125 Worth Street ▪ New York, NY ▪ 10013

BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 29, 2012
A~G~E~N~D~A

Call to Order - 4 pm	Dr. Stocker
1. Adoption of Minutes: October 18, 2012	
Chairman's Report	Dr. Stocker
President's Report	Mr. Aviles
>>Action Items<<	
Corporate 2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with **Public Financial Management, Inc**. ("PFM") to provide **financial advisory and other business consulting services** for an amount not-to-exceed $170,000 per annum for a three year term, with two, one-year renewal options, solely exercisable by the Corporation. *(Finance)* ***EEO: / VENDEX: Pending***	Mr. Rosen
3. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a **sole source** contract with **Agfa Healthcare Corporation** ("Agfa") for **radiology and imaging products and solutions, including maintenance support and services**, to be **purchased through a Premier group purchasing organization contract**, for a two (2) year term with three (3) one year renewal options, exercisable solely by the Corporation, in an amount not to exceed $23,422,163. *(Med & Professional Affairs / Information Technology)* ***EEO: Conditional / VENDEX: Pending***	Dr. Stocker
4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a **Memorandum of Understanding** with the **New York City Department of Health and Mental Hygiene** (DOHMH) for the **transfer** to the DOHMH **of certain functions now performed by the Corporation** for the benefit of DOHMH. (Med & Professional Affairs / Information Technology)	Dr. Stocker
South Manhattan Network 5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a **lease extension** with 221 Canal Street LLC for space at 221-227 Canal Street **to house** a Women, Infants and Children Program (**the "WIC Program"**) managed by **Bellevue Hospital Center**. *(Capital)*	Ms. Youssouf
Central / North Brooklyn Network 6. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a **lease extension** with **Third Generation Properties**, for use and occupancy of space at 2266 Nostrand Avenue, Borough of the Brooklyn, **to operate** a Supplemental Food Program for Women, Infants and Children (the **"WIC Program"**), managed by **Kings County Hospital Center**. *(Capital)*	Ms. Youssouf
Queens Health Network 7. RESOLUTION 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** ("NYPD") for its continued use and occupancy of space to operate radio communications equipment at **Queens Hospital Center**. *(Capital)*	Ms. Youssouf
(over)	

Item	Presenter
Southern Brooklyn/Staten Island Network	
8. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable **license agreement** with **Where to Turn, Inc.**, **The Joseph Maffeo Foundation, Inc.**, and **The United In Memory Memorial Quilt, Inc.** for use and occupancy of space **to house The United In Memory 9/11 Victims Memorial Quilt at Sea View Hospital Rehabilitation Center and Home**. *(Capital)* ***VENDEX: Approved***	Ms. Youssouf
North Bronx Healthcare Network	
9. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to **name** the North Bronx Healthcare Network **Departments of Surgery at Jacobi Medical Center and North Central Bronx Hospital** respectively, the **"Dr. Harry M. Delany Department of Surgery"**. *(Capital)*	Ms. Youssouf
Subsidiary Board Report	
➢MetroPlus Health Plan, Inc.	Mr. Rosen
➢HHC Assistance Corporation	Mr. Aviles
Facility Governing Body / Executive Session	
➢Coney Island	
>>Old Business<<	
>>New Business<<	Dr. Stocker
Adjournment	

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 18th of October 2012 at 4:00 P.M., pursuant to a notice which was sent to all of the Directors of the Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

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

Andrea Cohen was in attendance representing Deputy Mayor Linda Gibbs; Linda Hacker representing Commissioner Robert Doar; and Dr. Amanda Parsons representing Commissioner Thomas Farley, 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 September 27, 2012 were presented to the Board. Then, on motion made by Dr. Stocker and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on September 27, 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.

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 announced the dates of HHC's annual public meetings as follows: November 7th at Coney Island Hospital; November 19th at Jacobi Medical Center; December 3rd at Queens Hospital Center; December 5th at Sea View Hospital and Rehabilitation Center and Home; and December 12th at Bellevue Hospital Center.

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 **SunGard Availability Services** for **an alternative data center for disaster recovery, business continuity and associated professional services**. Funding for the four-year renewal term per the Corporation's exercise of its renewal options under the existing contract shall not exceed $25,550,000 (which includes 20% contingency of $4,262,480).

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

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to execute the third of three one-year renewal options available under the existing contract with **Simpler North America, LP**. Funding for the exercise of the third of three one-year renewal options available under the existing contract shall not exceed $5,500,000 inclusive of a 10% contingency for the period from November 1, 2012 through October 31, 2013.

Mrs. Bolus moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

RESOLUTION

4. Authorizing the President of the New York City Health and Hospitals Corporation to execute a **requirements contract** with **Nirman Construction, Inc**. for a cumulative amount not-to-exceed $5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.

Ms. Youssouf moved the adoption of the resolution which was 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 **lease agreement** with **160 Water Street Associates** for the Corporation's rental of space at **160 Water Street**, Borough of Manhattan, **to house Corporation staff.**

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 **lease agreement** with **New Water Street Corporation,** for the Corporation's rental of space at **55 Water Street**, Borough of Manhattan, **to house Corporation staff.**

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

RESOLUTION

7. Authorizing the **amendment of the resolutions** adopted by the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") on September 27, 2012 that authorized the **creation of the HHC Finance Corporation, the participation of the Corporation in a certain set of transactions to secure supplemental financing for the Harlem Hospital Modernization project and to authorize the directors of the HHC Finance Corporation** to also authorize the participation of the HHC Finance Corporation in such transactions (the "resolutions") so as **to replace in the Resolutions all references made to the HHC Finance Corporation with references to the HHC Assistance Corporation and ratifying the actions taken to form the HHC Assistance Corporation.**

Mr. Aviles moved the adoption of the resolution which was duly seconded and unanimously adopted by the Board.

RESOLUTION

8. Authorizing the President of the New York City Health and Hospitals Corporation to execute one-year revocable **license agreements** with the **New York City Human Resources Administration** for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by **Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center.**

Ms. Youssouf moved the adoption of the resolution which was duly seconded and adopted by the Board by a vote of twelve in favor with Ms. Hacker recusing herself.

BOARD COMMITTEE AND SUBSIDIARY BOARD 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 Harlem Hospital Center reviewed, discussed and adopted that facility's report presented.

The Board also discussed the oversight of HHC's Office of Inspector General and determined that moving forward the Inspector General shall report on its activities at least on a semi-annual basis in Executive Session once investigations have been concluded and final action has been taken.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:10 P.M.

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

COMMITTEE REPORTS

Audit Committee – September 25, 2012
As reported by Ms. Emily Youssouf

Ms. Youssouf introduced the information item which is an update from Internal Audit.

Mr. Christopher Telano saluted the committee and stated that the first audit he will discuss is the review of Payroll at Harlem related to the PAGNY (Physicians Affiliate Group of New York) affiliation. During the first nine months of 2011, PAGNY management found that some employees were being overpaid. They noted that 52 overpayments were made totaling $162,000. Internal Audit was asked to come in to ensure that procedures implemented as of October 2011 to stop the overpayments were being adhered to. Audit was also asked to review the entire payroll process for other inefficiencies. While we found an additional 23 overpayments for the nine-month period, we did not find any in the last three months of 2011. We concluded that the tighter controls they implemented were effective.

Dr. Michael Stocker, Chairman of the Board asked if there was a representative from PAGNY. Mr. Robert McKenna, Administrator for PAGNY was present and introduced himself as such. Dr. Stocker commented that they had heard complaints that physicians were overpaid and wanted to know how it happened. Mr. McKenna stated that there were a couple of situations where vacation pay was duplicated. In other words, they got paid for regular hours and vacation time as well. In certain cases, salary increases were implemented without approval. The biggest problem was in the beginning when each payroll was implemented from zero. In a lot of the cases the extra hours were entered because they were being input by different people.

Dr. Stocker asked if the system is now automated. Mr. McKenna responded that it is fully implemented on ADP. They have a dual system in Excel that runs parallel to every single payroll and is matched line for line, provider by provider. Dr. Stocker asked how they record hours worked. Mr. McKenna said that they record the hours worked in ADP based on the different categories; sick, regular, vacation, etc. Dr. Stocker asked if timesheets are submitted. Mr. McKenna responded that each employee gets a time sheet that gets entered biweekly.

Ms. Youssouf asked if it is correct that the report states that 66 percent of the total payment has been recovered. Mr. McKenna replied that that was correct. Ms. Youssouf asked about the remaining piece of it. Mr. McKenna said that they are pursuing legal action; that they are not allowed to recoup it through payroll. It's a New York State Law. He believes that the law will change in November, but for this year they are not allowed. Dr. Stocker asked if the part that was recovered was on a voluntary basis. Mr. McKenna said yes, but the rest of the people declined to cooperate.

Ms. Barbara Keller, Deputy Counsel added that that was correct.

Mrs. Josephine Bolus asked if they envision the court telling them that they have to pay it back. Mr. McKenna responded yes.

Dr. Stocker asked if any of the people who owed money are still employed by HHC. Mr. McKenna replied yes, all of them. Ms. Youssouf asked why they would want to keep them. Ms. McKenna responded that they are trying to get legal guidance on how to force them to repay, the majority of the argument is that they say it is not their fault and because the law protects them, they don't have to repay it.

Mr. Antonio Martin, SVP/Chief Operating Officer asked how much money is involved. Mr. McKenna stated about $80,000, and that there are two different sets of overpayments. They collected 70 percent of it, the original amount was about $340,000 and have collected $200,000 almost $300,000. Dr. Stocker asked if they are all physicians. Mr. McKenna said no. Dr. Stocker asked how many people. Mr. McKenna said that it is about 40 people for $80,000. It is roughly $2,000 each and some of them are physicians.

Dr. Stocker stated that he did not expect it to take this turn that he always thought they were quite advanced.

Mr. Martin added that he did not know and he would follow up.

Dr. Stocker asked Mr. McKenna if he was a representative for all of PAGNY. He responded no, just for PAGNY at Harlem. Dr. Stocker also asked him if this is a problem at other facilities. Mr. McKenna said that he was not aware.

Mr. Telano continued with his update and stated that there were two other issues that were noted on the report. During the review of the payroll process, we found that PAGNY management did not always obtain approval from the Joint Oversight Committee for staff members that were hired to work at the facility. This occurred during the calendar year 2011. He believes that procedures have been put in place to ensure this does not occur in the future. The other issue noted was timesheets were found to be inaccurate, incomplete and not maintained. Thirteen percent of the timesheets we requested could not be found. We requested 415 timesheets during our review and 52 could not be located. Some of the other issues related to timesheets were that sessional and regular hours were not shown properly and that the hours that were indicated did not always equal to the amount of pay.

Ms. Youssouf asked if that was true and was there a Breakthrough. Mr. McKenna responded that there is an ongoing Breakthrough. Since the dual payroll system was implemented, there have not been any other issues.

Ms. Youssouf asked if this is the only facility associated with PAGNY having this problem. Mr. McKenna said that this is the only one that had the big transitional problem. Because of the Columbia exodus, it created many vacancies and that there was a lot of openings and hiring at one time. Mr. Martin added that the other PAGNY hospitals are much more stable.

Dr. Stocker asked Mr. McKenna what the reaction of the staff would be to an automated system. Mr. McKenna responded that on the doctor's side, very negative, but the rest probably would not be concerned about it. A lot of them don't even want to get on the email system.

Mr. Telano continued on with the next audit -- Representative Payee Program at Dr. Susan Smith McKinney Nursing and Rehabilitation Center. He asked the representatives from McKinney to approach the table. They introduced themselves as follows: Anthony Saul, Senior Associate Director, Julian John, Chief Financial Officer, David Dyer, Chief Financial Officer, Kings County Hospital and Glenford Hall, Compliance Officer at McKinney. Mr. Telano stated that we found that the monitoring of the residents' bank accounts was not adequate. This conclusion was based on the following findings:

- One resident did not receive any Social Security payments for two years.
- One resident's bank account balance exceeded the maximum allowable.
- One beneficiary who had expired, payments were still being received from Social Security.
- Six beneficiaries still had funds in their accounts, although they had expired.

The requirement is that the funds must be turned over to the beneficiary's estate. During the course of the audit, management was very proactive in taking measures to correct all the issues. As we brought up the findings on a daily basis, they reacted to them immediately.

Ms. Youssouf asked if the funds from Social Security go into their personal account. Mr. Telano said that the majority of it goes to the fees that are paid to the nursing home and the balance goes to the allowance account which is $50.00.

Ms. Youssouf asked the representatives if they're comfortable the problem is fixed. Mr. Saul responded yes, every year they are required to certify that these are their residents. Through Breakthrough they have developed a methodology that has a tickler system. Aside from us working at the listing, Patient Accounts is also going to verify that those dollars come in. Ms. Youssouf stated that that sounds great.

Mrs. Bolus asked who gets the excess funds that the patient receives from SSI. Mr. Saul replied that there is a limit on the amount of dollars that stays in the SSI account. They have what they called Performance Improvement Project, which they do on a monthly basis. When an individual's account reaches $1,500 we advise them that they need to move the money to another account.

Mrs. Bolus wanted to know what happens if the patient is not coherent and is getting custodial care. Mr. Saul said that a social worker is assigned to that individual and the representative of that individual. We have monthly meetings with the family members that actually take care of the resident. Mrs. Bolus asked what if there are no family members. Mr. Saul responded a patient advocate.

Ms. Youssouf asked if HHC has to refund any money to Medicaid or Medicare. Mr. Saul said that once they certified that the resident was theirs, they got a lump sum for Social Security. Ms. Youssouf stated that she is glad to hear that they corrected the little glitches and is looking forward to re-auditing them next year.

Mr. Telano then turned to the same audit done at Gouverneur Healthcare Services. The first issue has to do with the overall lack of control over the accounts. The cash on hand was higher than the amount the records stated. One resident received the maximum allowable amount of cash disbursement. Ten residents had no receipt on file for funds distributed and for the monthly reconciliation of the accounts; there was no indication of management review or approval. We also noted that the bank accounts established for the residents were not reviewed by Finance on a regular basis resulting in discrepancies in the records of Amalgamated Bank and the facility. Amalgamated Bank had, according to their records, 18 additional open bank accounts for residents who had expired. Also noted is that direct deposits for two residents were going into the main patient property account instead of their individual accounts, and that a resident who expired in 2009 still had $1,300 in their account. Lastly, we noted a segregation of duties issue that has one person being responsible for receiving, paying and distributing partial cash refunds, entering the transactions into the sub ledger and would take cash to the bank for deposits. Obviously, having one individual responsible for the entire process provides the opportunity to commit fraud.

Ms. Youssouf asked what the corrective action is. Mr. Telano said that everything was in place and that by implementing management review of the reconciliations and the bank accounts it took care of 75 percent of these issues.

Mr. Telano continued with the Audit of Patient Account Cancellations at Kings County Hospital Center. This is when a patient is admitted, but later determined that the admission was not medically necessary and the admission is cancelled. Cancelled admissions can also occur when ambulatory surgery procedures are incorrectly processed as an admission. We found that the way the ambulatory surgery admissions were being processed, when they were cancelled were done processed differently from other cancelled admissions. Other cancelled admissions indicated a review of the patient chart or electronic medical record, and a second review by a physician advisor. Ambulatory surgery cancellations did not have this multiple review process and it was corrected. New policies and procedures were issued to address this issue.

Ms. Youssouf asked if the CFO from Kings was present. Mr. Telano responded yes and asked the representatives from Kings to approach the table and introduced themselves as follows: Dr. Maureen Beverly, Care and Case Management; Julian John, Chief Financial Officer; William Swenson, Deputy Chief Financial Officer; Danielle Downer, Sr. Health Care Analyst.

Ms. Youssouf asked them to explain what the waiver is and whether they have decided to apply for it. Mr. John stated that about a year and a half ago the Corporation had decided to apply on behalf of all facilities with need for waiver. It ended up that the facilities had to apply on their own, Coney Island and Bellevue have done it, but they assumed that since it was going to be done on a corporate level they would wait for a response from the Corporation. Since the audit, they have met with a team and have agreed that they should pursue establishing an observation area.

Dr. Stocker stated that he was under the impression that the Corporation had applied and asked how many facilities have it. Mr. John replied four facilities have it. Ms. Youssouf asked if the Corporation had decided not to pursue a waiver corporately.

Mr. Martin stated that it is more critical at other facilities, in some facilities there was not a pressing need. He thinks that the Corporation should revisit the issue and that it probably makes sense for the Corporation to make sure that all collectively have it.

Ms. Youssouf asked if he sees the Corporation having it individually. Mr. Martin responded yes that they are looking to have it corporate wide, but a decision was made to let the individual facilities make that decision themselves.

Mrs. Bolus asked where they are planning on doing the observation since there is no room in the emergency room. Mr. John said that it does not have to be in the Emergency Department; that it could be outside. He said that there is a State regulation and Federal regulation. The Federal regulation allows the facility to have a visual observation unit anywhere you want to within the Emergency Department whereas the State mandates to have something separate. He said that the State will be shifting to the Federal regulation. If it happens, it will probably be less expensive for the facility to implement an observation unit.

Ms. Youssouf stated that she does not understand what a waiver is. Mr. Martin said that there are admissions and then there are cancelled admissions. The observation unit is somewhere in-between. They can have somebody there for 23 hours then they can sort of observe them and then make a decision either to admit or not to admit. He believes that there has to be some sort of a waiver to actually get to that sort of thing. Ms. Youssouf then asked if they have to have an observation unit to get the waiver. Mr. Martin responded that they had to apply for the waiver to get to have an observation unit.

Mr. Swenson stated that in New York State, there is an eight hour rule where they must extend the patients beyond eight hours. This is where they have the waiver.

Mr. McNulty added that that was correct; they have to admit the patient within eight hours. Therefore if they get a waiver, they can hold the patient in one of the observation units for a longer amount of time. Mr. Martin added not to exceed 24 hours; these are mainly heart patients where they have to do procedures on them and it has to be done intermittently over the course of 24 hours.

Mr. Telano asked if there were any questions then continued with his presentation. The IT review of the GHX System, the objectives of the audit were to obtain an understanding of the application and the general controls of GHX. One of the issues we found was that user access controls need to be improved. We found that terminated users were still active on GHX application user logs, that passwords did not have an expiration date, there were no maximum level of authentication failures that lock the user access to the GHX application and password strength does not comply with HHC's information systems password policies and procedures. The other issue noted was that there was different pricing sometimes listed within GHX exchange regarding the Purchase Order price. This was due usually to timing issues in which the vendor had never updated their price on a timely basis and the limit of the contract did not coincide with vendor updating the prices. As a result, the invoice price differed from the price of the contract that was in the system and the vendor price.

Ms. Youssouf asked if the Corporation lost money. Mr. Telano replied that he had representatives that could answer her question. He asked the representatives to approach the table and identify themselves, they did as follows: Joseph Quinones, Sr. Assistant Vice President for Contract Administration and Control; Richard Olah, Sr. Vice President for Contracts; Franco Sagliocca, Director of Procurement Systems and Operations.

Mr. Quinones stated that Mr. Sagliocca runs the GHX system and that the Corporation does about $160 million in pharmacy. The Corporation has tens of thousands of billing of re-bills of these lags in contract renewals. They perform audits of that contract and also do audits for med / surg products. If at any time that ultimately does not reconcile to a re-bill, it is captured to get that money back.

Ms. Youssouf asked how often these audits are performed. Mr. Quinones said that every year on an annual basis. Ms. Youssouf asked if it's a Q & A audit. Mr. Quinones responded that that was correct. Mr. Olah added that on a monthly basis they now carry a report of the contract exceptions and are resolved continually on a monthly basis. Mr. Quinones stated that any point in time that an audit is done they are going to see these variations between contract prices. Dr. Stocker asked that if the contracts were entered right away, would there be fewer issues. Mr. Quinones said that they have multiple entry points for a contract, for those contracts that are direct, HHC contracts with the supplier they go over those. For group purchasing, which they do a substantially, they are not in total control of those contracts whether or not in pharmacy.

Dr. Stocker asked is it because HHC does not have an adequate system to monitor or because of the contractual relationship. Mr. Quinones answered that right now they do Minnesota Multi State. On the pharmacy side, they do Premier, Novation and Med Assets. They have so many different access points in terms of requirements contracts that they really do not have to do anything other than to do an audit and make sure they reconcile.

Dr. Stocker asked if there is a variation between vendors. Mr. Quinones said that they have not found any and he thinks that they do a very good job over the years and they do a very good job trying to reconcile. There is a lot of software developments that have occurred that have really minimized. He added that they are below the benchmark for the most part, as long as there is a contract in place.

Dr. Stocker asked if there is a difference between HHC group purchases. Mr. Quinones responded absolutely that they have total control on the contracts they load. They are loaded on time therefore they have very little variation.

Ms. Youssouf inquired about the access controls and why terminated employees are not disengaged from the system. Mr. Quinones said that unfortunately they are not in complete control of that. They don't know when an employee has resigned from the Corporation or been terminated. Unless the facility notifies them, it is difficult for them to know who left, but they are trying to get a handle on it. Mr. Martin added that this a Corporate wide issue, it's with GHX, with e-mail and ID cards. The Corporation needs to make sure that all of their employees leave service through Human Resources and then HR can notify all the other departments. Dr. Boufford added that the procedure should be that you come in through HR, you go out through HR.

Dr. Stocker asked if the PeopleSoft system solves this problem. Mr. Quinones said that for that to work there would have to be some interfaces that would have to be done through PeopleSoft and their system and no one has talked to them about it. Ms. Youssouf asked about the expiration dates for passwords. Mr. Quinones replied that GHX system was fully implemented about 11 months ago so they welcome the audit to inquire about GHX. In the management's response to the first category of systems checks that were done, three through six will require system enhancements through GHX. Ms. Youssouf requested to let the Committee know what these enhancements are.

Mr. Telano continued with the Petty Cash Audit at Queens Hospital Center – he stated that they found very minor issues. The first one being, that some of the expenses exceeded the limit of $50 which is required by the Operating Procedure. The other one was a recommendation that in some instances staff members use credits card then requested to be reimbursed by petty cash. That contradicts the purpose of petty cash.

Mr. Telano stated that listed are the four Affiliation Audits that were done. Primarily, there were record keeping issues found at NYU at Woodhull, NYU at Bellevue and also Mount Sinai at Queens. The only issue noteworthy was the audit in which it was found that the recalcs were not completed for fiscal year 2010 or 2011 as of the date of the audit at Coler Goldwater and Roosevelt Island Medical Associates. He believes that as of this date they are both in draft form.

Ms. Youssouf went back to item number three – IT Review of the GHX System and asked if the employees who have been terminated for 130 to 472 days and still had access to the system – were they still getting paid. Mr. Telano replied no.

Dr. Stocker stated that he did not understand how employees at the Woodhull/NYU can sign different time sheets and get paid since they know what the signature is supposed to look like. Mr. Telano responded that he did not have an answer for that. Dr. Stocker asked if there were any representatives from Woodhull, Mr. Telano said no. Dr. Boufford added that NYU Affiliate manager needs to be a little bit more proactive and asked if we could get a better response from management. Ms. Youssouf said that she thought it was a good idea and asked Mr. Telano to look into that.

Mr. Telano continued where it lists the Auxiliaries audits that have been done by the CPA firm of Loeb and Troper. Very minor issues were found. Dr. Stocker stated that out of 17 auxiliaries and all this is pretty good.

Mr. Telano turned to where the audits in progress are listed. He noted that what is not listed are the four Purchasing Audits which are in progress. They are at Kings, Jacobi, Bellevue and Lincoln. The last page lists the status of all the audits and if there are no other questions that concludes his presentation.

Mr. Wayne McNulty, Corporate Compliance, saluted the Committee and asked them turn to page three of the Corporate Compliance Report. Starting with Section one, compliance training, he informed the Audit Committee (the "Committee") that he previously reported that the Office of Corporate Compliance ("OCC") instituted an internally developed compliance computer-based training for physicians. He added that the module went live in June (2012). He informed the Committee that the OCC was currently developing modules for the Board of Directors and nurses and other health care professionals. He stated that these modules were expected to be completed within a couple of weeks. He highlighted that the training content was developed and would be transferred to a learning computer-based system. He asked if there were any questions about the compliance training.

Mr. McNulty continued with item number two, the calendar year 2012 Corporate Compliance Work Plan Status Update. He informed the Committee that three (3) items were closed in the last couple of months. He told the Committee that he expects that several more items will move into the mitigation and monitoring cycles. He noted that there was three (3) additional items that are being reviewed for closure, which he said would be discussed at the next Committee meeting. He asked if there were any questions about the work plan or any other item.

Mr. McNulty moved on to item number three, the United States Department of Health and Human Services ("HHS") released its 2012 work plan. He and his staff determined that 49 items on that work plan were applicable to HHC; he told the Committee that a vulnerability assessment of all of those items was being conducted to determine if HHC has any risk present. He said OCC's determination would be reported to the Committee. Mr. McNulty explained that questions are sent to the various process and operational experts throughout the facilities. He added that most of the responses have been received and corresponding risk scores were being calculated. He further explained that the resulting risk scores determine whether or not there is a high level of risk, moderate risk or low level of risk present.

Mr. McNulty went to item number 4, Compliance Index. He stated that from January (2012) to June (2012) the OCC had 256 compliance based reports. Out of those reports, 12 were considered Priority A matters that required immediate review or action due to an allegation of an immediate threat to a person, property or the environment; 91 Priority B matters were present, which are matters of a time sensitive nature that may require department review and action. He told the Committee that the remaining 153 reports were Priority C matters. He stated that Priority C matters were matters that did not require immediate action. He added that out of those reports, about half, or 134 were received directly through the hot line. He stated that the OCC received 40 by telephone, 42 face-to-face, and 25 by e-mail.

Ms. Youssouf wanted to know that if out of the reports he received, is there was anything of note that the Committee should be aware of and was an investigation performed. Mr. McNulty replied yes, they performed an investigation on all the reports they received. Mr. McNulty cautioned the Committee that some of these investigations were still pending and could not be discussed in a public forum. He stated that some of the complaints were referred to the HHC Inspector General ("IG") if they involved conflicts of interest or any criminal activity. He stated that sometimes the IG refers these same items back to the OCC for investigation. He added that some of these matters actually go through the Conflict of Interest Board of New York City. Then they are referred to the Department of Investigation, who in turn refers them back to HHC for investigation. Ms. Youssouf asked if a matter existed that the Committee should be alerted to, would it be discussed at an Executive Session of the Committee. Mr. McNulty replied yes and Ms. Youssouf stated to please let them know when they should have one. Mr. McNulty responded absolutely and recommended that at the next Audit Committee meeting he would like to address all of the Priority A reports since they pose an immediate threat.

Dr. Boufford suggested that the OCC look for patterns in the reports received, which might indicate a target for an audit or some other managerial action. She also asked if Mr. McNulty expected compliance reports to go down or up. Mr. McNulty said that during the same point last year, they had 262 compliance based reports and he thinks that the more education performed by his office, the more calls his office will receive. With respect to the nature of the calls, Mr. McNulty stated that the OCC received a lot of calls from patients as a result of the compliance fliers posted. Mr. McNulty stated that he looks forward to reporting the compliance reports in detail when the Committee convenes in Executive Session. He closed by noting that he contacts the President, Chairman, and also the Committee Chair when he receives Priority reports of a serious nature.

Mr. McNulty moved on to Section five by stating that the OCC also has a system for investigating privacy complaints. Mr. McNulty stated that during the first half of this year, the OCC received 38 complaints related to HIPAA. He told the Committee that one complaint, in April of 2012, involved a physician at Queens Hospital Center who reported the theft of three thumb drives containing protected health information. He commented that there was information pertaining to 42 patients on the stolen drives. He informed the Committee that each of these patients had to be contacted because the OCC determined that the breach in the information contained on the drives was a significant risk of financial, reputational or other harm to the affected patients. Dr. Stocker asked if he had any evidence that anybody used the information. Mr. McNulty replied no, not at this time. Dr. Stocker asked if the drives were encrypted or password protected. Mr. McNulty said that to his knowledge no, but IT has instituted a Corporate-wide system that prohibits the downloading of information from the desk top computers of employees to a thumb drive unless encryption is in place. At this point, 45 percent of the Corporation's systems are encrypted for these purposes.

Dr. Boufford asked if this was an IRB process under Medical and Professional Affairs. Mr. Martin added that it is in Medical and Professional Affairs. Mr. McNulty said that the subject matter, to his knowledge, did not relate to research information. Mr. Martin said that it was one of the HHC physicians who is very proactive in terms of denial and rebutting denials. He had the information because he wanted to try to get money for the facility. He left the thumb drives in the car trying to do the right thing. Mr. McNulty said that as a result of the subject incident, the physician was retrained; there was a Town Hall meeting conducted at the facility by the senior compliance officer; and several individuals at the facility were educated on the relevant policies and procedures.

Mr. McNulty continued with item six, Staffing Update. There are two vacancies in the OCC. He commented that one of the vacancies was at the North Bronx Healthcare Network; he expected for that position to be filled by Friday (September 28, 2012) or Monday (October 1, 2012). He stated that there was also a vacancy in the Central Office, OCC. He told the Committee that this compliance officer would be placed in the South Manhattan Network once the approval process for this vacancy is complete.

Mr. McNulty continued with item seven, Data Mining Compliance Activities. He stated that the OCC's staff members were undergoing Siemens data GPS training. He told the Committee that the Office of Revenue Management has provided this training to all staff members, who will have access to the entire patient data warehouse. He commented that this would help the OCC look at different outliers in terms of whether or not HHC has risk in certain areas with respect to complaints and so forth.

Ms. Youssouf asked if this is something that Internal Audits uses that it could be helpful in terms of audits. Mr. McNulty answered that they actually talked about such training. Mr. Telano added that he did not know yet, but he has requested training and have had conversations

regarding this and it was recommended that training should be done separately. Mr. Telano added that he has initiated contact with Revenue Management and have a training scheduled.

Mr. McNulty moved on to item number nine, Third Party Health Insurance Recovery Activity. He started by stating that in late July, his office and the Office of the General Counsel were contacted by the Medicaid Inspector General with regards to recovery activities as it relates to overpayments where Medicaid was billed but was not the payer of last resort. The communications stated that that there was a delay in HHC reconciling and paying refunds of over $3 million to the Office of the Medicaid Inspector General ("OMIG"). OMIG also requested that the OCC provide them with information regarding the OCC's policies and procedures relating to recovery activities as described under New York's mandatory compliance program regulations. Mr. McNulty stated that his office responded to OMIG by outlining its compliance policies and procedures regarding overpayments; and explaining that the delay in question was in part due to HHC's need to ensure that the requested payments to OMIG did not duplicate amounts that HHC already paid to managed care organizations ("MCOs") or did not otherwise fall into the MCO's time, to seek recovery of the third party health insurance amounts. Mr. McNulty added that he underscored HHC's commitment to work closely with OMIG and to streamline its process. Then he emphasized that the OCC would take a look at HHC's policies and procedures related to overpayments depending on the outcome of the investigation. Mr. McNulty asked if there were any questions about the third party health insurance recovery activities.

Mrs. Bolus asked when he expects an answer from them. Mr. McNulty replied that he did not hear back from OMIG, noting that he attempted to contact Matthew Babcock, the head of OMIG Compliance, earlier in the day, but he did not hear back from him as of yet. He added that the response to OMIG was very thorough; that HHC outlined to OMIG its numerous policies and procedures with regard to overpayments. He said that based on the outcome, HHC may have to supplement its overpayment policy. He told the Committee that although a draft federal regulation that addresses overpayments exists, the OCC may have to wait for said draft to become final so that it can implement policies based on that regulation.

Mrs. Bolus asked if he agrees with the amount. Mr. McNulty stated that HHC does not agree with the amount because in certain instances HHC already gave Managed Care Organizations payment. He stated that there is money that has to go back to OMIG, but they have not reconciled the $3 Million. Ms. Youssouf asked if there is any kind of provision that if HHC does not pay them at a certain time that they charged interest. Mr. McNulty replied that he was not aware of such a provision. Ms. Youssouf suggested that should be checked. Ms. Bolus asked if this has happened before. Mr. McNulty said that this is the first time he's been informed and it is not rare that they have overpayments, but probably not in the amount of $3 million.

Mr. McNulty moved to item number 10, stating that he and his deputy were interviewed by KPMG as part of KPMG's review and management letter. Mr. McNulty stated that the OCC looks forward to hearing KPMG's review of HHC's compliance program. Mr. McNulty moved on to OCC's review of the use of patient white boards throughout HHC. He explained that this review was being conducted to determine compliance with the confidentiality provisions of HIPAA, CMS, and also New York State Law. Mr. McNulty told the Committee that he visited every acute care facility to take a look at how they operate patient white boards. Mr. McNulty described the appearance of patient white boards, as well as the content of patient information contained on patient white boards, to the Committee, and stated that each acute care facility utilized patient white boards. Mrs. Bolus stated that that is a lot of information and anyone can on the floor and see it. Ms. Youssouf asked if he knew of other facilities that have it. Mr. Martin replied that most of the facilities have white boards because it is very helpful in a very busy Emergency Room. Mr. McNulty said that the physicians found it very helpful they are able to look at the board and understand everything that is going on with regard to the patients.

Mr. McNulty continued with item number 13, Environmental Compliance Activity. He alerted the Committee that over the past nine months, five HHC facilities were subjected to environmental compliance related surveys by City, State, or Federal environmental protection agencies. He elaborated that, in December (2011), Lincoln Medical and Mental Health Center ("Lincoln") underwent review by the EPA; in May (2012), Bellevue underwent review by the Department of Environmental Conservation; and in May (2012) Elmhurst underwent review by the Department of Environmental Protection. Mr. McNulty continued by stating that, in June (2012), Coney Island was reviewed by the EPA; and in July (2012), Metropolitan was surveyed by the Department of Environmental Conservation. Mr. McNulty explained to the Committee that the environmental compliance activities at HHC were covered partly by four different offices: (i) the OCC; (ii) the Office of Facilities Development; (iii) the Office of Legal Affairs; and (iv) the Office of Operations. He told the Committee that these offices recently met in an attempt to come up with a solution to streamline the way environmental compliance activities are addressed at HHC. He added that, as a short term solution, each facility compliance committee will perform audits with respect to environmental compliance as it relates to the areas that the City, State and Federal agencies were looking at. He added that, for a long term solution, one person throughout the Corporation will be responsible for overseeing HHC's environmental compliance activities. Mr. Martin added that Roz Weinstein, Sr. Assistant Vice President is going to coordinate these activities. Each of the networks has designated a point person so they do not have to go to 70 different people regarding the plan of correction. Ms. Youssouf asked if there is any particular institution that had a problem. Mr. McNulty replied that four out of the five facilities surveyed had to institute a plan of correction. Ms. Youssouf asked if it was primarily underground storage tanks. Mr. McNulty answered yes, but then elaborated that the only facility that did not receive a citation was Elmhurst. He stated that although regulatory bodies reviewed Coney Island Hospital and no citation was issued, Coney did receive recommendations with regard to waste management and a citation may still be forthcoming. He stated that the Metropolitan survey dealt with underground storage tanks; the Lincoln survey dealt with waste management; and the Bellevue survey dealt with underground storage tanks. Ms. Youssouf asked who deals with that at the facilities now. Mr. McNulty responded that environmental services does, noting that environmental services is usually under operations or facilities management.

Mrs. Bolus added that missing from Mr. McNulty's list is Coler; she stated that Coler had tanks underneath that had to be removed. Mr. Martin stated that they still have to make sure the tanks are clear and would remediate everything and he thinks that they moving in the right direction.

Mr. McNulty stated that if there were no further questions that concludes his report.

Dr. Stocker asked Mr. McNulty if he had the resources to get through the 48 audits in a reasonable period of time. Mr. McNulty replied that in Calendar Year 2013, the facilities will perform self-identification of risks. He continued stating that once the top priority risks are identified, they would be added to HHC's Work Plan.

Mrs. Bolus asked if the only vacancies are at Queens. Mr. McNulty replied that the OCC had a vacancy at the North Bronx Healthcare Network, which he expected to fill by Friday (September 28, 2012) or Monday (October 1, 2012). Mr. McNulty noted that there was an additional compliance officer vacancy at the South Manhattan Healthcare Network. Dr. Stocker asked Mr. McNulty if the OCC's current audit plan was consistent with the amount of Corporate resources on a whole. Dr. Stocker queried whether HHC would fall behind with its current audit plan. Mr. McNulty responded that he did not think HHC would fall behind. Mr. McNulty added that many of the work plan items have more than one remediation stage. He explained that the initial assessment for these items may have shown that risks were present. As a result, he continued, plans of correction were being developed. Mr. McNulty, providing an example, stated that the Radiology Compliance item would be on the work plan this year and probably the following year. He explained that over 300 questions were developed for that particular work plan item. He added that his office has met with the Radiology Council, which meets every month. Mr. McNulty closed by stating that all of the work plan items were being worked on.

Capital Committee – October 11, 2012
As reported by Dr. Michael Stocker, Board Chairman on behalf of the Committee Chair Ms. Emily Youssouf

Dr. Stocker advised that he would be chairing the meeting in place of Emily Youssouf, Capital Committee Chairman.

Dr. Stocker explained that moving forward a consent agenda would be compiled for full Board meetings that would group smaller/repetitive contracts together so that when they are moved forward for full Board approval one vote will approve the collective items in lieu of individually presenting them. He advised that this would not change the way in which the Capital Committee meetings will be conducted but should streamline the Board meetings.

Assistant Vice President's Report

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, advised members of the Committee that discussions were ongoing with the Dormitory Authority of the State of New York (DASNY) and Hunter Roberts Construction Group with respect to an adjustment of their respective fees related to the Gouverneur major modernization project, and the Committee would be kept abreast of any progress.

Mr. Pistone notified Committee members of a typographical error in the resolution presenting a lease agreement with 160 Water Street Associates. He stated that the error reflected a term end 2015 and not 2018, as reflected in the package. He added that fee comparables would be incorporated into the package to support the resolution.

Mr. Pistone said that there would be no delay reports provided as there were no projects in delay by six (6) months or more.

Action Items:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a requirements contract with Nirman Construction, Inc. (the "Contractor") for a cumulative amount not-to-exceed $5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.

Peter Lynch, Senior Director, Office of Facilities Development, read the resolution into the record.

Dr. Stocker asked if this requirements contract was similar to the three requirements contracts presented at the September 13, 2012, Capital Committee meeting. Mr. Lynch said yes.

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 resolution for the full Board's consideration.

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Tenant") to execute a lease agreement with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house Corporation staff.

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house the Corporation's staff.

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, read the two resolutions into the record. Mr. Pistone was joined by Dion Wilson, Assistant Director, Office of Facilities Development, and Bert Robles, Senior Vice President/Corporate Chief Information Officer, Office of the Chief Information Officer.

Mr. Pistone advised that lease agreement with 160 Water Street Associates would provide space for 120 new employees for the Enterprise Information Technology (EIT) initiative involving the electronic medical records department and the lease agreement with the New Water Street Corporation would serve the dual role of addressing additional space needs for space that will come off lease in 2014 as well as the Corporation's need to vacate space at 346 Broadway, which is being sold by the City of New York.

Mr. Pistone explained that, at the City's request, the Corporation identified commercial space at 55 Water Street which will address needs to vacate Corporation staff located at 346 Broadway. He noted that the City has made commitments to fund, in perpetuity, the relocation of staff at 346 Broadway, and it is expected that a Memorandum of Understanding (MOU) will be executed to that effect relatively shortly.

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" or "Licensee") to execute one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center (the "Facilities").

Dion Wilson, Assistant Director, Office of Facilities Development (OFD), read the resolution into the record.

Mr. Wilson explained that Human Resources Administration (HRA) oversees seven (7) Multi-Service Centers (MSCs) located in various City owned buildings. Those Centers are managed by local nonprofit organizations that are selected by a Request for Proposals (RFP) issued by HRA. The MSCs provide space to nonprofit and community groups for healthcare, education, housing assistance, vocational training, and/or mental health services. HHC operates programs in three (3) sites; two (2) are primary care programs, and one (1) is a Women, Infants and Children (WIC) program.

Mr. Wilson noted that historically OFD has sought Capital Committee and Board approval for use and occupancy of space at each site typically for a three (3) year period. During that three year period there are one year occupancy agreements issued by HHC, HRA, and the MSC sponsor. The one (1) year agreements are coincident with the City's fiscal year. Under normal circumstances OFD would have presented the resolutions to the Committee, requesting new authorization for the multi-year periods, in February 2013 for the Brooklyn site, April 2014 for the site managed by Metropolitan Hospital Center, and July 2014 for the Queens site. However, because HRA is requesting a $3.00 per square foot increase for each site, about 15% of the existing rate, the Office of Legal Affairs recommended that we seek approval for the increases, which will be retroactive to July 1, 2012. HHC was informed by HRA that the increases are a result of an increase in the prevailing wage rate. The increases will add a combined total of approximately $45,000 per year in occupancy costs.

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.

Information Items

Harlem Hospital Center – Major Modernization – Status Report

Denise Soares, Executive Director, Harlem Hospital Center provided the final status report on the Harlem Hospital major modernization project. Ms. Soares was joined by Anita O'Brien, Associate Executive Director, Harlem Hospital Center.

Ms. Soares advised that since the last report to the Committee, in March 2012, Phase I of the Major Modernization project at Harlem has been completed. She thanked her colleagues at DASNY and TDX Construction, as well as Ms. O'Brien.

Mr. Soares noted that on July 3, 2012, the New York City Fire Department (FDNY) approved fire alarm system, and the Department of Buildings (DOB) approved a temporary Certificate of Occupancy, and the Department of Health (DOH) did pre-occupancy survey and approved occupancy on July 12, 2012.

The Women's Imaging Clinic was occupied on July 16, 2012 and features two (2) digital mammography units, and equipment to provide ultrasound, bone-density and stereo biopsy services. Also occupied on July 16, 2012 was the Bariatric Center of Excellence. On August 27, 2012 the pre-surgical admissions testing and surgical clinics were occupied.

Ms. Soares advised that one of main features of the mural pavilion was the reinstallation of WPA murals removed from the Hospital's older buildings. She noted that the family of artist Vertis Hayes, painter of The Pursuit of Happiness mural, from which a detail is featured on the exterior façade of the facility, was in attendance at the ribbon cutting. She then shared photos of the ribbon cutting ceremony, which was attended by Mayor Michael Bloomberg, numerous other elected officials, President Alan Aviles, Dr. Maurice Wright, and music producer Swizz Beats, who is the Corporation's global ambassador.

Ms. Soares explained that the remainder of the work for Phase I includes the October 19, 2012 move-in of Operating Room services, the Endoscopy Suite, Perioperative services, and the Central Sterile Supply. The Hemodialysis Unit is waiting for pending outsourcing completion but will increase from 14 to 25 chairs. The 6th floor Adult Intensive Care Unit (ICU) will be increasing from thirteen (13) to fourteen (14) beds in the Adult Medicine and Surgical ICUs. The Adult Emergency Department is planned for opening in June of 2013, and will increase from 15 treatment areas and two (2) trauma areas to 26 treatments areas including four (4) gynecological rooms and four (4) beds for trauma. She added that the facility will be advancing the fast track area from four (4) rooms to seven (7) rooms and will have eight (8) observation beds, while the asthma services will increase from six (6) chairs to ten (10) or (12) twelve chairs. The Pediatric Emergency Department will also open in June of 2013, and will increase services as well.

With regards to the mural conservation/reinstallation project, Ms. Soares explained that the Georgette Seabrooke mural has been installed but is still in need of additional funding to complete restoration. She noted that some additional funding had already been received the day of the meeting.

In summary, Ms. Soares stated that the Mural Pavilion was a $325 million project, with lots of new equipment, including; pulmonary therapy critical care beds, stretchers, radiology equipment, a Magnetic Reconnaissance Imaging (MRI) unit, two (2) Computerized Axial Tomography (CAT) Scan machines, Central Surgical and Endoscopy equipment, as well as leading edge technology for monitoring systems for ADIC and Perioperative Care Units. Additionally, the Mural Pavilion connects to the Martin Luther King (MLK) Pavilion and the Ron Brown Pavilion creating a well-integrated healthcare complex that will be more convenient for staff, patients and families.

Dr. Stocker asked how many years the project took to complete.

Ms. O'Brien said that early planning began in 2005, make-ready work began in 2007, the groundbreaking ceremony was held in 2008, making active construction approximately four (4) years, including; demolition of existing buildings, ground modification in lieu of pile driving, and connections to the MLK and Ron Brown Pavilions. It was not easy, she said, and there were a number of obstacles, but it is a beautiful building. Dr. Stocker said it was a gorgeous space, and Mrs. Bolus agreed, expressing her pleasure in how open and full of light the new structure is.

Dr. Stocker asked if this project would come before the Committee again for reporting. Mr. Pistone advised that this was intended to be the final report. Ms. O'Brien said they would come back when new funding was in place. Ms. Soares agreed, saying that there was still more work to do when further funding was available. Dr. Stocker explained that the budget portion of the status report had been revised to reflect that there wasn't enough funding to complete all intended portions of the project but the work remains on the sheet as approved but not funded. It's not lost, he said. He asked if it was only the garage and renovation work that was remaining. Ms. Soares said yes, renovation of the MLK Pavilion, parking garage demolition, and moving of services. Ms. O'Brien added that there was a significant amount of infrastructure work to complete in the MLK Pavilion. Other than that, said Dr. Stocker, until more funding is identified, this project is retired. Ms. Soares agreed but noted that the facility and administration still had hopes for the master plan. Dr. Stocker advised that was the reason it was presented it the new format. To show that the additional work was approved but just not funded yet.

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

As advised in the Assistant Vice President's Report there were no projects in delay by six months or more and therefore no delay reports were provided.

Equal Employment Opportunity Committee – October 16, 2012
As reported by Josephine Bolus, RN on behalf of the Committee Chair, Rev. Diane Lacey

Assistant Vice President's Report

Manasses C. Williams, Assistant Vice President, Affirmative Action/EEO briefed the Committee on the 19th Annual Competitive Edge Conference which was held on August 8, 2012 at Bank of New York Mellon, Corporate Trust Operations Center, 101 Barclay Street, New York, NY 10007. He

noted that the event was attended by Board and EEO Committee member Mrs. Josephine Bolus. In addition, he informed the Committee that on October 25-27 2012 staff from the Office of Affirmative Action/EEO and the Department of Facilities Development will represent HHC at an M/WBE forum in Albany, New York hosted by the office of Governor Andrew M. Cuomo.

2012 Conditionally Approved Contractors

Sharon Foxx, Sr. Management Consultant, reported on two conditionally approved contractors, Nouveau Elevator Industries, Inc. which has four minority underutilizations in the Crafts Job Groups 2 and 3 and Operatives Job Groups 1 and 2. In addition, there was an underutilization of women in Crafts Job Group 2. The second contractor was Sungard Availability Services, LP which had two underutilizations one in the Professionals Job Group 4 for women and the other in Clericals Job Group 4 for minorities.

2010-2011 Corporate and Facility Affirmative Action Plan Update

Gail Proto, Senior Director, Affirmative Action/EEO stated that this was the eighth review of the Corporations workforce since the Office of Affirmative Action/EEO converted to the 2000 census data. She further stated that the Corporation's level of representation of minorities and women have remained at a high level of 83.1% minorities and 68.3% women. The total number of job groups with an underutilization has decreased from 14 to 13. There were 44 job groups analyzed this year, the same as last year. She further stated that the underutilization of Asians in the Machine & Hand Workers job group reported last year was eliminated along with the underutilization of Hispanics in the Management Job Group 1(Senior Staff).

Finance Committee – October 16, 2012
As reported by Mr. Bernard Rosen

Senior Vice President's Report

Ms. Marlene Zurack reported that Fitch affirms HHC credit rating at A+ with a stable outlook as part of its routine annual review noting strong support from the City of New York. Moody's and Standard and Poor's have not updated their ratings at this time. When HHC does its refinancing next quarter all three rating agencies will update their ratings. Moody's is Aa3 and Standard and Poor's is A+.

Ms. Zurack stated that HHC's cash position is $537.4 million or 33 days. This compares to last month's report $302 million or 19 days. Improvements are due to the receipt of some large payments $624 million in base Disproportionate Share (DSH) and DSH maximization payments. The Corporation is projecting a closing balance of $208 million and expects balances to go below $150 million in June 2013. When last reported, cash balances were projected to drop significantly in February 2013 and March 2013. However, an adjustment was made to some pension payments from February to June to smooth out the cash flow.

Mr. Rosen asked if HHC would pay interest on the pension payments. Ms. Zurack stated that there would be no interest charges given the short time frame. The city's issued a target for budget reductions of 5.4% in FY 13 and 8% in FY 14. This translates to $ 4.3 million and 5.3 million respectively. We submitted a plan to reduce unrestricted city subsidy resulting in the need to reduce FTEs by another 57. This is on top of the existing reduction target of 3750 out which, we have already achieved 3216 as of the end of September. In addition, we received another $250,000 in cuts from the Department of Health Mental Health (DOHMH). We are working on a plan to meet that target. The city is reviewing as part of its November plan update.

Mr. Rosen asked if the November Plan will show the impact of those reductions in the Financial Plan for this FY 13 and next FY 14. Ms. Zurack stated that it is anticipated that FY 14 will be reflected in the January Plan.

Mr. Alan Aviles, President, asked if the Department of Health & Mental Health (DOHMH) cut to HHC is a pass-through as a result of their PEG reduction. Ms. Zurack stated that it is and that the value of that cut is $250,000.

Continuing with the report, Ms. Zurack stated that Soarian scheduling went live at Coney Island Hospital on September 24. It went very well. Hospital staff was great and we had lots of staff there to assist. Yesterday we went live at Gouverneur. At each install we are learning how to improve. The Enterprise Master Patient Index (EMPI) data base converted correctly and was tested at Coney Island, Harlem and Lincoln. However, it was noted that response time was too slow to implement corporate-wide. Siemens is working to improve the response time. It is anticipated that no matter what the function will be optimal by the time full financials go live and Unity is no longer in use.

Dr. Michael Stocker, Board Chairman, asked for clarification of the response time. Ms. Zurack stated that the Unity functionality was maintained. The technical staff is working on this issue while the regular staff uses the old functionality until the response time issue is resolved. In the scheduling system, the staff can view the Enterprise Master Patient Index (EMPI) and Unity is still in use for registration.

Dr. Stocker added that the normal installation process would be to bring the hospitals up sequentially but if the integration with the old Unity system is slowing the response time would that impact the conversion process.

Ms. Zurack stated that it would not because the current install is only for the scheduling phase which is not a problem in Soarain. The problem is that when the implementation began, HHC switched to the Soarian database which worked fine; however, in the Unity registration it was anticipated that the Soarian functionality would be available in the Unity registration as well; however, the response is too slow but is expected to be resolved soon.

Robert Doar, Commissioner, Human Resources Administration, stated that in terms of the big picture relative to the Medicaid Redesign Team (MRT) and its proposal for shifts toward lower rate payments for inpatient care, how this issue was addressed by HHC.

Ms. Zurack stated that the Corporation is still working very diligently to address this issue. HHC's budget was reduced by $400 million and an additional $200 million. These reductions will pose significant challenges in the out years, particularly when the federal DSH cuts are implemented. HHC was able to identify additional supplemental Medicaid opportunities some of which will not cover the full term of the cuts which required City matching funds that were provided by the City that relate to HHC's $1.2 billion program. $600 million was in additional supplemental Medicaid that required $300 million of additional City match and $600 million in cuts to HHC of which, $400 million has been achieved.

Commissioner Doar asked if the rate reduction for inpatient services had taken place in addition to the reduction in reimbursement. Ms. Zurack stated that the reduction was $500 million. However, HHC identified an additional $600 million in supplemental Medicaid requiring additional matching funds from the City.

Mr. Aviles added that HHC received the retroactive UPL funds that were held up during the Bush Administration and negotiated with the Obama administration and approved and released in the last three years which increased HHC's cash reserves, which allowed HHC to catch up with those retroactive payments. Going forward, the challenges will be greater; however, the infusion of those funds allowed HHC to close the gap.

Commissioner Doar asked if HHC has benefitted from the increase in the outpatient rates.

Ms. Zurack stated that in the first year of the rate reforms during the Spitzer administration, there was a $150 million cut to inpatient rates that translated to a $150 million increase to APGs which did occur. However, the following year there was a massive rate reform that resulted in a $100 -$200 million cut continuing through the MRT with additional rate cuts on top of additional rate cuts.

Commissioner Doar asked if those cuts were counter-balanced by any additional rate increases. Ms. Zurack replied that there was no infusion of funds to offset those cuts in outpatient services. The only additional programmatic relief that came from the State in recent years related to an expansion of funds that were very targeted and specific to primary care, medical home of approximately $20 million and the health home project which is very small. HHC is still in the aftermath of massive Medicaid cuts.

Mr. Rosen asked if Soarian will be the new billing system. Ms. Zurack stated that eventually it would be. Soarian is an integrated financial system which in essence is more than a billing system. It is defined as a revenue cycle management system that includes many functionalities other than billing, such as appointment scheduling, insurance verification, patient encounters inpatient and outpatient, coding and documentation; and billing and payment follow-up. In the old Unity system there were different applications for each of those functions that were connected by batch processes. However, within Soarian there will be only one application for all of those functions, beginning with the scheduling phase in conjunction with the installation of the database. Currently, HHC is on the Soarian database and the scheduling has been installed at Coney Island and Gouverneur hospitals with the remaining facilities to be fully installed by April 2013 as part of the scheduling component. The financial implementation will follow several months later which will include registration, charge capture, billing and the billing follow-up.

Ms. Zurack extended congratulations to Fred Ortiz, Deputy Chief Financial Officer, Woodhull Medical & Mental Health Center. Mr. Ortiz has worked for the Corporation for twenty seven years. The Corporation extends it appreciation to Mr. Ortiz for his years of dedicated service to HHC.

Key Indicators/Cash Receipts & Disbursements Reports

Mr. Fred Covino stated that the reports reflected data for the current FY 13 year-to-date through August 2012. Utilization trends for acute discharges are down by ½% or 146 discharges; D&TCs visits are down by 6.3% and nursing home days are down by 13.5%. In addition to the transitioning at Coler/Goldwater, service beds are down at Gouverneur from 210 to 150 which are scheduled to continue throughout the completion of the construction project that has been underway and is scheduled for completion later in the year. The ALOS, all of the facilities with the exception of Jacobi, Lincoln and Metropolitan are within 1/3 day of the corporate average. Jacobi is ½ day greater than the expected which is due to the start of the year which reflects a small sample size of two months. Consequently, there are significant variations in the data that will smooth out as the year progresses. Lincoln is 9/10 day less than the expected average and Metropolitan is 6/10 day less than the average. The CMI is up by 1.1%.

Dr. Stocker pointed out that Harlem, Kings County and Coney Island are up in utilization compared to last year and Harlem is also below the expected ALOS. Mr. Covino stated that the data is reflective of a small sample size for year.

Mr. Rosen asked if the expected LOS is calculated at the corporate or facility level. Mr. Covino stated that it is the corporate average for the same DRG mix for each facility.

Ms. Zurack added that the LOS is calculated centrally.

Ms. Andrea Cohen, Agent Designee for Committee Member Deputy Mayor Linda Gibbs, noted that the volume at the D&TCs is down significantly.

Mr. Covino stated that it is due primarily to Gouverneur which is down by over 5,000 visits due to construction projects at the facility.

Dr. Stocker added that utilization is down at the majority of the D&TCs which might require a further review of this issue.

Mr. Covino continuing with the reporting stated that FTEs are down by 182 which are 94 greater than the YTD target. Receipts are $12 million under collected against the budget and disbursements are $1.8 million overspent which resulted in a net YTD negative variance of $14.3 million. Page 3, a comparison of actuals for the current FY 12 to the prior FY 11, receipts were $11.4 million worse than last year due to a $17.7 million UPL payment that originated last year but is not yet received to-date. Expenses were $70.6 million worse than last year due to personal services (PS) expenses relative to an additional payroll of $85 million. There was a $20 million payment to the City laborers on behalf of a Comptroller's Determination retroactive to 2002 which is partially offset by fringe benefit timing whereby pension payments are being deferred until March 2013, December March and June. Page 4, actuals compared to the budget, the negative receipts' variance is due mostly to the inpatient Medicaid fee-for-service that is down by $15 million of which 1/3 of that amount is due to an increase in IPRO denials compared to the budget and a decrease in workload. PS expenses are $3 million better than budget. As previously stated FTEs are 94 greater than the current FY 13 YTD target. Additionally, overtime expenses are $1.1 million below budget for the period. OTPS expenses are over budget by $5.6 million due to timing due to fixed assets.

Mr. Covino brought to the attention of the Committee that the data shown on pages B1-B4 reflected the allocation of the Corporation's FY 13 budget by facility and major expense and revenue categories. The format is the same as the monthly reporting for the Cash Receipts and Disbursement report by facility, inpatient and outpatient categories. The purpose of these reports is to provide a baseline for the year as part of the monthly reporting to the Committee.

Mr. Rosen asked if the budgets were developed in conjunction with the facilities. Ms. Zurack stated that was a joint process.

Mr. Rosen asked if the budget incorporates a $300 million deficit. Ms. Zurack stated that on a cash basis it is included in the budget.

Commissioner Doar asked if there is a general distinction between facilities with a large or small deficit compared to those with very large surpluses.

Mr. Covino stated that the balance is the definition between the receipts and disbursements. Commissioner Doar stated that the variance between receipts and disbursement is clear but that the question is the difference between the best and the worse facility.

Mr. Covino stated that by looking at a facility like Coler/Goldwater the revenues are significantly impended this year due to the transition that is taking place. Therefore the revenues are depleted as a result of that change. Facilities like Elmhurst and Jacobi have large surpluses that are rolled into the current FY 13. Those facilities would be in a better position going forward.

Commissioner Doar asked if the difference is related to the surpluses each year. Mr. Covino stated that it is in addition to being challenged on the revenue side and in some years it may be related to prior year monies that are received by facilities such as Kings County that received a very large amount of funds related to prior years' settlements.

Commissioner Doar asked whether it is would be related to patient mix. Ms. Zurack stated that in terms of patient mix, a facility like Coney Island that has a large patient mix do better on the revenue side as opposed to another facility that has a smaller payor mix, more uninsured patients and a high Medicare population. What Mr. Covino was referencing relates to the structural issues with the budget whereby if a facility ends the FY with a surplus it is rolled into the next fiscal year. And if that type of trend is continued by the facility year after year, the surplus would increase substantially. Some of the facilities with deficits usually take a few years to reduce before showing a positive trend. Additionally there are restructuring issues that have impacted facilities such as Coler/Goldwater that have transition periods. Those three factors are the major contributors.

Commissioner Doar asked whether it is an operational issue. Mr. Covino stated this it is not. The report was concluded.

Information Items:

STATEMENT OF REVENUES AND EXPENSES
FOR THE PERIODS ENDED JUNE 30TH 2012 AND 2011

Mr. Jay Weinman reported that the Statement of Revenues and Expenses as of 6/30/12 for FY 12 and FY 11, overall the loss for the year was $434 million compared to $521 million in FY 11. The Inter-Company Elimination Entries which are eliminated as indicated in the footnote represents payments by MetroPlus to HHC for medical services. Revenue and expenses are eliminated for consolidation purposes. Additionally, health benefits paid to MetroPlus for HHC employees are also eliminated for the same purpose. In highlighting some of the major variances, net

patient service revenue decreased by $406 million due to four major issues, a decrease of $138 million in DSH maximization, outpatient UPL by $85 million, supplemental Medicaid managed care decreased by $85 million, and HMO grant medical education CMI by adjustment by $38 million. Appropriations decreased by $37 million. In 2011 HHC received more funds from the City than HHC paid but this was reversed in 2012 due to an increase in debt service of $31 million. Premium revenue increased by $613 million. Based on the recommendation of the MRT the State added the pharmacy benefit to the Medicaid managed care plan resulting in another 4340 million in additional pharmacy revenue and an increase in membership by 5% and a rate increase of 9%. Grants revenue increased by $36 million. Prisoners and uniforms previously paid as appropriations are now paid as grants. Other revenues increased by $24 million which reflect $27 million for medical residents FICA refunds retroactive from 1997 to 2005, based on a determination by the IRS that residents were eligible for an exemption. Operating expenses, personal services (PS) decreased by $148 million or 5.7% due to changes made for unpaid collective bargaining and the estimates are consistent with the City in addition to a reduction of 471 FTEs of 1.3%. OTPS increased by $491 million due to the $340 million pharmacy benefit revenues and also the increase in membership and rates for MetroPlus. Fringe benefits and employees payroll taxes increased by $78 million due to an increase in health benefits of $35 million and $92 million management increase offset by the FICA refund of $30 million. Postemployment benefits, other than pension decreased by $318 million based on an adjustment by the NYC Office of the Actuary as result of a review of demographics and salary scales.

Mr. Aviles asked if the reduction was reflective of the new trend line going forward.

Mr. Weinman stated that last year there was a $200 million adjustment compared to this year's adjustment of $80 million. The adjustment was based on demographics, post retirement mortality adjustments and salary scales. Last year's adjustment was based on salary scale information and demographics. The adjustment has gone from a negative $80 million compared to the $200 million last year. The swing is huge which is difficult to project. Moving back to the report, Affiliation contracted series increased by $27 million of 3.1 % compared to 3.9% last year. This represents a declining trend over the past two years. The net operating loss of $348 million compared to $443 million last year. The report was concluded.

BELLEVUE HOSPITAL CENTER - MEDICAID ELIGIBILTY PROCESS *AARON COHEN/DIANA SANTOS*

Ms. Zurack stated that at the request of the Committee, the Medicaid Application process follow-up at Bellevue would be present by Aaron Cohen, Chief Financial Officer and Diana Santos, Director Patient Accounts.

Mr. Cohen stated that over the past few months the facility has been engaged in a process of re-organizing its patient accounting department. One of the goals of that effort was to appropriately maximize the number of Medicaid applications processed. A considerable amount of work has gone into that effort as Ms. Santos will present and there are a number of challenges ahead some of which are ongoing. Before joining Bellevue, Ms. Santos worked at HRA as Director of Medicaid training.

Ms. Santos stated that the presentation would highlight the rapid improvement event (RIE) that took place at Bellevue in March 2012. The event was intended to address the follow-up and documentation of the Medicaid application process. That RIE was the last in a series of events that were developed by the patient accounts directors of the acute care facilities. Using the Breakthrough methodology to address the issue, Revenue Management conducted a value stream analysis (VSA) that included patient accounting and corporate revenue management to address the decline in the number of Medicaid application submissions and Medicaid applications processed. The group was charged with sharing best practices and standardizing the Medicaid application process across the enterprise. By the conclusion of that week in August 2011, there were six RIEs that took place over a 6-8 month period at several of the facilities. The focus of the RIE was the follow-up and documentation of the application process. The reasons for action were simple, the documentation required for the submission of the application was not happening in a timely manner and in some instances no action was being taken. The goal was to improve the quality of the applications; increase the quantity of the applications and reduce the time it takes to submit the applications. The scope was the Medicaid investigation follow-up; however, Bellevue veered slightly from the scope and the trigger was from the time the case was assigned to an HCI to the time that application was submitted. In the initial state, the facility took a multiple disciplinary approach and reviewed the effects of the processes. This was a high level review of the application process and the customers who are affected. The barriers and challenges were identified of which there were four major concerns; standardization of work, time frames for the staff, multiple reviews and hand-offs that caused redundancies and waste in the system. All of the staff did not have complete access to the systems required. The metrics show the submissions for the month of February 2012 which is also the facility's base. The number of applications submitted for the month was 457; the number of staff trained or standard work and given that this was the base, that number was zero. The number of cases sent to collection agencies and the number of staff with access to the systems which was not yet determined at that time. The next step included the number of cases that were back-logged in investigation which were over 600. Of the 457 applications, 385 were eligible or an 85% approval rate. In order to get to the target state, the facility would need to standardize its processes; obtain system access for all it investigation and related staff; and eliminate redundancies/waste. Based on the improvements that were implemented, using February 2012 application submission as the base, the facility's goal is to increase the number of applications submitted by 50%. The facility recognizes that this maybe an aggressive target, the goal is to have a challenge; 100% of the staff to be trained on standard work for the follow-up of the application and a 100% access for all of the staff to the systems and to reduce the backlog in investigations, the number of cases sent to the collections agencies and the adverse Medicaid decisions by 50%.

Ms. Cohen asked how the increase in the number of applications would be achieved if the applications submitted were related to the number of self-pay patients.

Ms. Santos and Ms. Zurack replied that it would be done through a reduction in the number of self-pays.

Ms. Cohen asked if an application was submitted for all patients who do not have health insurance. Ms. Santos stated that an application is not necessary submitted for all self-pay patients.

Mr. Cohen added that the point raised by Ms. Cohen was correct in that everyone who walks-in is not eligible; however, what Bellevue is looking to achieve is that for everyone who is eligible an application is submitted. There is opportunity for the facility to do better than the current performance but the 50% is a "stretch."

Ms. Santos stated that it is a stretch; however, the facility views it as a challenge. Ms. Cohen added that the issue was not whether the facility is getting more than 2/3 of the people but rather the base for the 50% increase.

Commissioner Doar asked how many patients were uninsured during the same time period and whether the facility has identified the pool of individuals it would be focusing on in order to achieve that 50%. Ms. Zurack stated that it would probably mean a 100% for the facility to get there; however, there is opportunity for the facility to achieve that goal.

Commissioner Doar added that it would be 100% of all of the patients that were not uninsured, an application would be submitted.

Ms. Zurack stated that in order to achieve the 50%, Bellevue currently submitted over 5,000 applications a year, the largest submitter. The goal is an application for everyone. Commissioner Doar stated that it would require 2,500 more applications submissions annually and that would include all of the uninsured patients at Bellevue.

Dr. Stocker stated that given the difference between applications submitted in the current state is the percentage of the eligible decisions at 84%, what is the percentage for the target state.

Ms. Santos stated that the calculation was not done.

Mr. Cohen stated that without doing the math, based on the facility's review over the year, 90% would be a reasonable percentage. Noting that a facility can affect that in various ways by being very conservative and only submit applications that will result in an eligible decision which would increase the percentage to 95% or submit an application for any possibility which would decrease the percentage.

Ms. Zurack stated that the year-end FY 12 data showed that Bellevue had 2,459 self-pay cases, 695 HHC Options and the percentage of insured patient to total was at 92%. If the facility had achieved 98.8% which is Lincoln's percentage, it would have done an application for everyone which is being achieved by some of the facilities.

Dr. Stocker stated that there is a difference between the hospitals based on prior discussions. If each of the facility could increase its submissions by 1% the conversion of applications across the system would generate an additional $3.5 million that would result in approximately $10 million corporate-wide.

Mr. Cohen stated that Bellevue represents approximately 10% of the Corporation and by increasing the number of applications; the facility can do more than $1 million.

Ms. Zurack stated that the facility is more than 10% of the opportunity because the facility's metric is as good as some of the other facilities. The facility is doing a good job at addressing this issue as Ms. Santos will present in the upcoming slides. Bellevue has a major challenge ahead and it is important for the Corporation to support the facility during this endeavor.

Dr. Stocker asked if the past submission rate was reflective of a steady trend or is the goal to increase that percentage given that in the previous year, the data showed that in some cases the actual submissions decreased and eligible decisions also decreased.

Ms. Santos stated that in FY 11 Bellevue's numbers were the highest and over a five year period that number in 2011 was an anomaly. Currently the facility is within the range that has been maintained over the years.

Mr. Cohen added that the increase during that year may have been related to the closing of St. Vincent's prior to that Bellevue did get some of those patients and it could be that Bellevue did a better job than St. Vincent's in qualifying patient for Medicaid. However, it does appear that 2011 was an outlier.

Ms. Zurack stated that in terms of the VS metric, the length of time it takes to process the applications, Bellevue is the highest. Another metric is the percentage of applications that are successfully and Bellevue is the lowest. Clearly there is opportunity that is related to the environment and some of it is related to Bellevue's process which is what the facility is looking to improve. There has been some improvement in the % of successful applications. Last year, Bellevue was at 79% against an 89% corporate average which is a 10% variance an if Bellevue were to achieve that 10% it would be a major increase for both the Corporation and Bellevue. The facility has indicated that there is an opportunity for the

facility to achieve that goal and possibly exceed that target by submitting more applications and getting more eligible decisions which is what the Corporation supports.

Mr. Rosen asked if Ms. Santos could go back to the number of application submitted which total 457 of which the 385 and 72 relate to the 457; the number of cases sent to collection agencies is not related to the 457 but another statistic, the number of self-pay cases is also not related to the 457.

Ms. Santos agreed that the number of cases sent to the collection agencies and the number of self-pay cases were not related to the 457 applications submitted.

Ms. Zurack added that in terms of Ms. Cohen earlier comment regarding the self-pay, the 473 if increased by 50% would be 710 which would be the pool for the facility to achieve the 50% target.
The self-pay cases are where the additional applications would need to increase.

Mr. Rosen added that it is not an easy chart to follow. After the eligible decision, the other 72 are other special codes. Ms. Santos added that the 72 are the denials, codes, 2s and 4s.

Dr. Stocker stated that there appears to be some opportunity in those codes for improvement. Ms. Santos agreed stating that the facility could reverse those denials.

Mr. Cohen stated that some of those are soft denials and some are hard denials, whereby additional information would be needed but it is certain that some of those would be reversed.

Ms. Santos continuing with the presentation stated that the gaps were high level problems that were identified and once corrected would result in a streamline and improve the efficiency of the process. If the goal of this event was to submit the applications sooner, the process would need to improve on the front-end which was done. The communication between patient accounting and admitting needed to improve in order to decrease the delay in communicating issues to the investigation unit in order to understand the problem with those cases. The facility also determined that it was important to retrieve and assign those cases sooner and more frequently during the day. The facility also recognized that there was a need for a dedicated emergency department (ED) unit. There were 8 hospital care investigators (HCI) in the managed care unit that were reassigned to the ED which was essential in standardizing the process upfront where the majority of the admissions are generated. That unit is currently in place to retrieve information and interview patients.

Commissioner Doar asked if there have been missed opportunities resulting from a patient spending its entire stay in the ED without being interviewed by a financial counselor and whether that would be the type of patient the facility would include as part of its improvement effort in achieving the 50% target.

Ms. Santos stated that it would not, given that it would be a treated and release patient. The facility is addressing the admissions. If there is a one-day stay there is a possibility that the opportunity to interview the patient may be lost which is the reason for the reassignment of the HCIs to the ED to avoid that type of problem. Standard of work would address inefficiencies and improve the process flow and access to all of the systems is absolutely necessary. In an effort to understand some of the challenges facing the facility it was important to review Bellevue's history starting with the demographics of the self-pay patients which showed that the catchment area is very broad in that 40% are Manhattan addresses; 60% are from other areas, outer boroughs, out of state, from other countries, and transfer from other HHC facilities. This population is extremely challenging in obtaining documentation from patients who do not reside in Manhattan. On average 66% of Bellevue's self-pay population is male, single males who are not in a federal category and Medicaid income levels are extremely low for this category making it very difficult to obtain eligibility. Bellevue also has a sizable transient, homeless or psych population that is also extremely difficult to obtain documentation and eligibility.

Dr. Stocker stated that the purpose of having the facility present their application processes is to attempt to identify some of the major issues impacting the facility's ability to improve the numbers. Based on the other facilities that have presented to the Committee, each facility has its own issues relative to improving the process. However, given the data Bellevue has presented in terms of its problems, it would be helpful if there were comparisons to the other facilities for each of those statistics.

Ms. Zurack stated that Bellevue had a significant population from the rest of the City, for example, there were 274 distinct zip codes in the facility's patient population compared to 32-142 for the other facilities. Therefore, Bellevue is unique in terms of the geography of its patient base.

Dr. Stocker asked how that impact the Medicaid application process would. Ms. Zurack stated that it would be harder to get the required document and in order to get those documents, the patients would have to travel a distance to bring those documents; notwithstanding, Bellevue's staff would have to chase after those patients in order to complete the process. Also, another review of Bellevue's population showed that 62.4% of the self-pay were males compared to 58.4 % corporate-wide. There were two facilities that had more males than Bellevue, Coney Island and Metropolitan hospitals.

Mr. Cohen added that another statistic that the facility had direct access to is the number of psych patients and 22% of Bellevue's population are in that category. The corporate number without Bellevue is 11%.

Dr. Stocker asked what percentage Kings County represents. Mr. Cohen stated he did not have that percentage with him but the second highest was Metropolitan at 19% which is also in the Network. All of the other facilities were much lower and based on the corporate average excluding Bellevue; the facility is doubled proportionately than others.

Ms. Santos stated that included in Bellevue completion plan there were seven items of which five were completed and the remaining two are still in process. The standard of work was completed and communicated to the staff; developed a Production Control Board (PCB) to track post-RIE results; implemented the visual management tool across the department. The two outstanding items include, analyzing the staff and systems access roster and expanding system access to staff and developing an assessment tool to measure staff's knowledge of Medicaid guidelines. The confirmed state includes the base period which started in February 2012, the next is the conclusion of the RIE in March 2012 and the next is April, May and June respectively. While the facility recognizes that the numbers are not reflective of the goals, the changes that were implemented have shown some improvement in the process which is evident in the number of submissions over the past few weeks and in the revenue the facility has received in recent weeks as well. There is another measure where the improvements are reflected which is the discharge not final billed (DNFB). The facility has been using this measure as a way of improving the staleness of the bills to ensure that those bills are addressed within the allotted time frame. The next steps include 100% access to Omnipro for the staff; develop a tool to assess staff's Medicaid knowledge; continue to do in-service training in the form of one on one; actual case studies, mentoring and weekly staff meeting focused on issues directly related to the processing of the applications, and continued dialogue with Medicaid onsite staff to address uneven application of eligibility standards.

Ms. Cohen asked if the facility use of HHS Worker Connect was helpful. Ms. Santos stated that it is as good as the data that is available to the staff and when the staff has used the system it has been very helpful in terms of the documents required for the submission of the application.

Commissioner Doar asked for clarification of the Medicaid system availability. Ms. Santos stated that the facility is required to verify the patient's resources and verify Medicare because Medicaid is the payor of last resort; therefore that verification would be required before an application to Medicaid is submitted.

Commissioner Doar asked if HRA has been helpful. Ms. Santos stated that HRA has been extremely helpful.

Dr. Stocker asked what would be a reasonable time for the facility providing the Committee with a status report. Ms. Santos stated that three to four months would be reasonable.

Ms. Zurack stated that Corporate Finance is planning to do a VSA in December 2012 and some RIEs at Bellevue so by February 2013 or March 2013 there should be some improvements and a reasonable time for Bellevue to provide the Committee with a status report.

The Committee agreed with Ms. Zurack's recommendation for Bellevue to report back to the Committee.

Medical & Professional Affairs / Information Technology Committee
October 11, 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:

Meningococcal Vaccination Campaign

At the request of Commissioner Farley, HHC is participating in an effort to vaccinate a sub-population of HIV+ patients against meningococcal disease, following a cluster of cases. The DOHMH is publicizing the effort with the recommendation that HIV+ men consult with their primary physician to obtain the vaccine but if they either do not have a primary care physician, or the PCP does not have the vaccine, it can be obtained at HHC HIV clinics. This effort is projected to last approximately 6 months.

This is a different clinical problem than the publicly reported meningitis cases due to fungal contamination of a methylprednisolone preparation, that has been used for epidural injection in pain management. HHC facilities have not purchased that preparation from the implicated supplier, and hence no HHC patient has been injected with the preparation.

Office of Emergency Management

September 2012 marks the ninth annual National Preparedness Month, sponsored by the Federal Emergency Management Agency (FEMA) in the US Department of Homeland Security. One goal of Homeland Security is to educate the public about how to prepare for emergencies, including natural disasters, mass casualties, biological and chemical threats, radiation emergencies, and terrorist attacks.

Throughout September there were activities held across the country to promote emergency preparedness. More than 3,000 organizations – national, regional, and local public and private organizations – are supporting emergency preparedness efforts and encouraging all Americans to take action.

The focus of this year's National Preparedness Month is building a community approach to emergency management, "from Federal, State, local, and tribal governments to the private sector, nonprofits, and faith based organizations, and the general public."
To support this initiative, HHC facilities conducted various educational and training programs and/or distributed information regarding personal preparedness (Ready campaign which includes information on communications, having a plan, go bag and sheltering in place).
Disasters can strike at any time. HHC emergency preparedness efforts are conducted year round to improve our ability to respond to all hazards events. Hospital specific readiness efforts included conducting mass casualty exercises, hospital specific training (Haz Mat decontamination, Hospital Emergency Response Team – HERT), and FEMA on-line training.

Lincoln Medical & Mental Health Center conducted a Mass Casualty/Patient Surge exercise with a Metro North train wreck scenario with 87 casualties presenting in the Emergency Department. 25 senior staff members participated along with ED, Ambulatory Care, and Finance Registration Departments.

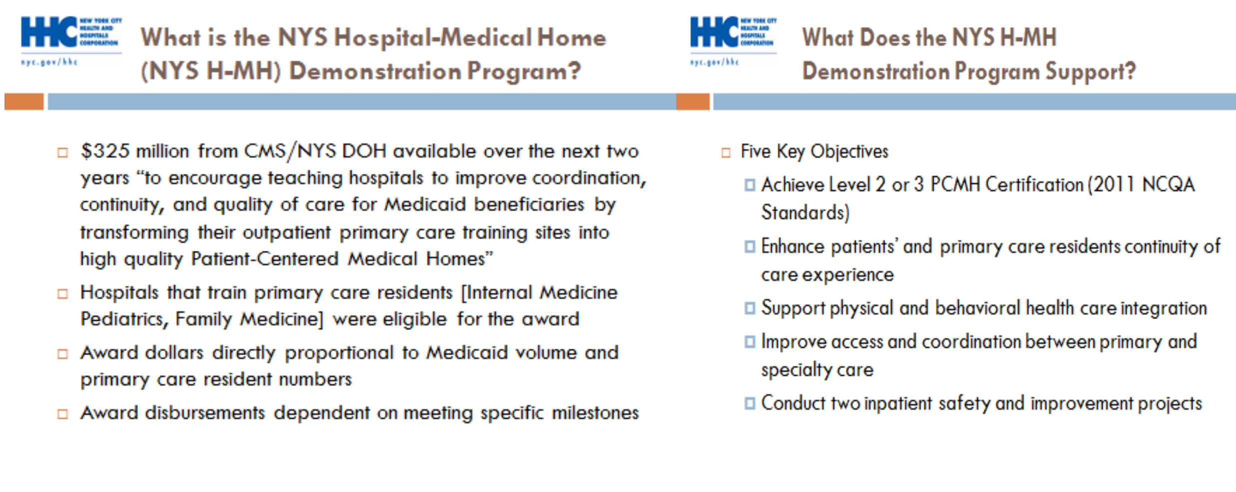
Elmhurst Hospital Center and Queens Hospital Center participated in a Mass Casualty/Patient Surge exercise along with other partners in the Queens County Emergency Preparedness Healthcare Coalition (QCEPHC). 10 hospitals participated in the exercise. The scenario was multiple explosions in a major Queen's subway station with street and building collapses. In addition, Queens Hospital Center distributed Family Preparedness Plan information and emails to all staff.

Metropolitan Hospital Center conducted a drill with the Metropolitan Transportation Authority (MTA) and the Second Avenue subway contractors.

Woodhull Medical & Mental Health Center activated their Command Center for a planned electrical system repair. They used the activation as a training opportunity for staff. They also distributed Ready NY information to staff and visitors in the main lobby and had a guest speaker from the Counterterrorism Division of the NYPD present to staff on Active Shooter Incidents. A Go Bag was given to staff that correctly responded to a questionnaire on community and home emergency preparedness.

NY State DOH Hospital-Medical Home Demonstration Project

HHC has been successful is attracting more than $20m in funding for our facilities to further the work on Patient Centered Medical Home (PCMH). Details below:



The HHC Hypertension Control Initiative

As part of our work on improving outcomes for patients with chronic disease, the following initiative is part of the HHC 2012-2015 Hoshin Kanri strategic initiatives. This builds on considerable work over the past 6 years and the development of a registry for hypertension, hyperlipidemia and diabetes. A brief summary follows:

Aim: To achieve benchmark performance in hypertension control at HHC: 80% of HHC patients at target within 3 years.

Current State: 44% of HHC patients without diabetes are controlled. 38% of diabetics have BP <130/80 (approximately 65-70% of diabetics have BP below the less stringent cutoff of 140/90).

Overarching Strategy: To build upon the platform of PCMH at HHC to implement integrated best practice strategies for *all* chronic illnesses, starting with hypertension and then proceeding to diabetes, hyperlipidemia, depression and other prevalent chronic illnesses.

Key Elements of Care:

Element of Care	Description	Rationale
Audit/Feedback	Automated reporting of performance metrics at the patient, physician, and facility level; provision of feedback to physicians	• Identify and target low performing PCPs • Identify high risk populations
Treat-to-Target Collaborative Team Care	Pathways in which RNs work closely with patients to achieve chronic illness control: • Adjust medication under direction of PCP, based on PCP's care plan • Frequent monitoring of BP (e.g. every 2 weeks) until control is achieved	• Achieve target rapidly • Not dependent on PCP access
Adherence Counseling and Education	Standard approach to identifying and addressing causes of adherence	• Large % of uncontrolled BP is due to medication non-adherence • Uncovering and promoting adherence requires specific skill development
Self-Management Support	• Home blood pressure monitoring • Lifestyle coaching	• Home monitoring improves adherence/engagement

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 September 27, 2012 was 435,564. Breakdown of plan enrollment by line of business is as follows:

Medicaid	369,107
Child Health Plus	15,383
Family Health Plus	36,267
MetroPlus Gold	3,087
Partnership in Care (HIV/SNP)	5,766
Medicare	5,954

Dr. Saperstein reported that this month, MetroPlus lost 2,546 members. MetroPlus's largest loss was in their Medicaid line of business. MetroPlus lost 15 Medicare enrollees.

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 the last two months, MetroPlus lost 2,018 members to Fidelis Care and 2,076 members to Health First. This month, their loss decreased slightly from last month; 890 members to Fidelis Care and 975 members to Health First. After more research, while it appears that the MetroPlus dental transition to Healthplex in July may have been a contributing factor, we are still working to identify other potential causes for these significant losses. The losses are not focused at any particular provider site.

At the end of August, MetroPlus completed a telephone survey to assess the disenrollment reasons for the initial loss of membership to Health First and Fidelis Care. A segment of MetroPlus' disenrolled members were successfully contacted. Approximately half of the members that MetroPlus contacted that disenrolled to Fidelis Care stated that they left MetroPlus because their dentist was not in the Healthplex network. Approximately one-third the members that MetroPlus contacted that disenrolled to Health First stated they left MetroPlus because their dentist was not in the Healthplex network. MetroPlus's hope is that the losses due to dental will now subside in the fourth month after transitioning to Healthplex.

MetroPlus continues to work to meet the HHC Enterprise goal of doubling the current Medicare membership. To date, MetroPlus' Medicare growth has been modest and they are currently implementing strategies to increase their membership. This Fall, in addition to MetroPlus' usual print ad campaigns in newspapers and subway advertisements, they will be launching a Spanish language television campaign on Telemundo and Univision. The television ads will run for 11 weeks, airing for four weeks this Fall and resuming in late Winter/early Spring 2013.

Industry-wide, it has been proven that member retention and member satisfaction in Medicare markets are closely tied to constant 'touches' to the membership. The MetroPlus retention department will be increasing the number of 'touches' to our Medicare membership this open enrollment season.

Additionally, the MetroPlus Medicare marketing team will be offering lunch and learn activities in HHC facilities to increase referrals of dual eligible members. HHC data shows that there are approximately 20,000 dual-eligible members receiving services at HHC that are eligible to join

MetroPlus. These lunch and learn activities are designed to educate the staff about MetroPlus and its relationship to HHC and institute referral processes to allow MetroPlus marketing staff to educate this eligible membership on their options. This Fall,
the HHC facilities will be sending a mailing to the same dual eligible members signed by the facility Chief Medical Officers encouraging them to explore their options for joining a Medicare managed care plan.

Each year before a CMS Medicare bid is submitted, MetroPlus completes a detailed analysis of the benefit packages offered by competitive managed care plans in their market. For 2013, MetroPlus' benefit package is competitive to others in the market.

Each year, CMS posts quality ratings of Medicare Advantage Programs based on a star scale to provide Medicare beneficiaries information about plans offered in their area. MetroPlus has just been certified as a 3-star plan for 2013. In general, MetroPlus scored well on the measures related to clinical care, but scored poorly on measures related to access. In 2013, MetroPlus will receive 3.0% Quality Bonus Payment and 58.3% rebate percentage. The rebate amount decreased from 2012 where MetroPlus received a 66.7% rebate percentage. MetroPlus must be certified as a 4–star plan in 2015 in order to receive a Quality Bonus Payment. Plans with less than four stars will not receive a Quality Bonus Payment.

MetroPlus continues to work very closely with HHC towards the successful implementation of the HHC Health Home. To date, there are 29 MetroPlus members in the HHC Health Home. MetroPlus has 15 members which are billable to the State. The remaining 14 members are in CIDP/COBRA case management programs, which are billed directly by HHC. MetroPlus expects to increase MetroPlus membership in the HHC Health Home in the coming months.

Dr. Saperstein is happy to report that MetroPlus has executed a contract with the state to initiate a Managed Long Term Care plan. MetroPlus will begin educating the public of this new benefit immediately and will begin enrollment on November 1, 2012.

Chief Information Officer Report

Bert Robles, Chief Information Officer provided the Committee with updates on the following initiatives:

Electronic Medical Record- Next Steps

At the September 27th Board meeting, HHC's Board of Directors unanimously voted to approve a resolution authorizing HHC to contract with the EPIC Corporation to provide HHC with a new Electronic Medical Record System. However, this decision is contingent upon review by the Procurement Review Board following a complaint issued by Allscripts.

Notwithstanding this review, Enterprise IT Services (EITS) is moving aggressively with the planning process. As outlined to this committee and to the full Board last month, several additional contracts will be presented to the Board of Directors through the course of the implementation. We anticipate early on that there will be a sole source contract for Electronic Prescribing Provider estimated at $5 million; Device Integration Software and related services estimated at $32 million; initial hardware installation estimated at $68 million; Medical library references (also due for renewal) of $10 million; and a requirements contract for Professional Services to support implementation estimated at $40 million/year over five years. In addition, additional space will be required to house new staff specifically hired for the EMR implementation.

Soarian Go-Live at Coney Island Hospital

Soarian went live at Coney Island Hospital on Monday, September 24th. This implementation was the culmination of months of preparation which included training staff, building scheduling templates, working on PC configuration and connectivity issues. Over 250 users at the facility were trained along with an off-site vendor that does scheduling for some clinics, and the number of users continues to grow daily. Overall, the transition proved to be very smooth and users are scheduling appointments without disruption.

A team of Siemens project/support staff along with Revenue Management was on site for the week to resolve any issues encountered by the CIH staff. As with any implementation, some of the challenges identified either prior or during the go-live have been resolved while others continue to be worked on.

Following the Coney Island go-live, Gouverneur is scheduled next on October 15th followed by Bellevue on October 29th and Metropolitan on November 12th. A full Soarian update will be presented to this Committee at the November 20th meeting.

Meaningful Use (MU) –Year 2 of Stage 1

HHC is in Year 2 of Stage I of Meaningful Use and will continue to maintain MU measures for the next twelve (12) months. HHC has already achieved $17million of $30 million incentive dollars for the first year. However, in order to qualify for all of the incentive money, HHC must meet all nineteen (19) objectives for the entire year. We continue to work to actively meet the Stage 2 requirements in the latter part of calendar year 2013. We will keep the Board apprised of our progress.

EITS Workforce Development-Roll-Out of SkillSoft On-Line Training:

As part of the overall Corporate Workforce Development initiative, EITS implemented an IT Training and Professional Development program for its 600+ full time staff located at Central Office and all HHC facilities. The program includes foundational and advanced courses, aimed at further developing core competencies needed to support HHC's strategic goals and was designed to help individuals build technical, desktop, business and professional development skills. As the program matures instructor-led courses will be developed and offered to employees as well.

SkillSoft was selected as EITS' e-learning vendor, providing more than 2600 courses, including various certification tracks. As part of the program, EITS employees are also eligible to use SkillSoft's Books 24x7, which provides online access to thousands of digital titles on a variety of useful topics. Staff can access the Skillsoft courses and Books 24x7 either at work or from home. All EITS staff was provided an overview of the program at their specific sites as well as a one (1) hour introductory session on how to access the on-line program.

Deployment of this program to HHC Central Office and facilities began in early May 2012 and was completed on August 31st.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute a renewal and amendment to the contract with SunGard Availability Services renewal and amendment to the contract with SunGard Availability Services (SunGard) for an alternate data center for disaster recovery, business continuity and associated professional services. Funding for the four-year renewal term per the Corporation's exercise of its renewal options under the existing contract is $5,321,880 annually, for a total amount not to exceed $25,550,000 which includes a 20% contingency of $4,262,480.

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

Information Item:

HHC Patient Satisfaction

Presenting to the Committee was Lauren Johnston, Senior Assistant Vice President/Chief Nursing Officer, Office of Patient Centered Care. Press Ganey has been HHC's partner in our survey process since January 2012. Both emergency department (ED) and outpatient tools are proprietary so I cannot go back to compare how we were using Health Stream data. Ms. Johnston provided the Committee with a slide that displayed the emergency department (ED) overall adult patient satisfaction scores for the first half of 2012 from the Press Ganey (PG) database which represents more than 1,600 hospitals across the county – see attachment A.

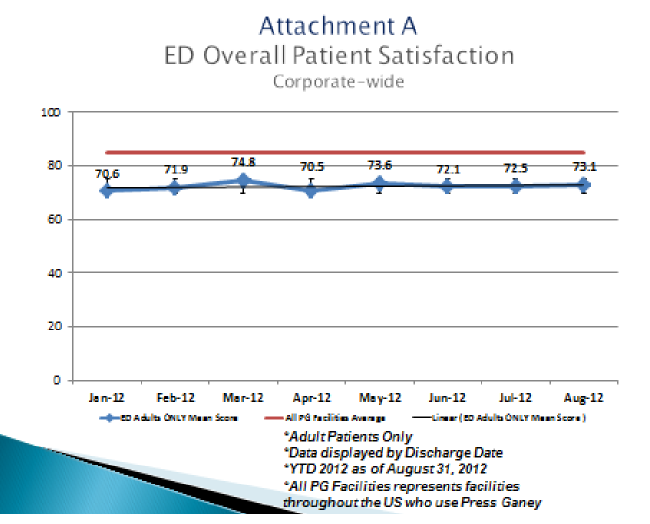
{Note: this data is for adult patients only, behavioral health and pediatrics has been separated out]. ED patient satisfaction mean scores for the questions asked in the survey ranged from 67 to 77.9. The data shows we are holding steady between the 1st quarter and second quarter of 2012 and learning how to use this tool and how to spread this information out to staff. The question categories included: overall assessment; personal issues; personal/insurance information; family or friends; tests; doctors; nurses; arrival. See Attachment B for details.

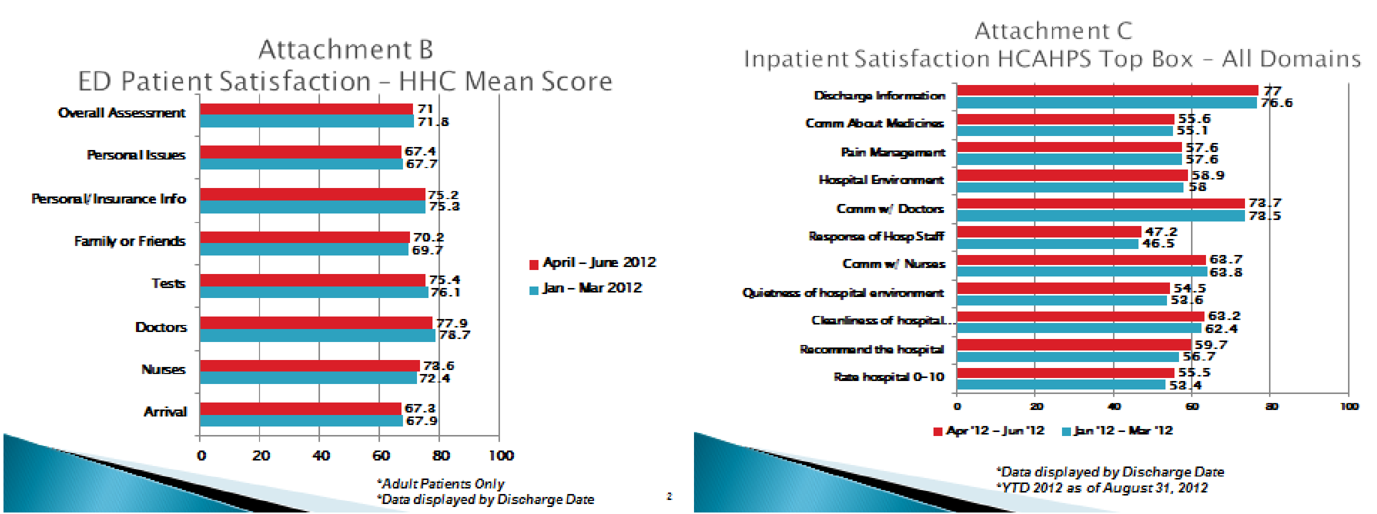
The recommended focus section for each facility is outpatient access. The following four questions make up the access section of the survey: ease of getting through to the clinic on the phone; convenience of office hours; ease of scheduling your appointment; and courtesy of staff in the registration area. The peer group comparison uses the ALL facilities database which consists of 778 facilities across the country. The data shows a little gab but with a trend upwards through August 2012. The next slide illustrated additional questions asked in the outpatient setting such as: overall assessment at 78.4; personal issues at 80.9; care provider at 79.6 and access at 69.7. Was encouraged to see these scores as a little progress is being made, but it is still a little too soon to tell as we considered the first quarter as a transition due to some data transfer issues which are resolved, the sample sizes are larger than they use to be with old vendor but we are encouraged that we are making progress.

The Value Based Purchasing initiative is specifically targeted on the inpatient care and there is far more control over what we ask our patients and the manner in which we ask them on the inpatient side – it is very regulated. This is the CMS mandated survey that will ultimately be used to determine how much reimbursement will be at risk at the facility level, ie. Value Based Purchasing (VBP). Current VBP performance period is April 1 – December 31, 2012. January 1, 2013 starts new performance period to determine amount of DRGs at risk for 2015 payments. Data is represented as "Top Box" which is the percent of patients who gave you the highest score of the scale. This is the only score that CMS uses. This data is only rated 9-10 and applies to the 'rate the hospital' question. The peer group comparison uses the ALL Press Ganey Database which consists of 1724 hospitals and health systems across the country. Attachment C provides the rating on the questions required by CMS.

The next several slides demonstrated the overall ratings per borough as publically reported by CMS in September 2011 as follows: Coney Island Hospital, Kings County Hospital and Woodhull Medical & Mental Health Center rated the highest out of the 13 Brooklyn hospitals; Elmhurst and Queens Hospital Centers were ranked 2nd and 3rd out of the 8 hospitals in Queens; Metropolitan Hospital Center was 6th, Bellevue Hospital Center was 8th and Harlem Hospital Center was ranked 9th out of the 12 hospitals in Manhattan; and North Central Bronx Hospital rated 1st, Jacobi Medical Center 3rd, and Lincoln Medical and Mental Health Center as 4th out of the seven hospitals in the Bronx. Our goal is to meet or exceed the U.S. average of 68% versus the New York State rate of 60%. Source of data was pulled from www.hospitalcompare.hhs.gov on 10/2/2012.

Ms. Johnston then provided the Committee with an update on the action plan for 2012 –2013. The selection and engagement of the new patient experience survey vendor (Press Ganey) occurred in December 2011. Parameters for surveying patients was reviewed and revised in January 2012. The number of languages in which surveys will be offered to better meet the needs of patients was expanded in March 2012. The survey sample size was expanded and behavioral health patient surveys were added. Leadership and staff education regarding patient centered care mission and newly available management tools available through Press Ganey began March 2012. Determination of 2013 goals and priority focus areas occurred in September 2012. Harlem Hospital Center and Metropolitan Hospital Center were selected as pilot facilities for dedicated improvement work in September 2012. The 2013 inpatient priority focus areas are: focus question is 'Rate hospital 9-10'; goal – 50th Percentile All PG Database = 69.3 Top Box; and key drivers include nurse/physician communication and responsiveness of hospital staff. The 2013 outpatient focus areas are: focus section = access; goal – 50th Percentile All Facilities Database = 87.8 Mean Score; and the key drivers are east of getting through to the clinic on the phone, ease of scheduling your appointment and courtesy of staff in the registration area. The 2013 emergency department priority focus areas are: focus section is overall assessment; Goal – 50th percentile all PG database = 85 Mean Score; and the key drivers include waiting time before staff noticed your arrival, waiting time before you were brought to the treatment area, waiting time in the treatment area before you were seen by a doctor, and information about waits and delays.





<u>Strategic Planning Committee – October 16, 2012</u>
<u>As reported by Josephine Bolus, RN</u>

Senior Vice President Remarks

Ms. LaRay Brown greeted and informed the Committee that her remarks would include brief updates on federal and city issues and key HHC initiatives.

FEDERAL UPDATE

Long Term Care Hospital Legislation

Ms. Brown reported that, an issue which HHC has been dealing with over the past year is ensuring that any proposed legislation that would narrow the definition of a long term acute care hospital (LTACH) would encompass Goldwater Specialty Hospital and Nursing Facility. Proposed legislation would likely phase in a requirement that 70% of patients meet specific LTACH criteria. Goldwater is currently undergoing a major modernization and is slated to move to a new campus in Harlem, which has been named the Hank J. Carter (HCH) Specialty Hospital and Nursing Facility. A major challenge is to ensure that any legislation not penalize Goldwater for potentially not achieving a statutory threshold of LTACH patients during the transition to HCH. It is possible that LTACH legislation could be passed during the lame-duck Congressional session in December, following the elections. We will keep you up to date on any developments.

World Trade Center Health Program Update

As presented at last month's meeting, the World Trade Center Environmental Health Center's annual subway campaign was augmented this year with bus shelter ads in immigrant communities throughout the city. The National Institute of Occupational Safety and Health (NIOSH), the Center's funder, immediately received a significant increase in call volume, particularly from persons speaking Chinese, Spanish and Polish. The ads were up for the full month of September, which generated nearly double the number of calls normally received from 1,000 to almost 2,000 per month. It's too early to know how many of those callers will become enrollees, but the Center is putting systems in place to expeditiously handle the anticipated increase in patient volume.

As you may have heard in the news, on September 12th, Health and Human Services (HHS) published a final rule in the Federal Register adding certain types of cancer to the list of WTC-related health conditions with an effective date of October 12th, providing only 30 days from time of the announcement to the mandated implementation date. The Center immediately began preparing for this significant change, which will allow patients to have choice of where they will get care, either within our own HHC system or elsewhere. The Center will have responsibility to oversee care, including claims authorizations, no matter where that care is rendered.

CITY UPDATE

Council to Hold Hearing On Access to Care by Women with Disabilities

Later this month, the City Council Health and Women's Issue's Committees will hold a joint hearing on access to women's health care services by those with disabilities. HHC has been invited to testify along with other health care providers and advocates representing patients with disabilities. The hearing is scheduled for October 24th at 10:00 am in the Council's 16th floor hearing room.

HHC INITIATIVES

Medicare 101 Workshops

HHC in collaboration with the Centers for Medicare and Medicaid Services (CMS) is hosting free Medicare 101 workshops at all eleven HHC hospitals and two HHC diagnostic and treatment centers, just in time for the Medicare open enrollment period which starts on October 15th and ends on December 7th.

These workshops are led by health insurance specialists from CMS, and provide Medicare information and materials that are current, accurate and consistent for beneficiaries, healthcare professionals who provide guidance for Medicare beneficiaries, including coming-of-agers (people approaching age 65, when they become eligible for Medicare), and those who want a refresher course. The sessions provide updates brought about by the Affordable Care Act, the healthcare reform law passed by the U.S. Congress in 2010 and upheld by the U.S. Supreme Court in June.

To date, a total of five Medicare 101 sessions have been held thus far at North Central Bronx Hospital, Lincoln Medical and Mental Health Center, Kings County and Elmhurst Hospitals, with more than 250 individuals participating in these workshops. This week, Medicare 101 workshop sessions are scheduled to occur at Harlem Hospital Center on Wednesday (October 17th) and on Thursday (October 18th) on Woodhull Medical and Mental Health Center this week.

These workshops are important because seniors are a significant and growing part of our patient population and we are providing this important information to assist them in making informed decisions about their health care.

National Government Services (NGS) Short Stay Services Training Sessions for HHC Staff

In addition to the Medicare 101 sessions, HHC has partnered with CMS once again, through their vendor National Government Services (NGS), to provide onsite training sessions for staff focused on reducing Medicare claim error rates.

As background, in fiscal year 2000, CMS began an initiative to identify dominant error patterns in claims submitted by hospital facilities and individual health care providers. The initiative known as the Comprehensive Error Rate Testing ("CERT") program focuses on error rate identification and reduction. Seeking to reduce these rates by providing outreach and education, National Government Services (NGS) is providing onsite educational presentations to teaching hospitals in New York and Connecticut, including HHC facilities. These sessions are being held at all 11 HHC hospitals throughout fall 2012. A total of six sessions have occurred thus far with 223 staff participants. The content of these onsite training sessions focus solely on "short stay hospital services" and covers the leading Medicare Part A claim error, which is incorrect payments for one and two day inpatient claims; and the leading Medicare Part B claim error, which is up-coding of evaluation and management services.

Each presentation including questions and discussion is approximately 90 minutes long. The session includes a review of a sample of five claims that had been denied for that HHC facility. NGS staff reviews decisions for each of those claims to provide facility staff with an opportunity to see how their documentation and coding are being assessed during the review process. The target audiences for the onsite sessions include:

- Lead physicians from departments of medicine, emergency medicine and anesthesia;
- Attending and resident physicians; utilization review and billing/coding staff;
- Compliance officers; and
- Financial officers associated with revenue management.

Voter Registration and Education Drives at HHC Facilities

With Election Day fast approaching, HHC's Community Advisory Boards, Auxiliary organizations and Volunteer Departments participated in AHA's "We Care, We Vote" Campaign and the City's own "NYC Votes" Campaign to help New Yorkers register to vote in time for November 6th. More than 46 voter registration drives were held at 21 HHC facilities across the city, just before New York State's October 12th registration deadline. Training sessions were held to train volunteers to assist patients and community residents with voter registration. More than 75 HHC CAB and Auxiliary members and volunteers manned tables throughout the month of September through October 12th to assist New Yorkers with this process. Their efforts yielded the distribution of more than 1,100 voter registration forms, of which a total of 739 forms were completed, collected and mailed to the Board of Elections.

Action Item:

Simpler Contract Renewal and Amendment
Ms. Joanna Omi, Senior Vice President, Organizational Innovation and Effectiveness presented an action item to the Committee seeking approval of an extension of HHC's contractual relationship with Simpler, LLC, in order to gain further benefits from the vendor, including escalating ongoing efforts to develop HHC's Breakthrough infrastructure and particularly HHC's leadership and management staff that will ultimately lead to HHC having the internal capacity to implement and sustain improvements without significant ongoing external support.

HHC proposes to execute the third of three existing, one-year renewal options in the contract at an amount not to exceed $5,500,000 (this amount includes a 10% contingency to be exercised at the sole discretion of HHC's CEO). This period will commence November 1, 2012, and expire October 31, 2013.

The information that follows was included in the executive summary that was presented to the Committee concerning HHC's contract with Simpler North America, LP.

Background

In November 2007, the New York City Health and Hospitals Corporation (HHC) executed a contract with Simpler Consulting, Incorporated (now Simpler North America, LP) for a three year period ending October 31, 2010. This contract for Lean training and consultation was procured through a competitive Request for Proposals process. From five qualified respondents, Simpler was selected based on experience, approach and cost.

Contract History

Process and Date	Period/Purpose	Amount	Cumulative Total
Approval of original contract (November 2007)	Years 1-3 (11/1/07 - 10/31/10) with 2, 1-year optional renewal years	$5,000,000 for Years 1-3	$5,000,000
First Amendment (January 2010)	Increase budget authority for the original period (Years 1 – 3) to add depth and breadth to contractor scope*	Add $2,000,000 to Years 1-3	$7,000,000
Renewal and Second	Execute the first of 2 optional renewal years (Year 4:	Add $3,112,700 for Year 4	$10,112,700

Amendment (October 2010)	11/1/10-10/31/11) and add a third optional renewal year to ensure development of all sites and build self-sustaining infrastructure		
Renewal and Third Amendment (October 2011	Executed 2nd of 3 optional renewal years (Year 5: 11/1/11-10/31/12)	Add $4,879,650 for Year 5	$14,992,350

*develop a larger cadre of internal Breakthrough experts, increase the length of the Contractor's consultants (sensei) engagement at each site in order to make deep, substantive improvements within critical value streams.

This contract is managed by Joanna Omi, Senior Vice President in the Division of Organizational Innovation and Effectiveness. Ms. Omi reported that Simpler has performed well, providing onsite training and consultation that enabled HHC to generate site-specific and enterprise-wide improvements.

Outcomes to Date

In the almost five years that HHC has implemented Breakthrough with Simpler's support, $261.1 million in new revenues and cost savings have been realized. In addition, 5,720 staff has participated in Breakthrough activities and 1,141 Rapid Improvement Events have been completed. The cumulative return on direct investment for the first four years of this contract is $261.1 million on a contract expense of $14,992,350. Breakthrough has now been implemented at 19 of HHC's major sites[1] resulting in improvements in areas such as peri-operative services, emergency departments, inpatient units, ambulatory care, revenue cycle, imaging and behavioral health. Not only has this effort resulted in increased revenue and cost savings but it has also improved safety, efficiency and capacity, and decreased patient waits, unnecessary staff and patient movement and un-needed steps in numerous processes. ROI continues to grow at an increased rate, even over the last year when adjusted for gains recorded for two years in inpatient documentation and coding ($5.74 in FY11, $8.40 in FY12).

Contract Scope

During the proposed one-year period, Simpler will focus on four strategic areas that have been identified as critical to Breakthrough and HHC's success:

- Strengthening HHC's Breakthrough infrastructure at the leadership, Corporate and site levels toward increasing capacity to manage without Simpler assistance;
- Developing and implementing Breakthrough at two new sites (East New York Diagnostic and Treatment Center and Dr. Susan Smith McKinney Nursing and Rehabilitative Center);
- Supporting key value streams through assigned Simpler Sensei to increase event productivity as well as develop and spread model value streams across the sites;
- Provide targeted coaching to HHC managers to implement "Managing for Daily Improvement" to ensure implementation of Breakthrough tools and philosophy at all levels of the organization and ensure sustainment of gains made through rapid improvement events; and,
- Improve the alignment of Breakthrough efforts with strategic goals including assigning Simpler staff to concentrate on key Value Streams and provide direct support to Breakthrough staff to learn and use more advanced Breakthrough tools.

Simpler will support the following activities this budget period:

- Implement Breakthrough at 2 additional sites: Breakthrough will be implemented at Susan McKinney Nursing Center and East New York D&TC over the course of the 12 month budget period. Onsite Simpler sensei support will be provided at these sites to train staff, facilitate early improvement, coach leaders and work with process owners to embed Breakthrough tools throughout operations.
- Provide onsite, regular consultation: Dedicated Simpler sensei will be assigned to sites according to the sites' competency and plans. Sensei will support improvement activities in increments of 4.5 days ('weeks'), with the number of these weeks per site per month varying from twelve to twenty-four during this 12 month budget period.
- Provide focused support of strategic value streams: Simpler will allocate .5FTE (equivalent to 2 weeks per month) to support of one or two specific value streams that are active across the enterprise, e.g., peri-operative services, emergency departments, ambulatory care or mental health services. Simpler will work with the enterprise Breakthrough office and individual sites to identify effective Breakthrough practices that have relevance to other sites, and to spread these across and within sites. This activity will provide a showcase of best practices as well as engage sites for more rapid, systemic spread.
- Provide transformation program management, core team development, developing transformation policies, data collection and analytics, organization design, Breakthrough training and certification, lean capability assessments and assistance in building the HHC Business Improvement System Executive Coach will be on-site 4 weeks per month providing executive coaching aligned with the deployment of Hoshin Kanri, TPOC reviews and other strategic initiatives at all active sites. Monday noon until Thursday afternoon will be the normal on-site engagement.
- Development and project management: Simpler will allocate .5FTE sensei (equivalent to 2 weeks per month) to planning and continued development of Breakthrough, the HHC Improvement System in collaboration with and under the management of the Senior Vice President, Organizational Innovation and Effectiveness. This work will include expansion of prior Hoshin Kanri/Strategy Deployment activity, identification and deployment of advanced tools and strategies at the enterprise and site level, leadership development and training, and facilitation and alignment of all communications between site and other sensei assigned to HHC.
- Training: Simpler will continue to provide support for select facilitator certification training, including Silver, Gold and Platinum levels, as well as additional targeted training. In all training, the process will facilitate the development of internal HHC capacity to conduct these courses.

Contract Benefit to HHC

November 1, 2012 through October 31, 2013:

- New Revenue: $ 85 million Cost Savings: $10 million
- Other anticipated outcomes of Breakthrough efforts include:
- Number of Rapid Improvement Events: 300
- Number of additional employees participating in Breakthrough Event: 1,600
- Leadership will be more skilled and knowledgeable about the application of tools to plan, implement and sustain Breakthrough activities. Managers will be able to improve their own and their areas of responsibility's productivity through the use of Breakthrough tools and philosophies on a daily basis
- Sites will have increased capability to manage projects, increase the effectiveness of their Breakthrough events and the ability to use more advanced tools to achieve greater success. Employees will be empowered to problem solve and improve the processes in their own areas.
- Patient and employee satisfaction will be increased due to the elimination of wasteful, unneeded processes, wait times and unnecessary movements.

Contract Management

The contract will continue to be monitored by Joanna Omi, Senior Vice President, the Division of Organizational Innovation and Effectiveness.

Following the presentation and discussion, the Committee approved the resolution for the full Board's consideration which authorizes the President of the New York City Health and Hospitals Corporation to execute the third of three one-year renewal options available under the existing contract with Simpler North America, LP.

SUBSIDIARY BOARD REPORT

MetroPlus Health Plan, Inc. – October 16, 2012
As reported by Mr. Bernard Rosen

Chairperson's Remarks

Chair Rosen welcomed everyone to the MetroPlus Board of Directors meeting of October 16, 2012. Mr. Rosen advised the Board that Dr. Saperstein would present the Executive Director's report and Dr. Dunn would report on Medical Management issues. Mr. Rosen stated that there would be three resolutions presented.

Executive Director's Report

Dr. Saperstein reported that total plan enrollment as of September 27th, 2012 was 435,564. Breakdown of plan enrollment by line of business is as follows:

Medicaid	369,107
Child Health Plus	15,383
Family Health Plus	36,267
MetroPlus Gold	3,087
Partnership in Care (HIV/SNP)	5,766
Medicare	5,954

Dr. Saperstein stated that MetroPlus enrollment has increased since his last report to the Board. The Plan has experienced an increase of 3,120 members, with the greatest increase reflected in the Medicaid line of business. Dr. Saperstein informed the Board that the pace of MetroPlus' enrollment has slowed down since his last report to the Board, and in recent months the Plan has experienced a significant loss of membership to Fidelis Care and Health First.

In the last two months, the Plan lost 2,018 members to Fidelis Care and 2,076 members to Health First. After more research, while it appears that the MetroPlus dental transition to Healthplex in July may have been a contributing factor, the Plan is still working to identify other potential causes for these significant losses. The losses are not focused at any particular provider site. At the end of August, MetroPlus completed a telephone survey to assess the disenrollment reasons for the initial loss of membership to Health First and Fidelis Care.

A segment of the Plan's disenrolled members were successfully contacted. Approximately half of the members that were contacted that disenrolled to Fidelis Care stated that they left MetroPlus because their dentist was not in the Healthplex network. About one-third the members that were contacted that disenrolled to Health First stated they left MetroPlus because their dentist was not in the Healthplex network.

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

Dr. Saperstein reported that the 2013 Medicare Bids were submitted to CMS in June and accepted in August. Due to rate cuts and very high drug costs, significant changes had to be made to the Partnership in Care Plan (HMO SNP) for 2013. Monthly premiums increased from $0 to $23.70, co-payments were increased and several benefits had to be cut from the package including hearing aids, transportation services, and vision services.

MetroPlus continues to work to meet the HHC Enterprise goal of doubling the current Medicare membership. To date, MetroPlus' Medicare growth has been modest and the Plan is currently implementing strategies to increase its membership. This Fall, in addition to MetroPlus' usual print ad campaigns in newspapers and subway advertisements, the Plan will be launching a Spanish language television campaign on Telemundo and Univision. Also, the MetroPlus Retention Department will be increasing the number of 'touches' to the Plan's Medicare membership this open enrollment season. Additionally, the MetroPlus Medicare marketing team will be offering lunch and learn activities in HHC facilities to increase referrals of dual eligible members. This Fall, the HHC facilities will also be sending a mailing to the same dual eligible members signed by the facility Chief Medical Officers encouraging them to explore their options for joining a Medicare managed care plan.

Dr. Saperstein stated that, each year, CMS posts quality ratings of Medicare Advantage Programs based on a star scale to provide Medicare beneficiaries information about plans offered in their area. MetroPlus has just been certified as a 3-star plan for 2013. In general, the Plan scored well on the measures related to clinical care, but scored poorly on measures related to access. In 2013, the Plan will receive 3.0% Quality Bonus Payment and 58.3% rebate percentage. The rebate amount decreased from 2012 where MetroPlus received a 66.7% rebate percentage. MetroPlus must be certified as a 4 –star plan in 2015 in order to receive a Quality Bonus Payment.

Dr. Saperstein reported that the New York State Department of Health (SDOH) just delayed the Consumer Directed Personal Care (CDPAP) carve-in to the MetroPlus benefit package. Effective November 1st, 2012, MetroPlus will add this to its benefit package. CDPAP provides services to chronically ill or physically disabled individuals who have a medical need for help with activities of daily living or skilled nursing services. Services can include any of the services provided by a personal care aide, home health aide, or nurse. Recipients have flexibility and freedom in choosing their caregivers. The consumer or the person acting on the consumer's behalf (such as the parent of a disabled or chronically ill child) assumes full responsibility for hiring, training, supervising, and, if necessary, terminating the employment of persons providing the services. MetroPlus is in the process of securing a fiscal intermediary to provide paperwork facilitation, payroll, and benefits administration for this benefit.

Finally, effective January 1st 2013, New York State will transition the management of all non-emergency medical transportation services for enrollees in a managed care plan to LogistiCare, a regional transportation company. For the last 6 months, all Medicaid fee-for-service enrollees have been using this provider.

Dr. Saperstein reported that MetroPlus continues to work very closely with HHC towards the successful implementation of the HHC Health Home. To date, there are 29 MetroPlus members in the HHC Health Home. The Plan has 15 members which are billable to the state. The remaining 14 members are in CIDP/COBRA case management programs, which are billed directly by HHC. The Plan expects to increase its membership in the HHC Health Home in the coming months.

Dr. Saperstein was happy to report that MetroPlus has executed a contract with the state to initiate a Managed Long Term Care plan. The Plan will begin educating the public of this new benefit immediately and will begin enrollment on November 1st, 2012.

Medical Director's Report

Dr. Dunn reported that, on Sept 20, 2012, CMS conducted a review of the 2012 Model of Care for Special Needs Plans. The review was to determine implementation status of the MetroPlus Model of Care. This is the first year the review has been conducted. MetroPlus received a superior rating on implementation of its Model of Care. The Plan was commended on having no care management findings. The administrative findings were minor in significance and are currently being addressed.

MetroPlus Medicare programs will undergo a full scale operational plan audit on Oct 15, 2012. The Plan is actively preparing for its first CMS Medicare Audit. Areas to be audited include Enrollment and Disenrollment, Utilization Management, Complaints, Grievances and Appeals; Part D/Pharmacy related denials and appeals, etc.

Dr. Dunn stated that Medicare Special Needs Plans are required to submit evidence of compliance with NCQA Structure and Process requirements. Structure & Process measures assess the systems SNP's have in place to perform functions related to case management. The submission is due on October 12, 2012. MetroPlus is currently preparing its submission for this year.

During the month of October 2012, the MetroPlus fall newsletter will be mailed to MetroPlus' Medicaid, Medicare and MetroPlus Gold members. Some articles and topics include:

- **Medicaid**: articles on the ways that MetroPlus Customer Service can assist members, MetroMom program information, how to care for kids with asthma by Dr. Diana Weaver; TTY number reminders, vaccinations for families, information on the Woodhull's Health Pavilion for women and an article explaining the changes to the non-emergency transportation benefit.
- **Medicare**: articles on the flu shot and why/how to get the shot, Town Hall meetings information, Telehealth program and how house calls can help, Medicaid recertification reminder for Select and Advantage members; reminder of the annual Notice of Changes (ANOC's) mailings and to call Customer Services with questions and a health related article on living with COPD.
- **MetroPlus Gold**: articles on the American Heart Association's recommendation for exercise, no-cost benefits available to women, flu vaccine, MetroPlus smoking cessation program and articles on symptoms of heart attacks and managing cholesterol levels to improve heart health.

Dr. Dunn reported that, on November 1st, 2012, the Consumer Directed Personal Assistance Program (CDPAP) is expected to transition into managed care. The transition date was changed from October 1st, as SDOH continues to work with the Medicaid Redesign Team's CDPAP transition workgroup to resolve all outstanding issues, in order to implement a smooth transition of the benefit. MetroPlus will work with Fiscal Intermediaries (FI's) to administer the program.

Dr. Dunn stated that MetroPlus completed its implementation of dental carve-in for Medicaid members effective July 1, 2012. The Plan will continue to monitor the dental program, now administered by Healthplex, for both member services and financial performance. Effective October 1, 2012, Medicaid benefits for Orthodontia are carved in.

MetroPlus continues to provide oversight of its pharmacy benefit manager, CVS Caremark. Financial performance has been strong. Network Relations, in conjunction with Rob Walker, MetroPlus' Director of Clinical Pharmacy; have begun presentations to the HHC facilities regarding the online prior authorization process. The Plan expects that this will streamline the process for its HHC providers.

Dr. Dunn informed the Board that preliminary QARR incentive results show MetroPlus is above the state average on 19 measures and below the state average on 5 measures. Overall, the Plan's HEDIS/QARR results demonstrate the following: 90th percentile on 12 measures, 75th percentile on 4 measures and 50th percentile on 7 measures.

In an effort to increase the Plan's QARR measures and Plan rating, MetroPlus continues to work on the following initiatives: sending member educational mailings about diagnosis and treatment of COPD, HHC facilities were sent a list of members diagnosed with COPD, notifying they are in need of evaluation and treatment, conducting member educational mailings and newsletters on anti-depressant medication management and adherence to anti-depressants at initial and ongoing stages, referrals to the Road Home Program, a HHC health & homecare program that supports members returning home from a behavioral health admission, teaming with HHC facilities to develop improvement strategies for appropriate testing for pharyngitis and referrals to Gericine, a NP healthcare practice which visits member's day of discharge and in the community setting. The program has been implemented at Lincoln, Harlem and recently at Metropolitan hospital on 10/1/2012

Dr. Dunn reported that, on September 29, 2012, Dr. Henry visited Blythedale Children's Hospital, a pediatric acute care hospital in Valhalla, NY specializing in comprehensive care for children with complex medical conditions and support for their families. Blythedale has 15 programs which provide expertise and resources for children to maximize their potential and return home to their families. The visit was informative and provided information on the services they offer (acute, chronic, inpatient and outpatient), comprehensive rehabilitation services; which include 85 pediatric therapists specializing in PT, ST, OT and respiratory therapy and early intervention services for children with special needs. The focus of the meeting was to keep MetroPlus informed of the services they offer, their network of referring providers and the importance of maintaining relationships with MetroPlus and other referring hospitals and physicians; which is important for the successful outcome of individual treatment plans.

Dr. Dunn stated that the Women's Health Center at Woodhull hospital serves the healthcare needs of women of all ages. The center provides access to women's health services and continuity of care to insure all gynecological health care needs are met.

Dr. Dunn announced that observation units at Elmhurst and Queens Hospitals opened for patients who have chest pain and need to be observed to properly diagnose the best course of care. The observation units serve to observe patients to determine who can be transferred or treated at community-based services, instead of being admitted to the hospital. The units at each facility work closely with the emergency room department, aiming to reduce wait times and service more patients.

Action Items:

The first resolution was introduced by Mr. Dan Still, Chairman of the MetroPlus Finance Committee.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Inovalon Inc., to provide Quality Assurance Reporting Requirements ("QARR")/ Healthcare Effectiveness Data and Information Set ("HEDIS") software and support

services for a term of three years with two (2) options to renew for a one-year each, solely exercisable by MetroPlus, for an amount not to exceed $1,000,000 for the total 5 years.

Dr. Saperstein gave the Board a detailed overview of the services that Inovalon would provide. Mr. Maurice Sahar, MetroPlus' Senior Associate Executive Director of Quality Management also gave the Board background information on the services and the vendor.

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

The second resolution was introduced by Mr. Still.

Authorizing the Executive Director of MetroPlus to negotiate and execute a contract with six (6) Recruitment Services firms: (1) RCI Recruitment Solutions, (2) RCM Health Care Services, (3) Tek Systems (4) Exec/Search Group, (5) Pride Health and (6) Pathway Medical Staffing]; to provide Recruitment services on an as-needed basis for MetroPlus. The contract shall be for a term of 3 years with two one-year options for renewal, solely exercisable by MetroPlus, for a cumulative not to exceed amount of $300,000 per year for all work of permanent placement recruitment contracts, which shall not be exceeded for services provided by these contractors.

Dr. Saperstein gave the Board some background on the need for recruitment services. Dr. Saperstein advised the Board that six vendors were chosen because each has a different expertise in specific fields such as Case Management and Information Technology.

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

The last resolution was also introduced by Mr. Still.

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with Pure OTC Benefit, Inc. to provide over the counter (OTC) benefit services for a term of one (1) year with two (2) one-year options to renew solely exercisable by MetroPlus for an amount not to exceed $2,404,000 per year.

Dr. Saperstein gave the Board an overview of the products that would be available through Pure OTC Benefit's catalog.

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

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

ALAN D. AVILES
HHC PRESIDENT AND CHIEF EXECUTIVE
REPORT TO THE BOARD OF DIRECTORS
OCTOBER 18, 2012

MEDICATION SAFETY: A PATIENT'S STORY

As part of our continuing collaboration with union partners around patient safety, HHC, together with the Committee of Interns and Residents/ SEIUHealthcare and 1199 SEIU, have launched a patient safety video entitled "Medication Safety: A Patient's Story." The video was developed as one component of a medication safety education and teamwork project funded by grants from the Federal Mediation and Conciliation Service and the Committee on Interns and Residents Patient Care Trust Fund. A major focus of the project was on improving education on appropriate opioid use and effective pain management.

The video features Mrs. Helen Haskell, Founder and President of the advocacy group, Mothers Against Medical Errors. Mrs. Haskell courageously describes the medication error which led to the death of her son, Lewis Blackman, the devastating impact of that error on her and her family, and the lessons healthcare providers can learn from her son's story.

The powerful video can be viewed on our Corporate Patient Safety Gateway intranet site at http://patientsafety.nychhc.org and is now available to the public on YouTube.

HHC URGES PATIENTS, STAFF TO "COMMIT TO BE FIT" DURING TAKE CARE NEW YORK MONTH SCREENING EVENTS

As mentioned in my report last month, HHC's ninth annual Take Care New York (TCNY) public health screening events this year are challenging our patients and staff to curb obesity by eating healthier and creating fitness goals for themselves. To achieve this, our events are offering for the first time a triple assessment that includes measuring Body Mass Index (BMI), blood pressure and cardiovascular fitness. Clinicians administering these tests are offering an exercise prescription tailored to the individual, tips for healthier eating, and a pedometer to encourage participants to be more active. So far, we have conducted 64 screening events across the city, with many more planned throughout the month. Several hundred people having taken the "Commit to be Fit" challenge and many others have been screened for diabetes, HIV, depression and other serious conditions, or have received a flu shot at these events. In an effort to get the word out, our marketing staff have leveraged relationships with a number of local community media outlets and have been able to secure more than $75,000 worth of pro bono print and radio public service announcements to promote our TCNY events.

METROPLUS CERTIFIED FOR MANAGED LONG TERM CARE

MetroPlus received their New York State contract to begin enrollment in a partial capitation Managed Long Term Care Plan, beginning November 1st. Partial Capitation MLTC's are the type of plan into which New York State will be requiring mandatory enrollment for individuals that are receiving Medicaid fee-for-service long term care. New York State has started to send letters to long term care recipients and will begin assigning members to plans beginning November 1st. In order to have a fully comprehensive long term care program, MetroPlus is now completing an application for a Medicaid Advantage Plus license. A MAP-plus plan is comprehensive medical and long term care coverage for dual eligible individuals in a managed care program.

STATE HEALTH DEPARTMENT AWARDS NEW RATES TO HHC FOR CARE COORDINATION OF HEALTH HOME PATIENTS

The NY state health department has increased Health Home per member per month (PMPM) rates by creating a "high-risk" add-on, and adjusting upward the weights for individuals with serious mental illness/serious emotional disturbance (SMI/SED) and two or more chronic conditions. Overall, the average Health Home rate increased by 40.7%, but rates for patients with SMI/SED increased even more significantly. For example, a patient with two chronic conditions and an SMI/SED had an original average rate of $196.49; the new rate for this patient is now $421.47, an increase of 114%. The Office of Ambulatory Care Transformation is now preparing to ramp up our Health Home activities based on these new rates.

PRESENTATION TO CITIZENS BUDGET COMMISSION

Yesterday morning I was the featured speaker at the Citizens Budget Commission breakfast, where I spoke at some length about HHC's progress over the last 10 years and the factors that will affect HHC's future. The CBC is an 80-year-old, non-partisan, nonprofit civic association whose mission is "to achieve constructive change in the finances and services of New York City and New York State government." You will recall that in April of this year, the CBC published a report called "A Troubling Prognosis for HHC's Finances." I was glad to have the opportunity to present a more complete picture of HHC's financial picture, successes and challenges to CBC's trustees and invited guests.

In the presentation I laid out HHC's essential role in New York City's healthcare infrastructure. I discussed our intensifying challenges, including the deep reductions in Medicaid reimbursement and the rising numbers of uninsured patients; and described our successes in cost-containment and increased efficiency. I also focused on how we have strategically positioned our system for healthcare reform through our emphasis on robust primary and preventive care and more effective chronic disease management; our consolidation and restructuring of our affiliation relationships to better partner with a more unified physician leadership around reform-related initiatives; and our building of a stratified care coordination/management infrastructure especially for our patients with more complex conditions.

The authors of the earlier CBC report, Charles Brescher of the CBC, and Matthew Sollars, now press secretary at the Campaign Finance Board, were among the many attendees. The CBC has posted a video of my presentation, as well as the question and answer session, on their website, www.cbcny.org.

DEVIATION FROM POLICY TO SUPPORT CANCER SERVICES FOR HHC'S WORLD TRADE CENTER ENVIRONMENTAL HEALTH CENTER

On September 12th, the federal department of Health and Human Services published a final rule in the Federal Register adding certain types of cancer to the list of WTC-Related health conditions, with an effective date of October 12th -- providing just 30 days for HHC's World Trade Center Environmental Health Center to implement this significant change. The change requires allowing patients to have choice of where they get care, either within the HHC system or elsewhere, but the Center will have responsibility to oversee care, including claims authorizations, no matter where that care is rendered.

With the counsel of Finance, Legal and Intergovernmental Relations, it was determined that contracting with HealthSmart, the third party administrator currently providing such oversight for Mt. Sinai Hospital's Responder Program, would be the least costly and most efficacious approach to meet this federally mandated timeline within 30 days. Therefore I granted a deviation from our procurement policy to execute and implement this contract on the grounds of urgency. It should be noted that because the federal government (NIOSH) has mandated the need for these services, HHC will be fully reimbursed for any contract-related expenses, and we can terminate the contract if the funding ends.

NEW COMPUTERIZED SCHEDULING SYSTEM LIVE AT CONEY ISLAND HOSPITAL

The long planned system-wide upgrade of HHC's computerized scheduling system achieved a noteworthy milestone when Coney Island Hospital and its associated remote facilities became the first HHC facility to be successfully migrated from UNITY Scheduling to Soarian Scheduling on September 24th. Over 42,000 appointments were transferred from UNITY to complete the conversion. Approximately 250 Coney Island Hospital staff members are now scheduling appointments in Soarian Scheduling. Soarian's open scheduling design enables Coney Island Hospital to improve patient access by removing many of the scheduling restrictions previously built into UNITY, including the elimination of some of the manual operational practices Coney Island Hospital was previously performing. As other HHC facilities go live with Soarian, each facility will have the ability to view patient appointments across the enterprise, avoiding scheduling conflicts for the patient. Soarian's enterprise design also gives HHC the ability to explore and establish efficient enterprise-wide or regional call centers, which could not be easily accomplished with the previous scheduling system. Conversion to the new scheduling system throughout HHC is expected to be completed by April 2013.

HHC PARTNERS WITH CMS TO HOST MEDICARE 101 WORKSHOPS

From late September through the middle of November, HHC and the Centers for Medicare and Medicaid Services (CMS) are hosting free public workshops at HHC hospitals and large health centers throughout the city to help senior citizens, other beneficiaries and their caregivers apply for Medicare and get the most out of their benefits. The workshops also cover updates brought about by the Affordable Care Act. Health Insurance Specialists from CMS are conducting 13 Medicare learning sessions in Manhattan, the Bronx, Brooklyn and Queens before and during open enrollment from October 15 to December 7. As well as educating our patients and their families, the workshops provide valuable information for HHC employees who give guidance to patients who are or soon will become Medicare beneficiaries.

COMMUNITY ADVISORY BOARDS AT HHC HOSPITALS SUPPORT VOTER REGISTRATION IN THEIR COMMUNITIES

HHC is collaborating with the NYC Campaign Finance Board and American Hospital Association to promote the importance of getting registered and voting in the upcoming election. This collaboration, in which the Community Advisory Boards from every HHC facility took the lead, involved Auxiliary Board members and Departments of Volunteers at the facilities. More than 75 individuals were stationed at tables in public locations throughout the month of September and until October 12th, the last day to register for the upcoming election, helping patients and employees to register. In all there were more than 1,000 forms distributed in various languages and more than 700 registration forms were collected and mailed to the Board of Elections.

OUTSTANDING HHC NURSES RECOGNIZED AT FIRST ANNUAL EXCELLENCE AWARDS

This Tuesday HHC honored six nurses and a nursing team with its first-ever Nursing Excellence Awards for their leadership, skill and compassion in areas including improving patient outcomes, teamwork and community service. First-time mothers, frail newborns, heart failure patients and people in need in the community all benefitted from the talent and generosity of these exceptional nurse professionals. They come from among more than 8,000 men and women who provide care daily in HHC public hospitals, nursing homes and primary care centers.

Also recognized were three HHC hospitals that have been designated as Nurses Improving Care for Healthsystem Elders (NICHE) facilities, senior-friendly hospitals designed to meet the special needs of hospitalized elder adults. HHC's Harlem Hospital Center, North Central Bronx Hospital and Queens Hospital Center were designated as NICHE hospitals in May. More than 100 nurses and healthcare professionals at

these three institutions have already begun to adopt age-sensitive, patient-centered best practices in elder care to help improve the health status of New Yorkers age 65 year and older.

I know that the board joins me in congratulating these outstanding nurses and thanking them for the passion and commitment they bring every day to care for our patients and their families

FITCH AFFIRMS HHC BONDS AT 'A+' OUTLOOK STABLE

Fitch Ratings last week affirmed its 'A+' rating on approximately $1 billion of debt issued by HHC and said the Rating Outlook was stable. This rating by a global leader in finance is another third-party confirmation that our operation is effective and efficient. The rating is linked to HHC's strong support from New York City and HHC's essential role as the primary safety net provider to the City's Medicaid and indigent population. We remain grateful to the City for their ongoing support.

CONTRACT RENEWAL FOR BREAKTHROUGH PERFORMANCE IMPROVEMENT CONSULTANTS

On your agenda is a resolution to renew the contract with Simpler Consulting for one year for no more than approximately $5.5 million, to provide consulting services in support of our implementation of the Lean performance improvement methodology, known at HHC as Breakthrough. Through the Breakthrough method, HHC has, during the past five years, achieved nearly $251 million in new revenues and more than $20 million in cost savings, for a total financial benefit of $271 million to the corporation.

Approximately 18% of our employees and affiliate staff have participated in Breakthrough trainings and events. It is their ideas and ingenuity that Breakthrough events unleash to help us make our operations more efficient. We remain committed to expanding our staff awareness and participation in the program to create and sustain a culture of continuous improvement throughout HHC, and to continue the streamlining of our operations that is contributing to closing our still challenging budget gap.

We will confirm our continued commitment to this process by exercising our optional renewal of the contract with Simpler and I urge your support.

HHC IN THE NEWS HIGHLIGHTS Broadcast

Here and Now, Dr. Robert Gore, Kings County Hospital, WABC-TV, 10/14/12 Kings County Hospital's Diabetes Resource Center, WNYE-TV, 9/22/12

Swizz Beatz discusses his role as Global Ambassador for HHC, CBS-TV: The Couch WLNY, 9/26/12

Swizz Beatz Gives Inspirational Speech at Harlem Hospital, Vladtv.com, 9/27/12

The Opening of the new Mural Pavillion, Denise Soares, Harlem Hospital, NY1, 9/27/12

More News

Harlem Hospital celebrates opening of Mural Pavilion, Harlem Hospital, New York Daily News, 9/28/12 (Also covered in NY Amsterdam News, DNA.info.com, Crain's New York Business, and Crain's Health Pulse)

Swizz Beatz Becomes Ambassador for NYC Public Hospitals, Vibe, 10/09/12 (Also covered in NY Amsterdam News, The Versed, Look to the Stars, The Source, Complex Source, HipHop Blog, Express.co.uk, RealTalkNY.com, HipHopNMore.com, HipHopMula,com, and InFlexWeTrust.com)

Honoring the Man Who Helped Save Dr. Martin Luther King Jr.'s Life, Dr. John Cordice, Harlem Hospital, WNYC, 9/27/12

Major construction complete on $325 million Harlem Hospital Pavilion, Modern Healthcare, 10/06/12

NYC's Top Pediatricians & Pediatric Specialist, Dr. Sarla Inamdar, Metropolitan Hospital, Dr. Jennifer Havens, Bellevue Hospital, New York Family Magazine, 10/02/12

Nourishing change - Hospitals stress healthy food in new partnership, Antonio Martin, HHC, Modern Healthcare, 10/06/12

Medicare Workshops, Alan Aviles, HHC, El Diario, 10/11/12

NYC Mayor asks local facilities to push breast-feeding for better health, Judith Daniels, RNC, Associate Director of Nursing, Harlem Hospital, Nursing Spectrum, 9/24/12

Lincoln's program to fit child obesity, promote healthy eating, Dr. Swati Dave-Sharma, Pediatric Endocrinologist, Lincoln Hospital, The Bronx Free Press, 9/26/12

Your health agenda, HHC, Take Care New York, El Diario, 10/1/12

Local Health Agenda, Take Care NY, HHC, El Diario, 10/15/12

HHC Voter Campaign, Crain's Health Pulse, 10/1/12

Bloomy's Latest 'Nanny State' Crackdown will Curb Junk Food in Hospitals, Harlem, Kings County, New York Daily News, 9/24/12

For People Exposed to World Trade Center Site, Lung Function Improves with Time, Dr. Joan Reibman, Bellevue Hospital WTC Environmental Health Center, Science Daily, 10/2/12

Loser of Bid to Overhaul Hospital Logs Files a Claim, Alan Aviles, HHC, The New York Times, 10/9/12

Take Care NY: Commit To Be Fit, Iris Jimenez Hernandez, Lincoln, Morrisania, Belvis, The Bronx Free Press, 10/03/12

Fitch Affirms New York City Health and Hospitals Corp, NY Rev Bonds at 'A+'; Outlook Stable, CNBC.com, 10/10/12 (Also covered in TMCnet.com, Heraldonline.com, and Crain's Health Pulse)

Queens Library Helps Patrons Beat Cancer, Queens Hospital, LibraryJournal.com, 10/11/12

NYDHA inaugural class aims at EHR improvement, HHC, EHRIntelligence.com, 10/15/12 (Also covered in Crain's Health Pulse)

APPROVED: October 18, 2012

Resolution

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute a renewal and amendment to the contract with SunGard Availability Services (SunGard) for an alternate data center for disaster recovery, business continuity and associated professional services. Funding for the four-year renewal term per the Corporation's exercise of its renewal options under the existing contract is $5,321,880 annually, for a total amount not to exceed $25,550,000 which includes a 20% contingency of $4,262,480.

WHEREAS, the Corporation currently uses SunGard as its alternate data center under an existing contract originally awarded via a Greater New York Hospital Association (GNYHA) contract; and

WHEREAS, SunGard has hosted mission critical servers and computer systems and has provided customized solutions for the Corporation for the last five years without any service interruption; and

WHEREAS, given the anticipated costs of building a replacement alternate data center with a new vendor and migrating off the current alternate data center to a new facility, and the need for additional power for new Information Technology capital projects including the Electronic Medical Record (EMR), renewing the SunGard contract is in the best interests of the Corporation; and

WHEREAS, the contract will be managed and monitored under the direction of the Senior Vice President/ Corporate Chief Information Officer.

NOW, THEREFORE, be it:

RESOLVED, THAT THE President of New York City Health and Hospitals Corporation be and hereby is authorized negotiate and execute a renewal and amendment to the contract with SunGard Availability Services (SunGard) for an alternate data center for disaster recovery, business continuity and associated professional services. Funding for the four-year renewal term per the Corporation's exercise of its renewal options under the existing contract is $5,321,880 annually, for a total amount not to exceed $25,550,000 which includes a 20% contingency of $4,262,480.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to execute the third of three one-year renewal options available under the existing contract with Simpler North America, LP ("Simpler"). Funding for the exercise of the third of three one-year renewal options available under the existing contract shall not exceed $5,500,000, inclusive of a 10% contingency, for the period from November 1, 2012 through October 31, 2013.

WHEREAS, in recognition of the breakthrough nature of improvements made using Lean techniques, in November, 2007, the Board authorized a contract with Simpler for Lean consultation and training to launch *Breakthrough* for a period of three years, and with two unfunded one-year renewal options, which contract was later amended with Board approval in October 2010 to add a third unfunded one-year renewal option; and

WHEREAS, the Corporation exercised the second of the three one-year renewal options on October 29, 2011 for an amount not to exceed $4,879,650; and

WHEREAS, unless the Corporation exercises the third of the three one-year renewal options, the contract will expire October 31, 2012; and

WHEREAS, Simpler has provided Lean consultation and training effectively and satisfactorily to staff at nineteen Corporation sites including Central Office, and the Corporation expects to continue to deepen *Breakthrough* learning and engagement at these sites, to expand the adoption of *Breakthrough* at two additional sites, to align *Breakthrough* activities with strategic goals, and to strengthen *Breakthrough* infrastructure in order to build greater internal lean expertise, sustain improvements and reduce reliance on Simpler over time; and

WHEREAS, the Corporation has realized $20.3 Million in cost savings and $240.8 Million in new revenues through 1,141 *Breakthrough* improvement events, reaching 7,047 employees; and

WHEREAS, the overall management of this contract will be under the direction of the Senior Vice President for Organizational Innovation and Effectiveness.

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 the third of three one-year renewal options available under the existing contract with Simpler North America, LP ("Simpler") . Funding for the exercise of the third of three one-year renewal options available under the existing contract shall not exceed $5,500,000, inclusive of a 10% contingency, for the period from November 1, 2012 through October 31, 2013.

APPROVED: October 18, 2012

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a requirements contract with Nirman Construction, Inc. (the "Contractor") for a cumulative amount not-to-exceed $5,000,000 to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation.

WHEREAS, the facilities of the Corporation may require construction services for General Construction Work; and

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

WHEREAS, the Corporation's Operating Procedure No. 100-5 requires approval by the Board of Directors of competitively bid contracts having a bid price greater than $3,000,000; and

WHEREAS, bids were publicly opened on May 2, 2012 and the Corporation has determined that the Contractor is the lowest responsible bidder for this contract; and

WHEREAS, the Contractor has met all, legal, business and technical requirements and is qualified to perform the services as required in the contract documents.

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 contract with Nirman Construction, Inc. (the "Contractor") to provide construction services for General Construction Work on an as-needed basis at various facilities throughout the Corporation. The contract shall be for a term of two (2) years, for a cumulative amount not to exceed $5,000,000 for the services provided by this contractor.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease agreement with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house Corporation staff.

WHEREAS, as part of a broader initiative to reduce the amount of office space owned by the City of New York (the "City") by 1.2 million square feet by 2014, the New York City Department of Citywide Administrative Services ("DCAS") and the New York City Economic Development Corporation ("EDC") have issued a Request-for-Proposals ("RFP") for the sale of 346 Broadway and two other properties located in lower Manhattan; and

WHEREAS, the RFP calls for the space occupied by the Corporation at 346 Broadway in Manhattan to be vacated by early 2014 and to accommodate the City's disposition plans, the Corporation is seeking space to house its staff now occupying 346 Broadway;

WHEREAS, the Corporation's Enterprise Information Technology Services unit ("EITS") is involved in several Corporate-wide initiatives, including the Electronic Medical Records project, which require an increase in the size of its staff currently housed at several locations; and

WHEREAS, it is imperative that space for EITS staff be available immediately; and

WHEREAS, the increase in the EITS unit and the need to relocate staff from 346 Broadway combine to create a need for the Corporation to rent privately owned office space; and

WHEREAS, pursuant to a separate resolution the Corporation will rent approximately 131,000 square feet of office space above ground and approximately 76,000 square feet of office space below grade at 55 Water Street in lower Manhattan but such space will not be ready for occupancy until early 2014 ; and

WHEREAS, the Corporation now occupies approximately 291,000 square feet of space at 160 Water Street, and acquiring one (1) additional floor in the building will provide space to satisfy the immediate space needs of EITS.

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 lease with 160 Water Street Associates (the "Landlord"), for the Corporation's rental of space at 160 Water Street, Borough of Manhattan, to house the Corporation's staff.

The Corporation shall have use and occupancy of a total of approximately 20,600 square feet of space located on the 13th floor at 160 Water Street (the "Demised Premises"). The term of the lease agreement shall be three (3) years commencing November 1, 2012 and ending December 31, 2015. The base rent for the initial term shall be $26.50 per square foot, or approximately $545,900 per year. The rent

shall commence November 1, 2012. The lease shall contain one three year option to renew and one five year option to renew exclusive to the Tenant.

The space the Corporation will lease at 55 Water Street will house staff now located at 346 Broadway and EITS staff located in several locations and new EITS staff. However, the 55 Water St. space will not be ready for occupancy until early in 2014. The space at 160 Water Street will satisfy EITS' immediate need for space to house up to 120 new employees. The Corporation has no space suitable to meet this requirement and was unable, after diligent search, to find space to rent for a shorter period than is proposed at 160 Water Street. The 20,600 square feet on the 13th floor requires minimal renovation and can be ready for EITS use by early December 2012. It is anticipated that the Corporation will make other good use of the 13th Floor space at 160 Water Street as swing space as it vacates various other locations to ultimately fully occupy 55 Water Street

The Landlord shall supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord shall be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

The electricity provided to the Demised Premises shall be submetered. The Tenant shall be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority ("NYPA"). The Landlord, at its own expense, shall provide electrical connections required for connection to NYPA power.

The Corporation shall pay its proportionate share of real estate tax increases above the average for fiscal years 2012/2013 – 2013/2014. The Corporation shall also pay its proportionate share of operating expense increases above the 2013 base year.

The Landlord shall perform Tenant Finish Work in a good workmanlike manner in accordance with plans and specifications provided by the Corporation. The estimated cost of the Tenant Finish Work, to be paid by the Corporation, shall not exceed $1.2 million including a 10% contingency for additional work authorized by the Corporation. Payment for the work shall be due upon substantial completion and acceptance by the Corporation.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house the Corporation's staff.

WHEREAS, as part of a broader initiative to reduce the amount of office space owned by the City of New York (the "City") by 1.2 million square feet by 2014, the New York City Department of Citywide Administrative Services ("DCAS") and the New York City Economic Development Corporation ("EDC") have issued a Request-for-Proposals ("RFP") for the sale of 346 Broadway and two other properties located in lower Manhattan; and

WHEREAS, the RFP calls for the space occupied by the Corporation to be vacated by early 2014 and to accommodate the City's disposition plans, the Corporation initiated a search for space to house its staff now occupying 346 Broadway and, after evaluating several alternative options for housing corporate staff, determined that 55 Water Street offered the best solution for meeting its space requirements; and

WHEREAS, in addition to the staff located at 346 Broadway, the Corporation's Enterprise Information Technology Services unit ("EITS") shall relocate staff from several locations to 55 Water Street.

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 lease agreement with New Water Street Corporation (the "Landlord"), for the Corporation's rental of space at 55 Water Street, Borough of Manhattan, to house Corporation staff.

The Corporation shall have use and occupancy of a total of approximately 207,507 square feet of space located on the 25th, 26th, Concourse and Sublevel 1 floors at 55 Water Street (the "Demised Premises"). The term of the lease agreement shall be twenty (20) years commencing upon substantial completion of certain Landlord work estimated to occur approximately December 1, 2013. Lease expiration would be approximately December 31, 2033. The rent shall commence December 1, 2013. The base rent for lease years 1-5 shall be approximately $5,833,190 per year, for years 6-10 approximately $6,510,462, approximately $7,187,734 for lease years 11-15, and approximately 7,865,006 for lease years 16-20. The base rent per square foot shall be as shown in the table below.

	Years 1-5	Years 6-10	Years 11-15	Years 16-20
Floors 25, 26	$34.00	$38.00	$42.00	$46.00
Concourse, Sublevel 1	$18.00	$20.00	$22.00	$24.00

The Landlord shall supply to the Demised Premises hot and cold water, heating, ventilation and air conditioning. The Landlord shall be responsible for building maintenance and structural repairs, including the roof, utility supply lines, and common areas including curbs and sidewalks.

The electricity provided to the Demised Premises shall be sub-metered. The Tenant shall be entitled to benefit from a discounted electrical rate made available through the New York State Power Authority ("NYPA"). The Landlord, at its own expense, shall provide electrical connections required for access to NYPA power.

The Corporation shall pay its proportionate share of real estate tax increases above the average for fiscal years 2013/2014 – 2015/2015. The Corporation shall also pay its proportionate share of operating expense increases above the 2014 base year.

The Landlord shall perform Tenant Finish Work in accordance with plans and specifications provided by the Corporation. The estimated cost of the Tenant Finish Work, to be paid by the Corporation, shall not exceed approximately $18.4M.

The leased floors are structured as condominium units with separate block and lot numbers. The Corporation's enabling act provides for an exemption from payment of real estate when it controls an entire property. Because of the unusual ownership structure of 55 Water Street, the Corporation has an unusual opportunity to assert an argument for exempting those parts of 55 Water Street where it occupies entire floors, i.e. the 25th and 26th floors but not the space on the Concourse or Sublevel 1 floors. It is not clear if the Corporation will prevail with the New York City Department of Finance in advancing this argument. If it is successful, the real estate taxes saved would be approximately $6.00 per square foot and the Landlord has agreed that such savings would be passed through to the Corporation in reduced rent on the 25th and 26th floors thereby bringing the initial rent down from $34.00 per square foot to $28.00 per square foot.

RESOLUTION

Authorizing the amendment of the resolutions adopted by the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") on September 27, 2012 that authorized the creation of the HHC Finance Corporation, the participation of the Corporation in a certain set of transactions to secure supplemental financing for the Harlem Hospital Modernization project and to authorize the directors of the HHC Finance Corporation to also authorize the participation of the HHC Finance Corporation in such transactions (the "resolutions") so as to replace in the Resolutions all references made to the HHC Finance Corporation with references to the HHC Assistance Corporation and ratifying the actions taken to form the HHC Assistance Corporation.

WHEREAS, on September 27, 2012 the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") adopted the resolutions attached hereto (the "Resolutions"); and

WHEREAS, due to objections of the Secretary of State of the State of New York it was not possible to form the HHC Finance Corporation as contemplated by the Resolutions; and

WHEREAS, to carry out the intentions of the Resolutions, instead of the HHC Finance Corporation, a corporation was formed under the name, "HHC Assistance Corporation" that has substantially the rights, powers and characteristics as had been planned for the HHC Finance Corporation; and

WHEREAS, to carry out the intentions of the Resolutions in light of the formation of HHC Assistance Corporation instead of HHC Finance Corporation, it is necessary, to amend the Resolutions as provided below.

NOW, THEREFORE, be it

RESOVED, that all references made in the Resolutions to the HHC Finance Corporation be hereby deemed replaced with references to the HHC Assistance Corporation; and it is further

RESOLVED, that the certificate of incorporation and the by-laws of the HHC Finance Corporation that had been attached to the Resolutions be hereby deemed replaced with the certificate of incorporation and the by-laws of HHC Assistance Corporation; and it is further

RESOLVED, that all actions taken by the officers, employees and agents of the Corporation to cause the incorporation of the HHC Assistance Corporation are hereby ratified and confirmed as the valid acts of the Corporation.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Licensee") to execute one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center (the "Facilities").

WHEREAS, in October 2009, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 114-02 Guy Brewer Boulevard for five (5) years; and

WHEREAS, in April 2010, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 1420 Bushwick Avenue for three (3) years; and

WHEREAS, in June 2011, the Board of Directors of the Corporation authorized the President to execute a revocable license agreement with the New York City Human Resources Administration ("HRA"), which authorization allows use and occupancy of space at 413 E. 120th Street for three (3) years; and

WHEREAS, the Corporation occupies space in HRA operated City-owned buildings know as Multi-Service Services Centers ("MSCs"), and during the use and occupancy period authorized by the Board, the Corporation executes one year occupancy agreements with HRA, effective July 1st, at each of the MSC sites; and

WHEREAS, HRA has implemented a three dollar per square foot increase in the occupancy fee effective July 1, 2012 at each of the MSC sites occupied by the Corporation.

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 one year revocable license agreements with the New York City Human Resources Administration (the "Licensor" or "HRA") for use and occupancy of space for primary care programs located at 1420 Bushwick Avenue, Borough of Brooklyn, 413 E. 120th Street, Borough of Manhattan and 114-02 Guy Brewer Boulevard, Borough of Queens administered by Woodhull Medical and Mental Health Center, Metropolitan Hospital Center and Queens Hospital Center (the "Facilities").

The Licensee shall be granted the continued use and occupancy of space in the three (3) HRA operated MSCs for programs managed by the Facilities. The occupancy fee for each site shall be increased by $3 per square foot effective July 1, 2012. The total annual occupancy costs including the increase shall be approximately $303,251 for the space at 114-02 Guy Brewer Boulevard, $20,642 for the space at 1420 Bushwick Avenue and $89,368 for the space at 413 E. 120th Street. There shall be no change in the utility surcharge or cooling season surcharge.

Site	Floor Area (sf)	Total Occupancy Costs	Increase @ $3/sf	Total Occupancy Costs w/ increase
114-02 Guy Brewer Blvd.	11,471	$268,838	$34,413	$303,251
1420 Bushwick Ave.	814	$18,200	$2,442	$20,642
413 E. 120th St.	2,738	$81,154	$8,214	$89,368
Total	15,023	$368,192	$45,069	$413,261

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Public Financial Management, Inc. ("PFM") to provide financial advisory and other business consulting services for an amount not-to-exceed $170,000 per annum for a three year term, with two, one-year renewal options, solely exercisable by the Corporation.

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

WHEREAS, the Corporation's involvement in the financial markets through bond issues, capital leases and investments necessitates the use of a financial advisor to review and pursue all financing options available to the Corporation; and

WHEREAS, through a Request for Proposals ("RFP") process for financial advisory services, a selection committee determined that Public Financial Management, Inc. is best qualified to provide the financial advisory services required; and

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

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute a contract with Public Financial Management, Inc. to provide financial advisory and other business consulting services for an amount not-to-exceed $170,000 per annum for a three year term, with two, one-year renewal options, solely exercisable by the Corporation.

EXECUTIVE SUMMARY

Public Financial Management, Inc.

Financial Advisory Services

The President seeks authorization to negotiate and execute a contract with Public Financial Management, Inc. ("PFM") to serve as the Corporation's financial advisor for a period of three (3) years, with two additional one-year renewal options exercisable solely by the Corporation. The total cost of the contract shall not exceed $170,000 per annum.

The Corporation funds the vast majority of its major capital expenditures with the proceeds of bonds, notes, leases, or other publicly traded securities issued either by the Corporation or by a third-party such as the City of New York on the Corporation's behalf. This activity has become increasingly diverse in recent years, encompassing fixed and variable rate bond issues, equipment leases, lease-leaseback financings and possibly utilizing interest rate derivative products. Therefore, it is in the best interest of the Corporation to retain a professional financial advisory firm with market information access and technical expertise necessary to analyze and recommend the structure, fees, pricing of these transactions, as well as to assist the Corporation in presenting its credit to major credit rating agencies in an attempt to get rating upgrades.

Scope of Services

Due to the increasing diversity of the Corporation's financing program, financial advisory services will often encompasses a broad set of issues. Examples of services provided by a financial advisor include, but are not limited to:

- Assisting in all aspects of the development and implementation of the Corporation's seasonal financing, equipment financing, and capital financing programs;
- Preparing financial and financing analyses and marketing advice in connection with current and future financing plans;
- Analyzing fees, pricing, and other business terms of lease and bond issue transactions, and supporting the Corporation in negotiating such transactions;
- Monitoring federal, New York State and New York City municipal finance policies;
- Tracking yield, market conditions, and rating agency information; and
- Provision of special business consulting services on an as-needed basis.

Selection Process

PFM submitted a proposal during the RFP process to provide financial advisory services. PFM was selected by the RFP Evaluation Committee comprised of representatives from the New York City Office of Management and Budget, New York City Office of the Comptroller, the Corporation's Finance staff and a hospital's senior staff. Selection criteria included: overall experience and accomplishments in financial advisory services in public finance and/or healthcare; understanding of the Corporation's credit; responsiveness, quality and content of the proposal; cost proposal and fee structure; and in-person interviews. PFM has been providing financial advisory services to the Corporation since April 2002.

CONTRACT FACT SHEET
New York City Health and Hospitals Corporation

Contract Title: Financial Advisor Services

Project Title & Number: N/A

Successful Respondent:	Public Financial Management, Inc.
Contract Amount:	not-to-exceed $170,000/annum
Contract Term:	Three years, plus two (1) year renewal options; commencing December 1, 2012

Project Location: N/A

Requesting Dept.: Debt Finance/Corporate Reimbursement Services

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

Range of Proposals: Hourly Fees: President: $335, Senior Director or Managing Director: $300-$325, Vice President: $250, Senior Managing Consultant: $280, Consultant: $260, Associate: $150-$165, Analyst $150

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

Funding Source:
☐ General Care ☑ Capital
☐ Grant: explain ______________
☑ Other: explain Central budget and bond proceeds

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

EEO Analysis:
☐ Yes, Approved (see attached)
☑ No (vendor in the process of completing the forms)

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

Vendex Clearance ☐ Yes ☑ No (vendor in the process of completing the forms)

(required for contracts in the amount of $50,000 or more awarded pursuant to an RFP or as a sole source, or $100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

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

The services of a financial advisor are required by the Corporation especially if HHC continues to fund its capital needs through public debt issuances. The firm selected will navigate HHC through the constant changes in the financial markets and provide valuable insights regarding diverse and complicated financing vehicles.

Contract Review Committee

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

No. Pursuant to Operating Procedure 40-58 enacted on June 18, 2012, RFPs and resulting contracts for Bond Financings do not require CRC review or approvals.

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

Not applicable.

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

Selection Committee Members:
Linda DeHart, HHC Debt Finance/Corporate Reimbursement Services, Assistant Vice President
Jay Olson, New York City Office of Management and Budget, Assistant Director
Kiho Park, Elmhurst Hospital Center, Associate Executive Director
Maria Arias-Clarke, HHC Corporate Budget, Assistant Director
Michael Stern, New York City Office of the Comptroller, Executive Director of Debt Management & Counsel for Finance

Firms that responded to the RFP which was due August 24, 2012:
A.C. Advisory, Inc.
Public Financial Management,Inc.

Firms that were interviewed by the Selection Committee on September 14, 2012:
A.C. Advisory, Inc.
Public Financial Management,Inc.

Each firm was given 30 minutes to present their qualifications to the Selection Committee plus an additional 15 minutes to respond to questions.

Selection Process:
The Selection Committee members numerically ranked the proposals based on the following criteria:

A. Overall firm experience and accomplishments of financial advisory services in public finance and/or health care (35%)
B. Understanding of HHC's credit (20%)
C. Responsiveness, quality and content of the proposal (20%)
D. Cost proposal and fee structure (15%)
E. Oral presentations (10%)

The Selection Committee chose Public Financial Management based on the rankings of the evaluation criteria listed above.

<u>Scope of work and timetable</u>:
Scope of Work:

- Review and analyze fees, pricing, and other business terms of lease and bond issue transactions, and assist the Corporation in structuring and negotiating such transactions;
- Monitor federal, State and City policies regarding municipal finance and the impact of those policies to the Corporation;
- Discuss proposed future HHC bond issues and issuances with rating agencies, credit enhancers and major institutional buyers;
- Prepare and review documents related to official offering statements;
- Track yield, market and rating agency information regarding the Corporation's outstanding debt and other similar credits;
- Other financial advisory and financial analysis services not explicitly stated above.

Timetable:
HHC will execute the financial advisory contract with Public Financial Management, Inc. shortly after approval from the HHC Board of Directors.

Costs/Benefits:

Services are charged on an as-needed hourly basis and will not exceed $170,000 per annum.

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

It is in the best interest of the Corporation to be advised by professionals who are actively involved in the financial markets on a daily basis. The Corporation requires independent and expert review of public finance, regulatory and other financing issues that may impact HHC. Only qualified professionals from financial advisory firms are able to provide such services.

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

Not applicable.

CONTRACT FACT SHEET **(continued)**

Contract monitoring (include which Vice President is responsible):

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

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

Received By E.E.O. ________ (vendor in the process of completing the forms)
Date

Analysis Completed By E.E.O.__________ Manasses C. Williams
Date Name

PROPOSERS LIST
FIRMS THAT PROVIDE FINANCIAL ADVISORY SERVICES IN THE NORTHEAST AREA

A.C. Advisory, Inc.
99 Park Ave, Suite 1560
New York, NY 10016
(212) 551-3322
(646) 607-5445 (fax)
rrodriguez@acadvisoryinc.com

Acacia Financial Group, Inc.
7 Times Square, 20th Floor
New York, NY 10036
(212) 432-4020
(212) 432-4021 (fax)
nwhite@acaciafin.com

BLX Group, LLC
51 West 52nd Street
New York, NY 10019
(212) 506-5200
(212) 506-5151 (fax)
abond@blxgroup.com

Butchermark Financial Advisors
1120 Ave of the Americas, 4th Fl.
New York, NY 10036
(212) 719-2632
(212) 869-2632 (fax)
bfine@butchermark.com

Capital Markets Advisors, LLC
11 Penn Plaza, 5th Floor
New York, NY 10001
(212) 946-2871
rtortora@capmark.org

Jefferies & Company, Inc.
520 Madison Avenue
New York, NY 10022
(212) 336-7020 (President)
(212) 646-5452 (fax)
kgibbs@jefferies.com

Kaufman Hall & Associates
5202 Old Orchard Road, Ste N700
Skokie, IL 60077
(847) 441-8780
(847) 965-3511 (fax)
amajka@kaufmanhall.com

The PFM Group
40 Wall Street, 49th Floor
New York, NY 10005
(212) 809-4212
(212) 809-5874 (fax)
DoyleC@pfm.com

Ponder & Co.
20 Swifts Ln.
Darien, CT 06820
(203) 656-4054
(203) 656-6509
ftaylor@ponderco.com

Prager & Co., LLC
60 East 42nd St, Suite 1620
New York, NY 10165
(212) 661-6600
(212) 661-2805 (fax)
info@prager.com

Public Resources Advisory Group
40 Rector Street, Suite 1600
New York, NY 10006
(212) 566-7800
(212) 566-7816 (fax)
mgooding@pragny.com

Sterne, Agee & Leach, Inc.
277 Park Ave, 24th Floor
New York, NY 10172
(212) 925-6660
(212) 338-4752 (fax)
jlsmith@sterneagee.com

Source: Bond Buyer's Municipal Marketplace Directory, Spring 2012 - Firms specializing in NYC and/or Health Care Issues (excludes companies that are part of the HHC Underwriting Syndicate/selling group).

<u>RESOLUTION</u>

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to negotiate and execute a sole source contract with Agfa Healthcare Corporation ("Agfa") for radiology and imaging products and solutions, including maintenance support and services, to be purchased through a Premier group purchasing organization contract, for a two (2) year term with three (3) one year renewal options, exercisable solely by the Corporation, in an amount not to exceed $23,422,163.

WHEREAS, the Corporation currently uses Agfa under an existing contract as a sole source provider of IT-enabled clinical workflow and diagnostic image management solutions for capturing and processing images in all Corporation hospitals and healthcare facilities, which agreement will expire in December 31, 2012; and

WHEREAS, the Corporation requires a new consolidated enterprise-wide Corporate agreement to replace the current agreement that will effectively and efficiently address all of the Corporation's needs for radiology, and imaging products and solutions, including maintenance support and services to be used throughout the Corporation's facilities; and

WHEREAS, this contract will provide 1) support for all Agfa products used in the Corporation: IMPAX, Talkstation and Cardio components under maintenance including 24 X 7 X 365 remote coverage for system service requests, 2) the installation of an unlimited workstation license key, 3) Software license upgrades for all covered Software, 4) Enterprise Image storage platform and viewer, 5) XDS-I conformance in order to provide compatibility with an Enterprise imaging solution, 6) Onsite maintenance engineers for PACS and supported Imaging modalities, 7) Preventative maintenance for PACS system; and

WHEREAS, the Radiology and Cardiology Councils under the Office of Medical and Professional Affairs, with participants from the Corporation's facilities, have determined the continued need for such systems; and

WHEREAS, the overall responsibility for monitoring the contract shall be under the direction of the Senior Vice President /Chief Information Officer, Division of Enterprise Information Technology Services.

NOW THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and is hereby authorized to negotiate and execute a sole source contract with Agfa Healthcare Corporation for radiology and imaging products and solutions, including maintenance support and services, **to be purchased through a Premier group purchasing organization contract, for a two (2) year term with three (3) one year renewal options, exercisable solely by the Corporation, in an amount not to exceed $23,422,163.**

Executive Summary
AGFA Healthcare Corporation

Agfa HealthCare Corporation (Agfa) is a provider of IT-enabled clinical workflow and diagnostic image management solutions for capturing and processing images in hospitals and healthcare facilities.

Agfa Healthcare Corporation offers its customers a portfolio of solutions, including Hospital Information Systems (HIS), Cardiology Information Systems (CIS), Radiology Information Systems (RIS), Picture Archiving and Communications Systems (PACS).

The goal of this contract is to negotiate an enterprise agreement that addresses the needs of the facilities utilizing products and services offered by Agfa Healthcare Corporation. This will include a consolidated master service agreement to replace local service agreements and provide the organization with up to date and well maintained products. Standardization at this level will help to ensure patient safety and quality of care goals are achieved and maintained. The Current Contract, CO-IM-09-07-015, including current amendments is active from 8/16/06 to 6/30/12, and was extended by means of an exception to policy, approved by the President, until 12/31/2012.

In addition, this contract will allow the organization to focus forward with a Corporate strategy around imaging and radiology products and services. This will facilitate the vision for greater standardization, and increased availability and adoption of new technologies and products. Previous, disparate management of contracts and service agreement introduced complexity and variability to our application portfolio. This contract will provide consistent and competitive rates for such services by utilizing the Premier Group Purchasing Agreement (GPO).

The following Agfa line of products and services are used by HHC facilities:

- Radiology PACS
- Cardiology PACS
- Computed Radiography and Digital Radiography
- DICOM Printers
- Maintenance and Support Services (remote and onsite)

HHC will continue to explore additional opportunities for savings, including realizing additional benefits through the ability to dynamically deploy additional workstations, better integration of imaging with the EMR, Single Point of Access for the enterprise, and reduced administrative overhead for transferring images acquired at different sites. A fault tolerant hardware infrastructure, system disaster recovery and improved diagnosis through access to prior images and reports are additional benefits.

Agfa Contract Presentation Summary

Background

The maturation of Digital Radiology (DR), in the early part of the last decade, allowed HHC to invest in the infrastructure for a "filmless" Radiology department. This robust infrastructure consists of application software as well as X-ray imaging, network, server and workstation equipment. The goal of these investments was to create a dynamic Radiology department that would improve patient care by improving access to X-ray images, reducing the turn-around-time for the availability of X-ray reports in the Electronic Medical Record (EMR) and reducing the inefficiency associated with managing extensive physical film libraries. The central components of this "filmless" Radiology department are the Picture Archival and Communication System (PACS) and the speech recognition system. HHC currently has 2 PACS vendors, Agfa, which serves 6 facilities (Woodhull, Jacobi, North Central Bronx, Elmhurst, Queens, and Coney Island) and Sectra, whichserves5 facilities (Harlem, Lincoln, Metropolitan, Kings County, and Bellevue).

Solution

The Agfa PACS and speech recognition products were implemented at 6 of HHC's acute care hospitals to aid in the creation of their "filmless" Radiology departments. This state of the art imaging solution was able to meet the organization's patient care needs and provide the added benefit of realigning staff responsible for film library management, eliminating off-site storage costs for historical images and increasing optionsfor off hour coverage of the Radiology department.

Maintaining Updated Infrastructure

In support of HHC's mission to provide "comprehensive health services of the highest quality" and our commitment to implement Meaningful Use (MU) standards defined by Centers for Medicare & Medicaid Services (CMS), the current system will serve be one of the central pieces in our enterprise imaging strategy. Enhancements to the current system will allow us to implement a more seamless integration of our EMR with our PACS, presenting vital X-ray images to providers within the EMR. The consolidation of clinical data into a single system will provide our clinicians with a comprehensive view of our patients.
The current hardware is over 5 years old and has already reached end of life. Upgrades to the system hardware and software are required in order to maintain performance and ensure the sustainability of the system. In addition, the necessary upgrades will allow us to improve the redundancy and fault tolerance of the system components. In addition, the updated software version allows HHC to maintain a more robust backup installation in our secondary data center will ensure business continuity in case of network failure or natural disaster.

Maintenance and Support

The Agfa PACS is comprised of multiple servers and databases working together allow HHC to store manage and view images. A complicated imaging system requires skilled and trained personnel monitoring it at all times. Each installation is monitored jointly by HHC staff as well as specially trained Agfa personnel. Although support of this system can be provided by personnel with the appropriate Agfa application training, maintenance of the software licenses can only be provided by the company that developed it. It is for that reason that we seek to enter into a sole source contract with Agfa for the support and maintenance of this system.

Contract Components

The sole source contract being presented is based upon pricing via the Agfa Premier GPO contract. This contract is for a term of 2 years with 3 one-year renewal options and includes the following items:

- Core Software License Maintenance
- Replacement of Clientless Web Browser
- Professional services
- Upgrade of retired components to new versions
- On-site technical engineering support
- Training
- Equipment (Sun Servers)
- Equipment Maintenance (Sun Servers, Film Printers)
- Unlimited usage software licensing options

Costs

The proposed contract will enable HHC to implement systems enhancements to comply with certain MU standards. The improved functionality in the enhancements enable HHC to build a robust, industry standard infrastructure with hardware containing all possible redundant componentry and primary system elements such as servers, storage, and network equipment implemented in a fault tolerant redundant configuration.

The contract includes software maintenance ($12,594,416), equipment maintenance ($2,726,420), professional services ($4,845,724), Optional Software ($891,316), equipment ($235,000), with a 10% contingency ($2,129,286). The yearly software maintenance costs total $1,760,851 with a 10% increase in maintenance costs to support the updated software version.

CONTRACT FACT SHEET
New York City Health and Hospitals Corporation

Contract Title: AGFA Healthcare Corporation

Project Title & Number: Agfa Software & Hardware

Project Location: Central Office-160 Water Street

Requesting Dept.: Clinical Information Systems

Successful Respondent: AGFA Healthcare Corporation

Contract Amount: $23,422,163 (Including Renewal Options)

Includes Annual Maintenance $ Support plus options exercisable at the sole discretion of HHC

Contract Term: Two (2) Year Term with Three (3) one - year renewal options

Number of Respondents: Sole Source via GPO Contract

Range of Proposals: $ N/A to $

Minority Business Enterprise Invited: Yes **If no, please explain:** This is a Sole Source via GPO Contract

Funding Source: X General Care X Capital
Grant: explain
Other: explain

Method of Payment: Lump Sum Per Diem Time and Rate
X Other: Fixed Fee for Software, Maintenance & Time and Materials for services

EEO Analysis: 11/30/2011 - Approved with follow-up review & Monitoring.

Compliance with HHC's McBride Principles? Yes

Vendex Clearance Yes (4/25/2012-Approved)

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

This IT contract was previously co-managed through the office of Materials Management and Facilities. However, as an IT contract, it will be managed through IT going forward. The goal of this contract is to negotiate a consolidated enterprise corporate agreement, including a consolidated service agreement that effectively and efficiently addresses the needs of the organization .

This contract will replace the local hospital agreements and introduce a consolidated management of services and payment for services rendered under this contract. Until now, each facility had been negotiating their own maintenance agreements directly with Agfa. There was no standardization and agreement had different costs and deliverables.

This renewal will allow the organization to move forward with a consolidated corporate strategy around imaging and radiology products and services offered by Agfa. In addition, this will facilitate standardization of application versions, support, and cost.

Table below shows by Facility what products/Services are currently included:

Facility	Maintenance Agreement	Radiology PACS	Cardiology PACS	Dictation	Computed Radiography	DICOM Printers
Elmhurst	Y	Y	Y	Y	Y	Y
Queens	Y	Y	Y	Y	Y	Y
Jacobi	Y	Y	Y	N	Y	Y
North Central Bronx	Y	Y	N	N	Y	Y
Woodhull /Cumberland	Y	Y	N	Y	Y	Y
Coney Island/Seaview	Y	Y	N	N	Y	Y
Harlem	Y	N	N	Y	N	N
Kings County	Y	N	N	Y	N	N
Lincoln	Y	N	N	Y	N	N
Bellevue, Gouverneur, Coler - Goldwater	Y	N	N	Y	N	N
Metropolitan	Y	N	N	Y	N	N

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

This contract was presented to the Contract Review Committee on June 20, 2012.

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

No.

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

N/A. This is a sole source contract via GPO contract.

Scope of work and timetable:

- ***Scope of work includes continuation of the current Software Maintenance Agreements for all the Facilities.***

-Support and Maintenance (IMPAX, Talkstation and Cardio components)
-Software/Hardware Upgrades
-Unlimited Licenses (IMPAX, Talkstation and Mammography)
-Enterprise Image storage platform and viewer
-Onsite maintenance engineers for PACS and supported Imaging modalities

- ***Two (2) Years Term with three one-year renewal options exercisable at the sole discretion of HHC***

The contract will cover Term: FY13 -FY18, including renewal options.

Provide a brief costs/benefits analysis of the services to be purchased.

The following is a list of benefits:

-Ability to dynamically deploy additional workstations
-Integration of imaging into the EMR
-Single point of access for Radiology imaging
-Ability to integrate disparate imaging modalities
-Ability to view images on different form factor devices
-Reduction of unnecessary exposures for patients
-Reduced utilization of Radiology resources
-Improved appointment scheduling times
-Improved access to prior images and images acquired at different sites
-Improved Diagnoses due to access to prior images and reports
-Reduced administrative costs related to image transfer process
-Fault tolerant hardware infrastructure
-Disaster recovery between Corporate data centers

HHC will benefit from improvements made by Agfa to their core product line. The enhancements provide workflow efficiencies which help us to meet the growing demand for Radiology and Cardiology Services. The software and hardware solutions made available through this agreement will help ensure that our clinicians are effective and productive in meeting the needs of our patients and our organization.

The alternative to retaining the current Agfa products in production today is returning to a manual paper-based system for Radiology & Cardiology. For example, orders would need to be transmitted manually from the Medical Record to the Radiology department. Patient demographic information would have to be entered manually into the imaging modalities. Images would need to be printed and read from light boxes, which would need to be purchased and installed in all reading rooms. Off hours reading couldn't easily be outsourced and sent off-site for review. Radiologists would no longer be able to dictate reports into Talk station. Hard copy Image distribution would need to be managed from a film library which will have a financial impact and present operational inefficiencies.

In addition, staff would be required to pull and hang hard copy film (an increase of 5-7 FTE per facility), perform data entry and validation (an increase of 2-3 FTE per facility), read film (an increase of 2-4 FTE per facility), and support the activities of a film library (an increase of 3-8 FTE per facility). Efficiency losses would result from no longer having patient images online for use by the Radiology Department and the enterprise users. The additional staff alone is estimated to have an added cost of about $17,122,000 annually (See breakout below).

Yearly Cost for Manual Imaging				
Description	Count	Unit Cost	Total Staff	40% - HR Benefits & Cost
Pull & Hang Hard Copy	77	$40,000.00	$3,080,000.00	$1,232,000.00
Data Entry	33	$30,000.00	$990,000.00	$396,000.00
Read Film	44	$180,000.00	$7,920,000.00	$3,168,000.00
Film Library Support	8	$30,000.00	$240,000.00	$96,000.00
Sub-total			$12,230,000.00	$4,892,000.00
Total (Staff + HR)			$17,122,000.00	

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

Historical expenditures (Existing Agreements):

Fiscal Year	FY09 –All Facilities	FY10-All Facilities	FY11-All Facilities	FY12-All Facilities	Total
Maintenance & Support. Software and Training	$4,298,590	$3,453,282	$2,621,890	$2,862,166	$13,235,928

Proposed Annual Maintenance & Support with Optional Modules:

	FY13(6mos)	FY14	FY15	FY16	FY17	FY18(6mos)	5 year total
Total	$3,956,869	$4,669,223	$3,637,832	$3,635,972	$3,817,772	$1,575,207	$21,292,875
IT Maintenance	$838,501	$1,760,851	$1,848,894	$1,941,338	$2,038,405	$838,501	$9,266,489
IT Other (Req)	$1,890,346	$630,000	$836,500	$694,574	$729,304	$300,000	$5,080,724
IT Optional	$981,316	$1,760,288	$408,450	$428,873	$450,316	$190,000	$4,219,243
Rad. Equipment	$246,707	$518,084	$543,988	$571,188	$599,747	$246,707	$2,726,420
Total	$3,956,869	$4,669,223	$3,637,832	$3,635,972	$3,817,772	$1,575,207	$21,292,875
10% cont	$395,687	$466,922	$363,783	$363,597	$381,776	$157,520	$2,129,286
Total + 10%	$4,352,556	$5,136,145	$4,001,615	$3,999,570	$4,199,549	$1,732,728	$23,422,163

***10% contingency, totaling $2,129,286, (the "Contingency Reserve) for additional services that may be required at the corporation's option.**

Provide a brief summary of how the fees were determined for the proposed annual maintenance and support with optional modules, including factors that influenced the fees and the participants who negotiated the fees.

The proposed Annual Maintenance and Support is the continuation of the current Maintenance agreement as indicated in the HHC Agreement Number 09-07-015 dated August 3, 2006 expiring on June 30, 2012 and with an extension until 12/31/2012 for the same services. This cost includes the Service Maintenance Agreements.

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

IMPAX 6 is a complex Picture Archiving and Communication System (PACS), designed to streamline our enterprise workflow and deliver increased efficiency and productivity to our care facilities. The Radiology equipment provides sophisticated image digitization functionality. ***It is not possible for HHC to develop this type of system or equipment in house.***

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

No.

Contract monitoring (include which Senior Vice President is responsible):

Bert Robles, Sr. Vice President and Chief Information Officer, will oversee the execution of this contract.

Louis J. Capponi MD, CMIO will be responsible for contract management.

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

11/30/2011 - Approved with follow-up review and monitoring.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
125 Worth Street · Suite 401 · New York · New York · 10013
212-788-3380 · Fax: 212-788-3689 · E-mail: manasses.williams@nychhc.org

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

TO: Afshan Syed
Information Technology Services

FROM: Manasses C. Williams

DATE: November 30, 2011

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **Agfa Healthcare Corp.,** has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

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

Project Location(s): Various Hospitals

Contract Number: ________________

Project: Medical Equipment and Professional Services

Submitted by: Office of Information Technology Services

EEO STATUS:

1. [ ] Approved

2. [X] Approved with follow-up review and monitoring

3. [ ] Not approved

COMMENTS:

MCW/srf

Agfa PACS Contract

Board of Directors

November 29, 2012

Background

- A **Picture Archiving and Communication System** (**PACS**) is an electronic medical imaging system which allows for the storage, management and viewing of to X- ray images.

- A **Speech Dictation** system is an application used to convert speech to text so that reports can instantly be sent to the Electronic Medical Record.

Historical Numbers

Agfa PACS Volume			
Facility	**2009 Study Volume**	**2010 Study Volume**	**2011 Study Volume**
North Central Bronx	53,687	59,362	56,582
Coney Island	131,577	133,505	131,081
Queens	110,282	108,382	115,565
Elmhurst	230,707	204,995	196,255
Woodhull	114,287	120,195	121,349
Jacobi	200,124	198,919	204,748
Agfa Total	**840,664**	**825,358**	**825,580**

Agfa Contract
Contract Components

- ❑ Core Software License Maintenance
- ☐ Replacement of Clientless Web Browser
  - New web-based browsing application is a robust imaging platform that can run on remote devices.
- ❑ Professional services
  - Upgrade of retired components to new versions
  - On-site technical engineering support
  - Training
- ❑ Equipment (Sun Servers)
- ❑ Equipment Maintenance (Sun Servers, Film Printers)
- ☐ Options to convert to Unlimited License model
  - Clinical, Radiologist, Mammography licenses available for all HHC workstations

Agfa Contract
Contract

Term: Two year term with three(3) one-year renewal options

Software Maintenance	$12,594,416
Professional Services	$4,845,724
IT Optional Software	$891,316
Equipment	$235,000
Equipment Maintenance	$2,726,420
Total	$21,292,875
10% contingency	$2,129,286
	$23,422,163

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation to execute a Memorandum of Understanding ("MOU") with the New York City Department of Health and Mental Hygiene ("DOHMH") for the transfer to the DOHMH of certain functions now performed by the Corporation for the benefit of DOHMH

WHEREAS, HHC has been assisting DOHMH by performing the functions of oversight, monitoring, and administration of DOHMH's Central Medical Supply pharmacy operations, DOHMH's Information Technology Initiatives Bureau, and DOHMH's Office of Grants Administration and Claiming; administrative direction of correctional health; and functions ancillary thereto; and

WHEREAS, it has been determined that it is more efficient to have these functions performed by DOHMH; and

WHEREAS, it has been determined that the six HHC staff members performing these functions should be transferred to and integrated with DOHMH staff;

NOW, THEREFORE, be it

RESOLVED that the President of the New York City Health and Hospitals Corporation is authorized to execute a Memorandum of Understanding ("MOU") with the New York City Department of Health and Mental Hygiene ("DOHMH") for the transfer to the DOHMH of certain functions now performed by the Corporation for the benefit of DOHMH.

Executive Summary

MOU to Transfer to DOHMH Certain Functions Now
Performed by the Corporation for the Benefit of DOHMH

Pursuant to longstanding practice, the Corporation has assisted DOHMH by performing the functions of oversight, monitoring, and administration of DOHMH's Central Medical Supply pharmacy operations, DOHMH's Information Technology Initiatives Bureau, and DOHMH's Office of Grants Administration and Claiming; administrative direction of correctional health; and functions ancillary thereto. There are a total of six HHC staff members who perform these functions. DOHMH has determined that it is more efficient to have these functions performed by DOHMH and therefore has requested that we take steps to effectuate a transfer of the functions to DOHMH. The proposed MOU is a necessary part of this process.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Tenant" or "Corporation") to execute a lease extension with 221 Canal Street LLC (the "Landlord") for space at 221-227 Canal Street to house a Women, Infants and Children Program (the "WIC Program") managed by Bellevue Hospital Center (the "Facility").

WHEREAS, in April 2010, Saint Vincent's Catholic Medical Centers of New York ("SVCMC") filed for bankruptcy under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Southern District of New York; and

WHEREAS, SVCMC had operated the WIC Program at 221-227 Canal Street since 2000, and effective June 30, 2010, SVCMC discontinued its management of the Canal Street site; and

WHEREAS, pregnant, breastfeeding and postpartum women, infants and children less than five years of age determined to be at nutritional risk are eligible for WIC Program services which includes monitoring children's growth rates, nutrition education, breastfeeding support, and high risk counseling; and

WHEREAS, in June 2010, the Board of the Directors authorized the President to execute an acceptance of lease assignment and lease assumption agreement with SVCMC to effect the substitution of the Corporation for SVCMC under its lease with the Landlord; and

WHEREAS, a lease modification agreement was executed July 1, 2010, which by its terms expired December 31, 2011, under which the Corporation assumed operation of the WIC program including the obligation to pay rent and related occupancy charges; and

WHEREAS, in December 2011, the Board of Directors authorized the President to extend the lease term by one (1) year, which by its terms expires December 31, 2012; and

WHEREAS, the New York State Department of Health shall continue to fund the WIC Program operation through the lease extension term.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Tenant" or "Corporation") be and is hereby authorized to execute a lease extension with 221 Canal Street LLC (the "Landlord") for space at 221-227 Canal Street to house a Women, Infants and Children Program (the "WIC Program") managed by Bellevue Hospital Center (the "Facility").

The Tenant shall have the use and occupancy of approximately 1,200 square feet of space on the 5th floor of 221-227 Canal Street (the "Demised Premises"). The lease term shall be five (5) years commencing January 1, 2013. The base rent shall be approximately $55,724 per year or approximately $46.43 per square foot and shall be escalated by 2.5% per year. The Tenant shall be responsible for payment for its electricity usage. The Landlord shall be responsible for payment of gas, water and sewer rents. The Tenant shall be responsible for payment of its proportionate share of real estate increases above the 2012/2013 base year.

The Landlord shall be responsible for interior and exterior structural maintenance and repairs to the Demised Premises, including the roof and main utility feeder lines. The Tenant shall be responsible for interior non-structural maintenance and repairs to the Demised Premised not caused by the Landlord's negligence.

At its own expense, the Landlord shall perform work in the Demised Premises including the removal of a dividing wall and existing cabinetry, flooring repairs, ceiling tile replacement and painting.

EXECUTIVE SUMMARY

SOUTHERN MANHATTAN HEALTH CARE NETWORK
BELLEVUE WIC PROGRAM
221-227 CANAL STREET

OVERVIEW: The President seeks authorization from the Board of Directors of the Corporation to execute a lease extension with 221 Canal Street LLC (the "Landlord") for space at 221-227 Canal Street to house a Women, Infants and Children Program (the "WIC Program") managed by Bellevue Hospital Center ("Bellevue").

NEED/ PROGRAM: In April 2010, Saint Vincent's Catholic Medical Centers of New York ("SVCMC") filed for bankruptcy under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Southern District of New York. SVCMC had operated the WIC Program at 221-227 Canal Street since 2000, and effective June 30, 2010, SVCMC discontinued its management of the Canal Street site. Pregnant, breastfeeding and postpartum women, infants and children less than five years of age determined to be at nutritional risk are eligible for WIC Program services which include monitoring children's growth rates, nutritional education, breastfeeding support, and high risk counseling.

In June 2010, the Board of the Directors authorized the President to execute an acceptance of lease assignment and lease assumption agreement with SVCMC to effect the substitution of the Corporation for SVCMC under its lease with the Landlord. A lease modification agreement was executed July 1, 2010, which by its terms expired December 31, 2011, under which the Corporation assumed operation of the WIC program including the obligation to pay rent and related occupancy charges. In December of 2011 the Board authorized the President to extend the lease for one (1) year. The New York State Department of Health will continue to fund the WIC Program operation through the lease extension term.

The Eastside WIC Program, managed by Bellevue, currently operates sites at Metropolitan Hospital, Bellevue and in the Borough of Queens. Bellevue was approached by the New York State Department of Health ("NYSDOH") and asked to assume management of the Canal Street site.

UTILIZATION: In 2012, the caseload was estimated to be approximately 2,000 visits per month.

TERMS: The Tenant will have the use and occupancy of approximately 1,200 square feet of space on the 5th floor of 221-227 Canal Street (the "Demised Premises"). The lease term will be five (5) years, commencing January 1, 2013. The base rent will be approximately $55,724 per year or approximately $46.43 per square foot. The Tenant will be responsible for payment for its electricity usage. The Landlord will be responsible for payment of gas, water and sewer rents. The Tenant will be responsible for payment of its proportionate share of real estate tax increases above the 2012/2013 base year.

The Landlord will be responsible for interior and exterior structural maintenance and repairs to the Demised Premises, including the roof and main utility feeder lines. The Tenant will be responsible for interior non-structural maintenance and repairs to the Demised Premised not caused by the Landlord's negligence.

At its own expense, the Landlord will perform work in the Demised Premises including the removal of a dividing wall and existing cabinetry, flooring repairs, ceiling tile replacement and painting.

FINANCING: Rent and operating expenses are covered by a NYSDOH grant. There is no cost incurred to HHC by operation of this program.

SUMMARY OF ECONOMIC TERMS

SITE:	221-227 Canal Street Borough of Manhattan
TERM:	Five (5) years commencing January 1, 2013
RENT:	The base rent will be approximately $46.43 per square foot, or approximately $55,724 per year.
UTILITIES:	The Tenant will be responsible for payment for its electricity usage. The Landlord will be responsible for payment of gas, water and sewer rents.
REAL ESTATE TAXES:	The Tenant will be responsible for payment of its proportionate share of real estate tax increases above the 2012/2013 base year.
MAINTENANCE:	The Landlord will be responsible for interior and exterior structural maintenance and repairs to the Demised Premises, including the roof and main utility feeder lines. The Tenant will be responsible for interior non-structural maintenance and repairs to the Demised Premised not caused by the Landlord's negligence.
LANDLORD'S WORK:	At its own expense, the Landlord will perform work in the Demised Premises including the removal of a dividing wall and existing cabinetry, flooring repairs, ceiling tile replacement and painting.
FINANCING:	Rent and operating expenses are covered by a NYSDOH grant. There is no cost incurred to HHC by operation of this program.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Tenant") to execute a lease extension agreement with Third Generation Properties (the "Landlord"), for use and occupancy of space at 2266 Nostrand Avenue, Borough of the Brooklyn, to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program"), managed by Kings County Hospital Center (the "Facility").

WHEREAS, in October 2007, the Board of Directors authorized the execution of a lease with the Landlord which allowed the WIC Program to continue to operate from its current location, which by its terms expires December 31, 2012; and

WHEREAS, the Facility's WIC Program provides nutrition services to pregnant, breastfeeding and postpartum women, infants, and children less than five years of age, who are determined to be at nutritional risk and are of low income; and

WHEREAS, extending the lease at the site will allow continued provision of needed WIC Program services to the community;

WHEREAS, the program is fully funded by a New York State Department of Health grant.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation" or "Tenant") be and hereby is authorized to execute a lease extension agreement with Third Generation Properties (the "Landlord"), for use and occupancy of space at 2266 Nostrand Avenue, Borough of Brooklyn, to operate a Supplemental Food Program for Women, Infants and Children (the "WIC Program"), managed by Kings County Hospital Center (the "Facility").

The Tenant shall have the continued use and occupancy of approximately 2,400 square feet of ground floor space at 2266 Nostrand Avenue (the "Demised Premises"). The term of the lease shall be five (5) years. The Tenant shall pay base rent in the amount of $76,611 per year, or approximately $31.92 per square foot. The rent shall be escalated by 2.5% per year.

The Tenant shall be responsible for the payment of separately metered electricity. The cost of water and sewer rents shall be the Landlord's responsibility. The Landlord shall be responsible for all interior and exterior maintenance and structural repairs at the Demised Premises. The Tenant shall be responsible for non-structural maintenance and repairs at the Demised Premises. The Tenant shall also be responsible for the repair and maintenance of sidewalks, curbs and passageways adjoining and/or appurtenant to the Demised Premises.

The Tenant shall be responsible for the payment of its share of real estate tax increases above the base year 2013/2014.

EXECUTIVE SUMMARY

CENTRAL BROOKLYN HEALTHCARE NETWORK
SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN (THE "WIC PROGRAM")
2266 NOSTRAND AVENUE
BOROUGH OF BROOKLYN

OVERVIEW: The President seeks authorization from the Board of Directors of the Corporation to execute a lease extension agreement with Third Generation Properties (the "Landlord") for use and occupancy of space at 2266 Nostrand Avenue, Borough of Brooklyn, to operate a Women, Infants and Children Program ("WIC Program"), managed by Kings County Hospital Center ("Kings County").

NEED/ PROGRAM: The WIC Program has been providing services to the surrounding community at this site since 1996. The program provides comprehensive WIC services to eligible pregnant, breastfeeding and postpartum women, infants and children less than five years of age, who are determined to be at nutritional risk.

UTILIZATION: In 2007, the estimated number of visits was 12,000 annually.

TERMS: The WIC Program will continue to occupy approximately 2,400 square feet, and will pay base rent in the amount of $76,611 per year, or $31.92 per square foot. The term of the lease will be five (5) years. The rent will be escalated by 2.5% per year. The Tenant will be responsible for payment of separately metered electricity. The cost of water and sewer rents will be the Landlord's responsibility. The Landlord will be responsible for all interior and exterior maintenance and structural repairs. The Tenant will be responsible for non-structural maintenance and repairs. The Tenant will also be responsible for the repair and maintenance of sidewalks, curbs and passageways adjoining and/or appurtenant to the premises.

FINANCING: Rent and operating expenses are covered by a NYSDOH grant. There is no cost incurred to HHC by operation of this program.

SUMMARY OF ECONOMIC TERMS

SITE:	2266 Nostrand Avenue Borough of Brooklyn Block 7575, Lot 11, 77
FLOOR AREA:	Approximately 2,400 square feet
TERM:	Five (5) years
RENEWAL OPTION:	No renewal option
RENT:	Tenant will pay base rent in the amount of $76,611 per year, or $31.92 per square foot. Rent will commence January 1, 2013.
ESCALATION:	2.5% per year
UTILITIES:	The Tenant will be responsible for the payment of separately metered electricity. The cost of water and sewer rents will be the Landlord's responsibility.
MAINTENANCE/ REPAIRS:	The Landlord will be responsible for all interior and exterior maintenance and structural repairs. The Tenant will be responsible for non-structural maintenance and repairs. The Tenant will also be responsible for the repair and maintenance of sidewalks, curbs and passageways adjoining and/or appurtenant to the premises.
TAXES:	The Tenant will be responsible for the payment of its share of real estate tax increases above the 2013/2014 base year.
FINANCING:	Rent and operating expenses are covered by a NYSDOH grant. There is no cost incurred to HHC by operation of this program.

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 its continued use and occupancy of space to operate radio communications equipment at Queens Hospital Center (the "Facility").

WHEREAS, in December 2007, the Board of Directors authorized the President to enter into a license agreement with the Licensee which by its terms expires on January 31, 2013; and

WHEREAS, the NYPD desires to continue to operate radio communications equipment at the Facility, 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 Queens Hospital Center (the "Facility").

The Licensee shall be granted the continued use and occupancy of approximately fifty (50) square feet of space on the roof of the "N" 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.

EXECUTIVE SUMMARY

LICENSE AGREEMENT
NEW YORK CITY POLICE DEPARTMENT
QUEENS HOSPITAL CENTER

The President of the New York City Health and Hospitals Corporation seeks authorization to execute a revocable license agreement with the New York City Police Department ("NYPD") for its continued use and occupancy of space to operate radio communications equipment at Queens Hospital Center ("QHC").

The New York City Police Department desires to continue to operate radio communications equipment at the Facility to enhance the performance of its city-wide radio operations network. The Licensee's radio communications system will not compromise Facility operations, and it complies with applicable federal statutes governing the emission of radio frequency signals and, therefore, poses no health risk.

The NYPD will have the continued use and occupancy of approximately fifty (50) square feet of space on the roof of the "N" Building. Public safety is enhanced by the system's operation, therefore the occupancy fee will be waived. Queens Hospital Center will provide electricity to the licensed space. The operation and maintenance of the system will be the responsibility of the NYPD.

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" or "Licensor") to execute a revocable license agreement with Where to Turn, Inc., The Joseph Maffeo Foundation, Inc., and The United In Memory Memorial Quilt, Inc. (the "Licensee") for use and occupancy of space to house The United In Memory 9/11 Victims Memorial Quilt at Sea View Hospital Rehabilitation Center and Home (the "Facility").

WHEREAS, the Licensee seeks to provide a permanent location, open to the public, for the The United In Memory 9/11 Victims Memorial Quilt, and establish additional exhibits and related programs to memorialize those who lost their lives on September 11, 2001; and

WHEREAS, the Licensee, at its own expense, shall renovate space on the Facility's campus to house the Memorial Quilt, exhibits, and programs and shall provide staff for its operation and maintenance; and

WHEREAS, the Facility has adequate space to accommodate the Licensee's 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 Where to Turn,Inc., The Joseph Maffeo Foundation, Inc., and The United In Memory Memorial Quilt, Inc. (the "Licensee") for use and occupancy of space to house The United In Memory 9/11Victims Memorial Quilt at Sea View Hospital Rehabilitation Center and Home (the "Facilty").

The Licensee shall be granted use and occupancy of approximately 10,000 square feet of space in the Kitchen Building and track way on the Facility's campus (the "Licensed Space") to house the Memorial Quilt, exhibits, and related programs. The occupancy fee shall be waived. The Licensee shall make renovations to the Licensed Space at its own expense.

The Licensee shall provide electricity, heat, air conditioning, hot and cold water and routine maintenance to the Licensed Space. The Licensee shall be responsible for its own housekeeping.

The Licensee shall indemnify and hold harmless the Corporation and the City of New York from any claims arising out of its use of the Licensed Space, and shall provide appropriate insurance naming the Corporation and the City of New of New York as additional insureds.

The license agreement shall be revocable by either party on sixty (60) days prior notice. The term of the agreement shall not exceed five (5) years without further authorization by the Board of Directors of the Corporation.

EXECUTIVE SUMMARY

LICENSE AGREEMENT
THE UNITED IN MEMORY 9/11 VICTIMS MEMORIAL QUILT

SEA VIEW HOSPITAL REHABILITATION CENTER AND HOME

The President of the New York City Health and Hospitals Corporation seeks authorization to execute a revocable license agreement with the with Where to Turn, Inc., The Joseph Maffeo Foundation, Inc., and The United In Memory Memorial Quilt, Inc. (the "Licensee") for use and occupancy of space to house The United In Memory 9/11 Victims Memorial Quilt at Sea View Hospital Rehabilitation Center and Home ("Sea View").

The Licensee seeks to provide a permanent location, open to the public, for the The United In Memory 9/11 Victims Memorial Quilt ("Memorial Quilt"), and establish additional exhibits and related programs to memorialize those who lost their lives on September 11, 2001. The Licensee, at its own expense, will renovate space on the Sea View's campus to house the Memorial Quilt, exhibits, and programs and will provide staff for its operation and maintenance. United in Memory will provide the Quilt, Where to Turn, Inc. will manage the renovations and the exhibit, and The Joseph Maffeo foundation will assist with fundraising.

It is anticipated that the exhibit will be open Monday through Friday from 9 a.m. to 5 p.m., and on weekends from 11 a.m. to 3 p.m.

The Memorial Quilt consists of 142 individual quilts or panels, each measuring 10-1/2 feet by 10-1/2 feet. Each panel is comprised of twenty-five blocks, each block measuring 18" by 18". Volunteers from eighteen countries submitted fabric for the Quilt and it was assembled into panels by a group of volunteers based in California. The Memorial Quilt covers a total of 15,500 square feet. The Quilt was exhibited at St. John's University on Staten Island for the 5th and 10th Anniversaries of September 11, 2001. Over 15,000 people visited the exhibit during its stay at St. John's University.

The Licensee will have use and occupancy of approximately 10,000 square feet of space in the Kitchen Building and track way on the Facility's campus (the "Licensed Space") to house the Memorial Quilt, exhibits, and related programs. The occupancy fee will be waived. The Licensee will make renovations to the Licensed Space at its own expense.

The Licensee will provide electricity, heat, air conditioning, hot and cold water and routine maintenance to the Licensed Space. The Licensee shall be responsible for its own housekeeping. The Licensee shall indemnify and hold harmless the Corporation and the City of New York from any claims arising out of its use of the Licensed Space, and shall provide appropriate insurance naming the Corporation and the City of New of New York as additional insureds.

The license agreement shall be revocable by either party on sixty (60) days prior notice. The term of the agreement shall not exceed five (5) years without further authorization by the Board of Directors of the Corporation.

Vendex: Certificate of no change submitted to Legal Affairs for review.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to name the North Bronx Healthcare Network Departments of Surgery at Jacobi Medical Center and North Central Bronx Hospital (the "Facilities") respectively, the "Dr. Harry M. Delany Department of Surgery".

WHEREAS, the North Bronx Healthcare Network has requested that the Departments of Surgery at Jacobi Medical Center and North Central Bronx Hospital respectively be named in honor of Dr. Harry M. Delany who served as Chairman of the Departments of Surgery for both hospitals and who is a nationally recognized leader, educator, researcher and innovator in the care of surgical patients; and

WHEREAS, Dr. Delany, during his more than 50 year career in the municipal hospital system in the Bronx, used his expertise to develop innovative surgical techniques, educate and train hundreds of surgeons and improve access and provide the highest quality health care to the Corporation's patients; and

WHEREAS, Dr. Delany's family and colleagues have expressed their enthusiastic support for this recognition of his professional dedication and significant personal contributions to Network, the staff of both Facilities and the patients; and

WHEREAS, the Facility has met the requirements for naming a portion of a facility as set forth in the Corporation's Operating Procedure 100-8 dated December 15, 2004 including that no person or persons on behalf of the Corporation or the Facility solicited a gift and that the naming is supported by the Facility's Community Advisory Board, the Medical Board, and the Executive Director; and

WHEREAS, the request has been submitted to the President advising of the intent to name the Facilities' Departments of Surgery after Dr. Delany.

NOW, THEREFORE, be it

RESOLVED that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and herby is authorized to name the North Bronx Healthcare Network Departments of Surgery at Jacobi Medical Center and North Central Bronx Hospital (the "Facilities") respectively, the "Dr. Harry M. Delany Department of Surgery".

The President of the Health and Hospitals Corporation is hereby authorized to notify all private parties and public agencies and organizations involved and interested in the affairs of such naming.

EXECUTIVE SUMMARY

NORTH BRONX HEALTHCARE NETWORK
NAMING THE DEPARTMENTS OF SURGERY IN HONOR OF
DR. HARRY M. DELANY, FACS

The North Bronx Healthcare Network (the "Network) is proposing to honor Dr. Harry M. Delany, Chairman Emeritus, Departments of Surgery, North Bronx Healthcare Network and Professor of Surgery at the Albert Einstein College of Medicine by naming the Departments of Surgery at Jacobi Medical Center and North Central Bronx Hospital after him.

Dr. Delany's career has been extraordinary. From an early age, he knew that he wanted to be a surgeon as a way to fulfill his desire to help people and in 1958 he was awarded a Doctor of Medicine degree by the Columbia University College of Physicians and Surgeons. He completed his internship and first year of surgical residency at Bellevue Hospital, Columbia 1st Surgical Division and continued his training at Montefiore Medical Center (MMC), where he served as chief resident in surgery.

After serving two years in the United States Army as Captain Medical Corps and Surgeon at Walson Army Hospital in Fort Dix, NJ, Dr. Delany returned to the Bronx, where he remained for the balance of his professional career. Beginning in 1965, Dr. Delany commenced the first of a series of incrementally responsible positions working as an attending surgeon at Morrisania City Hospital and Montefiore's Teamsters Comprehensive Center and its medical group. He joined the faculty of the Albert Einstein College of Medicine (Einstein) as a clinical instructor in surgery.

In 1971, Dr. Delany was appointed Director of Surgery at Morrisania City Hospital and upon the hospital's closing, in 1976, he became the Director of Surgery at North Central Bronx Hospital. Already a Fellow of the American College of Surgeons, in 1980, Dr. Delany became a professor at Einstein, joined the attending staff at MMC and, in 1986, was appointed Director of Surgery at the Bronx Municipal Hospital Center (now Jacobi). When the North Bronx Healthcare Network (NBHN) was formed in 1996, combining Jacobi Medical Center and North Central Bronx Hospital, Dr. Delany became the Chairman of the Departments of Surgery for both hospitals, presiding over one of the regions busiest trauma services and improving access to important surgical care for underserved Bronx residents.

Early on in his clinical career, Dr. Delany introduced a surgical technique – the Needle Catheter Jejunostomy – for feeding post-operative patients which became a standard worldwide. In 1986, he described an innovative surgical technique for repairing the injured spleen. In 1995, he received a U.S. Patent for Duodenal Intubation Catheter. Dr. Delany has authored numerous peer reviewed publications, partnering on some with other distinguished Einstein faculty. His salient contributions to the surgical literature include nutritional support for critically injured patients; non-operative management of small bowel obstruction; laboratory assessment of bowel infarction; abdominal trauma; pioneering work in bariatric surgery; and the introduction of patient navigators at Jacobi to expedite surgical and follow-up care for breast cancer patients, in conjunction with Dr. Maria Castaldi. He is widely respected by colleagues across the region and country and served as guest speaker and moderator at well over 100 prestigious medical forums.

Dr. Delany has been an exemplary citizen and role model at both the local and national level, working as a hands-on leader. He has served as president of the medical board at Morrisania City Hospital, North Central Bronx Hospital and Jacobi Medical Center, and on multiple committees, including as chairman of the Professors Committee on Appointments and Promotions at Einstein. For several years, he was the chairman of Columbia University College of Physicians and Surgeons Alumni Association's Committee on Special Student Problems. Dr. Delany also served as president of the New York Surgical Society and president of the Association of Academic Minority Physicians. Since 2008, he has served as a member of the New York State Council on Graduate Medical Education, a position appointed by the governor.

Dr. Delany cherishes the opportunity to work with and train young surgeons. As an educator, he has taught thousands of residents, fellows, and medical students the art and science of medicine and has generously shared his talents with colleagues over the course of his extensive professional career. As recently as June 2011, Dr. Delany was recognized by the surgical residents in the combined MMC/Einstein/JMC training program as "Teacher of the Year." His passion for teaching extends far beyond the Bronx and the United States. As a board member of the Phelps Stokes Fund, he visited Cameroon, Senegal, Kenya, South Africa and Morocco to review various medical facilities and hospitals to establish standards of care and he has served as an external examiner at the University of the West Indies Medical School (UWIMS).

Dr. Delany comes from a distinguished family of professionals whose dedication and passion have driven them to be pioneers for change in our society. His father, the charismatic Honorable Hubert T. Delany, was an early civil rights advocate and among the first African American judges in New York City, having been appointed by Mayor Fiorello LaGuardia in 1942. Dr. Delany served as private physician to his aunts, Sarah "Sadie" L. Delany and A. Elizabeth "Bessie" Delany. The lives of these remarkable women were commemorated in the 1993 New York Times best-selling *Having Our Say: The Delany Sisters' First 100 Years*, a memoir that later became a Broadway play and Peabody Award-winning CBS television movie. Dr. Delany, along with his family, established the Hubert T. Delany Scholarship at The City College of New York in honor of his father's lifelong commitment to quality public education.

Dr. Harry M. Delany is professionally acclaimed as a physician, surgical leader, scientist, educator, mentor, and public servant; and personally defined as a devoted family man, true gentleman, accomplished athlete, seafarer, and aficionado of the arts. He is proud to work at a safety net hospital where absolutely everybody is taken care of, regardless of their economic status and resources.

It is our great privilege to have had Dr. Delany make us his professional home for the past 50 years.

NEW YORK CITY HEALTH & HOSPITALS CORPORATION
North Bronx Healthcare Network

1400 Pelham Parkway South • 1S9/Jacobi • Bronx New York 10461 • Tel (718) 918-8141 • Fax (718) 918-4607

William P. Walsh
Senior Vice President

November 19, 2012

Alan D. Aviles
President
NYC Health and Hospitals Corporation
125 Worth Street, Room 514
New York, NY 10013

Dear Mr. Aviles,

I am writing to recommend and seek your support to name the Departments of Surgery at Jacobi Medical Center (JMC) and North Central Bronx Hospital (NCB) respectively "The Dr. Harry M. Delany Department of Surgery."

Dr. Delany has devoted his career to our North Bronx hospitals, starting with Morrisania in the 1970's. He has served with excellence in a variety of clinical and administrative positions while caring for patients, training and educating generations of physicians and developing innovative clinical techniques. He has generously shared his skills and expertise with colleagues in the North Bronx Network and at Montefiore and Einstein as well as through publications and hands on work in other countries. He is not only revered, he is liked - no small achievement for a surgeon. Dr. Delany's background is so unusual and interesting that I have included a more detailed biography in this package.

I have communicated with our Medical and Community Advisory Boards to discuss this naming and received resounding and enthusiastic support from each of them. Their letters of support are attached.

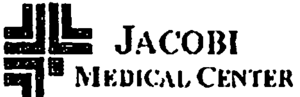
We are grateful and fortunate to have had Dr. Harry Delany make the North Bronx his professional home. A significant part of physician engagement is recognition, and our physicians are rightly proud of their association with Dr. Delany. It is my belief that this tribute to such a worthy and well-respected individual will help to bolster our ability to attract and retain physicians of this high caliber and character.

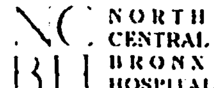
Thank you in advance for your support of this request.

Sincerely,

William P. Walsh

cc: Antonio Martin





NEW YORK CITY HEALTH & HOSPITAL CORPORATION
North Bronx Healthcare Network

Victor Badner, DMD, MPH
Chairperson
President of New York Dental Alliance
Department of Dentistry / Oral and Maxillofacial Surgery
Associate Professor – Department of Dentistry and
Epidemiology and Population Health
Albert Einstein College of Medicine
1400 Pelham Parkway South, Building 1, Room 3NE1, Bronx, New York 10461 Tel. (718) 918-3418 Fax (718) 918-6147
Email: Victor.Badner@nbhn.net

November 21, 2012

William P. Walsh
Senior Vice President/Executive Director
Jacobi Medical Center
1400 Pelham Parkway South
Building 1, Room 1S9
Bronx, NY 10461

Dear Mr. Walsh:

I am writing to inform you that the Medical Executive Committee of Jacobi Medical Center supports the naming of the Department of Surgery "The Dr. Harry M. Delany Department of Surgery".

My colleagues and I on the medical staff agree that Dr. Delany should be recognized for his long tenure at Jacobi Medical Center and his significant accomplishments. His contributions to innovative clinical practice and the education and training of hundreds of medical students are nationally and internationally renowned and respected. It is entirely fitting that the Department of Surgery should carry his name.

We would all be truly honored to have Dr. Delany's name permanently attached to Jacobi and we thank you for your attention to this matter.

Sincerely,

Victor Badner, DMD, MPH
President, Medical Executive Committee
Jacobi Medical Center

3424 KOSSUTH AVENUE, BRONX, NY 10467 718.519.5000

November 21, 2012

William P. Walsh
Senior Vice President/Executive Director
Jacobi Medical Center
1400 Pelham Parkway South
Building 1, Room 1S9
Bronx, NY 10461

Dear Mr. Walsh:

I am writing to inform you that the Medical Executive Committee of North Central Bronx Hospital (NCB) unanimously supports naming the Department of Surgery at NCB "The Dr. Harry M. Delany Department of Surgery".

My colleagues and I on the medical staff feel strongly that this would be an excellent way to acknowledge and honor Dr. Delany's long and extraordinary career and his significant innovative contributions to clinical knowledge and patient care. His work is renowned not only in the North Bronx Healthcare Network but also nationally and internationally. We would all be truly honored to have Dr. Delany's name permanently attached to North Central Bronx Hospital.

Thank you for your attention to this matter.

Sincercly,

Scott Rogge, M.D.
President, Medical Executive Committee
North Central Bronx Hospital