a multi-action plan. The report focuses on the triple aim of better care, better health and lower costs; and announces the state's intention to also seek a new Medicaid 1115 Waiver. The report states that New York's long-term goal to improve care is to also ensure that every Medicaid member has access to fully integrated care management. Ms. Brown noted that, it has been estimated that it would take up to five years to fully integrate and manage the complete health, long term care, behavior health and social needs of the Medicaid population.

Ms. Brown explained that the second aim of the Medicaid reform plan is to improve population health. According to the report, instead of solely focusing on reducing costs, the Medicaid program should focus on addressing preventable conditions and more broadly promote health initiatives instead of acting solely as the largest insurer in the State. Moving forward, the report declares that New York must lead the nation in payment reform, get out of the Medicaid fee-for-service business and ensure that care management partners shift away from volume-based payments in favor of other payment systems that reward quality.

Ms. Brown reported that, it was also announced last week, that the state had reduced its spending by \$2.3 billion, which is the state's principal aim by establishing a Medicaid spending cap. The state concluded the fiscal year \$14 million under the cap. Ms. Brown explained that, by remaining under the cap, the need for across the board cuts or deeper cuts within different components of the health care sector would be eliminated. Ms. Brown announced that a copy of the MRT report and its 500 page supplemental document are available on the New York State Department of Health's website at www.health.ny.gov.

Ms. Brown introduced her colleague, Joanna Omi, Senior Vice President, Organizational Innovation and Effectiveness. Ms. Brown informed the Committee that a Breakthrough presentation would be given by Metropolitan Hospital Center's Breakthrough Team. Ms. Brown introduced and acknowledged Mrs. Meryl Weinberg, Executive Director, Metropolitan Hospital Center. She stated that Metropolitan Hospital is one of HHC's leading proponents and innovators regarding the deployment of Breakthrough to make operational changes at the hospital. Ms. Brown turned the meeting over to Ms. Omi.

Information Item:

Rapid Improvement Event: Post Discharge Care Coordination at Metropolitan Hospital Center
Susan Lehrer, Associate Executive Director, Care Management & TeleHealth
Richard Siegel, Senior Associate Director, Social Work

Ms. Omi informed the Committee that this Rapid Improvement Event (RIE) occurred in July 2011 and was special because it was a collaborative event that engaged the participation of MetroPlus Health Plan, Metropolitan Hospital Center and HHC's Health and Home Care. She stated that more recent Breakthrough activities are usually brought to the Committee. However, this event serves to demonstrate sustained improvement of Breakthrough work. Ms. Omi stated that the results demonstrate that the changes that were made continue to

bear fruit and benefit the patients at Metropolitan Hospital Center. Ms. Omi announced that Mr. Todd Hixson, who had served as the former Breakthrough Deployment Officer at Metropolitan Hospital, has moved into an operational role, which includes covering a very large service line, from the Emergency Department (ED) to inpatient care. She stated that it was important for Committee Members to know that sustaining Breakthrough over time is a priority; and that HHC's aim is to embed Breakthrough throughout the entire enterprise. Ms. Omi noted that other HHC staff had also moved into key operational roles from Breakthrough positions. Ms. Omi thanked Ms. Anne Frisch, Executive Director of HHC's Health and Home Care program. She stated that Health and Home Care had been very innovative in deploying Breakthrough throughout their services. Ms. Omi introduced both Mr. Richard Siegel, Senior Associate Director of Social Work, and Ms. Susan Lehrer, Associate Executive Director for Care Management at Health and Home Care, who would lead the presentation.

Mr. Siegel thanked the Committee and began his presentation by stating that the work that had been conducted reflected a collaboration that created a heart failure program that provides excellent care to patients through the continuum of care. This project has reduced the readmission rate for heart failure, which is one of the federal goals, and targeted a challenging group of patients. Mr. Siegel acknowledged Dr. Visco, the process owner and the Chief of Cardiology at Metropolitan Hospital Center. He stated that Dr. Visco represented all that is good about Breakthrough. He is the physician champion of this program. He has managed the program on a daily basis using Breakthrough methodology and his skills as a cardiologist to sustain this program. Mr. Siegel informed the Committee that Dr. Visco would be available to answer questions as well.

Mrs. Bolus, Committee Chairman, asked for the meaning of the term "fresh eyes." Mr. Siegel responded that "fresh eyes" referred to a Breakthrough team member who had not been actively involved in the process. He explained that it is important to include someone who had not been involved in the process to bring new insights to the Team. Mrs. Bolus asked if that would be a staff person or a patient. Mr. Siegel responded that an HHC staff member was utilized for this project.

Mr. Siegel reported that the Reason for Action resulted from the fact that Metropolitan Hospital's 30-day readmission rate for heart failure had been 30 percent and the hospital wanted to reduce that rate and improve patient care. He noted that, when a patient is readmitted within 30 days, it is not only a demon for the hospital, but it is also uncomfortable for that patient.

Mr. Siegel described the Target State as providing optimum care for patients and becoming a recognized center of excellence for heart failure. It includes standard work by all physicians, and all staff being engaged in educating patients about the disease from the point of admission. Mr. Siegel described the key components of the target state as including the following:

- development of an education program where nurses, dieticians, physicians are working with families;
- education of patients so that they can better understand their disease, including triggers and ways to manage their condition;
- good communication; and
- a seamless process where patients are being followed and sustained in the community.

Mr. Siegel described the Gap Analysis that had been conducted. He stated that, with any Breakthrough event, it is important to understand the root causes of the problems in order to produce improvements. Mr. Siegel described the gaps as the following:

- the lack of consistent education;
- not having a good process of managing the medical care;
- lack of interdisciplinary collaboration in the hospital (no connection between substance abuse program and inpatient medical care); and
- no system for medications for uninsured patients who are discharged on weekends and after 5pm (a big concern for uninsured patients).

Mr. Siegel added that the goal was to set-up a care management program that reached out to patients shortly after discharge. Mr. Siegel informed the Committee that Ms. Lehrer would provide a description of the care management process in the community as part of her presentation. He added that care management was an essential component of the process.

Mr. Siegel informed the Committee that substance abuse became an issue for the program. This is because many of the patients in the East Harlem community had substance abuse issues in addition to their medical condition. The Team worked on setting up a way to provide care to address this issue as well.

Mr. Siegel added that, based on the Gap Analysis, the Breakthrough Team looked at a way of setting up education. The Team worked to ensure that patients would be followed within a very short time frame in the clinic by cardiology. He noted that Dr. Visco moved heaven and earth to ensure that every patient that left the hospital had an appointment in the clinic within seven days; and that a care management program would be developed for that patient.

Mr. Siegel informed the Committee that some experiments had been conducted, which had been very effective in setting the stage for the program. He noted that, part of any good process is managing for daily improvement. He shared with the Committee some examples of the care management tools that are being used including the Team's processing flow boards; a sample of the daily e-mails from the care management team which provides a daily update on patients in problematic situations; a sample of the Telehealth program printout that is shared with nurses and cardiologists to manage a patient's care in the community.

Mr. Siegel described the Completion Plan as the following:

- Alcoholic Anonymous (AA) Representative floor access (ID)
- Present Heart Failure Program, including discharge criteria, to the Department of Medicine
- Track weekend discharges of HF patients without medication
- Home Care RN's access to documentation in Q-med
- Create a Home Care Algorithm
- Create a Home Care Form for calls
- Train Home Care staff
- Create and post data tracking charts

Mr. Siegel reported that they had accomplished all the goals of the completion plan with the exception of establishing a connection between Alcoholics Anonymous (AA) and patients. Dr. Michael Stocker, HHC's Board Chairman, asked if the difficulty was due to the lack of interest by the patients or lack of interest by AA. Mr. Siegel responded, a little of both. He added that AA requests that the patient must make the call. He added that, due to the Team's naiveté, they asked AA to reach out to patients, but was informed by AA that the patient must call AA. Mr. Siegel noted that, there had been some reluctance on the part of patients to admit their problems with substance abuse. Dr. Stocker asked if there is an AA group that meets at Metropolitan Hospital Center. Mr. Siegel responded that, there is an AA group that meets at Metropolitan Hospital's Wellness Center. Notwithstanding, patients are reluctant to connect or join AA.

Mr. Siegel reported on the Confirmed State 90 days post RIE. He stated that, for all of the patients that had been involved in the program starting in July 2011, there had been no readmissions within 30 days. He clarified that this result was not for all patients that came in for heart treatment, but for all the patients that were enrolled in the program. That is, those patients who participated in education activities; those who returned for follow up care, and those who worked with care management and the Health and Home Care program. Mr. Siegel reported that, 66% of patients returned for the first follow-up appointment, which is a good predictor of the patient's self-management ability. He explained that Ms. Lehrer and her staff reached out to every patient and was able to reach 40% of the patients. He reminded the Committee that, Metropolitan Hospital's patients are very transient and mobile. A mobile telephone that may work today doesn't work tomorrow. Additionally, a telephone number that is provided to the staff today may not be the best number to reach the patient. Mr. Siegel reported that they are still struggling with how to address the substance abuse component of the medical condition of patients.

Mr. Siegel concluded his presentation and turned the presentation over to Ms. Lehrer.

Ms. Lehrer began her presentation by stating that the information that she will be presenting would be nine months post this project, which is the Confirmed State. Ms. Lehrer credited Dr. Visco's leadership that produced relentless teamwork and problem solving under his direction of the cardiology service. She added that, it was a huge success, not only for the patients, but for the staff to see results, after working so hard.

Ms. Lehrer informed the Committee that they had achieved success using Breakthrough methodology. She stated that the Breakthrough methodology enabled the Team to develop and sustain a really good program that significantly helped patients from admission through discharge, and also to decrease the readmission rate. She reported that standard work is being followed from inpatient through discharge and to outpatient care. Referrals are made to Health and Home Care during the time that the patient is in the hospital. Seven day follow-up appointments are also made during the inpatient/hospitalization process. Ms. Lehrer added that, if the appointment is not made, Health and Home Care contacts cardiology to correct this issue. She added that patients are all started on essential medications before they leave the hospital.

Ms. Lehrer reported that, for the patients who do not return for the follow-up visit within seven days, they are still on a baseline medication. Telephone follow-up calls are made from Health and Home Care and the TeleHealth Care Management program within 72 hours, and usually much quicker. Once the program has been initiated and the patient is reached by the care management team, the patient's medicine is verified as soon as possible. Ms. Lehrer noted that care management staff has access to QuadraMed, to enable them to view the medications that a patient had been placed on at the time of discharge, to verify that the medicines are the same, and to correct any discrepancies. Ms. Lehrer noted that this process is reviewed every Thursdays at 2pm at Metropolitan Hospital with all team members present. This work is being conducted under the direction of Dr. Visco.

Mrs. Bolus asked if all patients' homes are equipped with scales to allow them to track their weight. Ms. Lehrer responded that, scales are provided to patients before they are discharged from the hospital. She added that MetroPlus Health Plan had also offered to supply scales to their members.

Ms. Lehrer continued to describe the Confirmed State. She reported that a total of 153 patients are being tracked in Metropolitan Hospital's database. Of that total, 122 were patients who had been hospitalized at Metropolitan Hospital. The remaining 31 patients were referred from Metropolitan Hospital's Heart Failure Clinic.

Ms. Lehrer reported that the patients that had been included in the database represented a total of 174 admissions with a diagnosis of heart failure. Of those 174 admissions, 34 were readmitted in less than 30 days. This result reflects a 20 percent readmission rate, compared to a 30 percent readmissions rate nine months ago. This is significant result for heart failure patients especially because of co-existing factors which include the fact that many of the patients are difficult to reach and some patients are challenged with substance abuse.

Ms. Lehrer reported that, of the 24 of the 91 patients that are followed in the heart failure clinic, who returned for the seven days follow-up visit following discharge, only 8 percent had a readmission within 30 days. Ms. Lehrer noted that is significant because this statistic is the most telling with regard to a patient's ability to self-manage.

Ms. Lehrer explained that the real story is that the process that began in July 2011 had been refined and improved. The leadership that led the project in July 2011 has remained strong and focused. The team that started in July 2011 has remained together, and worked through difficult issues by meeting every week and slogging through it. The patients who are enrolled in the program have had fewer re-hospitalizations and safer care.

Ms. Lehrer stated that the Breakthrough process has enabled Metropolitan Hospital, Health and Home Care and MetroPlus Health Plan to work together across the care continuum is a model of patient-centered care that she believed that the Corporation is now seeking. She noted that they were able to work together using best practice instead of available practice. It is her hope that this project would serve as a best practice model at other HHC facilities.

Mrs. Bolus commented on the amount of that had been conducted by the Breakthrough Team. Ms. Lehrer responded that, it is now standard work. It was a lot of work going through it, but once standardized it is like hybrid health care. That is, when you need to use the gas, it is there and available. She added that the nurses in care management have frequent and direct lines of communication with patients.

Mrs. Bolus asked if the two patients that had been missed were unavoidable. Ms. Lehrer responded that, a lot of the patients were not unreachable. However, the data included all patients whether they were in the program or not. Specifically, the data reflects those patients who couldn't be reached, those who could not be included in the program and those who did not return for the seven day follow-up visit following discharge.

President Aviles asked for clarification on the total universe of patients who met the criteria of the target population and the number of patients who were included in the database. Ms. Lehrer explained that Metropolitan Hospital maintained a database of patients with heart failure. Anyone who is hospitalized at Metropolitan Hospital with heart failure is added to the database. The database includes a subset of patients who are in the heart failure program, because they are being care for by Metropolitan Hospital's Heart Failure Clinic. Ms. Lehrer explained that, if the patient is being followed by a non-Metropolitan Hospital provider, that patient would not be placed into the heart failure program. Mr. Siegel clarified that the program accepts everyone except those who refuse. President Aviles asked if the 20 percent readmission rate was related to all patients that are included in the database. Mr. Hixson clarified that, this data is aligned with the corporate metric relating to heart failure. So, all heart failure hospitalizations are tracked in the database and 20 percent is the readmission rate.

Dr. Stocker asked if the program is replicable and can it thrive in lots of different places, and over a longer period of time. Mr. Siegel responded affirmatively. He added that, in a program like this, a physician champion would be required. Dr. Visco's reason for coming to work every day is to create a center of excellence; and having a physician who is willing to manage the program on a daily basis is a start.

It was asked how scales were being secured. Mr. Siegel responded that scales were initially purchased by staff at Target with staff seeking reimbursement for the purchase. He added that a system is now in place and the scales are now secured through the Corporation. Dr. Stocker asked if scales are given to patients. Mr. Siegel responded that, if a patient doesn't have a scale, a scale is provided to the patient. Patients are asked first before one is provided. Dr. Stocker asked if there is a way to digitally transmit the information to staff when the patient weighs him/herself. Mr. Siegel responded that this is being conducted.

Dr. Stocker asked if it would be easier to reach patients using a texting methodology rather than through the use of repeated telephone outreach calls. Dr. Stocker noted that there had been a lot written about adolescents using texting methodology rather than using telephones. He asked if the percentage of people have smart phones in this population was known. Ms. Lehrer responded that roughly 30 or 40 percent have smart phones but do not use it for their health care. She stated that patients are routinely asked if they would prefer to be reached via their smart phone, but patients prefer not to use it for this purpose. Ms. Lehrer commented that the average age of the heart failure population at Metropolitan Hospital was under the age of 65. Dr. Visco added that the age of patients ranged from 16 to 99. Ms. Lehrer commented that, a few weeks ago, a 23 year old patient presented to Metropolitan Hospital with heart failure.

SUBSIDIARY BOARD REPORT

MetroPlus Health Plan, Inc. – May 8, 2012

As reported by Mr. Bernard Rosen

Chairperson's Remarks

Chair Rosen welcomed everyone to the MetroPlus Board of Directors meeting of May 8, 2012. Mr. Rosen advised the Board that the one resolution would be to authorize MetroPlus to submit a resolution to the HHC Board of Directors to amend the Certificate of Incorporation and Bylaws to establish and operate a Managed Long Term Care plan.

Mr. Rosen stated that there would also be an information item presented. The information item was Ms. Ruth Villalonga's presentation of MetroPlus' new advertising campaign.

Executive Director's Report

Dr. Saperstein reported that total plan enrollment as of April 12, 2012 was 427,245. Breakdown of plan enrollment by line of business is as follows:

| | |
|-------------------------------|---------|
| Medicaid | 359,414 |
| Child Health Plus | 17,131 |
| Family Health Plus | 36,295 |
| MetroPlus Gold | 3,084 |
| Partnership in Care (HIV/SNP) | 5,733 |
| Medicare | 5,588 |

For the first time in many months, MetroPlus had a decline in enrollment. From March to April the Plan dropped 675 members overall, 230 in Medicaid, 391 in Child Health Plus (CHP) and 117 in Medicare. The reduction in Medicaid was due to a lower rate of applications, while the reduction in CHP was due to loss of eligibility. For Medicare, MetroPlus had 250 members disenrolled for failing to pay their premiums since January after a 90 day grace period. Dr. Saperstein stated that the good news was that the May membership was approximately 433,700, which is a growth of 6,000 members from April to May.

Attached to Dr. Saperstein's report was a graph showing net transfers for the month of March 2012 for Medicaid and Family Health Plus (FHP).

Dr. Saperstein stated that, at each meeting, he reports on the number of members that transfer in and out of MetroPlus every month. An analysis of the 5,870 members that transferred from MetroPlus to Health First in 2011 revealed that only 21.8% of these continued to receive their care at HHC.

MetroPlus also conducted a survey of Medicare members that voluntarily disenrolled in January and February 2012. Of the members disenrolled, approximately 12 percent were reached and a disenrollment survey was completed. The main reason given for disenrolling was dissatisfaction with benefits offered by the Plan. MetroPlus is currently finalizing a renegotiation of provider contracts that should allow the Plan some flexibility in offering enhanced value added benefits.

On the other hand, MetroPlus will continue to face challenges in its ability to offer additional services to its Medicare population. Based on current federal legislation there will be a projected 19.28% base premium reduction in MetroPlus' Medicare Advantage rates over the next 5 years. The Affordable Care Act requires that counties such as those within New York City that are above the national fee-for-service (FFS) average reduce costs to 95% of FFS. Re-evaluated annually, county rates will be reduced over a maximum of 6 years to achieve the rate.

Dr. Saperstein reported that the New York State Department of Health (SDOH) will be providing 2012-2013 rates in two phases. In Phase I (early May), plans can expect the April 1st base Medicaid and FHP medical rates. Regional trends are about 5% vs. 7% last year. This is before SDOH applies the legislative cuts from last year (it was a 2 year deal for managed care plans). These include a 1.7% trend reduction and a 2% overall reduction, leaving an approximately 1.3% trend. Separately, pharmacy rates are being reduced from the October carve-in to reflect an increase in the expected generic dispensing rate (from 72% to 77%) and an elimination of the funded carve-in transition period. An analysis of these new pharmacy rates reveals that MetroPlus will receive approximately 36 million dollars less in pharmacy revenue over the next year. In Phase II, Medicaid Redesign Team (MRT) adjustments will be funded and include the carve-in of new populations and expenses, including low weight and disabled (Supplemental Security Income) babies, homeless recipients, and dental. All of these will come with incremental revenue and cost. SDOH is still developing those rates and those will probably not be available until mid-year.

Dr. Saperstein stated that SDOH sponsors a Consumer Satisfaction Survey every two years. This year, it was performed by DataStat in the late fall of 2011, and MetroPlus recently received its results. The survey was performed on adult Medicaid members of each plan. Fifteen hundred surveys were sent out for each plan with multiple mailings and follow up phone calls, of which MetroPlus had a 36.9% response rate. The good news is that, as compared to 2009, the Plan had improvements in the indicators measuring the provider's screening and intervention to assist members in quitting smoking. MetroPlus also improved in the rate of flu vaccines, and whether members would recommend the health plan to family and friends, which is now up to 91.9%. Our problem areas continue to be measures of access including getting needed care, getting care quickly, and access to specialist appointments. The results of this survey will be used in the ranking of health plans for the quality incentives and the Consumer Guide. MetroPlus is addressing the results and will be making appropriate interventions to improve its results. Dr. Saperstein stated that the Plan is working with HHC on improving access.

There was a brief discussion regarding expanding access. Dr. Saperstein stated that HHC did much better on the quality indicators than community providers. Mr. Martin stated that there needs to be a concerted effort to improve access and that some strategic efforts in that area will help solve the problem. Mr. Still asked that when access is measured, what components are being measured. Dr. Saperstein replied that it is individuals getting care quickly and getting needed care. Mr. Williams asked if there are other people that need to be involved in the access discussion. Dr. Saperstein stated that the people involved in the discussions are at the highest levels of staff but the challenge is that is not an easy answer.

On April 12, 2012, Governor Cuomo issued an Executive Order to establish a statewide Health Exchange, an online marketplace where individuals and small businesses can choose among competing health insurance plans. The Governor stated that this will reduce cost of coverage for individuals, small businesses and local governments.

Dr. Saperstein reported that, in the recent New York State Budget negotiations, several groups were pushing for the introduction of "Prescriber Prevails" language related to the Medicaid managed care prescription benefit. The prescriber prevails coverage was previously included in the fee-for-service Medicaid pharmacy benefit. Prescriber prevails allows the prescribing provider to determine what drug/medication their patient would receive, regardless of any authorization or formulary requirements required by the patient's managed care plan. Member advocates and certain groups funded by the pharmaceutical industry argued that providers should have final say in what medications members receive. The coalition of health plans argued that implementing prescriber prevails undercuts the appropriate review and screening of prescription and drug use. The State also already considers certain drug classes "protected" and not subject to plan formulary or prior authorization requirements. In March there was an agreement at the State level to include prescriber prevails language for antipsychotics.

KPMG has completed the Plan's annual audit for 2011. There were no findings identified by KPMG. In 2011, the Plan received \$1,465 million in premiums; had medical expenses of \$1,284 million (a medical expense ratio of 88%) and administrative expenses of \$113 million (admin expense ratio of 8%).

Medical Director's Report

Dr. Dunn stated that this it has been a very busy time for the Plan, mainly because MetroPlus is in the process of collecting 2011 HEDIS/QARR data for a June 2012 submission to SDOH. At this point, the Plan has collected and entered all HHC data. The Plan is working on collecting the community provider data, as well as doing quality assurance reviews and specific look-ups in QuadraMed that will help improve MetroPlus' rates. On April 18, 2012, the Plan successfully underwent the 2012 HEDIS/QARR Compliance Audit by IPRO and Logiqual. Dr. Dunn stated that it is more difficult to get the data from community providers and outside laboratories.

Quality Management completed the ImpactPro training for the HHC facilities. Representatives from Elmhurst, Woodhull and Bellevue attended the training. MetroPlus has been working with Bellevue and Woodhull on facility specific reports that will help them in the care management of plan members.

Dr. Dunn stated that Quality Management is working with Dr. Ann Sullivan, Senior Vice President, Queens Network on a project to reduce avoidable admissions. In addition, the Plan was required to submit a corrective action plan (CAP) to SDOH on how MetroPlus will reduce its asthma admission rate. The Plan was required to submit a CAP because it performed poorly in this quality incentive measure as compared to the other plans. Quality Management is in the process of sending out the 4th Quarter 2011 CRG reports to all the HHC facilities.

Dr. Dunn reported that the Provider Contracting staff completed a mailing of approximately 4,000 unique amendments updating SDOH Standard Clauses. This amendment brings the Plan's contracts into compliance. In addition, the Plan continues to identify and contract with additional Skilled Nursing Facilities, Adult Day Care Programs, and audiologists for MetroPlus' managed long-term care application.

As of April 2012, the HIV Special Needs Plan (SNP) Enrollment was 5,750 members and the Medicare SNP was 395. HIV staff has reviewed the CVS/Caremark pharmacy data for the first quarter of 2012. High utilizers have been identified with follow-up outreach to both providers and members. HIV staff has identified an aberrant prescriber of HAART medications to several over utilizing members. They have referred the provider to the Special Investigations Unit for further investigation. HIV Services is working with CVS/Caremark on hard edits for their claims system to stop payments for overlapping therapeutic categories of HIV medications.

Dr. Dunn stated that the NYS Medicaid Program continues to implement the recommendations of the MRT. Effective July 1, 2012, all Medicaid managed care plans will be required to cover dental services for their enrollees. Currently, health plans have the option of covering dental services for their Medicaid enrollees. As of July 1, 2012, Healthplex will be MetroPlus' dental benefits manager. The Plan will also transition its CHP/FHP members from DentaQuest to Healthplex as of July 1, 2012. MetroPlus held a kick off meeting on April 27th to begin its weekly meetings with Healthplex to ensure smooth transition and minimal disruption of dental services to plan members. Effective October 1, 2012, all Medicaid managed care plans will be required to cover orthodontic services for eligible enrollees under age 21. Orthodontic services are currently "carved out" and paid on a fee-for-service basis for Medicaid managed care enrollees.

Dr. Dunn advised the Board that, effective June 1, 2012, for Medicaid Managed Care and FHP enrollees, New York State Medicaid will no longer cover Growth Hormone (GH) for patients with a diagnosis of Idiopathic Short Stature (ISS). The MRT Basic Benefit Review Work Group Phase II recommendations included the elimination of coverage of GH for treatment of ISS. The MRT work group determined that coverage for ISS is not medically necessary but cosmetic in purpose and does not treat a medical condition defined by growth hormone deficiency.

As of June 1, 2012, NYS Medicaid will no longer cover certain treatment modalities for chronic low back pain for Medicaid managed care and FHP enrollees, Prolotherapy, systemic corticosteroids, therapeutic facet joint steroid injections in the lumbar and sacral regions with or without CT or fluoroscopic image guidance, injections of steroids into intervertebral discs, and continuous or intermittent traction will not be eligible for reimbursement as they are considered ineffective, or experimental and investigational.

Action Item

The resolution was introduced by Dr. Saperstein.

Authorizing the establishment and operation of a Managed Long Term Care Plan and recommending the submission of a resolution to the Board of Directors of the New York City Health and Hospitals Corporation for authorization to amend the Certificate of Incorporation and the By-Laws of MetroPlus Health Plan, Inc. to facilitate the establishment and operation of a Managed Long Term Care Plan and to better enable MetroPlus to conduct its business.

Dr. Saperstein and Ms. Barbara Keller gave the Board some background on SDOH's request that MetroPlus revise its Bylaws and Certificate of Incorporation in order to establish a Managed Long Term Care plan. Mr. Rosen commented that this resolution was pretty straight forward.

The resolution was passed unanimously by the MetroPlus Health Plan Board of Directors.

Information Item

The information item was a video presentation about MetroPlus' new advertising campaign introduced by Ms. Ruth Villalonga. After the video presentation there was a brief discussion regarding the placement of MetroPlus ads and how effective subway card advertising has been.

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

**ALAN D. AVILES
HHC PRESIDENT AND CHIEF EXECUTIVE
REPORT TO THE BOARD OF DIRECTORS
MAY 24, 2012**

LINCOLN HOSPITAL RECEIVES TOP SURVEY RESULTS FROM JOINT COMMISSION

Last week, The Joint Commission completed its triennial accreditation survey of Lincoln Medical and Mental Health Center. The survey team complimented Lincoln Hospital's front line staff and leadership and was very impressed by the strong commitment and collaboration between the medical and nursing staff teams. The surveyors also commented on the commitment and support of the HHC Board of Directors to quality and safety, and praised HHC Board Member Mrs. Josephine Bolus, who participated in the Leadership Interview.

There were no patient care-related findings or findings for the National Patient Safety Goals, a great accomplishment. In many instances, the survey team stated that the organization's processes exceeded the intent of the standards. Leading practices identified by the survey team included: the Critical Care Collaboratives, the Behavioral Health Assault Reduction Program, the Infant Abduction Program and the Falls Prevention Program.

Congratulations to Senior Vice President Iris Jimenez-Hernandez, Medical Director Dr. Melissa Schori, Chief Nurse Carl Kirton and the staff of Lincoln Medical and Mental Health Center for a job well done.

Kings County and Sea View Nursing and Rehabilitation Facility remain to be surveyed by The Joint Commission this year.

NATIONAL PATIENT SAFETY FOUNDATION ANNUAL CONGRESS

This week, HHC staff members are making major contributions at the 14th Annual Patient Safety Congress sponsored by the National Patient Safety Foundation (NPSF) in Washington, DC. Carefully crafted by leaders in the field to provide real-world tools, resources, and evidence-based solutions for patient safety issues, the NPSF Patient Safety Congress has a singular focus on patient safety. Caroline Jacobs, HHC's Senior Vice President for Safety and Human Development, is a member of the NPSF Congress Planning Committee. HHC's Assistant Vice President for Patient and Employee Safety, Mei Kong, RN, is presenting a breakout session "Switching Chairs: Health Providers as Patients and Advocates" with Patricia Sklonik, a nationally recognized patient safety advocate and founder of Citizens for Patient Safety.

Seventeen posters that showcase HHC's patient safety successes are being presented at the Congress. HHC and the Committee on Interns and Residents/Service Employees International Union (CIR/SEIU) are making a special presentation on labor and management joining forces to improve patient safety. Other HHC facilities presenting

posters are Coney Island, Gouverneur, Harlem, Lincoln, Metropolitan, North Bronx Healthcare Network, Sea View and Woodhull.

PATIENT SAFETY FELLOWSHIPS AWARDED

Four HHC doctors are among 20 physicians in the greater New York area who have been selected as fellows in the prestigious Clinical Quality Fellowship Program, which supports the training and professional development of early- and mid-career physicians and nurses to help them lead quality improvement and patient safety efforts in their hospitals.

The 2012-2013 HHC fellows are:

- Douglas Hirshon, DO, R.Ph., a primary care provider and Director of Ambulatory Care at North Central Bronx Hospital
- Brenda Natal, MD, MPH, RN, an emergency medicine physician at Kings County Hospital Center and the first Simulation Fellow at HHC's Institute for Medical Simulation and Advanced Learning
- Amit Singh Tibb, MD, an attending physician on the chest service, medical ICU and pulmonary consult team at Jacobi Medical Center
- Ming Chih Tsai, MD, Director of Obstetrics and Gynecology, Bellevue Hospital Center

A program of the United Hospital Fund and the Greater New York Hospital Association, the Clinical Quality Fellowship is intended to create a lasting infrastructure supporting quality improvement in the greater New York area. Through an intensive 15-month training session, regional leaders in health care quality teach the fellows proven tools and techniques to improve the quality, efficiency, and safety of patient care within their hospitals. Participating fellows then bring their new knowledge, skills, and strategies back to their institutions, where they are prepared to take on leadership roles as agents of change.

PATIENT SAFETY CULTURE SURVEY IS COMPLETED

HHC's fifth corporate-wide Patient Safety Culture survey was concluded in April 2012, using hospital, nursing home and medical office surveys on Patient Safety Culture published by the Agency for Healthcare Research and Quality. The survey tool is an evidence-based instrument designed to assess staff opinions about patient safety issues, medical errors and event reporting in their organization. Staff may complete the survey electronically via their facility intranet site or on paper. All surveys are anonymous.

Over 23,400 HHC staff responded to the survey, an overall response rate of 61%. By level of care, there was a 57% response rate for the acute care hospitals, 85% for long term care, 84% for the diagnostic and treatment centers, and 62% for home health.

Staff identified several areas of strength including that management supports and provides a work climate that promotes patient safety. Eighty-two percent of hospital staff responded positively that we are actively doing things to improve patient safety. Potential for

improvement was identified in the areas of "non-punitive response to error" and "staffing." HHC's results in these two areas are similar to all hospitals in the 2012 AHRQ survey database. Results of the survey will be provided to staff at each facility next week.

The Patient Safety Culture Survey represents an opportunity for staff to express their opinions on patient safety and is a core metric for continuing to assess the progress of safety improvements at HHC facilities and for focusing our patient safety efforts.

FEDERAL UPDATE

On May 10th, the House of Representatives approved The Sequester Replacement Reconciliation Act of 2012. This House bill is meant to replace many of the sequestration cuts scheduled to begin January 2013 as part of the Budget Control Act (BCA) adopted last year. The House would not, however, repeal the 2% Medicare cut that was included in the BCA. The Senate voted down the House-passed budget. However, the House budget bill will likely serve as the starting point in December when negotiations ensue to replace the scheduled sequester cuts that begin in January 2013. One of the features of the House budget bill is the extension of the Disproportionate Share Hospital (DSH) reductions to include federal fiscal year 2022. HHC would lose \$421 million in federal fiscal year 2022 from this provision.

On another matter, federal law that requires user fees to be paid to the Food and Drug Administration by pharmaceutical manufacturers and medical device industries expires on October 1, 2012 and Congress is working on a bipartisan legislative effort to ensure the continuation of these fees. The FDA takes in more than \$1 billion in fees, which make up more than half of the agency's budget. Of importance to HHC is the fact that this bill to extend the fees is being used as a vehicle to address the shortage of certain pharmaceuticals including sterile injectables used to treat cancer. HHC, like other health providers, is experiencing pharmaceutical shortages.

To date, both the House and Senate committees have reported legislation to extend user fees and the legislation is pending on the Senate floor. Both bills would require drug companies to give the FDA a six-month notification of anticipated shortages and the FDA would be required to provide expedited inspections and reviews for drugs that are in short supply. There is also language in the bills that allows healthcare systems to repackage drugs that have been designated in short supply into smaller doses and to distribute them to their wholly-owned affiliate hospitals.

HHC has been concerned about attempts to use this FDA legislation to exempt certain drugs from the 340B discount drug program for DSH hospitals. Although Senator Orrin Hatch (R-UT) had proposed an amendment to exempt sterile injectables from the 340B program, he did not officially offer his amendment into the bill language now being considered. HHC opposed this amendment. It is unclear whether Senator Hatch will try to offer his amendment when the bill goes to the Senate floor but we are preparing Senator Schumer in case it is offered. HHC saves approximately \$130 million annually through the 340B program. We do not have an exact figure on the losses that HHC would sustain if the

Hatch amendment were adopted but approximately one-third of our drug purchases are of sterile injectables. On the House side, there have been no attempts to exempt any drugs from the 340B program.

HOUSING DEVELOPMENT FOR LOW-INCOME ELDERLY AND DISABLED

On today's agenda are two resolutions related to the execution of license agreements with MetroHealth Homes Housing Development Fund Corporation (HDFC) for the construction of 176 affordable apartments on the Metropolitan Hospital campus at East 99th Street. These apartments will be specifically designed for current disabled and elderly residents at the Coler-Goldwater skilled nursing facility, who no longer require institutional-based long term care.

The first of the resolutions is for the execution of a license agreement that will enable the HDFC to begin the early stages of construction including remediation work in advance of the project's closing scheduled to take place in September. This resolution would also allow the Corporation to advance funds for the early stages of construction subject to reimbursement upon closing and the execution of a long term lease between the Corporation and the HDFC. The early start is essential if the housing is to be available by December 2013 which is the timetable by which the Corporation must vacate the Goldwater campus.

The second resolution seeks the Board's authorization to execute a long term sublease.

I urge you to support both resolutions, as the development of the East 99th Street parcel is intrinsic to our restructuring initiative concerning Coler-Goldwater and our long term care services.

HHC LEADERS PRAISED IN EL DIARIO RECOGNITION OF DISTINGUISHED WOMEN

In recognition of National Women's History Month, El Diario recognized the diverse and significant contributions of Latinas who have made a positive impact on the lives of others. I am proud to report that two of our prominent leaders, Iris Jimenez-Hernandez, Senior Vice President of Generations +/- Northern Manhattan, and Elizabeth Guzman, Chief Financial Officer at Metropolitan Hospital, are recipients of the 2012 El Diario Distinguished Women Award. Join me in congratulating both Iris and Liz on this achievement and for their leadership and outstanding contribution to our HHC family.

TeamSTEPPS STAFF RECOGNITION

On April 30th the Office of Patient Safety hosted a workshop at Metropolitan Hospital for 130 HHC TeamSTEPPS Master Trainers who actively provide training in their facility or across the enterprise to promote the effective teamwork that has ultimately contributed so much to the higher quality and safer healthcare we bring to our patients. The objectives of

the day were: to discuss what we have accomplished thus far on our TeamSTEPPS journey and where we need to go; develop additional skills on coaching, implementation, and measurement; share facility-specific best practices and successes utilizing TeamSTEPPS; and recognize the exemplary leadership contributions of our Master Trainers.

The morning began with presentations from Caroline M. Jacobs, Senior VP, Safety and Human Development, Mei Kong, RN, AVP, Patient Safety and Abdul Mondul, MD, Patient Safety Officer and Associate Medical Director at Lincoln Hospital. In the afternoon, three HHC facilities reported on how they have embedded TeamSTEPPS into daily clinical practice and shared the outcomes achieved. North Bronx Healthcare Network discussed the reductions in adverse outcomes they achieved in Labor and Delivery. Lincoln Medical and Mental Health Center presented how they decreased both catheter-associated urinary tract infections and the rate of falls on the inpatient units. Metropolitan Hospital Center described their success in reducing physical altercations on the Adolescent Psychiatry Unit. We concluded with a collective expression of appreciation for all 130 master trainers.

HHC JOINS NYC HEALTH DEPARTMENT "LATCH ON NY" INITIATIVE TO SUPPORT BREASTFEEDING MOTHERS

Earlier this month, the New York City Health Department launched "Latch on NYC," a new citywide breastfeeding initiative that urges hospitals across the city to ban infant formula from gift bags and promotional materials in labor and delivery units. As a leader in promoting the benefits of breast milk, HHC hospitals have banned formula give-aways since 2007 and renewed their commitment to support and educate women who breastfeed by signing on to the initiative. The event took place at Harlem Hospital, the city's first official "baby friendly hospital" and Executive Director Denise Soares had the chance to speak about their success with breastfeeding.

EXPERTISE OF HHC'S CHIEF MEDICAL OFFICER FEATURED IN MODERN HEALTHCARE MAGAZINE WEBINAR

This past Tuesday, HHC Corporate Chief Medical Officer, Dr. Ross Wilson, was one of three featured panelists in the one-hour Modern Healthcare Magazine Webcast: Making Medicaid Work. Rich Daly, Washington Reporter for Modern Healthcare Magazine, served as moderator, and the two other panelists were Bill Galinsky, VP of Governmental Finance for Scott & White Healthcare in Temple, Texas; and Beth Kidder, Assistant Deputy Secretary for Medicaid Operations, Florida Agency for Health Care Administration. Dr. Wilson and the other panelists discussed strategies to reduce hospital costs, ways to work with state Medicaid programs to optimize both current reimbursement and enrollment of eligible patients, and the likely changes in payment methodologies ahead as states redesign their Medicaid programs.

HHC CERTIFIED AS A HEALTH HOME IN MANHATTAN

In the past month, the NY State Health Department selected HHC as a Health Home provider in Manhattan, making HHC the only entity so designated in four of the City's boroughs. While negotiations for final care coordination rates between HHC and NYSDOH continue, HHC, like other certified Health Homes, is preparing, as a first step, to help eligible patients transition from previously established care management programs at HHC, such as the Chronic Illness Demonstration Project (CIDF), the COBRA case management program for HIV patients and the ICM intensive care management program for behavioral health patients. Once fully established, HHC's Health Home Program will provide a unified and integrated program of care coordination services for all of its eligible patients.

POSSIBLE IMPASSE IN COLLECTIVE BARGAINING WITH NURSES

On May 10, the New York State Nurses Association filed a petition asking the New York City Board of Collective Bargaining to declare that the City, HHC and the union are at impasse over the terms of a new collective bargaining agreement. The contract covering Registered Nurses expired on January 10, 2010 and although the parties have been at the bargaining table since 2009, they have been unable to reach a new agreement. The terms of the expired contract remain in place until a new contract is bargained.

Should the Board declare an impasse, it will designate a panel of arbitrators to conduct a hearing and determine the terms of the new agreement. The panel's decision is final and binding. I will keep the Board updated on major developments regarding the nurses' contract.

METROPOLITAN HOSPITAL OPENS PEDIATRIC INPATIENT UNIT

On Tuesday, March 15th, Metropolitan Hospital opened its new \$3.2 million Pediatric Inpatient Unit, which integrates the highest quality medical care for children with a beautiful, nurturing environment that fosters patient safety and healthy recovery. Alan Muraoka, who plays the proprietor of "Hooper's Store" on "Sesame Street," was MC at the special event.

The new 7,500-square-foot Pediatric Inpatient Unit accommodates 14 patients. Funding for the renovation project was provided by a New York State HEAL grant, the Starlight Children's Foundation, and the Metropolitan Hospital Center Auxiliary.

LINCOLN'S PALLIATIVE CARE PROGRAM RECEIVES JOINT COMMISSION CERTIFICATION

Lincoln Medical and Mental Health Center has become the only hospital in The Bronx and one of two hospitals in New York City with Palliative Care certification from the Joint Commission. The new advanced certification program is designed to recognize hospital inpatient programs that demonstrate exceptional patient and family-centered care in order to

optimize the quality of life for patients with serious illnesses. Lincoln is among the first to seek the certification and now joins a select group of just 13 hospitals across the country with Joint Commission-certified Palliative Care Programs.

Palliative Care is a medical specialty that focuses on relieving the pain, anxiety and the distress that comes with a severely debilitating, life-threatening or terminal disease. It empowers patients to make timely, informed decisions about their care under difficult circumstances, and encompasses psychosocial, spiritual and bereavement support to patients and caregivers who face end-of-life situations.

The successful implementation of Lincoln Hospital's palliative care program was spearheaded by Dr. Abdul Mondul, the hospital's Deputy Medical Director. The specialized palliative care team consists of doctors, nurses, social workers, a psychologist and a spiritual counselor. There is also a close collaboration with other disciplines such as nutrition and rehabilitation. A partnership with primary care providers and other treating physicians as well as with community resources is critical to success.

Over the past three years, there has been an exponential increase in the demand for inpatient palliative care consultation. To date, Lincoln's Palliative team has been involved in the care of more than 3000 patients with advanced diseases, 97% of whom are minority patients.

ELMHURST HOSPITAL CELEBRATES 180TH ANNIVERSARY

On Thursday, May 17, 2012, Elmhurst Hospital Center (EHC) held its 180th Anniversary Gala at Terrace on the Park in Flushing. Proceeds from the event benefited EHC's new Women's Healthcare Services Pavilion, a state-of-the-art outpatient facility scheduled to open next spring in 2013.

Honorees included Dr. Jasmin Moshirpur, Regional Medical Director of the Queens Health Network and Dean at the Mount Sinai School of Medicine, Eileen Auld, New York State Director of Citigroup Community Development, and Patricia Wang, President and CEO of HealthFirst. NY1 News anchor and reporter Cheryl Wills served as the evening's MC.

Elmhurst Hospital evolved from a small facility established on Blackwell's Island (later called Roosevelt Island) in 1832. Originally called Charity Hospital, by 1870, the hospital's name had been changed to City Hospital and the building expanded to include a full-fledged maternity unit that developed safer methods to control puerperal or "childbed" fever and substantially reduce maternal deaths.

Relocating from Roosevelt Island to Queens in 1957, City Hospital was renamed Elmhurst Hospital and in 1964 became affiliated with the Mount Sinai School of Medicine.

SEA VIEW PATIENTS ATTEND HHC ART COLLECTION'S PHOTOGRAPHY EXHIBIT

A group of patients at HHC's Sea View Hospital and Rehabilitation Center and Home were treated to a private reception at Snug Harbor Cultural Center & Botanical Garden to view *New York City: IN FOCUS, Vol.2*, HHC Art Collection's traveling photography exhibition, in early May. The exhibit captures the spirit of New York City in a collection of 50 black and white, color, and digital prints. The show comprises works by internationally renowned and emerging photographers, including James VanDerZee, Roxanne Lowit, Dawoud Bey, Anthony Barboza, Arlene Gottfried, and Nancy Siesel. At the Snug Harbor reception, Sea View's staff and patients also enjoyed a performance by keyboardist Barry Olsen. Olsen shared his musical talents as part of Carnegie Hall's *Musical Connections*, a program that brings live music experiences to people in healthcare settings across New York City.

The exhibit is on display at Snug Harbor through May 31. *New York City: IN FOCUS, Vol.2* will then travel to Jacobi Medical Center, where it can be viewed from June 6 to July 12.

AMERICAN CANCER SOCIETY GALA HONORS HHC PHYSICIAN AND LONG-TIME SUPPORTER

The American Cancer Society (ACS) honored HHC's own Dr. Kathie-Ann Joseph for her outstanding healthcare leadership at its Fourth Annual Pink & Black Tie Gala on May 17th.

Every year, ACS celebrates exceptional leaders who have made a contribution to Brooklyn's healthcare, cultural, and business communities. Dr. Joseph, who grew up and currently lives in Brooklyn, was recognized for her dedication to caring for women with breast disease and at high risk for it. Dr. Joseph is an oncological surgeon who serves as the director of breast services for the South Manhattan Network. She oversees breast surgery at Bellevue Hospital and Woodhull Medical Center, sharing her expertise and compassion with our patients every day.

Dr. Joseph has done extensive research on breast cancer in African-American women and published her findings in the *New England Journal of Medicine* and other prominent journals. She has served on the President's National Cancer Panel and is the co-founder of *Breast Cancer in Women of Color*, a free educational conference that brings together more than 300 women every September.

ACS also honored pioneering rap artist and longtime HHC supporter Kangol Kid with its Volunteer of the Year award. Kangol Kid's performance at last year's STAT! event in the Bronx electrified the crowd while raising awareness about important cancer prevention efforts.

I know the Board joins me in congratulating Dr. Joseph and Kangol Kid for these well-deserved recognitions.

"I DEDICATE" MAMMOGRAM CAMPAIGN A SUCCESS

During my April report, I mentioned that HHC was launching an "I Dedicate" breast cancer awareness campaign during May to promote regular mammograms for women over 40 years old. The campaign features dedication walls where hundreds of staff and patients in our facilities have dedicated their mammograms to someone important in their lives, and posted their dedications on pink ribbons. We also asked women to post their mammogram dedications on the HHC Facebook or Twitter pages. Many senior staff across our system posted their dedications – some of which are displayed outside this meeting. We also had a special dedication by Speaker Council Christine Quinn, who supported our awareness campaign by posting a video message on our Facebook and Twitter pages. Speaker Quinn dedicated her mammogram to her mother, Mary Callaghan Quinn, who sadly lost her life to breast cancer.

I want to acknowledge Senior Vice President Ana Marengo and her staff for invigorating this year's mammogram campaign with the savvy use of social media. And I will conclude my report by sharing with the Board a brief sample of video messages from our employees and the message from Speaker Quinn.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

National EMS Week, Woodhull, News 12 Brooklyn -TV, 5/21/12

City Launches Breastfeeding Initiative, NY1-TV, 5/9/12

Harlem Hospital Breast Feeding Initiative, WABC-TV, 5/9/12

Diabetes Care, Dr. Gul Bahtiyar, Woodhull Hospital, News 12 Brooklyn –TV, 4/22/12

Queens Hospital Center Honors Volunteers, NY1-TV, 4/25/12

Miss Teen USA Reads to Children at Woodhull Hospital, News 12 Brooklyn -TV, 4/19/12

Print and Online

HHC Launches New "I Dedicate" Breast Cancer Awareness Campaign, Hospital Newspaper, 5/13/12 (Also covered in Staten Island Advance)

HHC "I Dedicate" Breast Cancer Awareness Campaign in Harlem, Harlem World, 5/2/12

Mammograms matter, HHC, The Brooklyn Spectator, 5/10/12 (Also covered in Home Reporter and Sunset News, Staten Island Advance)

HHC 'Likes' Mammograms, Crain's Health Pulse, 5/22/12

Hágase su mamograma, Get a mammogram, HHC, El Diario, 5/23/12

She gets second chance at life, thanks to surgeon, Dr. Jose Toro, Jacobi Hospital, New York Daily News, 5/10/12

Some Hospitals Will Curb Samples of Baby Formula, HHC, The New York Times, 5/10/12

More Bronx Psych Beds, HHC, Lincoln Hospital, Crain's Health Pulse, 5/21/12

Big Bonus for MetroPlus, Crain's Health Pulse, 3/28/12

As New York's Colon Cancer Screening Rates Increase, Russian-Americans Are Left In The Dark, HHC, Bensonhurstbean.com, 4/24/12

Alcoholism: Combating a Ravaging Disease Iris R. Jiménez-Hernández, Lincoln Hospital, The Bronx Free Press, 4/18/12

Can Old Harlem Be a Part of the Changes Sweeping the Neighborhood?, Denise Soares, Harlem Hospital Center, New York Observer, 4/27/12

NYC: Combining Advocacy and Great Food, Bellevue Hospital, Children of Bellevue event, Foodrepublic.com, 4/26/12

Innovative ways to slash ED overuse, Dr. Maria Raven, Bellevue Hospital, American Medical News, 5/1/12 (Also covered in HealthExecNews.com)

Learn to Detect Symptoms, Seek Early Intervention, Dr. Paola Carugno, Pediatrician, Lincoln Hospital, The Bronx Free Press, 4/28/12

ID thieves find gold in medical data, Paul Contino, Chief Technology Officer HHC, CS Magazine, 5/1/12

Medical ID fraud booming, HHC, SC Magazine, 5/4/12

New health center for Staten Island's Tompkinsville neighborhood, HHC, Staten Island Advance, 5/2/12

Simpler Consulting Partners with National Association of Public Hospitals and Health Systems (NAPH), HHC, Kings County, Pharmacy Choice, 5/1/12(Also covered in TMCnet.com and InvestorPoint.com)

Wheelchair Charities is a historical journey of caring and love, Coler-Goldwater, The New York Amsterdam News, May 3- May 9, 2012

Elmhurst Hospital Center Set to Celebrate, New York Daily News, 5/10/12 (Also covered in the Western Queens Gazette)

New Healthcare Pavilion Scheduled For Elmhurst, Elmhurst Hospital, Western Queens Gazette, 5/9/12

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Microsoft Corporation to provide a care plan information system. The contract shall be for a period of five years with two, consecutive, one-year options to renew, exercisable solely by the Corporation, in an amount not to exceed \$16.1 million for a total term of seven years.

AND

Further authorizing the President to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.

WHEREAS, the care plan information system is a dynamic web-based, inter-operable tool that aids both patients and their extended care teams to manage and to coordinate the medical and non-medical services and resources patients may require to be successful in reaching their goals.

WHEREAS, the Corporation seeks to enter into a contract to provide a care plan information system to support care coordination services in the HHC facilities throughout the five boroughs of New York City; and

WHEREAS, a Request for Proposals ("RFP") was issued on March 19, 2012 in accordance with the Corporation's operating procedures; and

WHEREAS, the selection committee rated the proposal using criteria specified in the RFP, and the committee recommended the Microsoft Corporation to be awarded the contract; and

WHEREAS, the care plan information system is supported in part by the NYS HEAL 17 funds, and

WHEREAS, the overall responsibility for monitoring the contract shall be under the Senior Vice President, Information Services and the Senior Vice President/Corporate Chief Medical Officer, Division of Medical & Professional Affairs.

Now, **THEREFORE**, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("the Corporation") be and hereby is authorized to negotiate and execute a contract with the Microsoft Corporation to provide a care plan information system. The contract shall be for a period of five years with two, consecutive, one-year options to renew, exercisable solely by the Corporation, in an amount not to exceed \$16.1 million for a total of seven years; and

BE IT FURTHER RESOLVED, that the President is hereby authorized to make adjustments to the contract amounts, providing such adjustments are consistent with the Corporation's financial plan, professional standards of care and equal employment opportunity policy.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a license agreement with MetroHealth Homes Housing Development Fund Corporation (the "HDFC") for the early stages of construction of housing for low income elderly and/or disabled persons on the campus of Metropolitan Hospital Center (the "Facility") using funds advanced by the Corporation subject to reimbursement upon execution of a long term lease with the HDFC.

WHEREAS, the subject license agreement is proposed to permit construction of the building on the property to be licensed to begin before the licensed property can be subleased to the HDFC as nominee for Metro East 99 Street LLC (the "LLC" and in such capacities jointly the "Tenant") in the fall of 2012; and

WHEREAS, it is a priority of both the New York State Department of Health and of the Corporation to facilitate the discharge of residents in the Corporation's skilled nursing facilities to suitable housing if their medical needs can be best met in community based non-institutional settings; and

WHEREAS, there is an acute shortage of housing for low income elderly and/or disabled patients currently being treated in the Corporation's long term care facilities who no longer require skilled nursing care and could be discharged if suitable housing were available; and

WHEREAS, the Corporation leases its real estate properties from the City of New York under the 1970 Operating Agreement between the Corporation and the City of New York thereby making any further lease of such properties by the Corporation to a third party effectively a sublease; and

WHEREAS, under authority granted by separate resolution adopted in conjunction with this one, in or after September 2012 the Corporation will enter into a long term sublease with the Tenant for its development and operation of a building to house low income elderly and/or disabled residents of the Corporation's long term care facilities and whose medical needs can best be met in a community based and non-institutional setting; and

WHEREAS, the building to be constructed will initially receive its tenants from Coler-Goldwater Specialty Hospital and Nursing Facility ("C-G"); and

WHEREAS, to meet the Corporation's scheduled transfer of a portion of the operations of C-G to the North General Campus by the end of 2013, construction of the planned building must begin immediately to enable the discharge of the C-G patients appropriate for community based housing and long term care before such transfer and such construction cannot wait until the long term sublease goes into effect; and

**Page Two – Resolution
License Agreement – 99th Street Development**

WHEREAS, the construction of the proposed building will be financed through 4% tax credits, a mortgage loan made by the New York City Housing Development Corporation and a MRT mortgage loan of \$7.3 million made possible by an appropriation from the State of New York through the Department of Health; and

WHEREAS, the HDFC is willing and able to begin construction of the planned building immediately using funds advanced by the Corporation prior to Tenant having access to financing that will be available only after execution of the long term sublease; and

WHEREAS, it is expected that the preliminary stages of construction of the planned building that will take place between the beginning of June 2012 and the execution of the long term sublease in or after September 2012 will require funding of approximately \$2.8 million.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to execute a license agreement with MetroHealth Homes Housing Development Fund Corporation (the "HDFC") for the early stages of the construction of a building on the campus of Metropolitan Hospital Center (the "Facility") to house low income elderly and/or disabled individuals who are residents of the Corporation's skilled nursing facilities and who are appropriate for community based housing and long term care support.

The HDFC shall have use and occupancy of an approximately 20,000 square-foot parcel of land which currently is used as a parking lot on the northern side of 99th Street east of Second Avenue on the campus of Metropolitan Hospital Center. The HDFC shall initiate the first stages to construction of a ten story building having approximately 150,000 square feet containing approximately 176 units of housing. The units will be a mix of one bedroom and studio apartments with an apartment for a live-in superintendent. The building will house low income elderly and/or disabled individuals who had been residents of the Corporation's skilled nursing facilities whose needs are more appropriately addressed in home and community based settings.

The Corporation shall enter into a license with the HDFC for a term of not more than six months terminable by either party without cause on 27 days' notice and, in any event, upon the execution of a long term sublease by the Corporation and the Tenant for the sublease of the property. In recognition of the substantial benefit the project will bring to the Corporation and its patients, the HDFC shall not pay any occupancy fee to the Corporation. The license will commence immediately upon its execution which is projected for late early June 2012.

The Corporation will advance to the HDFC not more than \$2.8 million to pay for the early stages of the construction of the planned building. The budget for such early stages of construction is set forth as part of the Summary of Economic Terms attached to this Resolution. The early stages of construction shall consist of preparing the construction site by clearing it,

**Page Three – Resolution
License Agreement – 99th Street Development**

erecting fencing, performing indicated remediation of hazardous substances, driving piles to support the building and other early construction tasks.

The Corporation shall advance funding for the construction to the HDFC upon the Corporation's approval of invoices (which approval shall not be unreasonably withheld) describing in detail the work completed and the cost of such work by trade and professional. Such invoices shall be approved in a manner agreed upon by all of the Tenant's lenders, investors and regulators such that all such parties agree that upon execution of the long term sublease all advances by the Corporation shall be reimbursed. Such approvals shall not impose any liability on such parties but will indicate only that such work has been completed and would have been appropriate for funding in the normal course had the subleases and its financing already closed.

Upon the execution of the sublease, all amounts advanced by the Corporation to fund the construction shall be reimbursed to the Corporation by the HDFC, its investor or the bank extending construction financing to the project.

The HDFC shall indemnify the Corporation and the City of New York and shall provide adequate insurance against all liability arising from its use and occupancy of the property, naming the Corporation and the City of New York as additional insured parties.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a sublease with MetroHealth Homes Housing Development Fund Corporation (the "HDFC") as nominee for Metro East 99 Street LLC (the "LLC" in such capacities being referred to together with the HDFC, as the "Tenant") for the development of housing for low income elderly and/or disabled persons on the campus of Metropolitan Hospital Center (the "Facility").

WHEREAS, it is a priority of both the New York State Department of Health and of the Corporation to facilitate the discharge of residents in the Corporation's skilled nursing facilities to suitable housing if their medical needs can be met in community based non-institutional settings; and

WHEREAS, there is an acute shortage of housing for low income elderly and/or disabled residents in the Corporation's skilled nursing facilities whose medical needs can best be met in community based, non-institutional settings and could be discharged if suitable housing were available; and

WHEREAS, the Tenant will develop and operate on the Facility's campus a building containing housing for low income elderly and/or disabled individuals who are residents in the Corporation's skilled nursing facilities and whose medical needs can best be met in community based, non-institutional settings, such development and operation to be subject to review and approval by the New York City Department of Housing Preservation and Development ("NYCHPD") and such other lenders, investors, or government agencies as may be required by the financing and structure of the project; and

WHEREAS, the Corporation leases its real estate properties from the City of New York under the 1970 Operating Agreement between the Corporation and the City of New York thereby making any further lease of such properties by the Corporation to a third party effectively a sublease; and

WHEREAS, a Public Hearing was held on May 9, 2012, in accordance with the requirements of the Corporation's Enabling Act, and prior to execution, the sublease will be subject to approval of the City Council and the Office of the Mayor.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to execute a sublease with MetroHealth Homes Housing Development Fund Corporation (the "HDFC") as nominee for Metro East 99 Street LLC (the "LLC" in such capacities being referred to together with the HDFC, as the "Tenant") for the development of housing on the campus of Metropolitan Hospital Center (the "Facility") for low

**Page Two – Resolution
Sublease Agreement – 99th Street Development**

income elderly and/or disabled individuals who are residents of the Corporation's skilled nursing facilities and whose medical needs can best be met in community based, non-institutional settings.

The Tenant shall have use and occupancy of an approximately 20,000 square-foot parcel of land which currently is used as a parking lot on the northern side of 99th Street east of Second Avenue on the campus of Metropolitan Hospital Center. The Tenant shall develop a ten story building having approximately 150,000 square feet containing approximately 176 units of housing. The units will be a mix of one bedroom and studio apartments with an apartment for a live-in superintendent. The building will house low income elderly and/or disabled individuals who had been residents of the Corporation's skilled nursing facilities and whose medical needs can best be met in community based, non-institutional settings.

The Corporation shall enter into a sublease with the Tenant for a term of ninety-nine (99) years. In recognition of the substantial benefit the project will bring to the Corporation and its patients, the Tenant shall prepay only a nominal rent to the Corporation. The sublease will commence immediately upon sublease execution which is projected for late September 2012.

The Tenant shall be responsible for all costs associated with the development and operation of its housing program. Pursuant to a license agreement between the HDFC and the Corporation to be authorized by separate resolution adopted in conjunction with this one, preliminary site preparation and foundation work will begin during June 2012 prior to sublease execution. Upon sublease execution such license shall terminate and the Tenant shall continue its construction under the sublease. All work will be in accordance with plans and specifications prepared by the Tenant, subject to approval by the Corporation, such approval not to be unreasonably withheld. Construction is anticipated to be concluded and the building ready for occupancy in December 2013.

The cost for all utilities provided to the building the Tenant will construct shall be the Tenant's responsibility provided that Tenant may pass the cost of utilities to the residents of the building. The Tenant shall also be responsible for all structural and nonstructural, interior and exterior maintenance of, and repairs to, the property.

The Tenant shall indemnify the Corporation and the City of New York and shall provide adequate insurance against all liability arising from its use and occupancy of the Demised Premises, naming the Corporation and the City of New York as additional insured parties.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with the New York City Police Department ("NYPD" or "Licensee") for use and occupancy of space to operate radio communications equipment at Elmhurst Hospital Center (the "Facility").

WHEREAS, the NYPD desires to install radio communications equipment at the Facility to enhance the performance of its city-wide radio operations network, and the Facility has the space to accommodate the NYPD communications system; and

WHEREAS, the Licensee's radio communications system shall not compromise Facility operations, and it complies with applicable federal statutes governing the emission of radio frequency signals and, therefore, poses no health risk.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") be and hereby is authorized to execute a revocable license agreement with the New York City Police Department ("NYPD" or "Licensee") for use and occupancy of space to operate radio communications equipment at Elmhurst Hospital Center (the "Facility").

The Licensee shall be granted use and occupancy of approximately fifty (50) square feet of space on the roof of the Main Building on the Facility's campus (the "Licensed Space"). The space shall be used by the Licensee for radio communications equipment. Public safety is enhanced by the system's operation, therefore the occupancy fee shall be waived. The Facility shall provide electricity to the Licensed Space. The operation and maintenance of the system shall be the responsibility of the Licensee.

The Licensee shall be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of its use of the Licensed Space.

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

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a contract with the New York Power Authority ("NYPA") for an amount not-to-exceed \$7,000,000 for the planning, pre-construction, design services, construction, procurement, construction management and project management services necessary to replace the existing boiler plant at Coney Island Hospital (the "Facility").

WHEREAS, in March 2005, the Corporation, the City University of New York (CUNY), the New York City Board of Education, and the City of New York, through the Department of Citywide Administrative Services (DCAS), executed an agreement with NYPA (the "Encore Agreement"), pursuant to which NYPA would enter into separate and specific sub-contracts with each Customer to implement comprehensive energy efficiency programs whose primary purpose would advance the cost-effective retrofitting or replacement of said Customer's existing heating and cooling technology through energy efficient measures relating to their usage of electricity and non-electric energy consumption; and

WHEREAS, the existing boiler plant has been in service since 1936, and consists of two (2) 256 Boiler Horse Power ("BHP") high-pressure, water-tube steam boilers, and one (1) 510 BHP high-pressure, water-tube steam boiler manufactured in 1954 and are increasingly difficult to maintain and operate effectively; and

WHEREAS, said boilers burn No. 6 grade fuel oil that will no longer be permitted for combustion on or before 2015 due to state and local legislation banning its continued use; and

WHEREAS, adoption of the Mayor's "PlaNYC" initiative to the boilers must be significantly renovated or replace by 2015; and

WHEREAS, NYPA conservatively estimates that said boiler replacements will produce total annual energy cost savings of over \$1,200,000 and will reduce carbon emissions by approximately 11,100 tons, effectively eliminating the carbon equivalent emission of about 1,830 cars from operation; and

WHEREAS, the need to replace the existing boiler plant is funded through the Corporation's debt capacity and is recognized as requiring replacement as part of its Capital Plan.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and is hereby authorized to execute an agreement with the New York Power Authority ("NYPA") in an amount not-to-exceed \$7,000,000 to include all phases of work, inclusive of the planning, pre-construction, design services, construction, procurement, construction management and project management services necessary to replace the two (2) existing boiler units at Coney Island Hospital (the "Facility").

RESOLUTION

Approving amendment of the Bylaws of MetroPlus Health Plan, Inc. to facilitate establishment of a Managed Long Term Care Plan and to better enable MetroPlus to conduct its business

WHEREAS, a resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation ("HHC") on October 29, 1998, authorized the conversion of MetroPlus Health Plan ("MetroPlus") from an operating division to a wholly owned subsidiary of HHC; and

WHEREAS, MetroPlus has submitted an application to the Department of Health of the State of New York ("SDOH") to establish a Managed Long Term Care Plan and;

WHEREAS, in reviewing that application, SDOH has identified a change necessary to the Bylaws of MetroPlus to require that the MetroPlus Board of Directors meet at least four times annually, once in each quarter, and;

WHEREAS, the Certificate of Incorporation of MetroPlus reserves to HHC the sole power with respect to amending the Bylaws of MetroPlus; and

WHEREAS, the Board of Directors of MetroPlus has approved a resolution recommending that the Board of Directors of HHC amend the Bylaws of MetroPlus to facilitate the establishment of a Managed Long Term Care Plan and to better enable MetroPlus to conduct its business;

NOW THEREFORE, be it

RESOLVED that Subsection (B) of Section 3 of Article V of the Bylaws of MetroPlus is amended to read as follows:

"(B) Regular Meetings. Regular meetings of the Board of Directors shall be held on a schedule determined annually by the Board of Directors. The Board of Directors shall assemble to conduct the business of the Corporation at least four times annually, once in each quarter, and shall for each such assembly provide prior notice to and shall include in each such assembly each enrollee or consumer representative and/or enrollee advisory council member elected or appointed to represent the Corporation's enrollees."

RESOLUTION

Approving amendment of the Certificate of Incorporation of MetroPlus Health Plan, Inc. to facilitate establishment of a Managed Long Term Care Plan and to better enable MetroPlus to conduct its business

WHEREAS, a resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation ("HHC") on October 29, 1998, authorized the conversion of MetroPlus Health Plan ("MetroPlus") from an operating division to a wholly owned subsidiary of HHC; and

WHEREAS, MetroPlus has submitted an application to the Department of Health of the State of New York ("SDOH") to establish a Managed Long Term Care Plan and;

WHEREAS, in reviewing that application, SDOH has identified certain changes necessary to the Certificate of Incorporation of MetroPlus and;

WHEREAS, MetroPlus has identified certain other changes to the Certificate of Incorporation of MetroPlus which would better enable MetroPlus to conduct its business and;

WHEREAS, the Certificate of Incorporation of MetroPlus reserves to HHC the sole power with respect to amending the Certificate of Incorporation of MetroPlus; and

WHEREAS, the Board of Directors of MetroPlus has approved a resolution recommending that the Board of Directors of HHC amend the Certificate of Incorporation of MetroPlus to facilitate the establishment of a Managed Long Term Care Plan and to better enable MetroPlus to conduct its business;

NOW THEREFORE, be it

RESOLVED that the Certificate of Incorporation of MetroPlus be amended as follows: (1) changing the principal office of MetroPlus to 160 Water Street, 3rd floor, New York, New York 10038; (2) amending the powers and purposes of MetroPlus to allow the establishment and operation of a Managed Long Term Care Plan, a Behavioral Health Managed Care Plan, and other plans, programs and lines of business; and (3) raising the threshold of HHC's reservation of contracting authority found in the seventh paragraph of section SIXTH from One Million Dollars (\$1,000,000) to Three Million Dollars (\$3,000,000).

Board of Directors

EXECUTIVE COMMITTEE

A meeting of the Executive Committee of the New York City Health and Hospitals Corporation was scheduled to convene at 125 Worth Street, New York, New York 10013 on the 12th day of June, 2012 at 10:00 a.m., pursuant to a notice provided to the Directors and the public by the Secretary.

The following members of the Executive Committee were present:

Michael A. Stocker, MD
Mr. Alan D. Aviles
Rev. Diane E. Lacey
Josephine Bolus, RN
Mr. Bernard Rosen
Ms. Andrea Cohen, representing Ms. Linda I. Gibbs
in a voting capacity

Dr. Michael Stocker Chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

CHAIRPERSON'S REPORT

Dr. Stocker reviewed the rules, functions and powers of the Executive Committee as set forth in the New York City Health and Hospitals Corporation Bylaws. He explained that the Executive Committee is empowered to take action on behalf of the Board of Directors between Board meetings when urgent matters necessitate Board action.

Mr. Aviles stated that the reason for the Executive Committee meeting was because while the official filing with the Centers for Medicare and Medicaid Services for approval to become an Accountable Care Organization ("ACO") is scheduled for this August, the Notice of Intent to

Become an ACO is due during the week of June 15th. The mere filing of such “NOTICE” unexpectedly requires the creation of an ACO entity by HHC. The creation of the ACO entity requires the passage of a Board resolution that authorizes the President of HHC to file a certificate of incorporation on behalf of HHC for the establishment of an ACO HHC subsidiary corporation.

Mr. Aviles further explained that while HHC was contemplating establishing an ACO, what expedited our move in this direction were our negotiations with our Affiliates, and the desire to place certain performance indicators (“PIs”) into our contracts. The PIs that HHC sought to set forth in the Affiliation Contracts, such as targeted reductions in length of stays, re-admissions etc., would raise legal concerns. However, the final regulation governing ACOs include waivers from various legal barriers to such arrangements. Therefore establishing an ACO will provide a safe harbor for us and our Affiliates to place such PIs into our contracts.

In response to an inquiry by Mrs. Bolus, Dr. Ross Wilson, Senior Vice President & Chief Medical Officer clarified that the waiver was valid one-year prior to the actual qualification of the ACO. It remains intact until such time as the ACO loses its designation. Mrs. Bolus further asked whether there would be a process to appeal the loss of ACO designation. Dr. Wilson responded that he believes that there would be an appeals process.

Ms. Cohen inquired as to the State’s potential reaction. Dr. Wilson responded that the State’s Medicaid Redesign Team in its recommendations appears to be in the direction of an ACO model. Further, we can expect that the State will devise its own form of an ACO prototype. Ms. Cohen further inquired as to whether the ACO is subject to any New York State law vulnerabilities from the Office of the Medicaid Inspector General, etc., Mr. Russo replied that there is no State version of the federal prohibition against “gainsharing.” There does not appear to be any State legal issue relevant to our proposed PIs.

Rev. Lacey questioned whether our Affiliates will be exclusive participants in the HHC ACO, or whether there are any other proposed ACO entities, in which they may participate. Mr. Aviles responded that none of the entities are involved in other ACOs at this time. The only other ACO that we are aware of is Montefiore Medical Center. The HHC ACO is beginning with a defined group of participants which is HHC and its affiliate partners. It may be expanded at a later time.

Mr. Rosen asked whether the membership on the Board of the ACO is limited. The response by Mr. Russo was no.

Dr. Stocker then proceeded to ask a number of questions focusing upon the control of the ACO subsidiary by the HHC Board of Directors. While the ACO subsidiary is to be a wholly-owned subsidiary, Dr. Stocker was desirous of some further controls upon the ACO subsidiary by the HHC Board. These additional safeguards included approval of the ACO Bylaws and any amendments thereto, as well as the appointment of the initial Board, and any subsequent members of the ACO Board of Directors. These revisions were incorporated into the below resolution.

Ms. Cohen stated that she is confident that the CMS will approval HHC's application.

ACTION ITEM

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to create, by the means deemed appropriate by the President, a wholly owned subsidiary public benefit corporation, for which the Corporation's Board will appoint directors and approve bylaws and any subsequent amendments thereto; said means to include, without limitation, the filing of the Certificate of Incorporation of HHC ACO Inc. ("the ACO Subsidiary") that appoints the initial board of directors of the ACO Subsidiary with the New York State Secretary of State, in order to establish an Accountable Care Organization ("ACO") to meet the purposes and goals of the Medicare Shared Savings Program;

AND

Authorizing the negotiation and execution, by the President, of ACO participation agreements among the Corporation, the ACO Subsidiary and individually, or collectively, the Mount Sinai School of Medicine, New York University School of Medicine, Physician Affiliate Group of New York, P.C., Staten Island University Hospital and other entities identified by the President, in order to function as ACO participants in the ACO Subsidiary;

AND

Authorizing the filing, by the President, on behalf of the Corporation, of a Notice of Intent and Application to Participate in the Medicare Shared Savings Program.

Rev. Lacey moved the adoption of the resolution which was duly seconded by Mrs. Bolus and unanimously adopted by the Executive Committee.

There being no further business, the meeting ended at 11:04 a.m.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“the Corporation”) to create, by the means deemed appropriate by the President, a wholly owned subsidiary public benefit corporation, for which the Corporation’s Board will appoint directors and approve bylaws and any subsequent amendments thereto; said means to include, without limitation, the filing of the Certificate of Incorporation of HHC ACO Inc. (“the ACO Subsidiary”) that appoints the initial board of directors of the ACO Subsidiary with the New York State Secretary of State, in order to establish an Accountable Care Organization (“ACO”) to meet the purposes and goals of the Medicare Shared Savings Program;

AND

Authorizing the negotiation and execution, by the President, of ACO participation agreements among the Corporation, the ACO Subsidiary and individually, or collectively, the Mount Sinai School of Medicine, New York University School of Medicine, Physician Affiliate Group of New York, P.C., Staten Island University Hospital and other entities identified by the President, in order to function as ACO participants in the ACO Subsidiary;

AND

Authorizing the filing, by the President, on behalf of the Corporation, of a Notice of Intent and Application to Participate in the Medicare Shared Savings Program.

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

WHEREAS, the services provided by these Affiliates include the clinical and ancillary services of physicians and non-physician staff sufficient to meet promptly the needs of all patients seeking inpatient and outpatient services, as well as all necessary teaching, administration, quality assurance and supervisory services as may be required; and

WHEREAS, contract payments are made by the Corporation to reimburse the Affiliates for the salaries and fringe benefits of their employed providers and associated overhead expenses, and may include, in addition, compensation earned through satisfaction of certain benchmarks (examples of which are set forth in Attachment A, annexed hereto), which are intended to improve quality of care, eliminate inefficiencies and reduce costs – goals that further the purposes and goals of the ACO Subsidiary and the Medicare Shared Savings Program; and

WHEREAS, the Corporation, in the exercise of its powers and fulfillment of its corporate purposes, desires to use the ACO Subsidiary to function as an ACO, with the Corporation and any Affiliates that have negotiated and executed ACO participation agreements with the Corporation and the ACO Subsidiary, in order to further the purposes including, but not limited to, meeting the purposes and goals of the Medicare Shared Savings Program.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the Corporation is authorized to create, by the means deemed appropriate by the President, a wholly owned subsidiary public benefit corporation for which the Corporation's Board will appoint directors and approve bylaws and any subsequent amendments thereto; said means to include, without limitation, the filing of the Certificate of Incorporation of the ACO Subsidiary that appoints the initial board of directors of the ACO Subsidiary with the New York State Secretary of State, in order to establish an ACO to meet, without limitation, the purposes and goals of the Medicare Shared Savings Program; and

BE IT FURTHER RESOLVED, that the President is authorized to negotiate and execute ACO participation agreements among the Corporation, the ACO Subsidiary and individually, or collectively, the Mount Sinai School of Medicine, New York University School of Medicine, Physician Affiliate Group of New York, P.C., Staten Island University Hospital and other entities identified by the President, in order to function as ACO participants in the ACO Subsidiary; and

BE IT FURTHER RESOLVED, that the President is authorized to file, on behalf of the Corporation, a Notice of Intent and Application to Participate in the Medicare Shared Savings Program.

ATTACHMENT A
SAMPLE PERFORMANCE INDICATORS
(from North Brooklyn Health Network-NYU Agreement, Fiscal Years 2012-2014*)

| No. | Category | Performance Indicator | Description |
|-----|--------------------|--|--|
| 1. | Utilization | Acute Average Length of Stay | Reduction of the composite average length of stay for inpatients in Medicine, Obstetrics/Gynecology, Pediatrics and Surgery Departments. |
| 2. | Utilization | ED Average Length of Stay | Reduction of the average length of stay in the Emergency Department. |
| 3. | Utilization | Avoidable Admissions (Did not meet admitting criteria) | Reduction of ER admissions for patients who do not meet admitting criteria to the Medicine and Surgical inpatient units and ICU. |
| 4. | Utilization | Average Number of Visits Per Patient | Reduction of re-visit rates to the Emergency Department and connecting patients to Medical and Pediatrics Ambulatory Care Pavilions. |
| 5. | Utilization | Metroplus out-of-network Medical and Surgical Inpatient Admissions | Reduction of number of inpatient admissions to non-HHC facilities for patients whose Primary Care Physician is an Affiliate Physician, per Metroplus utilization reports for Medicine and Surgery Departments. |
| 6. | Documentation | APR-Case Mix Index ("CMI") | Increase CMI for Medicine, Pediatrics and Surgery inpatient. |
| 7. | Medical Management | OPD Physician Review Queue | Increase rate of clearance of lab results from the OPD physician review queue within 72 hours of patient visit. |
| 8. | CMS | 30 day All-Cause Readmission Rates from CHF | Reduction of any second admission within 30 days of a discharge of a patient with Heart Failure (APR DRG 194) |
| 9. | CMS | Pneumonia: PN3b | Blood cultures performed in the ED prior to the initial antibiotic received in hospital. |
| 10. | CMS | Surgical Care Improvement Project: SCIP-Inf-3a | Prophylactic antibiotics discontinued within 24 hours after inpatient surgery end time. |
| 11. | HCAHPS | Communication about New Medicines | Communication about New Medicines: Composite HCAHPS Survey Score for Medicine and Surgery Departments. |
| 12. | HCAHPS | Communication between Physicians and Patients | Communication with Doctors: Composite HCAHPS Survey Score for Medicine and Surgery Departments. |
| 13. | PCMH | Patient-Centered Medical Home | Sustaining Level 3 Recognition designation from National Center for Quality Assurance |

* Note that the sample chart above includes only those Performance Indicators that continue throughout the term of the Agreement.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to rename the Department of Dentistry and Oral Surgery at Harlem Hospital Center (the "Facility") the "Dr. James E. McIntosh Department of Dentistry and Oral Surgery".

WHEREAS, the administration of Harlem Hospital Center has recommended that the Department of Dentistry and Oral Surgery be renamed in honor of Dr. James E. McIntosh, former Chair of the Department of Dentistry and Oral Surgery; and

WHEREAS, Dr. James E. McIntosh started his services to the New York City Health and Hospitals Corporation in 1969 as a dental resident at Sydenham Hospital; and

WHEREAS, he worked his way up through the ranks and in the 1970s he became the Director of Dentistry and served two terms as Medical Board President at Sydenham Hospital; and

WHEREAS, Dr. McIntosh came to Harlem Hospital Center in 1984 when the Department of Dentistry was a division under General Surgery. He brought dentistry to the departmental status. The present dental clinic in the Women's Pavilion opened in 1984 and the first year there were 6,000 dental visits. In the next ten (10) years this would increase to 27,000 dental visits; and

WHEREAS, in 1988, in cooperating with Columbia University School of Dental and Oral Surgery, he started the minority specialty program. This program trained over 30 minority specialists. During his career Dr. McIntosh trained over a hundred minority general dentists who mostly returned to underserved areas of the country to practice; and

WHEREAS, Dr. McIntosh served the community by providing strong compassionate leadership to the Department of Dental and Oral Surgery until his retirement in 2000; and

WHEREAS, the Facility has met the requirements for renaming a portion of a facility as set forth in the Corporation's Operating Procedure 100-8, dated December 15, 2004; and

WHEREAS, the renaming is supported by the Facility's Community Advisory Board, the Medical Board, and the Executive Director of Harlem Hospital Center as required by Operating Procedure 100-8.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation"), be and hereby is authorized to rename the Department of Dentistry and Oral Surgery at Harlem Hospital Center (the "Facility") the "Dr. James E. McIntosh Department of Dentistry and Oral Surgery."

The President of the Corporation is hereby authorized to notify all private and public agencies and organizations involved and interested in the affairs of said department of the said renaming.

EXECUTIVE SUMMARY

RENAMING

"DR. JAMES E. MCINTOSH DEPARTMENT OF DENTISTRY AND ORAL SURGERY"

HARLEM HOSPITAL CENTER

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to rename the Department of Dentistry and Oral Surgery at Harlem Hospital Center (the "Facility") the "Dr. James E. McIntosh Department of Dentistry and Oral Surgery".

Harlem Hospital Center is a 286-bed hospital, which provides primary, secondary and tertiary acute health care services to patients and residents of Central and Northern Harlem.

We are requesting approval to name the Department of Dentistry and Oral Surgery after the dedicated dentist who served the Harlem Community for over forty years, Dr. James E. McIntosh. The formal of the Department will be the "Dr. James E. McIntosh Department of Dentistry and Oral Surgery."

Dr. James E. McIntosh started his service to the Health and Hospitals Corporation in 1969 as a dental resident at Sydenham Hospital. In the 1970s he became Director of Dentistry and served two terms as Medical Board President at Sydenham Hospital. He was instrumental in the formation of the Sydenham NFCC where he later became the Director of Dentistry.

Dr. McIntosh came to Harlem Hospital Center in 1984 when the Department of Dentistry was a division under General Surgery. He brought dentistry to the departmental status. The present dental clinic in the Women's Pavilion opened in 1984 and the first year there were 6,000 dental visits. In the next ten (10) years this would increase to 27,000 visits. In 1988, in cooperation with Columbia University School of Dental and Oral surgery, he started the minority specialty program. This program trained over 30 minority specialists. During his career Dr. McIntosh trained over one hundred minority general dentists who mostly returned to underserved areas of the country to practice.

Under Dr. McIntosh's leadership, the Thelma C. Davidson Adair Medical and Dental Center in central Harlem was established in 2005. This freestanding primary care facility is a leading example of a university and community joining together to realize a mutual dream: an easy to access, state-of-the-art medical and dental facility for the Harlem community with special emphasis on families and seniors.

Dr. McIntosh has published numerous professional and peer-reviewed articles and presented at national and international conferences. He is well respected in the dental community and is considered an expert in improving the diversity in the dental profession's workforce.

This action to honor Dr. James E. McIntosh's significant contribution of the dental profession is supported by Harlem Hospital Center's Medical Board, the Community Advisory Board, as well as, the Executive Director (see attached letters).



HARLEM
HOSPITAL CENTER

LINCOLN MEDICAL AND
MENTAL HEALTH CENTER

MORRISANIA DIAGNOSTIC
AND TREATMENT CENTER

RENAISSANCE
HEALTH CARE NETWORK

SEGUNDO RUIZ BELVIS
DIAGNOSTIC & TREATMENT CENTER

HARLEM HOSPITAL CENTER

506 Lenox Avenue, New York, NY 10037-1802 Tel (212) 939-1340 Fax (212) 939 8300

Denise C. Soares, RN, MA
Executive Director



April 11, 2012

TO: Anita O'Brien
Associate Executive Director
Modernization Project

FR: Denise C. Soares, R.N., M.A.

RE: Renaming the Department of Dentistry and Oral Surgery

As we have discussed, Harlem Hospital Center would like to rename the Department of Dentistry and Oral Surgery after Dr. James E. McIntosh.

Attached is a resolution and letters of support to be presented to the New York City Health and Hospitals Corporation Board of Directors Capital Committee. Please let me know when you have scheduled this matter to go before the Capital Committee so that appropriate Staff may attend the meeting.

Thank you in advance for your prompt attention.

DCS:hs

Executive Summary

Harlem Hospital Center is a 286-bed hospital, which provides primary, secondary, and tertiary acute health care services to patients and residents of Central Harlem and Northern Manhattan.

We are requesting approval to name the Department of Dentistry and Oral Surgery after the dedicated dentist who served the Harlem Community for over forty years, Dr. James E. McIntosh. The formal name of the Department will be the "Dr. James E. McIntosh Department of Dentistry and Oral Surgery."

Dr. James E. McIntosh started his service to Health and Hospitals Corporation in 1969 as a dental resident at Sydenham Hospital. In the 1970s he became the Director of Dentistry and served two terms as Medical Board President at Sydenham Hospital. He was instrumental in the formation of the Sydenham NFCC where he later became the Director of Dentistry.

Dr. McIntosh came to Harlem Hospital in 1984 when the Department of Dentistry was a division under General Surgery. He brought dentistry to the departmental status. The present dental clinic in the Women's Pavilion opened in 1984 and the first year there were 6,000 dental visits. In the next 10 years this would increase to 27,000 dental visits. In 1988, in cooperation with Columbia University School of Dental and Oral Surgery, he started the minority specialty program. This program trained over 30 minority specialists. During his career Dr. McIntosh trained over a hundred minority general dentists who mostly returned to underserved areas of the country to practice.

Under Dr. McIntosh's leadership, the Thelma C. Davidson Adair Medical and Dental Center in central Harlem was established in 2005. This freestanding primary care facility is a leading example of a university and community joining together to realize a mutual dream: an easy to access, state-of-the-art medical and dental facility for the Harlem community with special emphasis on families and seniors.

Dr. McIntosh has published numerous professional and peer-reviewed articles and presented at national and international conferences. He is well respected in the dental community and is considered an expert in improving the diversity in the dental profession's workforce.

This action to honor Dr. James E. McIntosh's significant contribution of the dental profession is supported by Harlem Hospital Center's Medical Board, the Community Advisory Board, as well as, the Executive Director (see attached letters.)



HARLEM HOSPITAL CENTER

506 LENOX AVENUE NEW YORK NY 10037 TEL (212) 939 1000

**HARLEM
HOSPITAL CENTER**
•
**LINCOLN MEDICAL AND
MENTAL HEALTH CENTER**
•
**MORRISANIA DIAGNOSTIC
AND TREATMENT CENTER**
•
**RENAISSANCE
HEALTH CARE NETWORK**
•
**SEGUNDO RUIZ BELVIS
DIAGNOSTIC &
TREATMENT CENTER**

March 09, 2012

**Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013**

Dear Mr. Aviles:

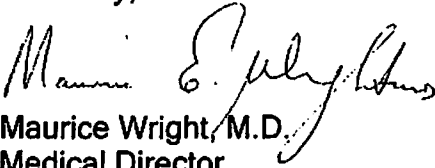
On behalf of the Medical Staff at Harlem Hospital Center, I am writing to express our support for the resolution to rename The Department of Dentistry and Oral Surgery at in honor of Dr. James E. McIntosh, one of the Harlem Community's most revered clinicians and educators.

Dr. McIntosh's exemplary efforts as a practitioner and educator have garnered him a special place in the Harlem community. He has collaborated with administrators, practitioners, and members of our community on many project to support the development of Harlem's programmatic initiatives and purchase of state-of-the-art equipment. has long been committed to improving the dental and oral health of Harlem residents, having started his career in 1969 as a dental resident at Sydenham Hospital. He came to Harlem Hospital Center in 1984 and served this community until 2000. After nearly forty years of providing exemplary dental care to Harlem residents, he returned and continued his civic and humanitarian efforts.

His resolute commitment to educating and training minority dentists is unparalleled. In 1988, in cooperation with Columbia University School of Dental and Oral Surgery, he started the minority specialty program. This program trained over 30 minority specialists. During his career Dr. McIntosh trained over a hundred minority general dentists who returned to underserved areas of the country to practice.

I wholeheartedly support the renaming of the Department of Dentistry and Oral Surgery at Harlem Hospital Center to the "Dr. James E. McIntosh Department of Dentistry and Oral Surgery."

Sincerely,

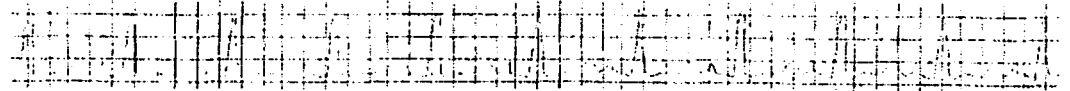
A handwritten signature in black ink, appearing to read "Maurice E. Wright, M.D.", written in a cursive style.

Maurice Wright, M.D.
Medical Director
Harlem Hospital Center



HARLEM HOSPITAL CENTER

506 LENOX AVENUE NEW YORK NY 10037 TEL (212) 938-1000



HARLEM
HOSPITAL CENTER

LINCOLN MEDICAL AND
MENTAL HEALTH CENTER

METROPOLITAN
HOSPITAL CENTER

MORRISANIA DIAGNOSTIC
AND TREATMENT CENTER

RENAISSANCE
HEALTH CARE NETWORK

SEGUNDO RUIZ BELVIS
DIAGNOSTIC & TREATMENT CENTER

March 08, 2012

Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles:

On behalf of The Department of Dentistry and Oral Surgery at Harlem Hospital Center, I wholeheartedly support the resolution to rename the Department of Dentistry and Oral Surgery in honor of Dr. James E. McIntosh, the distinguished clinician.

Dr. McIntosh is well known, and well respected throughout the Harlem Community. He has been a venerable member of the Harlem Community for over forty years as a dentist, humanitarian and tireless community advocate. Dr. McIntosh first came to the Harlem Community in 1969, after graduating from the University of Missouri, where he was the first black student. He began his dental residency at Sydenham Hospital, he remained in the community and continued to provide exemplary and compassionate dental care to Harlem residents through both his public service and private practice.

Perhaps most notable is Dr. McIntosh's philanthropic spirit and devotion to the Harlem Community. He has served on the Board of the Friends of Harlem Hospital Center who has raised nearly \$2 million in charity donations to develop innovative programmatic initiatives at Harlem Hospital Center. The Friends of Harlem Hospital Center has been touted as spearheading many of the nationally recognized Centers of Excellence at Harlem Hospital Center.

The Department of Dentistry and Oral Surgery wholeheartedly endorses the renaming of the Department of Dentistry and Oral Surgery in honor of Dr. James E. McIntosh.

Sincerely,

James R. King, D.D.S.
Director, Department of Dentistry and Oral Surgery
Harlem Hospital Center



HARLEM HOSPITAL CENTER

506 LENOX AVENUE, NEW YORK, NY 10037 Tel (212) 939-1536



Medical/Dental Board

JOAN CULPEPPER-MORGAN, M.D.
PRESIDENT

JOHN F. J. CLARK, M.D.
PRESIDENT

BENJAMIN AUBREY, M.D.
SECRETARY

BRIAN A. DONALDSON, MD
TREASURER

March 12, 2012

Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles:

On behalf of Harlem Hospital Center's Medical/Dental Board, I unequivocally endorse the resolution to rename the dental clinic in honor of Dr. James E. McIntosh, one of the Harlem Community's most revered clinicians and educators.

Dr. McIntosh has long been committed to improving the dental and oral health of Harlem residents, having started his career in 1969 as a dental resident at Sydenham Hospital. He came to Harlem Hospital Center in 1984 and served this community until 2003. After thirty-four years of providing exemplary dental care to Harlem's residents, he returned and continued his civic and humanitarian efforts.

His resolute commitment to educating and training minority dentists is unparalleled. In 1988, in cooperation with Columbia University School of Dental and Oral Surgery, he started the minority specialty program; this program trained over thirty minority specialists. During his career, Dr. McIntosh trained over a hundred minority general dentists who returned to underserved areas of the country to practice.

The Medical/Dental Board of Harlem Hospital Center wholeheartedly supports the renaming of the dental clinic to the "Dr. James E. McIntosh Dental Clinic."

Sincerely,

Joan A. Culpepper-Mogan, MD
President, Medical/Dental Board
Harlem Hospital Center



HARLEM HOSPITAL CENTER

506 ELLIOTT AVENUE NEW YORK, NY 10027-1802 TEL (212) 939-1000

Community Advisory Board

March 16, 2012

Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles:

On behalf of Harlem Hospital Center's Community Advisory Board, we unreservedly support the resolution to rename the Department of Dentistry and Oral Surgery in honor of Dr. James E. McIntosh.

His exemplary efforts as a practitioner and educator have garnered him a special place in the Harlem community. He has collaborated with administrators, practitioners, and members of our community on many projects to support the development of Harlem's programmatic initiatives and purchase of state-of-the-art equipment.

As a member of the Board of the Friends of Harlem Hospital Center, he continues to support the hospital's fundraising efforts to raise monies to ensure that Harlem residents continue to receive accessible, efficient, high quality and compassionate health care services,

We wholeheartedly endorse the renaming of the Department of Dentistry and Oral Surgery to the Dr. James E. McIntosh Department of Dentistry and Oral Surgery.

Sincerely,

Stephane Howze
Chairperson
Harlem Hospital Center Community Advisory Board

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to name in its entirety the new location of the former Goldwater Specialty Hospital and Nursing Facility, which will be constructed on the campus of the former North General Hospital, the Henry J. Carter Specialty Hospital and Nursing Facility.

WHEREAS, the Corporation has committed to the relocation of the Goldwater Campus and will now accommodate the residents of Goldwater in new and renovated and modernized buildings that will be sited on the former campus of North General Hospital, the new facility shall be named in honor of Henry J. (Hank) Carter; and

WHEREAS, Hank Carter has been a philanthropist and activist for the independence and ability to live life to the fullest for those whose physical mobility and capabilities are limited and require wheelchairs, and has, through his extraordinary faith, generosity of spirit, and bountiful donations improved the mobility and expanded the reach and scope of thousands of Goldwater residents; and

WHEREAS, through their deep and abiding commitment over nearly 40 years, Mr. Carter and Wheelchair Charities, Incorporated, have funded on behalf of Goldwater Hospital and HHC a vast array of resources, including an extensive computer laboratory, a gymnasium and rehabilitation facility, specialized hospital beds, transport vans, and thousands of the finest wheelchairs manufactured in order to help residents be able to participate in life beyond the walls of the facility; and

WHEREAS, Mr. Carter's gifts and donations have totaled more than \$25 million in value and changed the lives of thousands, and over the years, Hank Carter has become a cherished and beloved presence in the Goldwater community; an inspiration and source of hope to residents and staff; and a friend of inestimable magnitude to all of HHC; and

NOW, THEREFORE, BE IT RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to name the HHC facility to be sited on the campus of the former North General Hospital the Henry J. Carter Specialty Hospital and Nursing Facility.

EXECUTIVE SUMMARY

NAMING OF A FACILITY

THE HENRY J. CARTER SPECIALTY HOSPITAL AND NURSING FACILITY

SOUTH MANHATTAN NETWORK

The President of the New York City Health and Hospitals Corporation seeks authorization from the Board of Directors to name the future facility to be constructed on the campus of the former North General Hospital the Henry J. Carter Specialty Hospital and Nursing Facility.

Henry (Hank) Carter is a beloved friend and well-respected philanthropist who, through the work of his organization, Wheelchair Charities, Incorporated (WCI), has donated more than \$25 million in various mobility assistive and other devices that have dramatically improved the lives of residents at HHC's Coler and Goldwater facilities since 1973, when he first came to the aid of a friend who was – and is – confined to a wheelchair.

Over the years, Hank Carter and WCI have made their work as agents of love and independence a cornerstone of life at Coler and Goldwater. For residents and staff of these facilities and across HHC, through other acts of generosity such as support for the newly constructed NICU at Bellevue and the STAT! performance series, Hank Carter is both a friend and a hero, a symbol of the caring commitment of our system to improving the lives of those we serve.

Now, as the planning for the new campus that will house the services and many of the current residents of the Goldwater facility, and in recognition of Mr. Carter's historic record of heartfelt contributions to our system and the 40th anniversary of Wheelchair Charities, Inc in May 2013, the New York City Health and Hospitals Corporation is requesting to name in its entirety the new Specialty Hospital and Nursing Facility the Henry J. Carter Specialty Hospital and Nursing Facility.

Alan D. Aviles
President

June 26, 2012

Michael Stocker, MD
Chairman of the Board of Directors
New York City Health and Hospitals Corporation
125 Worth Street, Suite 519
New York, NY 1013

Dear Chairman Stocker:

I am proud to ask the board to consider the resolution to name the new location of the former Goldwater Specialty Hospital and Nursing Facility, which will be constructed on the campus of the former North General Hospital, the Henry J. Carter Specialty Hospital and Nursing Facility.

HHC, and so many of the patients and residents of Coler-Goldwater, have been fortunate to have Mr. Carter as our friend and our benefactor for almost 40 years. In those years, through Wheelchair Charities, the organization he founded, he has provided more than \$25 million dollars worth of equipment for patients and residents of Coler-Goldwater. These donations include wheelchairs to thousands of residents, and other items that have improved immeasurably the quality of life of residents, such as televisions, gym equipment, hundreds of computers, and even specially equipped transport vans.

Mr. Carter has always understood that the most significant benefit of his donations enable its residents to take more control over their lives and to give the independence and the dignity that comes with mobility.

Throughout HHC, our patients, residents, staff, friends, and family know and appreciate what Mr. Carter has done to support us. It is so fitting that we can show our deep and heartfelt gratitude to name the new location of the Goldwater Specialty Hospital and Nursing Facility in honor of Hank Carter.

Sincerely,



Alan D. Aviles

Cc: HHC Board of Directors



Bellevue Hospital Center
South Manhattan Healthcare Network

First Avenue & 27th Street, ME 6, New York, NY 10016 tel 212.562.4372 fax 212.562.3548
curtis@nychhc.org

Lynda D. Curtis, Executive Director
Senior Vice President

June 25, 2012

Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles,

On behalf of the South Manhattan Network I am extremely pleased to support the resolution to name the new Goldwater Specialty Hospital and Nursing Facility (Goldwater) in honor of Mr. Henry (Hank) Carter. Mr. Carter's extraordinary commitment to improving the lives of the patients and residents on both campuses of the Coler-Goldwater Specialty Hospital and Nursing Facility (Coler-Goldwater) has earned him a special place in the hearts of all of us in the South Manhattan Network community.

For more than 40 years, he has dedicated himself to generating tens of millions of dollars for programs and equipment at Coler-Goldwater. Through Wheelchair Charities, Inc., he has single-handedly enabled thousands of men and women to enjoy better lives. However, it is his unabiding faith and generosity of spirit that inspires us all and for which we are most grateful. It is so fitting that we may begin a new era of long term care at the Henry J. Carter Specialty Hospital and Nursing Facility in honor of such a special man.

Sincerely,



Lynda D. Curtis

COLER♥GOLDWATER

Specialty Hospital and Nursing Facility

One Main Street, Roosevelt Island, New York 10044

Executive Office

ROBERT K. HUGHES

Executive Director

June 25, 2012

Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles:

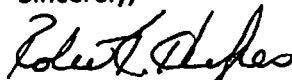
On behalf of Coler-Goldwater Specialty Hospital and Nursing Facility (Coler-Goldwater), I and my leadership team wholeheartedly support the Board of Directors' resolution to name the new Goldwater facility, which is being built on the former North General Hospital campus, the Henry J. Carter Specialty Hospital and Nursing Facility.

The patients, residents and staff of Coler-Goldwater, have been fortunate to have as our friend and benefactor, Mr. Henry (Hank) Carter. For more than 40 years, Mr. Carter has walked the halls of Coler-Goldwater, spoken with patients, residents and family members, observed where there were needs to be addressed and engaged the staff in taking action. He has provided more than \$25 million of equipment and program resources to both campuses. Through the Wheelchair Charities, Inc. (WCI), he has provided motorized wheelchairs to thousands of residents, outfitted therapy rooms, purchased specially equipped transport vans, established a state-of-the-art computer room, and done much more.

All of these monetary donations have helped so many; however it has been his extraordinary ability to inspire others that has had the greatest impact. Not a day goes by without residents and staff expressing their heartfelt gratitude for something that Mr. Hank Carter has said or done that made a difference in their individual lives.

It is fitting that our deep appreciation of his friendship and support can be shown by naming the "new" Goldwater in honor of Mr. Hank Carter.

Sincerely,



Robert K. Hughes

COLER CAMPUS
Tel. (212) 848-6300

Email:
robert.hughes@nychhc.org

GOLDWATER CAMPUS
Tel. (212) 318-8000

*South Manhattan Healthcare Network
Member New York City Health and Hospitals Corporation*

COLER ♥ GOLDWATER

Coler Campus
(212) 848-6000

Specialty Hospital and Nursing Facility

One Main Street, Roosevelt Island, New York 10044

Executive Office

Goldwater Campus
(212) 318-8000

June 25, 2012

Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles,

On behalf of the Medical Staff at Coler-Goldwater Specialty Hospital and Nursing Facility (Coler-Goldwater), I am writing to express our support for the resolution to name the "new" Goldwater, on the campus of the former North General Hospital, in honor of Mr. Henry (Hank) Carter. Mr. Carter's more than 40 year philanthropic commitment to the residents of Coler-Goldwater is unparalleled. He and Wheelchair Charities, Inc. (WCI) have been driving forces to ensure that staff have the equipment we need to provide the best therapies possible to improve the functioning levels of the residents.

Hank Carter has an unwavering belief that everyone, including individuals who have physical mobility limitations, should live their lives to the fullest. Through his extraordinary faith, generosity of spirit and bountiful donations, he and WCI have provided the means of mobility and enhanced the lives of thousands of Goldwater residents.

Over nearly 40 years, Mr. Carter and WCI have funded an array of resident support services and equipment at Coler-Goldwater. These have included an extensive computer laboratory, a gymnasium, a rehabilitation facility, specialized hospital beds, transport vans, and thousands of sophisticated wheelchairs to help residents be able to participate in life beyond the walls of the facility. Mr. Carter's gifts have totaled more than \$25 million. Hank Carter is a cherished and beloved presence in the Coler-Goldwater community, and an inspiration and source of hope to residents and staff.

Sincerely,



Yelena Suler, MD
Medical Staff President

COLER♥GOLDWATER

Specialty Hospital and Nursing Facility
GOLDWATER COMMUNITY ADVISORY BOARD
One Main Street, Roosevelt Island, New York 10044

June 25, 2012

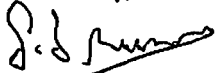
Alan Aviles, Esq.
President and CEO
New York City Health and Hospitals Corporation
125 Worth Street, Fifth Floor
New York, New York 10013

Dear Mr. Aviles:

On behalf of the Goldwater Community Advisory Board (CAB), we endorse, without reservation, the renaming of the Goldwater Specialty Hospital and Nursing Facility in honor of Mr. Henry (Hank) Carter. Mr. Hank Carter has been a longstanding friend of the CAB and an inspirational presence in the Goldwater community. He has been the facility's benefactor for more than 40 years and thousands of Goldwater patients', residents' and families' lives have improved because of his efforts.

We truly appreciate the New York City Health and Hospitals Corporation's willingness to recognize Mr. Carter's commitment to Coler-Goldwater by naming the new Goldwater in his honor.

Sincerely,



Sunderam Srinivasan
Chairman

Community Advisory Board

ATTACHMENT A

Summary of the Financial Terms and Conditions for Contract Extension between the New York City Health and Hospitals Corporation ("the Corporation") and the Physician Affiliate Group of New York, P.C. ("PAGNY") for the Provision of General Care and Behavioral Health Services at Lincoln Medical and Mental Health Center ("Lincoln"), Morrisania Diagnostic and Treatment Center ("Morrisania"), Segundo Ruiz Belvis Diagnostic and Treatment Center ("Belvis"), Jacobi Medical Center ("JMC"), North Central Bronx Hospital ("NCB"), Harlem Hospital Center ("Harlem"), Renaissance Health Care Network Diagnostic and Treatment Center ("Renaissance") and Coney Island Hospital ("CIH")

- Affiliate reimbursement will be cost-based, not to exceed departmental spending limits
- All changes to budget must be approved by the Joint Oversight Committee (JOC) at the facility and Central Office approval as per policy
- The Corporation retains the right to bill all patients and third-party payers for services rendered, except that the Affiliate will continue to bill for its direct patient care activities (Part B) through the Faculty Practice Plan at Lincoln, JMC (for outpatient Medicaid services only), NCB (for outpatient Medicaid services only), Harlem and CIH
- Payments are subject to adjustment due to new initiatives for expanded programs or services, elimination or downsizing of programs, services or other reductions, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement

**Proposed Contract Costs
FY 2013 Three Month and Six Month Funded Options**

| Facility | Contract Budget 3 Month | Contract Budget 6 Months | Contract Budget Annualized |
|---|--------------------------------|---------------------------------|-----------------------------------|
| Lincoln Medical and Mental Health Center | \$20,040,862 | \$40,081,725 | \$80,163,449 |
| Morrisania Diagnostic and Treatment Center | \$569,648 | \$1,139,296 | \$2,278,592 |
| Segundo Ruiz Belvis Diagnostic and Treatment Center | \$148,645 | \$297,289 | \$594,578 |
| Jacobi Medical Center | \$24,149,322 | \$48,298,644 | \$96,597,287 |
| North Central Bronx Hospital | \$8,987,180 | \$17,974,360 | \$35,948,720 |
| Harlem Hospital Center | \$16,623,568 | \$33,247,137 | \$66,494,273 |
| Renaissance Health Care Network Diagnostic and Treatment Center | \$864,599 | \$1,729,199 | \$3,458,397 |
| Coney Island Hospital | \$16,206,561 | \$32,413,123 | \$64,826,246 |
| Total* | \$87,590,385 | \$175,180,771 | \$350,361,542 |

* The Board previously approved an affiliation agreement in June 2011 for PAGNY at Metropolitan Hospital Center that included a six-month extension until 12/31/12 at an annual rate of \$55,381,355.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“the Corporation”) to negotiate and execute an amendment to the Affiliation Agreement with New York University School of Medicine (“NYUSOM”) for the provision of Health Services at Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center which terminates on June 30, 2014, to include the provision of General Care Health Services at Coler-Goldwater Specialty Hospital and Nursing Facility (“Coler-Goldwater”), consistent with the general terms and conditions and for the amounts indicated in Attachment A;

AND

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

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

WHEREAS, the current Affiliation Agreement with Coler-Goldwater expires on June 30, 2012; and

WHEREAS, the Corporation's Board of Directors at its June 2011 meeting approved a three-year agreement, effective July 1, 2011, to permit NYUSOM to provide health services at Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center; and

WHEREAS, NYUSOM has agreed to continue to provide the services previously supplied by the prior affiliate, Roosevelt Island Medical Associates, P.C. starting July 1, 2012; and terminating on June 30 2014; and

WHEREAS, a summary of the terms and conditions of the amendment to the current Affiliation Agreement with NYUSOM is set forth in Attachment A; and

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

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

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation (“the Corporation”) is hereby authorized to negotiate and execute an amendment to the Affiliation Agreement with New York University School of Medicine (“NYUSOM”) for the provision of Health Services at Woodhull Medical and Mental Health Center and Cumberland Diagnostic and Treatment Center which terminates on June 30, 2014, to include the provision of General Care Health Services at Coler-Goldwater Specialty Hospital and Nursing Facility (“Coler-Goldwater”), consistent with the general terms and conditions and for the amounts indicated in Attachment A; and,

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

Attachment A

Summary of the Proposed Contract Amendment Between the New York City Health and Hospitals Corporation (“the Corporation”) and New York University School of Medicine (NYUSOM) for the Provision of Services at Coler-Goldwater Specialty Hospital and Nursing Facility (“Coler-Goldwater”)

General Terms and Synopsis:

The proposed contract amendment covers a two-year term commencing July 1, 2012. The proposed contract amendment is for the provision of direct patient care services, administration of the provision of services, supervision of post-graduate trainees and students, administration and provision of rehabilitation therapy services and technical services to support the operations at Coler-Goldwater. The proposed contract amendment will compensate NYUSOM on a non-workload basis. The proposed contract amendment includes newly created pay-for-performance indicators with financial incentives attached. The pay-for-performance indicators were jointly created with medical staff leadership to address patient safety and the effective management in these facilities.

Anticipated Goals and Achievements

- Successful regulatory surveys
- Patient safety initiatives
- Participation in strategic planning and program development
- Participation in the relocation of Coler-Goldwater operations
- Development of performance improvement activities
- Participation in HHC Breakthrough activities
- State of the art technology advances, including electronic medical record migration
- A pay for performance program that aligns incentives with quality outcomes and other business objectives

Financial Terms

Proposed Contract Amendment Costs FY 2013 – FY 2014

| Contract Year | Coler-Goldwater |
|---------------|-----------------|
| FY 2013 | \$27,500,000 |
| FY 2014 | \$27,500,000 |
| TOTAL | \$55,000,000 |

- As in the current Affiliation Agreement, proposed payment to NYUSOM is based on costs.

- The costs reported assume no material change in patient volume or services provided and no additional impact from managed care programs or other third-payer developments
- Any change to the budget must be approved by JOC and the Corporation as per policy.
- The Corporation retains the right to bill all patients and third-party payers for services rendered.
- Payments are subject to adjustment due to new initiatives for expanded programs or services, elimination or downsizing of programs, services or other reductions, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement.

Performance Indicators

A pay-for-performance program will be implemented that address patient safety and effective management. An incentive up to \$498,000 in incremental compensation to the Affiliate will be provided annually if all goals are met

Pay-for-performance indicators subject to incentive include:

- ✓ Informed Consent
- ✓ Consultation/Specialty Referral Request
- ✓ Consultation/Specialty Referral Response
- ✓ Influenza Vaccine Administration
- ✓ Pneumococcal Vaccine Administration

Transfers and Referrals

- Patients will be transferred and referred to other facilities when the required services are not available, if a third-party payer does not authorize reimbursement or at the patient's request.
- If a service is not available, such transfers and referrals will be made to other HHC facilities.
- Transfers and referrals to non-HHC facilities will only be made with the approval of the Executive Director or his/her designee and if an agreement with the receiving facility is in place.
- Transfer and referral activity will be monitored monthly.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute an Affiliation Agreement with the State University of New York/Health Science Center at Brooklyn ("SUNY/HSCB") for the provision of General Care and Behavioral Health Services at Kings County Hospital Center ("KCHC") for a period of one year, commencing July 1, 2012 and terminating on June 30, 2013, consistent with the general terms and conditions and for the amounts as indicated in Attachment A to provide the parties adequate time to conclude negotiations for a new agreement;

AND

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

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

WHEREAS, the current Affiliation Agreement with SUNY/HSCB, to provide General Care and Behavioral Health services expires on June 30, 2012; and

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

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

WHEREAS, the Community Advisory Board of KCHC has been consulted and apprised of such proposed extension; and

WHEREAS, the Corporation, in the exercise of its powers and fulfillment of its corporate purposes, now desires that SUNY/HSCB continue to provide General Care and Behavioral Health Services at KCHC.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation is hereby authorized to negotiate and execute an Affiliation Agreement with State University of New York/Health Science Center at Brooklyn, for the provision of General Care and Behavioral Health Services at Kings County Hospital Center, for a period of one year, commencing July 1, 2012 and terminating on June 30, 2013, consistent with the general terms and conditions and for the amounts as indicated in Attachment A; to provide the parties adequate time to conclude negotiations for a new agreement; and;

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

ATTACHMENT A

Summary of Financial Terms and Conditions for Contract Extension

KINGS COUNTY HOSPITAL CENTER

| Fiscal Year | Annualized Cash Rate |
|--------------------|-----------------------------|
| FY 2013 | \$18,932,602 |

- Affiliate reimbursement will be cost-based, subject to line item reconciliation
- All changes to budget must be approved by the facility and Central Office as per policy
- Payments are subject to adjustment due to new initiatives for expanded programs or services, elimination or downsizing of programs, services or other reductions, market recruitment, retention-based salary adjustments, service grants or other designated programs consistent with the terms of the agreement

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a revocable license agreement with General Vision Services/Cohen Fashion Optical (the "Licensee") for use and occupancy of space to operate an optical store on the campus of Jacobi Medical Center (the "Facility").

WHEREAS, in April 2010, the Board of Directors authorized the President of the Corporation to enter into a license agreement with the Licensee to operate optical stores at Bellevue Hospital Center, Harlem Hospital Center, Lincoln Medical & Mental Health Center, and Metropolitan Hospital Center; and

WHEREAS, the services and products provided have proved to be beneficial to patients; and

WHEREAS, Jacobi Medical Center desires to have the Licensee operate an optical store on its campus and has adequate space to accommodate the Licensee's needs; and

WHEREAS, the Licensee shall provide optical services, including but not limited to filling new prescription eyeglasses, examining eyes, low vision screening, prescribing and fitting contact lenses, and selling contact lens supplies.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") be and hereby is authorized to execute a revocable license agreement with General Vision Services/Cohen Fashion Optical (the "Licensee") for use and occupancy of space to operate an optical store on the campus of Jacobi Medical Center (the "Facility").

The Licensee shall be granted the use and occupancy of a total of approximately 675 square feet of space on the ground floor of Building No. 1 (the "Licensed Space"). The Licensee shall pay a total annual occupancy fee of approximately \$40,500, or \$60 per square foot. The occupancy fee shall be escalated by 3% per year. The Facility shall provide hot and cold water, electricity, heating, air conditioning and routine security to the Licensed Space. The Licensee shall be responsible for its own housekeeping, repairs and maintenance.

The Licensee shall indemnify and hold harmless the Corporation and the City of New York from any and all claims arising by virtue of its use of the Licensed Space and shall also provide appropriate insurance naming each of the parties as additional insureds.

The license agreement shall not exceed five (5) years without further authorization from the Board of Directors and shall be revocable by either party upon thirty (90) days notice.

EXECUTIVE SUMMARY

JACOBI MEDICAL

LICENSE AGREEMENT

GENERAL VISION SERVICES/COHEN FASHION OPTICAL

The President of the New York City Health and Hospitals Corporation seeks authorization from Board of Directors to execute a revocable license agreement with General Vision Services/Cohen Fashion Optical ("GVS/Cohen") for use and occupancy of space to operate an optical store on the campus of Jacobi Medical Center ("Jacobi").

GVS/Cohen currently operates optical stores at Bellevue Hospital Center, Harlem Hospital Center, Lincoln Medical & Mental Health Center, and Metropolitan Hospital Center. The services and products provided have proved to be beneficial to patients. Jacobi desires to have an optical store on its campus and has adequate space to accommodate the store. GVS/Cohen will provide optical services, including but not limited to filling new prescription eyeglasses, examining eyes, low vision screening, prescribing and fitting contact lenses, and selling contact lens supplies.

GVS/Cohen will have the use and occupancy of a total of approximately 675 square feet of space on the ground floor of Building No. 1 (the "Licensed Space"). The Licensee shall pay a total annual occupancy fee of approximately \$40,500, or \$60 per square foot. The occupancy fee shall be escalated by 3% per year. The Facility shall provide hot and cold water, electricity, heating, air conditioning and routine security to the Licensed Space. The Licensee shall be responsible for its own housekeeping, repairs and maintenance.

GVS/Cohen will indemnify and hold harmless the Corporation and the City of New York from any and all claims arising by virtue of its use of the licensed space and will also provide appropriate insurance naming each of the parties as additional insureds.

The license agreement shall not exceed five (5) years without further authorization from the Board of Directors and shall be revocable by either party upon thirty (90) days notice.

SAVITT PARTNERS

February 24, 2012

Mr. Dion Wilson
Director
Office of Facilities Development, Real Estate
NYC Health and Hospitals Corporation
346 Broadway, 12 West
New York, NY 10013

Re: Fair Market Value/appraisal of space within Jacobi Medical Center
Building # 6, ground floor for retail use
On behalf of NYC Health & Hospitals Corporation

Dear Dion:

Pursuant to your request, the referenced location within Jacobi Medical Center was inspected in order to assess the respective Fair Market Value (FMV). These assessments are inclusive of the value of the tenant improvements and specified operating expenses such as utilities, housekeeping, security, service contracts, repairs and maintenance, etc. As the owner is designated as a not for profit (501C3) real estate taxes may not be applicable, however this expense will also be considered when evaluating the value of the space in order to provide a comprehensive FMV. This appraisal will assess the estimated value of the base rent inclusive of the tenant improvements and operating expenses. This evaluation is subject to the following:

- The unit is appropriately zoned for the proposed use (retail) within the space.
- The premises are located within the medical center on the ground floor.
- This evaluation is for the purpose of establishing the FMV to lease/license the referenced property and considers numerous factors including but not limited to location, market conditions, market area comparables, lease terms and conditions, as well as tenant improvements.

There are two variables that must be considered in this evaluation which are in fact weighted greater than other variables. These unique factors are location and use.

The location of the space provides the tenant with an immediate and "captured" client base. Eye wear prescriptions generated by affiliated physicians within the hospital will most likely generate a large percentage of the client base for this tenant. The hospital also benefits by providing this amenity to the patients; the convenience of access to a retailer that can fill the prescription immediately. The proposed retail operation compliments the physician practices with an optical modality.

It would be inappropriate and unjustifiable to evaluate the value of the referenced space as retail. Despite the obvious benefit of the readily available retail, client base the space does not have the one most important value to be considered retail, street presence. Therefore the space must be

assessed as commercial property with a retail build out and operation. Our assessment of the value of the tenant improvement for an optical, retail operation within the hospital at this specific location would be that it is dramatically less than the cost for a typical store front optical store. The space is usually open (minimal walls or partitions) with extensive space for display cases.

Another important factor is the value of the space for medical use. It is our experience that space within hospitals is valued at a premium simply due to the fact that it is a finite resource which is in demand. Allocation of hospital space for non-hospital use is a primary cause for concern for hospital administrators. This is the case even when the organization can garner a higher rent for the space. This assessment takes into consideration the value of this space for hospital operations.

It is apparent that proximity within the hospital complex is attractive to this tenant. The provision of tenant services that are uncommon for retail facilities, i.e., 24-7 access and the provision of full time services such as HVAC, repairs and maintenance, security, etc. must also be factored in this evaluation. However, when assessing the value the fact that the client base is limited to foot traffic within the hospital impacts the success of the tenant. The tenant has no opportunity to promote their presence and the average pedestrian walking by the building would not be aware of this retail operation.

The referenced medical space is located on the ground floor near the main entrance of the medical center. When assessing the FMV for this space we took into consideration the referenced factors and used comparables for medical space, hospital space and retail space within the immediate market where available to establish benchmarks for market rents. The proposal offers the licensee a full service building with amenities typically provided only by hospitals and full service medical office buildings not retail properties. Typical retail operations are triple net, with the tenant absorbing all of the related operational expenses. However, this opportunity provides the tenant with comprehensive services which will be reflected in our evaluation.

Market conditions for each use were established for comparison. Medical space, specifically physician, private offices garners rents at \$32 - \$40 per RSF. Hospital/medical office building rents in this market area range from \$38 - \$65 per RSF. Retail rents are \$40 - \$70 per RSF. This market saw a slight increase in asking rents in 2011, but landlord concessions are still negligible. Although these areas have numerous medical sites, the lack of product, i.e., rental opportunities has maintained a stable rental market.

CONCLUSION

The ability to access the space and the provision of services without interruption is an amenity that benefits this retail tenant. The minimal expense for tenant improvements was a variable that was evaluated as well.

All of the locations that were inspected were handicapped accessible. To reiterate 24-7 security is a valuable and an attractive amenity provided by the landlord. All of the lavatories throughout the facility are ADA compliant. The corridors are also wheelchair accessible.

For the purpose of this appraisal, we shall assume that all operating expenses, i.e., security, refuse removal, utilities, repairs and maintenance, service contracts, etc. are provided by the landlord

In conclusion this analysis finds that the FMV for this space is essentially a hybrid due to the location of the space, proposed use and lack of opportunity to promote a true retail operation. However, it also provides the retailer with an immediate client base.

It is our professional opinion that the value of the referenced space is **\$50 - \$60** per RSF. It would be appropriate to provide the tenant with a construction concession of a 4-6 month rent abatement.

It would be appropriate for the tenant to negotiate an escalation provision to the base rent/fee of 2.75% to 3% commencing in the second year of the license agreement. These would be commercially fair and reasonable terms based on the data and information assessed in this report.

In the event I can be of any further assistance to you, please do not hesitate to call me.

Very truly yours,



Michael Dubin
Partner

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensor") to execute a license agreement with the New York Legal Assistance Group (the "Licensee" or "NYLAG") for use and occupancy of space at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility") to provide *pro bono* legal services to nursing home residents and training to Corporation staff.

WHEREAS, in March 2011, the Board of Directors authorized the President of the Corporation to enter into a license agreement to provide training and legal services at Bellevue Hospital Center, Elmhurst Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical & Mental Health Center, Woodhull Medical & Mental Health Center; and Harlem Hospital Center; and

WHEREAS, the Licensee is a not-for-profit provider of *pro bono* legal services to, among others, patients in need of attorney counseling in various areas of the law, including, but not limited to, immigration, domestic relations, child support and custody, and benefit entitlements; and

WHEREAS, the Licensee's program includes the training of Corporation staff to assist the Licensee in recognizing patients in need of legal services; and

WHEREAS, the Facility desires to utilize the Licensee's services and has adequate space to accommodate its program needs.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute a license agreement with the New York Legal Assistance Group (the "Licensee" or "NYLAG") for its use and occupancy of space at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility") to provide *pro bono* legal services to nursing home residents and training to Corporation staff.

The Licensee shall be granted the part-time use of approximately 150 square feet of office space on the Facility's Goldwater and Coler campuses (the "Licensed Space"). The Licensed Space shall be used by one of the Licensee's attorneys to train Facility staff and provide legal services to Facility nursing home residents. The Facility shall provide utilities, housekeeping, maintenance, and reasonable security to the Licensed Space. The Corporation shall pay the Licensee the sum of \$36,103 for services provided over a six (6) month period.

The Licensee shall indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the Licensed Space and its provision of services in such space. The Licensee shall also provide appropriate insurance, naming both parties to the license agreement and the City of New York as insureds.

The term of the license agreement shall not exceed six (6) months without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on fifteen (15) days notice.

EXECUTIVE SUMMARY

LICENSE AGREEMENT

NEW YORK LEGAL ASSISTANCE GROUP

The President seeks authorization of the Board of Directors of the Corporation to execute a revocable license agreement with the New York Legal Assistance Group ("NYLAG") for its use and occupancy of space at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility") to provide *pro bono* legal services to patients and training to Corporation staff.

NYLAG is a not-for-profit organization whose purpose includes providing legal services to patients least able to afford private counsel. In June 2002, the Board of Directors authorized the President to enter into a revocable license agreement with NYLAG to provide training and legal services at Elmhurst Hospital Center. The success of this program underscored the need to expand the legal services program to other hospitals. In addition to Elmhurst Hospital, NYLAG currently provides training and legal services at Bellevue Hospital Center, Jacobi Medical Center, Kings County Hospital Center, Lincoln Medical & Mental Health Center, Woodhull Medical & Mental Health Center, and Harlem Hospital.

NYLAG will assign an attorney to conduct periodic training sessions to teach Corporation staff to recognize and identify patients requiring legal services. In addition, a NYLAG attorney will be on-site one half-day per week to counsel nursing home residents in need of legal advice and representation on a *pro bono* basis. NYLAG will be present on the Coler campus and the Goldwater campus each twice per month. The services offered would be in areas of law, including, but not limited to, immigration, domestic relations, child support and custody, and benefit entitlements. This model of patient-focused legal services has been used successfully at safety-net hospitals elsewhere in the country to address legal problems common to low-income patient populations. It is anticipated that NYLAG will assist patients with approximately 60 matters during the half-year period. The Corporation will pay the Licensee the sum of \$36,103 for the services provided over the six month period.

The licensed space, utilities, housekeeping, maintenance, and reasonable security will be provided by the facilities at no charge to NYLAG. NYLAG will indemnify and hold harmless the Corporation and the City of New York from any claims arising by virtue of its use of the licensed space and its provision of services. NYLAG will also provide appropriate insurance, naming both parties to the license agreement and the City of New York as insureds.

The term of the license agreement shall not exceed six (6) months without further authorization of the Board of Directors of the Corporation. The license agreement shall be revocable by either party on fifteen (15) days notice.

Office of Legal Affairs

MEMORANDUM

To: Dona Green
Corporate Planning Services

From: Karen Rosen 
Assistant Director

Date: May 31, 2012

Subject: VENDEX Approval

For your information, on May 31, 2012 VENDEX approval was granted by the Office of Legal Affairs for the following company:

New York Legal Assistance Group

cc: Norman M. Dion, Esq.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation" or "Licensor") to execute a revocable license agreement with the New York City Department of Education (the "Licensee") for its continued use and occupancy of space to operate a Licensed Practical Nurse ("LPN") training program at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility").

WHEREAS, in May 2007, the Board of Directors of the Corporation authorized the President to execute a license agreement with the Licensee which by its terms expires August 31, 2012; and

WHEREAS, the Corporation continues to have a need for Licensed Practical Nurses and the Office of the Mayor continues to provide funding for the LPN training program; and

WHEREAS, the Licensee's program provides training to Corporation staff and community residents; and

WHEREAS, the Facility has space available on the 4th floor of Goldwater to accommodate the Licensee's program needs.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation ("the Corporation" or "Licensor") be and hereby is authorized to execute a revocable license agreement with the New York City Department of Education (the "Licensee") for its continued use and occupancy of space to operate a Licensed Practical Nurse ("LPN") training program at Coler-Goldwater Specialty Hospital and Nursing Facility (the "Facility").

The Licensee shall be granted the continued use and occupancy of approximately 7,100 square feet of space on the 4th floor of Goldwater (the "Licensed Space"). In lieu of an occupancy fee, the Corporation shall receive the benefit of the program's graduates filling LPN positions at its facilities.

The Licensor shall provide hot and cold water, electricity, heating, air conditioning, and security to the Licensed Space. The Licensor shall also be responsible for housekeeping and routine maintenance. The Facility shall be reimbursed up to \$45,000 per year for the expense of providing these services.

The term of the agreement shall not exceed one (1) year without further authorization by the Board of Directors of the Corporation and shall be revocable by either party on thirty (30) days prior notice. The agreement shall contain an option to renew for one (1) year exercisable by the Licensee without further approval of the Board of Directors. The Licensee has been informed that space on the Goldwater campus will no longer be available in the Fall of 2013.

**EXECUTIVE SUMMARY
LICENSE AGREEMENT
NEW YORK CITY DEPARTMENT OF EDUCATION
ADULT AND CONTINUING EDUCATION**

COLER-GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY

The President seeks the authorization of the Board of Directors of the Corporation to execute a revocable license agreement with the New York City Department of Education ("DOE") for its continued use and occupancy of space to operate a 10-month Licensed Practical Nurse ("LPN") training program at Coler-Goldwater Specialty Hospital and Nursing Facility ("Coler-Goldwater").

The Center for Economic Opportunity (CEO) was established by Mayor Bloomberg on December 18, 2006 to implement innovative ways to reduce poverty in New York City. In 2007 the CEO agreed to fund an HHC proposal to expand the Department of Education's Licensed Practical Nursing program with an additional site, to be located at Goldwater Hospital. Working in partnership with HHC, the graduates would be hired to work in HHC facilities at completion of the program, serving the dual purpose of assisting qualified members of the community with jobs and providing needed LPN's for positions at HHC. Four classes have been completed, with the fifth class graduating in June 2012. One hundred fifty-seven students have completed the program and 120 have been placed in jobs, 103 throughout HHC.

DOE's Office of Adult and Continuing Education LPN program has been providing training to Corporation employees since 1974. Seats in LPN programs in New York City are limited and there are waiting lists for all existing programs. Under the Mayor's Center for Economic Opportunity ("CEO") initiative, the Corporation will continue to receive funds, which have been used to provide scholarships for LPN training to community residents who meet certain CEO requirements.

DOE will continue to have use and occupancy of approximately 7,100 square feet of space on the 4th floor of Goldwater. In lieu of an occupancy fee, the Corporation will receive the benefit of the program's graduates filling LPN positions at its facilities. Coler-Goldwater will provide hot and cold water, electricity, heating, air conditioning, and security to the licensed space. Coler-Goldwater will also be responsible for housekeeping and routine maintenance. Coler-Goldwater will be reimbursed up to \$45,000 per year for the expense of providing these services.

The term of the agreement shall not exceed one (1) year without further authorization by the Board of Directors of the Corporation and shall be revocable by either party on thirty (30) days prior notice. The agreement shall contain an option to renew for one (1) year exercisable by the Licensee without further approval of the Board of Directors. The Licensee has been informed that space on the Goldwater campus will no longer be available in the Fall of 2013.