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

BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 25, 2013
A~G~E~N~D~A

Call to Order - 4 pm	Dr. Stocker
1. Adoption of Minutes: July 25, 2013	
Chairman's Report	Dr. Stocker
President's Report	Mr. Aviles
>>Action Items<<	
Corporate	
2. RESOLUTION ratifying the contract amendment executed by the President of the New York City Health and Hospitals Corporation with Crothall Healthcare, Inc. for an amount not to exceed $129,795,066 in connection with a Declaration of Emergency to restore the Corporation's facilities that sustained damage due to Hurricane Sandy. *(Finance Committee – 9/17/2013)*	Mr. Rosen
3. RESOLUTION ratifying the contract amendment executed by the President of the New York City Health and Hospitals Corporation with Johnson Controls, Inc. for an amount not to exceed $102,190,077 in connection with a Declaration of Emergency to restore the Corporation's facilities that sustained damage due to Hurricane Sandy. *(Finance Committee – 9/17/2013)*	Mr. Rosen
4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with The Nash Group for enterprise-wide nursing optimization. The contract shall be for a period of three years with one, three-year option to renew exercisable solely by the Corporation, in an amount not to exceed $7,000,000 for the entire term of six years. *(Med & Professional Affairs / Information Technology Committee – 9/12/2013)* *EEO: Approved*	Dr. Stocker
5. RESOLUTION to modify the existing contract with The Gordian Group, Inc. to broaden its scope to the provision of project management services to the Corporation with respect to projects performed by the Corporation's Indefinite Quantity Construction Contractors—IQCCs--to increase its funding from $1,500,000 to not more than $4,000,000, and to extend its term to October 30, 2015. *(Capital Committee – 9/12/2013)* *EEO: Approved / VENDEX: Pending*	Ms. Youssouf
6. RESOLUTION adopting the Corporation's Mission Statement and Performance Measures as required by the Public Authorities Reform Act.	Dr. Stocker
Southern Brooklyn/Staten Island Health Network	
7. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a license agreement with Joseph Gheraldi Playwright Theatre for use and occupancy of space for the operation of a community theater at the Sea View Hospital Rehabilitation Center and Home. *(Capital Committee – 9/12/2013)* *VENDEX: Pending*	Ms. Youssouf
Generations+/Northern Manhattan Health Network	
8. RESOLUTION approving the Harlem Hospital Center Parking Facility Project, authorizing the President the President of the New York City Health and Hospitals Corporation to execute a contract known as the Federal-Aid Highway and Marchiselli-Aid Local Project Agreement with the New York State Department of Transportation to provide funding for the Project, and confirming the availability of the funds necessary to complete the Project. *(Capital Committee – 9/12/2013)*	Ms. Youssouf
(over)	

9. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a three-year terminable license agreement with Heritage Health and Housing, Inc. for Heritage's use and occupancy of approximately 20,000 square feet at 1727 Amsterdam Avenue in Manhattan for its operation of a Federally Qualified Health Center at an occupancy rate during the first year of the license of $18 per square foot for the approximately 14,000 square feet that Heritage currently occupies on the first, second and fourth floors and at $35 per square foot for the additional approximately 6,000 square feet to which Heritage will expand on the third floor and at a rate of $35 per square foot for the entire premises after the first year of the license--such rates to be inclusive of heat, hot water and electricity. *(Capital Committee – 9/12/2013)* *VENDEX: Pending*	Ms. Youssouf
Committee Reports	
➢Audit	Ms. Youssouf
➢Capital	Ms. Youssouf
➢Community Relations	Mrs. Bolus
➢Finance	Mr. Rosen
➢Medical & Professional Affairs / Information Technology	Dr. Stocker
Facility Governing Body / Executive Session	
➢Woodhull Medical & Mental Health Center	
Semi-Annual Report (Written Submission Only)	
➢Lincoln Medical & Mental Health Center	
➢Gouverneur Healthcare Services – Nursing Facility	
>>Old Business<<	
>>New Business<<	
Adjournment	Dr. Stocker

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 25th of July 2013 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. Jo Ivey Boufford
Dr. Vincent Calamia
Dr. Herbert F. Gretz, III
Dr. Adam Karpati
Ms. Anna Kril
Rev. Diane E. Lacey
Mr. Bernard Rosen
Ms. Emily A. Youssouf

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

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on June 27, 2013 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 June 27, 2013, 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 introduced and welcomed HHC's newest Board member, Dr. Herbert Gretz. Dr. Stocker received the Board's approval to appoint Dr. Gretz to the Quality Assurance Committee.

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 also stated that there would be a change in the order of the resolutions presented to the Board due to a commitment by one company to attend another meeting.

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

4. **Ratifying the engagement** by the President of the New York City Health and Hospitals Corporation of **Parson Brinkerhoff and Arcadis** to each provide specialized engineering services to

assess storm damage, estimate replacement costs, assess hazard mitigation opportunities, propose and design such work, develop cost benefit analysis' for the projects and to advise the Corporation in its application for reimbursement by the Federal Emergency Management Agency - FEMA, the State of New York and from Community Development Block Grants for **Hurricane Sandy related repairs** at a cost of not more than $5 million and authorizing the President to increase the funding for such engagements by an additional $6 million to make the total funding for the work $11 million.

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

RESOLUTION

2. Authorizing and approving its adoption to provide for the **financing of equipment in an aggregated outstanding principal amount not to exceed $40,000,000** from time to time for the purpose of financing equipment and various related capital projects and expenditures at the Corporation's facilities.

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

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with **Surgical Solutions, LLC** to provide specialized engineering services to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative support services to **Bellevue Hospital Center, Elmhurst Hospital Center and Kings County Hospital Center** for a terms of two (2) years with two additional two (2) year options solely exercisable by the Corporation in an amount not to exceed $31,484,013 including an 8% contingency of $2,332,149.

Joseph Quinones, Assistant Vice President, Operations, presented to the Board an overview of the services Surgical Solutions provides at Bellevue and the services that Surgical Solutions will provide at Kings County and Elmhurst, including

preoperative setup, intraoperative support and postoperative turnover. Mr. Quinones further explained that the contract would bring to the facilities the newest technology, as well as managing disposables, training staff, and maintaining equipment. This will reduce delays and cancellations of procedures and costs of disposables and equipment repairs. The contract prices will be fixed for six years with an anticipated savings to the Corporation of approximately $6.9 million. No staff will be displaced

To address concerns about the vendor's capacity, we are limiting the contract to just two additional facilities and have the vendor supply a $2 million dollar performance bond.

Mrs. Bolus and Ms. Youssouf raised concerns that this work could be done by hiring additional nursing and surgical staffs. Mr. Aviles responded that in other areas, by contracting with a vendor who specializes in certain services, HHC has been able to achieve savings that had not been achieved doing the same work ourselves. Mr. Aviles emphasized that as we struggle with a structural deficit in the hundreds of millions of dollars, it makes sense to extend to additional facilities the services of a vendor that has demonstrated over the course of a number years that they are able to perform the services more efficiently.

Dr. Stocker recommended that the resolution be amended to

include that the vendor be monitored and baseline data established.

Ms. Youssouf moved the adoption of the resolution as amended, which was duly seconded and adopted by the Board by a vote of 12 in favor with Ms. Youssouf and Mrs. Bolus opposing.

RESOLUTION

5. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a **license agreement** with the **New York Legal Assistance Group** for its continued use and occupancy of space at **Coler/Goldwater Specialty Hospital and Nursing Facility** to provide *pro bono* legal services to facility residents and patients, and training to Corporation staff.

Mrs. Bolus recommended that the Resolution be amended to include that the services will also be provided at the Henry J. Carter facility.

Ms. Youssouf moved the adoption of the resolution, as amended, 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 **surrender** to the City of New York **a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility**, One Main Street, Roosevelt Island, New York.

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

RESOLUTION

7. Authorizing the President of the New York City Health and Hospitals Corporation to execute a **license agreement** with the **New York City Department of Housing Preservation and Development - HPD** for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the **Coney Island area of Brooklyn for the Corporation's operating of a temporary primary medical clinic** in a pre-fabricated structure under which the Corporation will not have to make any payments to HPD.

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

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 Elmhurst Hospital Center, reviewed, discussed and adopted the facility report presented; and reviewed and accepted the semi-annual written reports for Kings County Hospital Center and Dr. Susan Smith McKinney Nursing & Rehabilitation Center.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:22 P.M.

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

COMMITTEE REPORTS

Capital Committee – July 18, 2013
As reported by Ms. Emily Youssouf

Assistant Vice President's Report

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, provided an overview of the meeting agenda, which included five action items and three information items. He advised that action items for consideration would be: 1) a license agreement for the New York Legal Assistance Group to provide services for Coler-Goldwater Hospital patients, 2) a resolution for the surrender of land on the Goldwater campus, 3) a resolution for the engagement of firms to provide Architectural and Engineering (A/E) services for facilities to conduct post-Sandy hazard mitigation work, 4) a license agreement with the Department of Housing Preservation and Development (HPD) for operation of a temporary medical clinic to be operated by Coney Island Hospital; and, 5) a resolution to execute a contract with Surgical Solutions, LLC., to provide services at Bellevue, Elmhurst, and Kings County Hospital Centers. Mr. Pistone further advised that information items would provide: 1) a status update on the selection of Construction Management (CM) services to engage on an at-risk basis; and, 2) a status update from the Dormitory Authority of the State of New York (DASNY) on the Gouverneur Major Modernization project. He explained that no delay reports would be provided, as there had been no changes regarding the delayed projects at Bellevue and Coney Island Hospitals, which had been affected by super storm Sandy.

That concluded his report.

Action Items

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

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the resolution into the record on behalf of Lynda Curtis, Senior Vice President, South Manhattan Health Network.

Mr. Hughes advised that this has been beneficial relationship for the facilities, patients, residents and staff. He explained that NYLAG provided on site legal services to patients and residents and that over the past seven (7) months they had assisted in over 120 matters, ranging from immigration to entitlements, including nine (9) who were able to receive Medicaid coverage and other entitlements. He said that HHC will pay NYLAG $37,186 over the six month period for continued on site legal services and training of staff to identify residents who need legal assistance.

Ms. Youssouf said that she remembered previous agreements that came before the Committee for NYLAG, and it is a great service.

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

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

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York ("the Facility").

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the resolution into the record on behalf of Lynda Curtis, Senior Vice President, South Manhattan Health Network, who joined him at the table.

Mr. Hughes advised that due to the modernization and relocation of services and operations to the new Henry J. Carter facility the Goldwater campus would no longer be needed for the purpose it had been serving. He explained that there were plans to relocate patients and residents to the new facility between October 28th and October 30th and the process of downsizing patient and resident population at Goldwater has been ongoing in preparation of the relocation. Additionally, the facility had been removing equipment, furniture, supplies and files and would decommission the site after removal of the patients and residents. He stated that patients, residents, staff, unions, and other stakeholders had been communicated with regarding the plans since its inception two (2) years ago, and continuously since then. A recent public hearing was held at the Goldwater site on July 11, 2013, for which patients were grateful to have had the opportunity to speak.

Michael Stocker, MD, Chairman of the Board, said that, on behalf of Reverend Diane Lacey, member of the Board, following the public hearing she wanted to be sure that everything possible was done, from a social services standpoint, for transfers and residents in the community that they are being transferred to, to make sure they are comfortable throughout the process. Ms. Curtis said they were continuing to work on that but the team feels comfortable that they have satisfied most of the concerns on Roosevelt Island. In addition, LaRay Brown, Senior Vice President, Corporate Planning and Community Health, and her team are continuing to work with the new community.

Dr. Stocker said that a benefit of the Public Hearings was that it allowed all parties to come together in one room and engage in open dialogue. Ms. Curtis agreed.

Josephine Bolus, RN, asked if patients or residents that had been at the facility for as many as 20 years, and may have difficulty adapting to a new environment would have the option to move back to Roosevelt Island if their new location was not working. Mr. Hughes said that enormous effort had been made to identify those issues prior to moving that patients/residents and some residents had in fact been relocated to the Coler facility on Roosevelt Island- but yes, they will continue to work with everyone. If the transition is not working out then that is part of the care process and would absolutely be addressed. The psycho-social piece is an ongoing part of the care process.

Ms. Youssouf said that she knows the project is moving along at a rapid pace and after the public hearing she would like to echo fellow members in saying keep up the effort because the new neighborhood is definitely still a little anxious and hopefully they will be as supportive of the incoming population.

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 engagement by the President of the New York City Health and Hospitals Corporation (the "Corporation") of Parsons Brinkerhoff and Arcadis (the "A&E Firms") to each provide specialized engineering services to assess the need for hazard mitigation construction and to propose and design such work and to advise the Corporation in its applications for reimbursement by the Federal Emergency Management ("FEMA") and from Community Block Grant Funds ("CBGF") for Hurricane Sandy related repairs at a cost of not more than $5 Million and authorizing the President to increase the funding for such engagements by an additional $6 Million to make the total funding for the work $11 Million.

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, read the resolution into the record. Mr. Pistone was joined by Joseph Quinones, Senior Assistant Vice President, Operations, and John Levy, Base Tactical.

Mr. Levy explained that a Committee, chaired by Mr. Quinones, had made best efforts to determine an appropriate not to exceed amount and then brought firms in to identify project costs. Mr. Levy then presented a power point presentation. He explained that there were a number of buckets from which HHC would possibly receive reimbursements: 1) General Public Assistance, meaning the money that FEMA will pay to HHC for emergency and permanent work; 2) Section 406 Mitigation, which provides additional funds based upon actual damages; 3) Section 404 Mitigation, which is funding made available to the State of New York; and, 4) Federal money from community development block grants. All of these types of grants require significant documentation and assessments that are done by architectural/engineering (A/E) firms. The services under the agreement provide an ability to conduct an assessment of damages in mechanical areas, to provide estimates of damage for replacement - the basis for permanent work. Mr. Levy also explained that the next step in the reimbursement process would be to identify short-term and long-term solutions to mitigate potential damage to HHC facilities. The short-term solutions would be to take mechanical pumps and other devices that were previously located in basements and move them to upper levels within the hospitals. Long-term solutions would also include floodwalls, flood barriers, and super pumps within the campus proper so that if water comes in to the facilities, it can be pumped out relatively quickly.

In order to make a compelling case to FEMA, Mr. Levy indicated that HHC would have to demonstrate through a benefit-to-cost analysis why constructing walls, purchasing super pumps and spending tens of millions of dollars to harden the facilities was appropriate. Mr. Levy explained the cost benefit analysis is a core basis to the packages submitted to the Federal government for funding. HHC would then submit packages and negotiate the obligations of monies from FEMA. When that has occurred, these firms, under this same contract, will design and draw up bid packages so HHC could proceed with the next steps.

Mr. Levy explained that HHC has estimated over $1 billion in recovery, and there is a strong and compelling case because of HHC's importance in New York, and to the community. There is a significant amount of money available in each financial bucket to allow HHC to recover fully from incurred damages, as well as prepare itself for future storm impacts.

Mr. Levy said the contract is estimated at $11 million, and that budget was reached by working with firms to provide a breakout of anticipated work. Those estimates were then broken down by individual hospitals, with individual, not-to-exceed amounts, which is being monitored and managed by the HHC's Department of Finance.

Mr. Levy stated that for the remainder of calendar 2013, HHC could expect A/E firms to complete the estimation of repairs and receive agreement from FEMA on that scope. He said that there are occasionally contentious parts of the negotiation but there are consistencies with other City and State projects. For example, discussion about the remediation of contaminated water, which is defined in industry as category three (3) black water. Salt water eats away at boilers, and while HHC only had one boiler that was damaged, the City had nearly 200 boilers that were severely impacted. It is a standard that FEMA does not want to recognize it as a standard, but it is a common dispute and will ultimately be resolved. The City will prevail in this argument, but these are common discussion points which take some time for issues to trickle up to Washington D.C., and back down. This process takes months, not days.

Mr. Levy further explained that it may take several months to get pre-storm conditions resolved and submitted to FEMA, but as that is going on his team will continue to work on negotiating, and mitigation solutions will continue to be formulated. After 2013, HHC should begin to see obligations from FEMA and therefore, their funding mechanism. By the first quarter of 2014 the design phase for several mitigation projects will begin, and then construction of mitigation strategies will begin. Mr. Levy stated that he believes that super pumps and flood walls, which take a huge amount of design, engineering and approval to occur, will take a couple of years before the long-term, multi-layered, stabilization of facilities is complete.

Ms. Youssouf asked about intermediate steps to protect HHC. Mr. Levy said one of the biggest issues for HHC was the location of electrical systems in the basements. Since the storm switch gear has been moved out of basements, except one piece at Bellevue that is being designed for permanent solution. He said the Corporation would be installing flood gates at the entrance way to Bellevue where most of the water is believed to have come in.

Additionally, the Corporation has generated two emergency plans. Plan B provides for Signal Restoration, Inc., to provide first call response in case of emergency, and Plan A will be issuing an RFP for a national remediation firm to be procured for stand-by emergency response and preparedness for multiple years. This would take some time to secure, which is why Plan B is in place at present. So that the Corporation has pumps, generators and people in place should they be needed over the next hurricane season.

Ms. Youssouf asked how much reimbursement HHC had received so far. Mr. Levy said $61 million. Ms. Youssouf asked about fees and whether they are reimbursable. Mr. Levy said administrative fees are substantially reimbursable, 85-95% of dollars spent will be recovered.

Dr. Stocker asked if Mr. Levy and his firm had looked at portable generator capacity and temporary boilers. Mr. Levy said most of his focus had been on facilities that were damaged or vulnerable, particularly Bellevue, Coney Island, and also Metropolitan. He advised that there were a number of generators available throughout the system. He said that the main weakness is not generators but electricians available to run wiring or alternatively to have quick-connect devices that get the portable generators operational. The quick-connects are being put in place now, and some are already complete. Dr. Stocker asked about the boilers. Mr. Levy said that at Coler where steam was lost the boiler connections were left in place, after overcoming initial difficulties necessary to build supply lines so that in an emergency, the facility would roll in boilers and be ready to go. Mr. Levy advised that at both Bellevue and Coney Island, there were still risks relating to vertical transportation. There has to be an evacuation discussion because elevators are potential weak spot. The main goal is protect the facility if something were to happen, and to be able to bring us back in 3-4 days and not 3-4 months.

Ms. Youssouf asked if HHC had access to emergency generators and boilers. Mr. Levy said yes, through the agreement with Signal Restoration. HHC is also addressing those needs through an RFP soliciting access to generators, boilers, pumps, labor, etc.

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") to execute a license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure under which the Corporation will not have to make any payments to HPD.

Arthur Wagner, Senior Vice President, Southern Brooklyn/Staten Island Health Network, read the resolution into the record. Mr. Wagner was joined by David Tannenholz, Associate Executive Director, and Daniel Collins, Director, Coney Island Hospital Center.

Mr. Wagner advised that this structure would provide a temporary location for the Ida G. Israel Community Health Center that was destroyed by Hurricane Sandy. The pre-fab building would be about 13,000 square-feet, and located on HPD property so there would be no occupancy costs, and the site can be operational by February, 2014. In the meantime, the center was providing services by operating out of the main hospital and in space previously utilized by other hospital clinics – a situation not ideal for patient care.

Ms. Youssouf asked about the term of the license agreement. Jeremy Berman, Deputy Counsel, Legal Affairs, advised that the license agreement with HPD had no assured term. It was an agreement between two city entities for an undetermined time period. Mrs. Bolus asked if

there was a cost for the pre-fabricated structure, and in reply Mr. Wagner advised that the facility would come back to the Committee with those details. Mr. Wagner indicated that to be reimbursable by FEMA, the design had to meet 500 flood plan requirements.

Dr. Stocker asked about the permanent new location. Mr. Wagner said that the proposed new site, on West 8th Street in Brooklyn, was being revisited, as the initial lease terms were being re-evaluated. Dr. Stocker asked about the longevity of the proposed pre-fabricated building. Mr. Wagner suggested that they had a possible 10-15 year life expectancy. Ms. Youssouf asked if they could last longer. Mr. Wagner said he supposed. Dr. Stocker asked if this could be a permanent solution. Mr. Wagner said it could be long-term. Ms. Youssouf added that another thought is if HPD decided to build a permanent structure and within it place a permanent clinic. Mr. Wagner said this is the quickest solution to get services back on track and the facility is prepared to stay as long as needed. Dr. Stocker asked if it would be built to flood levels. Mr. Tannenholz said yes, it will be eight (8) feet above flood levels, meeting 500 year flood plans.

Ms. Youssouf asked if the bid for modular unit was ready to go out. Mr. Wagner said yes. Ms. Youssouf advised that she was aware of a company that operates out of Brooklyn, New York, Capsys, that makes modular units and suggested the facility contact them. Mr. Wagner said they would look into it. Mr. Wagner advised that the RFP would be issued as soon as the full Board approved the item.

Dr. Stocker asked about usefulness of the medical vans. Mr. Wagner said they were very well utilized immediately after the storm, but locations are changing now and greater needs are being identified. Ms. Youssouf asked if one of the vans would be in the location being discussed for the temporary clinic site. Mr. Tannenholz said there is one in that location and it is attracting a lot of attention. Mr. Wagner explained that locations targeted after the storm are back up and running, so needs vary. Dr. Stocker asked if they have utility in these kinds of situations. Mr. Tannenholz said absolutely. It was a savior after the storm. Ms. Brown said it is the most facile way to get services to effected communities.

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") to negotiate and execute a contract with Surgical Solutions, LLC to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative, postoperative support services to Bellevue Hospital Center, Elmhurst Hospital Center and Kings County Hospital for a term of 2 years with two additional 2 year options solely exercisable by the Corporation in an amount not to exceed $31,484,013 including an 8% contingency of $2,332,149.

Joseph Quinones, Senior Assistant Vice President, Operations, read the resolution into the record. Mr. Quinones was joined by Steven Alexander, Acting Executive Director, Bellevue Hospital Center, Neal Agovino, Associate Executive Director, Bellevue Hospital Center, and Eric Stenson, Surgical Solutions, LLC.

Mr. Quinones ran through a power point presentation, first discussing the scope of services that would be provided: 1) preoperative set-up, trays that are needed; set-up of the room on time and on schedule; 2) post-operative room turn-around, which ensures that the room is turned over properly so that the next procedure can happen on schedule; 3) inter-operative support, meaning technicians are available to provide support 24 hours a day, seven (7) days a week; 4) decontamination and disinfection, which includes technicians conforming to all necessary guidelines to decontaminate and disinfect equipment; 5) equipment repair and maintenance, including the availability of loaner equipment; and, 5) off-site and bedside procedures, as necessary.

Mr. Quinones explained that it was determined that this contract was needed based upon the increasing costs of equipment and disposables. He added that experience suggests that HHC holds on to equipment longer than needed due to limited capital funds, which results in an inability to manage repair and maintenance costs. Cleaning and sterilization has always been an issue - and is costly. In addition, there are the administrative changes and challenges associated with managing multiple contracts, a continuous need to train staff to appropriately handle and clean equipment, and delays and procedure cancellations.

He said that Surgical Solutions had provided services at Bellevue since 2008 and the cost in terms of total procedures in the past five (5) years had been over $10 million. Surgical Solutions had invested $3.3 million in capital equipment at Bellevue Hospital, and the savings at the facility in the past five (5) years has been $3.5 million.

Mr. Quinones said that the initiative was started by the Supply Chain Council, who determined that there could be significant savings and then facility Chief Financial Officers (CFOs) reviewed the base contract costs, agreed that they were beneficial and they would move forward with two new facilities; Elmhurst and Kings County. The Supply Chain also wanted to see if other models were available so they issued a Request for Expression of Interest (RFEI) for a scope management program and got no proposals. In addition, both ECRI and the Advisory Board were consulted, and both found no competitors to Surgical Solutions.

Mr. Quinones explained that previous to Surgical Solutions, staff handled pre and post-operative services, and there were procedure delays, cancellations, equipment failures, increased costs by maintaining separate contracts, substantial equipment repair costs due to mishandling of

scopes, and no readily available technical support. After the model was put into place at Bellevue, Surgical Solutions managed all pre and post-operative services.

The hospital pays Surgical Solutions on a per procedure price for rigid and flexible procedures, contract prices are firm for the term of the contract on a per procedure costs basis, contract prices are fixed and can only be increased if the facility requests new equipment, technicians troubleshoot equipment during procedures and transport carts as requested.

Mr. Quinones advised that the total anticipated savings over the six (6) year contract is $6.9 million due to the cost reductions relating to disposables, and the elimination of repair and maintenance costs. The capital investment is deferred on a per procedure basis, meaning HHC would only pay for those procedures performed. Mr. Quinones advised that the potential for increased revenue is not reflected in the presented numbers, but on the flexible procedure side, for which Bellevue experienced a 50% increase in those procedures since engaging the services of Surgical Solutions.

The projected start day for Elmhurst would be August 1, 2013, and for Kings County, September 15, 2013.

Ms. Youssouf said there were some overwhelming concerns. Mrs. Bolus asked how many services had been outsourced by the Corporation, to which Mr. Martin replied that he was unsure if this service would be considered outsourcing. Mrs. Bolus stated that if the company has its own staff and its own technicians to perform the same work, then she considered that process, like the one described, is an outsource. Mr. Alexander advised that Bellevue did not have staff directly dedicated to such work. Mrs. Bolus reiterated that she has seen a great deal of outsourcing contracts, which is of great concern to her.

Ms. Youssouf added that it appears HHC has an inability to manage costs and administrative challenges, and asked why Breakthrough, for which the organization pays a lot of money, should be used to solve these challenges. Ms. Youssouf expressed concern that if the resolution is approved, it appears HHC would then have a shadow staff providing these same or similar services. It appears as though HHC is hiring a firm to do the work of people who are on staff, and that there is an inability to manage or control costs, which is an internal issue that needs to be addressed. Ms. Youssouf asked why HHC doesn't lease directly from equipment manufacturers, with an arrangement that includes maintenance and technical services. She stated that It is troubling to committee members because staff is available, but HHC is hiring outside firms to do the same jobs.

Mr. Alexander advised that one of the previous issues was the managing of multiple vendors. There was no other vendor willing to come in and manage the various manufacturers' scopes. Ms. Youssouf said that she felt that we should be able to do that ourselves, the Supply Chain was put in place to get all equipment so we can have economies of scale. She stated that vendors want HHC business because of its relative size, and vendors may even look to train staff properly, if needed.

Mr. Quinones stated that there are three costs being presented: 1) capital, which represents an approximate $8 million savings; 2) repair costs – a saving of approximately $4.8 million; and 3) disposables, a potential savings of approximately $11 million. This is about having someone else take the exposure of the increasing cost on disposables. $22 million of the contract represents disposables. Mr. Quinones explained that HHC currently has multiple vendors that continue to increase prices. In reply, Ms. Youssouf stated this as something HHC should be able to negotiate and incorporating a middle man into a corporation of our size is not the most cost effective way of doing this. Ms. Youssouf that the theory of the plan was great, but something that should be done by HHC.

Mr. Quinones asked that Committee members consider that $22 million of disposables has to be managed through purchase orders, which in itself requires an enormous amount of resources to get that $22 million through the door and ultimately to a vendor. Ms. Youssouf replied by indicating that the process was changing.

Mr. Alexander added that the agreement would mean that no capital investment is being made by HHC, but Ms. Youssouf then suggested that HHC might consider direct vendor leasing, just as Surgical Solutions is doing to engage its services for its contract with HHC. Ms. Youssouf added that HHC is using taxpayer dollars, which should not be used just to spur the growth of a small company. This is a new company, and to do a contract with a company with a minimal amount of assets makes her uncomfortable, and from a fiduciary responsibility perspective, she cannot get comfortable with the arrangement. HHC can address this issue itself, she said. Ms. Youssouf continued by stating that HHC has tried to put together a system that allows for easier purchasing, and there is an ability to do sale lease-backs with companies so that getting equipment is easier.

Christopher Constantino, Executive Director, Elmhurst Hospital Center, said that nurses in the Operating Rooms (ORs) are general nurses and their expertise in specific cases is limited. If this company does the work they are supposed to do then it may allow for more procedures to be completed. This is not outsourcing, he said. Not yet, said Mrs. Bolus, but slowly, piece by piece everything is being outsourced and eventually staff will change as well. She asked why HHC could not educate and train their staff. Mr. Constantino said that staff does provide these services currently but they have so many tasks to do there is no expertise. Mrs. Bolus said that new staff should be hired and equipment should be purchased through us. Mr. Alexander said this proposal would be less expensive than the alternative. Ms. Youssouf said HHC has spent tens of millions of dollars on utilization of the Breakthrough process and it should be applied here because she does not believe that HHC professionals are not capable of learning to do this.

Mr. Alexander explained that staffing concerns, capital funding concerns and needed modification of several processes, provided a good opportunity for Bellevue to move forward five (5) years ago, and he believes it is a good opportunity for the other facilities today. It allows for the opportunity to provide a clearly demonstrated, proven way of streamlining workflow in the operating and endoscopy suites, avoiding capital costs, having no impact except for a benefit to the existing staff doing the work. He said that Bellevue, over the last five (5) years, had seen superlative responses from physicians. The physicians like standardization and they like that their preferred items are available and that facilitates their work. This service allows us to do that. Ms. Youssouf said she doesn't understand why this service allows the vendor to do this, and that HHC can't do the same on its own. Ms. Youssouf further stated that capital expenditure is not a real concern, because HHC should be able to lease the equipment, and the finance committee has the ability to do that.

Dr. Stocker said this seems to be a lightning rod for various themes within the Corporation. He asked if the Company's capitalization level had changed. Mr. Quinones said there is a $2 million performance bond and a there is contract language being developed with Legal Affairs regarding HHC's title to the equipment after its initial investment is made.

Dr. Stocker said he was comfortable with the arrangement, but suggested it was a struggle to arrive at that conclusion, since the finance arrangement, estimated savings, and fact that other clinical services had been outsourced successfully - Dialysis services, for example. Dr. Stocker stated that his medical training allowed him to be sympathetic to the physicians that would be beneficially served by this process. He also stated that recognizing things you do well and things you don't do well is part of running a Corporation, and indicated the service is ok. Although supportive, Dr. Stocker also indicated that this was the culmination of a long process, and expressed concern that this was a sole source contract. He said it was not clear why there is a monopoly on this service, but understood it seems that Bellevue is pleased with the services being provided.

Mr. Martin added his support for the program, and recognized the work of the supply chain council in evaluating this issue for over 18 months - reviewing the service and determining its benefits. Mrs. Bolus asked if nurses and surgical technicians were pleased with the services. Mr. Martin responded by indicating that both had given support to the issue. Mr. Martin continued by stating his support for the resolution, and asked for the Board's consideration. Ms. Youssouf said at present, she believed that Bellevue services should continue, but it should be discussed whether HHC can do this itself at the other facilities. She added that $3 million savings over five years was not stellar, and that she did not feel comfortable with a $2 million surety bond against a $33 million contract and It does not make financial sense from that perspective, as HHC is a six billion Corporation, meaning that these types of things should be evaluated in a financially sound way which utilizes talent within HHC. Ms. Youssouf added that if HHC lacks the appropriate talent, that requires another discussion.

Mr. Alexander said that while he appreciates the support for Bellevue there is contract language reflecting that HHC will keep equipment in certain instances, if something significant goes wrong, mitigating some risks. Mr. Alexander stated that while HHC would like to be able to shine and be expert in every area, there are certain realities and certain situations, - this being one of them, where HHC can have the opportunity to avail itself of a service that is available and helps people on a focused area of expertise. Mr. Alexander stated that he believed this to be a strong opportunity for the rest of the Corporation, and thought it prudent to try a few facilities rather than all facilities.

Mr. Quinones added that the bond is an annual performance bond against an average spend of $5 million, and $7 million in savings in this contract, with $3.5 million that is only on the procedures, not on the procurement staff hours, etc. Ms. Youssouf said it is a serious issue, and that after so much time and energy has been spent on improving the procurement process it should not be too expensive for HHC to procure. Mr. Quinones understood, but suggested that there is less cost if it is done this way. Also, he added that on the patient care side, colonoscopies were up 50%. Ms. Youssouf said she appreciates that but is not sure that is specifically attributed to this service, as so much increased attention has been given on the need for colonoscopies. Ms. Curtis said the services did improve capacity for those procedures.

Mr. Stenson said that his company will not be doing the job of nurses or technicians, the company has no patient contact, and it does not participate in drug administration. Surgical Solutions does not replace staff, and advised that staff retention is up because staff then has one less responsibility to perform. Surgical Solutions provides assistance to nurses and technicians to assist them in doing what they do, not do what they do. He stated that if HHC buys all the capital, Surgical Solutions can do it $6.9 million cheaper. Surgical Solutions exists to improve efficiencies. Mr Stenson expressed belief that services increased by 50% due to efficiencies that resulted from the Surgical Solutions' services, noting that time was not quantified in this study. Mr. Stenson continued by explaining that with nurses turning over rooms, it costs more than if Surgical Solutions were there to assist. Surgical Solutions serves to streamline turnover, provide instant repair, and improve the physician satisfaction process. Ms. Youssouf stated that capital outlay is being saved because the company is leasing equipment from manufacturers, and HHC can do that, lease more, and get an even better price. Mr. Stenson agreed, but stated that HHC can still save more money, because it would have no repair bills, because Surgical Solutions absorbs that cost. He added that capital isn't where the money is saved. It is the disposable outlay on a case-by-case basis. When Surgical Solutions supplies, it does so cheaper than HHC can with any manufacturer.

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

On motion by the Chair, two Committee members approved the resolution and two members abstained.

Information Items

Selection of Construction Management (CM) At Risk Firms

Joseph Quinones, Senior Assistant Vice President, Operations, provided a brief update on the selection of firms to provide Construction Management (CM) At-Risk services.

Mr. Quinones advised that an RFP had been issued for CM-at-Risk services. Those services would be different than the traditional model in that previously the Corporation would acquire an A/E firm to create packages for different trades and then a CM firm to manage the project, leaving HHC exposed for delays and potential cost overruns. This type of contract limits exposure by having CMs hire their own subcontractors and handle bids, for which they would be at risk and subject to penalties. It provides an assurance that projects will come in on budget. He noted that HHC had already received responses from major CM firms and they are expecting success. Ms. Youssouf said she was very excited and anticipated a great outcome.

Gouverneur Healthcare Services – Major Modernization – Status Report

Due to time constraints it was determined that the status report would be provided at the next Capital Committee meeting.

Project Status Reports

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, advised that there was no new progress to report on the projects in delay, as referenced in his Assistant Vice President's report.

Finance Committee – July 9, 2013
As reported by Mr. Bernard Rosen

Senior Vice President's Report

Ms. Marlene Zurack stated that her report would include the results of the Mayor's Adopted Budget; HHC's cash flow, and a site visit by Secretaries Shaun Donovan and Janet Napolitano which will provide an introduction to the information item that will be presented by John Levy, Base Tactical consulting services for FEMA disaster recovery.

Ms. Zurack stated that the City Council restored all of the funds HHC had expected including the City subsidy much of which is owing to the efforts of LaRay Brown, Senior Vice President, Corporate Planning Services, Community Health and Intergovernmental Relations and her staff in this process. The City also provided a percentage of HHC's capital projects.

Ms. Youssouf asked what the total is. Ms. Zurack stated that $20 million in capital plus $15.6 million in expenses. However, as a reminder, one of the significant items of the restorations was the child health clinics totaling $5 million in funding that HHC is still working with the State on a resolution for the restoration of the State funding for this program. The Committee will be kept abreast of the outcome of this issue. In terms of the City's adopted budget, HHC did very well. The Corporation ended FY 13 with a $289 million cash balance or 18 days of COH which is slightly better than anticipated due to a temporary delay of a $40 million fringe benefit payment to FY 14, and a recalculation of some of the OTPS expenses for the FEMA claims. In terms of the FY 14 cash flow, HHC Finance has been working with OMB on this issue and if HHC makes the FY 13 payments that were deferred by the City for HHC and scheduled for payment in September 2013, HHC would go negative before December 2013. Therefore, Corporate Finance is working on rescheduling some payments with the City and accelerating some payments from the State. The Corporation was successful due to the extraordinary efforts of Linda Dehart, Assistant Vice President in getting an advancement of the $500 million in perpetuity which was a major spend-up of a DSH payment and is a major factor in the current positive year-end cash balance. Ms. Zurack congratulated Rick Walker, Chief Financial Officer (CFO) Harlem Hospital Center for his new role as the CFO for the North Brooklyn Health Network.

Ms. Zurack stated that last month Secretary Donovan and Secretary Napolitano visited HHC and met with staff at Bellevue accompanied by Mr. Aviles, Mr. Martin and she. HHC was able to share with them the impact of the storm at HHC and both Secretaries were interested in the "red tape" experiences with FEMA which Mr. Levy will present later on the agenda as part of the update on the disaster recovery relative to the FEMA process.

Dr. Stocker asked how much of the cash flow problem is attributable to the timing of certain payments and actual shortages or inadequacies.

Ms. Zurack stated that assuming the reference is to the FY 13 shortfall, essentially HHC has pushed the problem to the current FY 14; therefore, it is a budget issue as opposed to a cash flow problem.

Mr. Rosen asked if it is related to timing.

Ms. Youssouf asked how the $40 million payment relates to the cash flow problem. Ms. Zurack stated that there was a $40 million fringe benefit payment that was not properly invoiced to HHC within the appropriate time frame to expedite that payment in FY 13 but will paid this month, July 2013.

Ms. Youssouf asked if there was another payment. Ms. Zurack added that there was an adjustment in the estimated cost of some of the clean-up due to the storm that resulted in a positive adjustment in the cash balance.

Ms. Youssouf stated that she was questioning the payments to the City in September 2013 that was referenced earlier in the reporting and the impact that would have on the cash balance.

Ms. Zurack stated that the amount is $460 million in deferred payments to the City.

Ms. Cohen asked if the $40 million was included in the $460 million.

Ms. Zurack stated that it is not but explained that at the last meeting she had reported that the year-end forecasting of the cash balance was $226 million compared to the actual $289 million. The increase as previously stated is due to those two items mentioned earlier, the $40 million fringe benefit payment and an adjustment in the projected expenses related to the storm. The $460 million in deferred payments includes, pension, EMS, debt service and malpractice. These payments were deferred by the City in FY 13 to FY 14 payable in September 2013 and if those payments are made by HHC in September 2013, HHC's cash balance would go negative by December 2013. HHC is proposing to have those payments rescheduled possibly to June 2014 and if successful, the cash balance would remain positive during the year. As previously reported, HHC's projected cash balance is contingent on the successful receipt of the 1115 Waiver, the Medicare DSH, and the MetroPlus Enhancement monies. If those three payments are successfully received by HHC and the City agrees to allow HHC to make that deferred payment in June 2014 as opposed to September 2013, HHC would be positive in the current projection. However, it is not likely that all of those things will materialize within the year.

Ms. Cohen added that any one of them would put HHC in a negative position at any month of the year or by year-end. Ms. Zurack responded in the affirmative adding that the Corporation is more focused on all of those issues that are critical to the cash flow.

Ms. Youssouf asked how negative would HHC be if the proposed actions failed to materialize. Ms. Zurack stated that it would be hundreds of millions.

Commissioner Doar asked how much the 1115 Waiver is. Ms. Zurack stated that it is projected at $250 million in HHC's financial plan but could increase to $300 million a year for five years. As prompted by Ms. Brown, Ms. Zurack explained that the 1115 Waiver funding is for the public hospitals Innovation Fund which has been done in many other states in the country. It essential is the acknowledgement of the drastic changes in healthcare and the need to preserve the safety net hospitals through a transformation of those hospitals through a five year plan that would demonstrate their ability to be more agile and able to be self-sufficient in a reformed healthcare environment. Those funds would be allocated as performance payments as hospitals achieve those milestones.

Mr. Rosen explained that the City is carrying the $460 million as a receivable and in meeting with the City's Comptroller's office; it would be a more valuable receivable having it paid in September 2013 as opposed to next year. Perhaps HHC needs a working capital infusion to which Ms. Zurack replied that HHC needs a budget infusion given that a working capital infusion would require a payback and where and how HHC would repay those funds would become an issue. There needs to be an agreement by the City to consider a write-off of those funds.

Ms. Youssouf asked if that would be a temporary or permanent write-off. Ms. Zurack stated that it should be permanent. Mr. Rosen added that it would be a reasonable request given that the City has been extremely supportive of HHC and given the impact of the storm on HHC.

Ms. Youssouf asked what the $460 million in deferred payments is comprised of. Ms. Zurack stated that it includes an EMS payment that is the result of FDNY revenue that flows through HHC's account as a pass through to them. However, HHC is holding that payment that must be released. Another payment is malpractice. The City through the operating agreement has indemnified HHC; therefore, the City is obligated to make HHC's malpractice payments. However, HHC reached an agreement with the City some years ago as an incentive to reform its malpractice, HHC would repay the City for its malpractice obligation in exchange for the City paying HHC's debt service and its own debt service for HHC's buildings. The agreement was reached in 1999 which at that time HHC was spending approximately $210 million on malpractice compared to last year's cost of $139 million. The Corporation after assuming the responsibility for the overall management of its malpractice has achieved major savings. The debt service payment which the City is technically responsible to pay for HHC was discontinued due to HHC's success in negotiating a significant increase in the supplemental Medicaid payments. The City agreed to make the local share of those payments and therefore stop paying the debt service as a trade-off. However, over the years there have been numerous cuts that have impacted HHC but notwithstanding that the City has a "block grant" that has not increased for HHC and the bottom-line is that malpractice and debt service are the City's obligations. In consideration for getting the additional supplemental Medicaid that enabled HHC to get federal match, it had been a good arrangement but now HHC has lost State Medicaid which was the State and Federal match. This is why the 1115 waiver is a critical component to HHC's cash. On the other hand, the City believes that the State is not doing as much as it should and if the City continues to do more, the State will take more out.

Commissioner Doar added that it is a common problem with all of the agencies. Is the 1115 waiver contingent on the State allocating those funds or does the CMS commitment come directly to HHC. Ms. Zurack stated that it goes through the State but it is identified as HHC funding. The report was concluded.

Key Indicators & Cash Receipts & Disbursements Reports

Mr. Fred Covino reported that utilization through May 2013, discharges are down by 8.7% or 15,000 discharges; however, excluding Bellevue and Coney Island due to the impact of the storm, the decline is less than a ½ percent or 600 discharges.

Ms. Cohen commented that during the year prior to the storm, discharges were lower but now it appears that trend has changed. Mr. Covino stated that during the time Bellevue and Coney Island were closed, there were larger percentages; however, now that those facilities have reopened and utilization is increasing the numbers are improving.

Ms. Cohen asked if there is a system-wide decline in discharges. Mr. Covino stated that there is a slight decline.

Ms. Zurack further explained that by looking at the details of the report by facility which showed a lot variation. For example, there was a 7% decrease at Jacobi but a 9% increase at Harlem. Therefore, some of the hospitals are experiencing a decline while others are increasing. By taking Coney Island and Bellevue out of the data, the decrease is less but in order to see the trend by facility, it is best to look at the details of the report.

Ms. Cohen stated that from a health care perspective, other hospitals in the City are experiencing a decline in discharges.

Mr. Aviles added that it could also be related to the transfer and referral of Bellevue patients to Harlem and Metropolitan hospitals which over a longer period of time there may be a slightly more negative trend.

Commissioner Doar asked if HHC has been able to identify the reason for the decline in discharges. Mr. Covino stated that there has been a reduction in one-day stays. Commissioner Doar asked if that was a positive outcome.

Mr. Aviles stated that it is a positive thing from a patient perspective relative to reducing re-admissions.

Mr. Covino added that 45% of the reduction is due to one-day stays and readmissions.

Ms. Zurack stated that would be a valid argument for HHC getting the public hospitals innovation grant in that HHC has been doing what the State Medicaid program has mandated.

Mr. Covino continuing the reporting stated that the D&TC visits are down by 11.3% which is reflective of a slight improvement. Nursing home days are down by 14% compared to last year. The ALOS, all of the facilities are with the corporate average with the exception of Lincoln at 1/3 day less than the average. The CMI is up by 1.6% through the period. Pages 2, FTEs are down by 869. The reduction is primarily in environmental/hotels, clericals, aides and orderlies and tech specs.

Ms. Youssouf asked if the increase in Enterprise IT was related to the electronic medical record (EMR). Mr. Covino stated that it is related to the EMR. Receipts are down by $240 million and disbursements are $103 million worse than budget for a net deficit of $343 million through May 2013 of which $285 million is attributable to Bellevue and Coney Island due to the storm and $96 million for Coler/Goldwater.

Ms. Cohen asked if the supplemental Medicaid payments were included in the data. Mr. Covino stated that they are included. Ms. Zurack added that those payments are broken out on the report.

Mr. Covino stated that on page 3, $523 million was received as Ms. Zurack referenced earlier. Receipts are $351 million better than last year primarily due to the receipt of DSH maximization payment or a spend-up as Ms. Zurack reported. However, that was offset by a decline in Medicaid fee-for-service compared to last year on the inpatient side by $213 million. Through May 2013 paid Medicaid cases are downy by 14,000 and psych days are down by 50,000. Expenses are $184 million better than last year due to the timing of payments to the City of $109 million compared to last year. A pension payment which had not been paid as of May was paid in June of $178 million and a FICA refund of $23 million. Those payments were offset by $125 million in OTPS for payments related to storm repairs at Bellevue and Coney Island and Coler.

Commissioner Doar asked if the reduction in reimbursement is greater than the reduction in utilization.

Mr. Covino stated that there were rate reductions, a 2% reduction in Medicaid.

Commissioner Doar asked if the reductions in Medicaid and Medicare are due to the reduction or changes in utilization.

Mr. Covino stated that it is not. Ms. Zurack added that the utilization changes are the stronger driver than the rate changes. Commissioner Doar stated that based on that both are factors to which Ms. Zurack replied in the affirmative adding that from a policy perspective, the State through the Medicaid Redesign Team enacted a number measures and the federal government through its value based purchasing enacted measures to reduce utilization and also cut provider rates which is usually counter-intuitive. In that, typically in a situation where the goal is to accomplish such as task, rates would remain healthy and increasing as utilization is being cut to preserve the safety net or the provider base which is not what has taken place in the budget process. Consequently, HHC has been impacted by both extremes.

Mr. Covino as part of the reporting stated that the year-to-date comparison of the actual against the budget, inpatient receipts are down by $350 million due to the decline in Medicaid fee for service; receipts of $260 million and against the budget for paid cases there is a reduction of 11,000 cases, and 54,000 psych days. Medicare is down by $58 million due to the termination of the biweekly payments for Bellevue and Coney Island that have since resumed. Additionally, of the $58 million, $54 million is related to those three major facilities affected by the storm. Outpatient receipts are down by $83 million of which $40 million is related to Bellevue and Coney Island due to the storm and all other is up by $192 million primarily due to the increase in the DSH UPL of $105 million. The DSH spend-up payment of $523 million was received but a $400 million inpatient UPL payment scheduled for receipt was not received as anticipated but is scheduled for September 2013. Grants are up by $77 million of which $62 million is related to FEMA grant revenue and an additional $10 million for Intracity and a $3.4 million Cumberland shelter payment that was not budgeted for the FY. There were some advances for family count and child health clinics. Expenses were $15 million better than budget due to the FICA recovery and OTPS expenses were $113 million worse than budget which included $125 million in restoration expenses that were not budgeted.

Ms. Cohen asked when is the CDBG payment expected to come in. Mr. Covino stated that it is expected in either August or September 2013. The report was concluded.

Action Item

Authorizing and approving the adoption of the resolution providing for the financing of equipment in an aggregated outstanding principal amount not-to-exceed $40,000,000, from time to time for the purpose of financing equipment and various related capital projects and expenditures at the Corporation's facilities.

Ms. Zurack as an overview and background for the Committee stated that the Corporation issued a new operating procedure (OP) which provides for a new method of financing equipment and other small items. It is more efficient than the prior OP based on the way the markets have been performing. The OP 40-58 paved the way for the resolution on today's agenda. Additionally, it is important for the Committee to note that the ability to borrow large amounts of money and earn interest equal to or close to what is paid is no longer doable in today's economy. Before HHC was able to borrow millions of dollars and get guaranteed interest contract at 4% or 5%; however post 2008, earning are 35 basis points or 50 basis points on the money while paying 4%. For big borrowers like NYC who go to the market place every couple of months and do to what is called "cash flow borrowing" essentially, the money is spent as it is received. In terms of the bond market it is not a practical thing for HHC to do. Therefore, the purpose of the resolution before the Committee is to allow HHC to do certain types of lending through banks and take advantage of certain tax exempt interest rates but on an as needed basis. The OP was reviewed with Ms. Youssouf, Mr. Rosen and Dr. Stocker. The details of this procedure are described in OP 40-58. The intention is that quarterly reports will be made to this Committee on all of the transactions in this area and an annual full report to the Audit Committee as part of the financial statement audit which usually occurs in September.

Ms. Dehart stated that as Ms. Zurack stated the purpose of this resolution as outlined in the OP is to present the resolution on an annual basis and the beginning of the new FY in July. The amount of $40 million is based on historical spending on equipment for both medical and IT over a twelve month period. In developing the OP HHC's financial advisors were consulted in conjunction with consulting with other hospitals in terms of common practices in the industry.

Ms. Youssouf asked for clarification of the terms. Ms. Dehart stated that the terms would vary but it is expected that HHC would borrow on an as needed basis as the equipment purchases needs are identified; therefore the terms would vary based on the useful life of the equipment that would be financed in addition to market conditions at the time.

Ms. Zurack stated that the terms at this time are not yet defined. The process will involve qualifying banks ahead of time and reporting to this Committee before any initial action is taken.

Dr. Stocker asked if this would preclude HHC from interest rates going back to the previous way of doing this type of borrowing.

Ms. Zurack stated that it would not. This action gives the Corporate CFO the authority to do just-in-time borrowing if in fact there is a possibility to borrow the project fund and earn enough interest to have a project fund. There are efficiencies in doing that and there are non-efficiencies. In the bond market a lot is paid in fees so it would depend and usually for the shorter useful life items, it is not worth the effort but for larger borrowing for renovations and other major projects as a blend it might be efficient. Therefore, in that instance it would not preclude and there would be other circumstances where it would be better to do the other.

Ms. Youssouf asked if the loans are going to be in the form of tax exempt how HHC anticipates getting the tax exempt loan if HHC is already planning to get the loan from a bank. Ms. Zurack stated that HHC would be borrowing from a bank. Ms. Youssouf asked how it would be tax exempt.

Ms. Zurack stated that the bank would get the advantage of HHC's status.
Ms. Dehart added that HHC has done taxable leases that were done in the past.

Ms. Youssouf stated that it would be different if HHC was going into a lien.

Ms. Zurack stated that HHC would be following the model for the taxable leases whereby the equipment would be the collateral.

Commissioner Doar asked if at any time HHC could have three or four loans with different banks for different types of equipment totaling no more than $40 million at a time.

Ms. Zurack responded in the affirmative. In the past when HHC did this type of borrowing, there was a master lease and there were three banks and each put up $50 million; however what is being contemplated involves identifying needs for the next three months and qualifying some banks and create some competition to decide if it is better to group it or split it depending on the interest. However, there may be a problem finding a bank. It is the intent to report to this Committee on a quarterly basis and the Audit Committee in more detail.

Commissioner Doar asked if for any one arrangement it would be necessary to do an advance of the arrangement.

Ms. Zurack stated that it would not be necessary and HHC may accept vendors financing as part of this if it is advantageous. In the past some of the hospitals have accepted vendors' financing due to the lack of access to this type of arrangement. One of the purposes of this OP is to avoid that type of action. However, most importantly it is necessary for corporate finance to be aware of all outstanding debt in order for the Corporation to report to this Committee.

Ms. Youssouf asked if it would be short term debt. Ms. Zurack stated that it would be five to seven years. Ms. Dehart added that possibly up to ten years. Ms. Zurack stated that it is a lease on the asset on the useful life.

Ms. Youssouf asked if it will be a fixed rate given that it will be five to ten years. Ms. Zurack stated that the Corporation would try for the fixed but would consider the variable rate as an option as well. The Committee would be informed prior to any action.

Mrs. Bolus asked how many banks have been contacted and what would be the process for qualifying those banks. Ms. Dehart stated that through HHC's financial advisors a number of banks were contacted and some banks have contacted HHC in the past. HHC would through the financial advisors and based on prior experience in this area would identify banks to contact. The intent is to prequalify banks that are appropriate for this type of financing and then have a competitive outreach to them at the time HHC wants to borrow.

Ms. Zurack stated that based on past practices, it is hard to get banks for this type of financing. There are capacity issues for this type of lending; therefore HHC would go for as many as it could get to get the best deal and as Ms. Youssouf has suggested the highest rated banks.

Mrs. Bolus asked if this type of borrowing would have a negative impact on HHC in terms of exposure of HHC's financial status.

Ms. Zurack stated that it would not in any way suggest that HHC is having a financial problem. It is common practice and other hospitals, voluntary and private, North Shore and Presbyterian hospitals all do this type of borrowing. This action puts HHC more in line with updated practices as a way of accessing capital. In fact, HHC is doing better than the voluntaries.

Ms. Youssouf added that it is not a working capital line but a line used for actual purchases of equipment or leasing of equipment.

Ms. Zurack stated that it is collateralized by the equipment. Commissioner Doar stated that these types of equipment are things that would be needed quickly and this would be a way for HHC to obtain them as the need arises.

Ms. Youssouf stated that most vendors offer financing. Ms. Zurack stated that financing is offered by the vendors and their offers would be evaluated; however, the banks would potentially give HHC a better deal.

Ms. Youssouf asked if the pre list of banks would be presented to the Committee prior to any action.

Ms. Dehart stated that it could be included in the report. Ms. Zurack added that the plan is to do this over the summer and present the report quarterly to this Committee which would be in September 2013. However, if the Committee would like to have it done differently, corporate finance will make an effort to accommodate that request.

Ms. Youssouf stated that an overview of the process for prequalifying the vendors would be important for the Committee to know and the type of equipment that would be covered by this type of borrowing.

Ms. Zurack stated that material management, office of facilities development and IT manage the purchasing side of this process and those divisions have gone through the Capital and IT Committees.

Ms. Dehart added that the dollar amount is reflective of HHC's historical level of spending on equipment and it is consistent with the required spending for the replacement or purchase of equipment.

The resolution was approved for the full Board consideration.

Information Item:

Hurricane Sandy Disaster Recovery Update
John Levy

Mr. Levy stated that the FEMA claims process has been more difficult than initially anticipated. There are a number of silos of monies involved in a FEMA claim that would be covered in the presentation. Public assistance is the primary FEMA program in HHC's case that is broken down into two major categories, emergency and permanent work and reconstruction work. What is driven off of public assistance primary payments for the damage is the 406 mitigation which HHC's ability to harden its facilities for future storms and floods and wind defense using a formula based on the amount of damage. The 406 mitigation comes from FEMA and it is a percentage of what the damage actually was from the storm. The 404 mitigation is also a FEMA funded program that comes to the State to manage. The first $500 million was announced by the State two weeks ago and is available from almost every entity in the State to tap for a grant. It affects those entities with storm damages from Lee, Irene and Sandy. It has very loose definitions for what those funds should be used for. There are many requests for those funds.

Ms. Youssouf asked how big the 406 mitigation fund is and who is it managed by.

Mr. Levy stated that it is managed by FEMA and it is driven by the amount of the permanent damage. For example if there was a $100 million worth of damages at one hospital, BT would recommend to FEMA hardening of that facility for future flooding.

Ms. Youssouf asked more specifically is there a total dollar amount available. Mr. Levy stated that it is essentially unlimited if FEMA can be convinced of a logic amount to invest. Usually the norm is 20% of the damages. The reason Base Tactical is working at 200% of the damages is due to the critical facilities and infrastructure in the City. BT is confident that it can push that to the maximum.

Ms. Zurack stated that particular situation is what is difficult for HHC. There are two massive challenges that require very high expertise and perseverance. One is to get FEMA to agree to a dollar value of the damages and secondly, getting FEMA to agree to the cost benefit analysis that shows that the utilization is worth it. There were two things that happened that lead HHC Finance to believe that the process would be easy in terms of getting an agreement on damages that other disasters have had. One, there was a new program enacted in the Sandy appropriations that was supposed to reduce the amount of "red tape" that would make it easier to establish the damages. Secondly, based on site visits from senior leadership of FEMA who publically stated that FEMA did not want to haggle with applicant on establishing damages HHC was working from that premise. Essentially, HHC was told that based on the scope of what happened, FEMA would accept HHC's engineers damages on the cost which has becomes a critical issue in NYC whereby the cost of constructions far exceeds the experience in the country. The cost of construction has skyrocketed in the last five years and is a problem defending these crises to FEMA. This has been a very disappointing experience for HHC and the circumstances do not show that those commitments were met.

Mr. Levy stated that another very key funding is the Community Development Block Grant (CDBG) that has been used for a number of things and hopefully the proceeds from the loss revenue can be partially offset by the distribution of those funds. The City is planning to use some of its CDBG monies to bridge the gap from FEMA. FEMA will pay 90% of the damages, a 10% gap. The Mayor's Resilience Committee has also recommended as part of its final report that a pilot program be established at Bellevue, $60 million of CDBG monies for a seawall which is in its early stages of discussions but would be a good invest for HHC. As Ms. Zurack mentioned the process of getting through a FEMA claim has been extremely challenging. The starting point is to get an agreement on the damages which are the traditional type of claim and unfortunately HHC is falling into that category. BT produced an assessment of the damages with the use of experts. Initially there was a group of experts that were allowed for the first ninety days of the storm that were contracted by HHC and under FEMA regulations; BT is required to secure those services which was done. The architects and engineers firms that provided the worksheets were provided to FEMA but were rejected by FEMA. An example at one of the facilities is the estimated repair of approximately $10 million. As Ms. Zurack indicated, FEMA indicated that if the A&E firms put forth the estimates it would get their stamp of approval; however, the $10 million was review by FEMA and reduced to $3 million. BT met with FEMA and at the Metropolitan site, FEMA survey Draper Hall and concluded that there was no damage to the marble and situations similar to that came to represent the difference between the $10 million and the $3 million.

Ms. Youssouf asked if the FEMA representatives are from NY. Ms. Zurack stated that the FEMA staff is from all over the country and are not necessarily experts and not from NY.

Mr. Levy stated that the key is to get FEMA to agree to the damages and getting FEMA to agree requires extensive discussions. FEMA has been unwilling to understand the cost of doing business in NYC. The general conditions in order to repair a facility and the process involved in making those repairs. BT has been meeting with FEMA and going through each of the items line by line and bringing in engineers that would be procured by HHHC through a competitive bid process. One of which is an international firm and the second is a local firm. These expert firms must attend the meeting with FEMA as a way of avoiding rejections by FEMA. BT is refusing to move on other things to avoid having FEMA take a position to pay only 30% on every dollar for all of the losses. If that should happen, BT will spend the next four years pursuing this issue. FEMA must be convinced of the cost of doing business in NYC.

Ms. Zurack stated that HHC had been told that the standards for establishing the cost, the general conditions and the cost would be done by HHC's certified engineers certification but in actuality FEMA is unwilling to accept that and has moved to the next standard which is historical costs. This would involve having the engineers prove by reviewing other jobs that the cost structure for the City is in fact what it is. This has delayed HHC in its process and resulted in more engineering involvement than anticipated.

Mr. Rosen asked if there will be any flow of funds as those issues are being resolved. Mr. Levy stated that there will be some flow of funds but it will not be a partial advance on one of the facilities until the issues are resolved.

Ms. Youssouf asked if the "true up" meeting with FEMA would include the premise of how to move forward.

Mr. Levy stated that some of it will be for that reason and whether equipment should be replaced and FEMA has not agreed to replace boilers and those are things that must be resolved early. General conditions in NY must be resolved and the cost of doing business must be agreed upon so that it gets into the formula. In the Federal base there is something called "cost estimating format" which is a tool that under-estimates the cost to repair in the mid-west and the south. Therefore, if that is applied to NYC it would become three cents on a dollar. BT is working with FEMA and is slightly ahead of the City who attends all of the FEMA meetings.

Commissioner Doar asked if BT considered the expert firm around the country would BT support the City's claims and the cost associated with the recovery process as being reasonable.

Mr. Levy stated that BT is leading the charge that those costs are reasonable and will not accept the New Orleans standard of twenty five cents on a dollar. Many of those have been resolved to the satisfaction of the municipal entity or agency. However, it is a marathon process and BT initial thinking was the opposite of what has transpired but ultimately BT will prevail with good solid documentations with the use of the A&E firms to support those arguments.

Commissioner Doar asked if BT's recommendation is to not go forward until it is resolved. Mr. Levy replied in the affirmative.

Ms. Youssouf asked what would happen if there is another storm particularly with the mitigation work.

Ms. Zurack stated that issue had been raised with Secretary Napolitano and the response was that forbearance, there will be auditors coming every five years from now. Clearly HHC has missed this season for the mitigation but if it takes another six to nine month to go through this, HHC will miss the next season which is a major problem.

Ms. Youssouf asked if the goal is to have written goals in terms of the cost estimates for HHC that will be used.

Mr. Levy stated that each facility large or small will have a claim, a project worksheet, a hundred-page document, line by line, the details of all the damages that must be done and signed by BT, the State and FEMA has to ultimately resolve the pricing and scope of work which is very time consuming.

Ms. Zurack stated that there are minutes for all of the meetings with FEMA and recordings of the oral commitments and there were oral commitments that Draper Hall at Metropolitan should be done and resolved. Therefore, would eliminate having to repeat it for each facility. IT is extremely difficult to get a commitment from FEMA on what eligible.

Mr. Levy stated that while the Washington politicians have indicated one thing, there was a federal coordinating officer who was in charge of the entire eastern Sandy losses and was here numerous times; and was very responsive and highlighted some of the concerns; however, without notice that person was removed in addition to at least three or four others that will also be removed.

Ms. Youssouf asked if these issues have been raised with the City's elected officials in Washington. Both Ms. Zurack and Ms. Brown responded in the affirmative.

Mr. Levy stated that there are a number of fronts BT is working on to keep politicians at all levels involved. There are remedies when this happens. The first is to hold out and get it right the first time without going to another type of change. Alternatively if all else fails, then there

would be appeals submitted to the local region that takes up to six months and are often rule negatively. The next step would be arbitration and that process has been highly successful and those types of examples previously mentioned usually win about 90-95% of the time.

Commissioner Doar asked if that would be in advance of the expenditures or after the expenditure. Mr. Levy stated that it would be before.

Ms. Zurack stated that the Corporation has used some corporate funds for some small projects that are a potential mitigation benefit. Bellevue was authorized to do some projects totaling $400,000 and where feasible HHC is not waiting to hear from FEMA on some of the storm protection items. Obviously some of the big ticket items HHC would need the money before moving forward but some of the small things are being done.

Mr. Levy stated that there are flood gates going in at Bellevue and securing the parameters around the emergency room at Coney Island with sand bags and moving a portion of the electrical to a higher level as in order to give it whatever protection this summer. The good news is that the potential dollars ultimately that have been identified as a result of the storm and the emergency work spent to-date overall is likely to be $1.05 billion. The restoration amount is the estimated figure previously discussed that 406 mitigation funding will come from the federal government to the facilities that will allow HHC to harden its facilities. The 404 funding is the State piece that could potentially yield up to $50 million as HHC's share. There is a lot that comes with the claim's process. The A&E firms have come forward with specific proposals, time lines and schedules in order to assist HHC in resolving the FEMA claims that would increase the current contract to $10.4 million for the purpose of using these firms for that particular period of time.

Ms. Zurack stated that FEMA did agree to do a project worksheet for HHC's A&E costs so that HHC can get reimbursed for those costs before the project worksheets are written.

Ms. Youssouf asked how much of the $1 billion has HHC received. Ms. Zurack stated that HHC has received $61 million against cost totaling $150 million.

Commissioner Doar asked if the 3rd party is sending the same message to firms regarding their opinion on whether FEMA is reasonable or unreasonable. Mr. Levy stated that he did not have an answer to that question.

Ms. Zurack stated that based on an inquiry, the State is very much supportive and is advocating on HHC behalf.

Mr. Levy stated that those firms will be heavily involved with HHC for the remainder of the year to get the level of funding needed to do the major repairs to ensure that by 2015 the process will be completed.

Mr. Rosen asked whether the $1 billion is a solid number. Ms. Zurack stated that it is not given that these are rough estimates. Mr. Levy stated that there is a sense that given the damages at HHC facilities, there is a possibility for HHC to secure that level of funding. The presentation was concluded.

Medical & Professional Affairs / Information Technology Committee
- July 18, 2013 – 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:

New York State Justice Center

On June 30, 2013, the New York State Justice Center became operational. This new agency was created to safeguard the rights of people served by OMH, OASAS, OFCS and OPWDD licensed providers. The Justice Center is a law enforcement agency with the primary responsibility for tracking, investigating and prosecuting serious abuse and neglect complaints and is authorized to monitor facility and provider agency responses to reportable incidents and will identify patterns and trends relating to abuse and make recommendations to positively impact the safety of service recipients and the employees who are entrusted with their care. The impact on HHC will be the need to complete pre-employment background checks and the signing of a mandatory code of conduct that some staff must sign and update annually, in addition to Incident Investigation, Reporting and Management requirements. The Offices of Behavioral Health, Legal Affairs and Human Resources are working together with regards to the implementation at HHC.

Care Plan Management System

Since our last report in June, we have continued the roll-out of the Care Plan Management System to Health Home care coordinators at Coney Island and Bellevue Hospitals. The system currently contains 1,039 consented Health Home patients who are linked to CPMS trained care coordinators. The system is designed to support care plan development and the sharing of care plans and relevant patient information with all members of the patients' care team, regardless of location and agency.

We are scheduled to roll-out the system to Elmhurst and Queens Hospitals at the beginning of August which will complete the deployment of the system as planned. The next steps will be to develop the patient portal of this system to allow patients to access elements of their medical record, consistent with the "Meaningful Use" requirements.

Assessment of Physician Compensation and Productivity

As part of our continued efforts to achieve the balance between compensating our physician workforce at a level which is competitive for recruiting purposes, versus having to manage in our current fiscal situation, a new project commences later this month. This will assess compensation and productivity for our nearly 5,000 physicians, against local and national benchmarks. It will provide the basis for the evolution of compensation models that are more consistent with our future needs that are focused on delivering quality and value, and not simply on volume. The effort will be led by Dr. Christina Jenkins, along with consultants McKinsey + Company. Key stakeholders, including affiliate leadership, Doctors Council and senior HHC leadership, are engaged and aware of the project's intent and scope.

Emergency Preparedness

In addition to the ongoing work at Bellevue, Coler and Coney Island Hospitals in recovering from Sandy, HHC has been very focused on ensuring that all facilities and central office have implemented changes in responses to issues that we brought to light by Hurricane Sandy, for the new storm season which is upon us. In addition, strengthening all our current efforts for protection against power or air conditioning interruptions during the current summer weather is a top priority.

HHC Accountable Care Organization (ACO)

Considerable effort is going into building the IT and management infrastructure required to effectively operate the HHC ACO's participation in the Medicare Shared Savings Plan. Dr. Jaye Weisman, as the ACO Chief Operating Officer is guiding these vital steps. Hopefully with the building of effective IT infrastructure we will be able to comply with this year's reporting requirements, and have the necessary information to commence directly engaging physicians with the performance data of their patients, in order to identify timely opportunities to improve quality and remove waste.

HHC Flu Policy

This week sees the finalization of HHC's policy to implement the new State regulations that mandate that healthcare workers who are not currently immunized against influenza will wear a surgical mask, for the duration of the flu season. We and the State DOH are hoping this will move our employee vaccination rates to close to the 90% level required to achieve "herd immunity" and hence increased community protection, especially for the very young or elderly who are most vulnerable. Discussions with staff and our labor colleagues will commence next week on the details and the policy and plans for its implementation.

Primary Care Access

We are six (6) months into a 24-month engagement to achieve demonstrable improvement in access to primary care. Our access team has completed initial work in three (3) pilot facilities: Harlem, Kings, and Gouverneur; and our 17 clinics at those facilities are beginning to show improvement. With continued support of local and central leadership, we believe clinics can embed changes and sustain results within 6 months. We've recently engaged with three (3) new facilities: Lincoln, Metropolitan, and Jacobi; and look forward to a successful process.

Chief Information Officer Report

Mr. Bert Robles, Senior Vice President/Chief Information Officer reported on the following initiative:

ICIS Electronic Health Record (EHR) Program Update

Since Mr. Robles's last report to the Committee at the May meeting, the following activities have been achieved regarding the Epic implementation: the Infrastructure group completed their Epic Chronicles training, data migration continued with an analysis being done on the scope of the extraction efforts and eLearning modules were made available to a select group of Subject Matter Experts (SMEs) in anticipation of the July 9-11 Workflow Preview Sessions; the Epic Database (Clarity) was installed on June 26-27 with test patient information; and a meeting was held with Finance to review key points of integration between Epic and Soarian.

WorkFlow Preview Sessions

Pre-Workflow Preview Session webinars were developed and conducted on July 1-3 for Subject Matter Experts (SMEs) attending the first preview week scheduled for July 9th through July 11th. These webinars were designed to help SMEs understand what the sessions would entail and how their input would be used toward crafting the Electronic Health Record (EHR).

For the first Workforce Preview session which was held from Tuesday, July 9th through Thursday, July 11th, an average of 438 Subject Matter Experts participated in each of these three (3) day sessions. Three were a total of 81 meetings held over the three (3) days, ranging from cardiology to billing. Following these meetings, a survey was developed and sent to all invitees to solicit their feedback. The input we receive will be used going forward to plan for Weeks 2, 3 and 4 of the Workflow Previews. The remaining dates for these sessions are: July 30-August 1, August 20-22 and September 23-25. Mr. Robles will keep the Committee posted on the outcome of this important activity.

HHC Operations ICIS EHR Kick-Off Meeting

An Operations ICIS EHR Kick-Off Meeting for HHC Senior Leadership has been rescheduled for October 8th at Harlem Hospital Center. The goal of this event is to explain the program as well as delineate the individual and departmental roles for HHC Leadership within this program. HHC Board Members are also encouraged to attend.

ICIS Communications

Within the area of program communications MR. Robles reported the following: *ICIS Update:* a weekly communication about the Program's activities is sent and opened by approximately 10,000 regular readers; *ICIS News:* A full-color monthly newsletter has been developed in conjunction with HHC Internal Communications and is sent out to all HHC employees. It provides the reader with current activities, introduces ICIS team member roles and interviews with HHC staff that will use Epic going forward; and *ICIS Communication SharePoint site:* This site is a repository for all program information. Since its launch, the site has been viewed by over 12,000 unique HHC visitors.

Meaningful Use –Stage 2 (MU2) Update

Mr. Robles provided the Committee on the following activities regarding Meaningful Use-Stage 2 (MU2): *Bar Code Medication Administration Project (BCMA)*: One of the MU2 objectives involves the implementation of the BCMA project at Bellevue, Coney Island, Harlem, Metropolitan, Lincoln and Woodhull Hospitals. Preparation at each of these sites included the acquisition of new equipment (scanners and medication carts), database configuration and training. The goal is to go live at all the sites by July 31, 2013. To date, both Harlem and Lincoln have completed their go-lives; and *Beta Software Agreement*: the Beta Software agreement with Jacobi Medical Center and QuadraMed has been fully executed and the QCPR 6.0 Beta Code was loaded as of Friday, June 16, 2013. A kick-off meeting was held to discuss both testing and training.

Update on Deployment of the HHC Care Plan Management System (CPMS)

Phase 1 of HHC's Care Plan Management System, which uses Amalga, HealthVault and Get Real Health InstantPHR, has gone live at seven (7) facilities including Kings, Woodhull, Lincoln, Coney, Metropolitan, Cumberland and East New York. The remaining facilities are scheduled and will be completed in the next two months. The next phase of CPMS which will deploy in the fall of 2013 will allow HHC to provide patients with a Personal Health Record (PHR). The Patient Portal will allow patients to view their Care Plans and interact with their care team.

Providing Patients Access to their Health Information in support of Meaningful Use – Stage 2

For Meaningful Use Stage 2 (MU2), HHC is required to provide patients with the ability to view online, download, and transmit information about a hospital admission. Fifty percent (50%) of HHC's patients must have the information available online within thirty-six (36) hours of discharge. Additionally, we must demonstrate that more than 5% of our patients have accessed this information within the MU2 attestation reporting period. There are four, 3 month attestation reporting periods that HHC can target for each facility. The first starts October 1st and the last start July 1, 2014. HHC has approximately 1.4 million admissions a year. Therefore, HHC needs to implement a patient portal supporting at least 110,000 patients with at least 11,000 logging in to use it. Additionally the system must be fully implemented and live before facility's MU2 attestation period can start.
EITS performed a review of several different possible portal solutions to meet the requirement. The solutions considered included QuadraMed's new Patient Access Module (PAM) available in QCPR version 6.0, New York eCollaborative's (NYeC's) new patient portal, and HHC's Care Plan Management System (CPMS). The CPMS system provided the best solution considering time to implement, cost, risk, and quality of the portal experience.

In the next month, EITS will be working with other relevant departments to solidify the scope of the effort as well as defining the project team. Two (2) issues present the biggest challenges for the project at this time. First, the key to making the MU2 requirement involves getting the patients to actually log in and use the system. This will require analyzing and modifying existing admission and discharge processes as well as engaging the clinical staff in how to utilize the system. Second, the solution must be implemented in a very short timeframe. Scope will need to be managed such that non-essential portal design features and functions do not cause delays. A full plan is being developed for review.

MetroPlus Health Plan, Inc.

Van H. Dunn, MD, Medical Director, MetroPlus Health Plan, Inc. presented to the Committee. Dr. Dunn informed the Committee that the total plan enrollment as of June 28th, 2013 was 427,758. Breakdown of plan enrollment by line of business is as follows:

Medicaid	366,017
Child Health Plus	12,668
Family Health Plus	33,394
MetroPlus Gold	3,236
Partnership in Care(HIV/SNP)	5,446
Medicare	6,799
MLTC	198

Dr. Dunn 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.

Dr. Dunn informed the Committee that their membership has declined by approximately 12,600 members in the last four months. This is due to a combination of multiple factors including a high rate of members losing eligibility and failing to recertify, a decrease in the number of new applicants, and losses to two competitor health plans. MetroPlus has brought in a new class of marketing representatives who will be going out in the field as of this month to ensure that MetroPlus has a full quota of representatives. MetroPlus is also frequently reassessing their marketing structure as well as increasing their outreach and touch campaigns to help with retention efforts.

In June, MetroPlus successfully completed their full Article 44 licensing audit by the New York State Department of Health. The review, which is normally completed over a five day period, was completed after only three days. The auditors were congratulatory about all of their in-house procedures and found no deficiencies in their internal processes. MetroPlus will likely have one area of deficiency concerning letters that CVS Caremark sends on their behalf for initial pharmacy denials. A corrective action plan was immediately put in place and the appropriate changes have been made.

MetroPlus has submitted their 2014 Medicare bid on time. The CMS desk audit has commenced. The Finance Department has 48 hours to respond to all data requests and has all staff at the ready to ensure a successful audit.

As reported previously, MetroPlus has completed and submitted applications, benefits, subscriber contracts and rates for the Health Care Marketplace (the Exchanges). MetroPlus has recently received positive feedback from New York State (NYS) on their network and NYS only offered very minor requests for adjustment to MetroPlus providers in their network. MetroPlus is eagerly awaiting release of the competitive rates, which are scheduled for release at the end of this month.

Information Item:

Patient Satisfaction – FY 2013 in Review

Presenting to the Committee was Lauren Johnston, Senior Assistant Vice President/Chief Nursing Officer, Office of Patient Centered Care. Ms. Johnston began the presentation by informing the Committee that satisfaction surveys are conducted in the following: acute care inpatients including rehab and behavioral health; outpatient including emergency department, primary care, medicine, surgery, pediatrics, etc; survey conducted annually in dialysis and patient centered medical home; long term care facilities; home care; and employee and physician engagement.

Ms. Johnston provided the Committee with results of patient feedback for the time frame of July 1, 2012 to June 25, 2013. Performance in the emergency department shows that patients like our physicians but have a hard time getting through the door. In comparing the HHC facilities, Coney Island has the highest performance scores in eight out of the nine attributes. On the outpatient side the graphs shows improvement over the FY. The attributes of 'access' and 'moving through your visit' are that areas that performance was rated low – but these are two areas where there is current focus and initiatives in place to improve. HHC's Diagnostic & Treatment Centers tend to score higher than the acute care hospitals on the out-patient side – their best practices needs to be shared with the acute outpatient departments as a tool for improvement. On the inpatient side CMS tightly controls what you ask, when you ask, how you ask, the language you ask the question in – there is no variation thus they are able to compare hospitals throughout the United States. Highest scoring HHC facility some of the inpatient attributes were Coney island, Kings County, Bellevue, Woodhull and Queens. Ms. Johnston shared CMS public data for the period of June 2011 through July 2012 with the Committee that demonstrates how HHC facilities compare to non-HHC facility in each borough.

Ms. Johnston concluded her presentation by describing activities occurring to increase patient experience ratings. Executive Steering Committee that consists of all the Executive Directors and Chief Nursing Executives that reviews existing best practices for implementation such as: hourly rounding; leader rounding; RN/MD/patient conference on admission regarding 'plan of care'; discharge phone calls; and daily multidisciplinary huddles on units. Press Ganey assists us with deciding on where to focus efforts on where we can obtain the best leverage.

On the inpatient side the focus is on '*Rate 9-10*' with a goal to meet the State average of 50 percentile. On the out-patient side, our primary focus is on access such as ease of getting through to the clinic on the phone; ease of scheduling your appointment; and the courtesy of staff in the registration area. In the emergency department the focus is on overall assessment including: 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.

Strategic Planning Committee – July 9, 2013
As reported by Josephine Bolus, RN

Senior Vice President Remarks

Ms. LaRay Brown greeted and informed the Committee that, in the interest of time, she would defer her remarks to allow time for the information item presentation. She added that her remarks would be included in the minutes. Ms. Brown invited Ms. Wendy Saunders, Assistant Vice President of the Office of Intergovernmental Relations to provide her update on the 2013 New York State Legislative Session.

Information Item

State Legislative Update

Ms. Wendy Saunders, Assistant Vice President, Office of Intergovernmental Relations began her presentation by providing a summary of the 2013 New York State Legislative Session. She summarized the session as the following:

- ✓ 13,994 bills introduced
- ✓ 758 bills passed Senate only
- ✓ 421 bills passed Assembly only
- ✓ 349 bills passed both Houses
- ✓ HHC actively tracked 924 bills

Ms. Saunders reported on the following bills:

Staffing Ratios
S.3691-A (Hannon)/A.6571 (Gottfried)

The bill imposes mandatory nurse staffing ratios for hospitals and nursing homes. She noted that this legislation is the top priority for the NYS Nurses Association, which will continue to push hard for it next year. In addition, it would be the most costly health care mandate in memory, with a statewide cost for hospitals at more than $3 billion. The bill would require HHC to hire 3,200 new nurses which would cost more than $388 million. HHC opposed the bill. This bill did not pass either House.

Safe Patient Handling
S.1123-A (Maziarz)/A.2180-A (Gunther)

The bill requires hospitals and nursing homes to implement new policies with specific staffing, technology and equipment requirements. Ms. Saunders reported that the requirements will be based on the recommendations of a new SDOH Safe Patient Handling Workgroup. Each facility must have its own committee to develop facility-specific recommendations. She noted that, while the bill didn't pass this year, it is anticipated that it will be enacted next year. HHC will continue to work with the hospital and nursing home associations and the bill sponsors to make improvements to the legislation. The bill allows nurses to refuse to handle patients if they believe it inconsistent with new policy. HHC opposed the bill. The bill only passed the Assembly.

Medical Malpractice
S.744 (Fuschillo)/A.3564 (Weinstein)

This bill extends New York State's statute of limitations from 30 months from the date of the alleged malpractice, to 30 months from whenever the alleged malpractice is discovered. Ms. Saunders stated that the discovery includes both any injury and knowledge that it was caused by a negligent act. As a result, this could have the effect of extending the deadline for filing claims almost indefinitely. Ms. Saunders added that the hospital trade associations estimate that this would increase malpractice costs by 15-25%. She noted that, although the Trial Bar had pushed a number of measures, this bill was their focus this year. Ms. Saunders informed the Committee that the bill had moved to the floor of the Assembly but didn't move in the Senate. She noted that HHC will have to remain vigilant on this bill – as well others – next year, which is an election year for all state officials. HHC opposed the bill. The bill did not pass either House.

SUNY Downstate
S. 5902 (Rules) and A.8066 (Perry)

Ms. Saunders reported that the Governor had proposed this bill to create the Brooklyn Health Improvement Corporation, which would receive Delivery System Reform Incentive Payment (DSRIP) funds. She stated that the Governor's bill was based on the recommendations contained in the Sustainability Plan that SUNY had submitted as required by the State Budget. She added that the DSRIP funds are part of the State's pending Medicaid 1115 Waiver. HHC could receive significant funding as part of the Waiver. HHC has been working closely with the State and other public hospitals on the Waiver. After several days of negotiation that concluded with an impasse, the Senate put in a bill that reflected the Legislature's position that there needed to be more transparency and oversight on how the DSRIP funds would be spent, as well as preserving the medical school and Downstate Hospital. It is to be noted that the Assembly bill would require the monetization of LICH and the creation of at least four new primary care centers. Consequently, the Legislative Session concluded without any new legislation or funding for Downstate. HHC will continue to closely monitor the Brooklyn situation. The Senate introduced a revised version of the Governor's bill.
The Assembly introduced the bill based on organized Labor's recommendations. HHC advocated for the preservation of the affiliation agreement and DSH funding. The bill did not pass either House.

Job Order Contracts
S.3564-A (Bonacic) / A.4810-A (Abbate)

This bill would limit the use of job order contracts (JOCs). HHC uses these contracts for renovation, repair, and maintenance projects where traditional contracting is impractical. These contracts are completed more quickly and with fewer administrative costs than using traditional contracting processes. Projects using JOCs are still required to be competitively bid and contractors are still required to pay prevailing wages and comply with Wick's Law requirements. JOCs allow for greater efficiency because they streamline the designing, engineering, and the contracting of multiple projects processes. In addition, projects using JOCs save 8-15% compared to traditional contracting methods. Ms. Saunders stated that HHC is working closely with the Mayor's Office, other municipalities, and groups supporting MWBEs to oppose the bill. She added that HHC is requesting that it be vetoed. This bill passed both Houses. The bill has not yet been delivered to the Governor. Ms. Saunders informed the Committee that the bill also allows for exceptions that include emergency work that result from natural disasters and emergencies such as Hurricane Sandy etc.

New Hospital Requirements

Ms. Saunders reported on three bills that would mandate new screening exams for hospital patients including:

- ✓ Hepatitis-C screening (Hannon/Zebrowski) - The Hepatitis C bill would require hospitals to offer a screening test to anyone born between 1945 and 1965 who is an inpatient or receiving primary care services either in outpatient departments or clinics or through primary care providers. Originally, the bill also included Emergency Departments. Patients who test positive would receive a confirmatory test and follow-up care. The bill was also amended to expire on 1/1/20 and to require SDOH to report on its effectiveness. It will take effect on January 1, 2014.

- ✓ Pulse-oximetry for newborns (Hannon/Gunther) – This bill would require pulse-oximetry testing which is designed to catch congenital heart defects in newborns. It will take effect six months after it is signed into law.

- ✓ Maternal Depression (Krueger/Gottfried) - Maternity providers will have to include screening and referral for post-partum depression based on recommendations that the State will develop. Providers will also have to distribute materials the State will develop. Health insurers will have to pay for the screenings. This requirement will take effect six months after it is signed into law.

Ms. Saunders reported that another bill would require that patients be provided notice when they have been assigned to an Observation Unit (Hannon/Peoples-Stokes). This bill would require hospitals to notify any patient (both orally and in writing) who has been placed in an Observation Unit that they have not been admitted to the hospital. The notice must explain that this placement could affect their insurance coverage. This notice must be provided within 24 hours. The State Department of Health will develop guidance for the preparation of the written notice.

Ms. Saunders reported that these bills passed both Houses. None of these bills have yet been delivered to the Governor. However, it is unlikely that they would be vetoed. As such, it is expected that they will all become law.

Professional Licensing Bills

Ms. Saunders informed the Committee that several bills would impose new licensing requirements for health care professionals. These bills include the following:

- ✓ Clinical Nurse Specialists (Kreuger/Lifton) - the first bill would create a new certification process for RNs with Masters or Doctorate level training in a particular specialty such as geriatrics. It will be administered by the State Education Department and take effect one year after it becomes law.

- ✓ Surgical Technologists (Savino/Cahill) - Surgical technologists working in hospitals and ambulatory surgical centers would have to complete a nationally accredited training program and become certified within one year of being hired. Those working for one of the preceding four years before the law takes effect would be grandfathered -- or exempt -- from the requirements. The new requirement would take effect 18 months after it is signed into law.

- ✓ Central Service Technicians (Grisanti/Bronson) - Central Service Technicians are responsible for the sterile and non-sterile equipment in hospitals. Similar to the bill for surgical technologists, central service technicians working in hospitals and ambulatory surgical centers would have to complete a nationally accredited training program and become certified, although they would have 18 months after being hired to complete the process. The same grandfathering provision would apply. This new requirement would take effect 18 months after it is signed into law.

- ✓ Dental Hygienists (Hannon/Glick) - Dental hygienists working in hospitals will be able to work collaboratively with a dentist rather than under their direct supervision of a dentist. This was a recommendation of the Medicaid Redesign Team. This new requirement will take effect in January.

- ✓ Pharmacist meningitis vaccine (Hoylman/O'Donnell) - Pharmacists will be able to provide a meningitis vaccine to anyone over the age of 18 as long as they have a standing order from a physician or nurse practitioner. This requirement will take effect 90 days after it is signed.

Ms. Saunders reported that all of these bills passed both Houses.

Managed Long Term Care
S.3812 (Hannon)/A.7636 (Gottfried)

Ms. Saunders explained that this bill would create new requirements for transitioning patients to managed long term care (MTLC). This bill expands upon provisions that were included as part of this year's State Budget. Lawmakers want to provide more consumer protections as all Medicaid long term care patients are transitioned to mandatory managed care including that:

- ✓ Patients must have choice of plans, receive enrollment assistance, be notified of rights and options
- ✓ Plans must provide consumer assistance and complaint process.
- ✓ SDOH must to report on quality including network adequacy.

Ms. Saunders reported that the bill passed both Houses.

Ms. Saunders reported on two HHC specific bills. One bill, S.2474 (Lanza)/A.130 (Cusick), would require HHC to spend 10% of Operating Budget on Staten Island ($670 million). This bill only passed the Senate. The second bill, S.2481 (Lanza)/A.135 (Cusick), would require HHC to finance the operation of at least two Emergency Departments on Staten Island. The bill did not pass either House.

Ms. Saunders reported on several issues that had been considered during the State Budget process and that were introduced:

- ✓ Certificate of Need (CON) Review (Gottfried)
- ✓ Health Care Facility Access to Capital (Hannon)
- ✓ Licensing Limited Services Clinics (Paulin/Hannon)

These bills did not pass either House. It is expected that all of these issues will continue to be part of on-going discussions next year.

Mrs. Bolus thanked Ms. Saunders for her presentation.

SUBSIDIARY BOARD REPORT

MetroPlus Health Plan, Inc. – July 9, 2013
As reported by Mr. Bernard Rosen

Chairperson's Remarks

Chair Rosen welcomed everyone to the MetroPlus Board of Directors meeting of July 9, 2013. Chair Rosen wished everyone an enjoyable summer and stated that Dr. Saperstein would present the Executive Director's report and Dr. Dunn would report on Medical Management issues.

Mr. Rosen reported that there would be three resolutions presented at the meeting. The first was to authorize a contract with McMurry for website update and redesign services; the next resolution was to increase the spending authority for the Plan's contract with Buck Consultants for actuarial services. The last resolution was to authorize a contract with SunGard for business recovery services.

Executive Director's Report

Dr. Saperstein asked Mr. Lloyd Williams if he would like to speak about the literature that was handed out regarding Harlem Week 2013. Mr. Williams advised the Board of the calendar of events that would take place July 28th through August 24th, 2013. The 2013 theme is "Living the Dream: Celebrating History", in tribute to the 50th anniversary of the March on Washington and the 150th anniversary of the Emancipation Proclamation. Mr. Williams invited everyone to come out and participate especially in the closing event which is an anti-gun and violence walk that takes place on Saturday, August 24th.

Dr. Saperstein reported that the total Plan enrollment as of June 10th, 2013 was 427,758. Breakdown of plan enrollment by line of business was as follows:

Medicaid	366,017
Child Health Plus	12,668
Family Health Plus	33,394
MetroPlus Gold	3,236
Partnership in Care(HIV/SNP)	5,446
Medicare	6,799
MLTC	198

MetroPlus' membership has declined by approximately 12,600 members in the last four months. This is due to a combination of multiple factors including a high rate of members losing eligibility and failing to recertify, a decrease in the number of new applicants, and losses to two competitor health plans. The Plan has brought in a new class of marketing representatives who will be going out in the field as of July to ensure that MetroPlus has a full quota of representatives. The Plan is also frequently reassessing its marketing structure as well as its outreach and touch campaigns to help with retention efforts. There was a brief discussion regarding about how MetroPlus plans to retain marketing representatives. Dr. Saperstein stated that on July 10th MetroPlus will be holding a pep rally on Flatbush Avenue in Brooklyn in hopes of motivating the marketing staff.

Dr. Saperstein stated that MetroPlus has submitted its 2014 Medicare bid on time. The MetroPlus Finance team worked diligently to design a bid that was fiscally responsible and offered MetroPlus' membership the maximum benefits. For 2014, the products for the Plan's dual eligible population will remain stable and competitive with other plans, with little change to premiums or benefits. On the other hand, MetroPlus' Medicare HIV Special Needs Plan required significant increases to the premium rates, which will likely challenge the viability of that product line. This occurred due to very high HIV pharmacy costs, as well as a lowering of the HIV acuity scores by CMS which led to more than a 14% rate reduction, as well as a rate reduction due to the Affordable Care Act. Currently, MetroPlus is preparing for a bid audit, which is expected to commence over the next month.

This month, MetroPlus successfully completed its full Article 44 licensing audit by the New York State Department of Health (NYSDOH). The review, which is normally completed over a five day period, was completed after only three days. The auditors were very congratulatory about all of MetroPlus' in-house procedures and found no deficiencies in its internal processes. The Plan will likely have one area of deficiency concerning letters that CVS Caremark sends on its behalf for initial pharmacy denials. A corrective action plan was immediately put in place and the appropriate changes have been made. Mr. Williams asked what the issue was and Dr. Saperstein replied that there was a problem with missing state required language on some utilization letters sent out by CVS Caremark. Dr. Saperstein stated that the problem was fixed before the auditors left and there will be a much tighter audit of the Plan's delegated entities to ensure this does not happen again.

Dr. Saperstein reported that, in the past month, MetroPlus, along with twenty-six other plans statewide received preliminary approval to move forward with the readiness review process to participate in the Fully Integrated Duals Advantage (FIDA) demonstration. The Plan's Medical Management and Medicare operational areas are working closely together to prepare for a readiness review, which will include a desk review, a site visit and systems testing. The Plan has been informed that the total review process will take approximately four to five months.

Dr. Saperstein informed the Board that, earlier this year, New York State announced the Behavioral Health Care integration into managed care. This change will be effective April 2014. The strategy is to allow plans to apply as HARPs (Health and Recovery Plans) to provide comprehensive integrated medical and behavioral health care management and coverage. As long as the health plan will be able to meet the network and service requirements of a HARP, the plan will be permitted to provide all of the medical and behavioral health care needs of the members without the requirement of contracting with a separate Behavioral Health Organization (BHO). MetroPlus will be applying for certification as a HARP when the request for proposals is released. The Plan is currently working on all requirements to complete the RFP process sometime in July or August of this year, including recruiting for senior level positions.

MetroPlus has completed and submitted applications, benefits, subscriber contracts and rates for the Health Care Marketplace (the Exchanges). MetroPlus submitted 32 benefit and rate packages. These include Individual subscriber, SHOP for small businesses, Child only

products, a catastrophic coverage plan, and non-standard products offering benefits above the basic required benefits. The current timeline is to begin enrollment in the exchanges as of October 2013, with the first effective date of membership to be January 2014. MetroPlus' Project Management Office has deployed product and project managers to work closely with operational areas to leverage all resources to prepare for this new line of business.

Dr. Saperstein stated that the current New York State plan is to eliminate the Family Health Plus program and offer these members the opportunity to enroll in an Exchange plan. The state budget allows for subsidies to alleviate the potential of significant cost increases for these members. In addition there will be additional subsidies for all individuals under two hundred percent of poverty level to make these products more affordable. Recently there was a state decision to allow plans to hire certified application counselors who will be able to educate and enroll individuals into the exchange. In addition the state is planning on requesting CMS approval to continue the Facilitated Enrollment program for Medicaid.

NYSDOH has begun discussions with health plans regarding the carve-in of nursing home benefits for non-dual eligible members. The carve-in of the benefit and the transition of the population are scheduled to begin October 1, 2013. A workgroup consisting of plan, nursing home and consumer representatives are scheduled to define the details in the coming months. This change is part of several provisions that were included in the State Fiscal 2013-2014 Budget as well as Medicaid redesign proposals that the state will pursue in 2013-2014. Dr. Saperstein stated that he will continue to report on these changes as the effective dates get closer.

Dr. Saperstein reported that, until recently, MetroPlus had only one Health Home contract with HHC. At the request of the state, MetroPlus was required to contract with additional Health Homes. The Plan recently executed contracts with VNS and Maimonides for Health Home services. A review of Plan data identified over 500 members who qualified for Health Home services, were not affiliated with HHC, and had been receiving case management services from these additional two vendors.

Medical Director's Report

Dr. Dunn reported that he was sending around the table the most recent copies of the MetroPlus Gold Health News and Medicaid Health Letter.

The MetroPlus Gold Health News articles focus on who needs the human papilloma virus vaccine (HPV); the 411 on colorectal cancer; how to lose weight safely; creating a plan for exercise or weight-loss; tips for controlling allergy triggers and symptoms; lower your disease risk by eating your legumes; and 5 tips for getting your body ready for pregnancy.

The current issue of the Medicaid Health Letter focuses on three reasons why women should be screened for breast cancer; information about how the Affordable Care Act will help eligible citizen and legal immigrants get healthcare through the Health Benefits Exchanges; importance of an Asthma Action Plan; how to live well with chronic obstructive pulmonary disease (COPD); and the importance of prenatal and postpartum visits to the doctor.

Dr. Dunn stated that the Plan recently received its 2013 Medicare Consumer Assessment of Healthcare Providers and Systems (CAHPS) results. The CAHPS affects MetroPlus' Medicare Plan Star Ratings. The Plan has struggled in this area in the past. These scores will be part of MetroPlus' 2014 Star Ratings score.

There are 8 Medicare CAHPS measures that are included in the Star Ratings. They are: Getting Needed Care, Getting Care Quickly, Customer Service, Rating of Health Plan, Rating of Health Care, Getting Needed Prescription Drugs, Rating of Drug Plan, and Annual Flu Vaccine. Overall, the Plan improved slightly on the majority of measures, however there were 2 measures in which the rate decreased between 2012 and 2013 (getting care quickly and rating of health care). One thing to keep in mind is that CMS applies a case mix adjustment factor to the raw CAHPS scores which in turn can adjust the number of stars a plan receives for that rate. The range between each star level is very narrow such that a few percentage points can be the difference between 1 star and 3 stars. Based on the 2013 scores, it is expected that some of the Plan's star ratings may go up slightly, however not to the point where MetroPlus would average 4 stars on CAHPS. There is still much room for improvement. The Plan is hoping that through ongoing quarterly high touch campaigns, it will be able to bring the ratings up.

MetroPlus is updating the health education brochures available to its members. English and Spanish versions of the brochures will be available for Providers to order in August. Brochure topics include: Managing Diabetes, What is Diabetes, High Blood Pressure, Living with Asthma, HIV/AIDS, and 18 other topics.

Dr. Dunn reported that, as of August 1, 2013, new benefits will transition into managed care. This covers Adult Day Health Care (ADHC), AIDS Adult Day Health Care (AADHC), and Directly Observed Therapy for Tuberculosis (TB/DOT). For members to qualify for ADHC, they must have a recommendation from their doctor, and must need services for 30 or more days. Members must be functionally impaired and require additional services, but they cannot be residents of a residential care facility, homebound, or require inpatient care. ADHC programs provide case management, including health education, social services, nursing services, rehabilitative and maintenance therapy, recreational activities, and one meal a day.

AADHC provides health services in a community setting, and are intended to prevent the need for residential health care services. These plans are targeted to high need individuals, and offer general medical/nursing care, substance abuse support services, mental health support services, nutritional services, and social activities. TB/DOT covers both outpatient and inpatient services. Outpatient TB/DOT includes dispensing medication, monitoring for adverse reactions to medication and case management follow up. Inpatient TB/DOT services are provided for patients who have a poor treatment response, medical complications, or who remain infectious.

Dr. Dunn stated that the Plan is moving forward as planned with its ICD-10 program work. This includes remediation of Plan impacted systems and vendor tools, affected business processes, and policies. MetroPlus plans to be fully ready to process ICD-10 claims by October 1, 2014. MetroPlus plans to meet all applicable timeframes for compliance. The Plan anticipates that its providers and clearinghouses will do the same. After the compliance date, MetroPlus will process claims submitted with ICD-9 codes only for dates of service (outpatient) or dates of discharge (inpatient) prior to October 1, 2014.

The Plan has developed a required ICD-10 training web-based training module for all its employees. MetroPlus has developed specific training for medical management, customer services and claims staff. The Plan has developed an ICD-10 FAQ module for providers on its web site.

Dr. Dunn stated that CMS has provided General Equivalency Mappings (GEMs) as an approach to define reasonable alternatives for mappings between ICD-9 and ICD-10 codes in both directions. While the GEMS provide guidance and a starting point for crosswalk development, there is currently no industry standard for mapping. MetroPlus' MIS Department has developed a clinical equivalence tool to remediate business rules with ICD-9 codes. The Plan will continue to closely follow the communications from the regulatory authority, and will adapt its approach as required.

Action Items

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus") to negotiate and execute a contract with McMurry/TMG, to provide Website Update and Redesign services for a term of one (1) year for an amount not to exceed $500,000 total.

Dr. Saperstein gave the Board an overview of the services McMurry will supply. Mr. Rosen asked if this was a new contract and Dr. Saperstein replied yes. McMurry is the Plan's current member newsletter vendor and they submitted a proposal, along with 15 other vendors, and were deemed to offer the best solution to the Plan for these new services.

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

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus" or the "Plan") to increase the spending authority for the contract with Buck Consultants, LLC, dated August 1, 2010, for the remainder of the contract, including two one-year options, with a term ending July 31, 2015, to an amount not to exceed $1,750,000 per year.

Dr. Saperstein gave the Board a summary of the need for the additional funds for Buck. Dr. Saperstein stated that the majority of the need for the additional money is due to the Exchange and the need to submit and resubmit rate filings for the Exchange. Mr. Antonio Martin asked how these services were originally procured. Dr. Saperstein stated that these services were procured through a Request for Proposal process in 2010.

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

Authorizing the Executive Director of MetroPlus Health Plan, Inc. ("MetroPlus" or "the Plan") to negotiate and execute a contract with SunGard to provide business recovery services such as Network Services, Seating of Staff plus various Administrative Services, to be used by MetroPlus in case of a disaster where the Plan's primary offices are not available, for a term of no more than five (5) years at a cost not to exceed $1,800,000.00 per year.

Dr. Saperstein advised the Board that without SunGard, MetroPlus would not be in business after Super Storm Sandy. SunGard houses the Plan's back-up computer system, network connectivity services, and data and voice services. There was a brief discussion regarding leasing space in the future which will be less expensive in the long run. Dr. Saperstein stated that he and Stanley Glassman will provide the Board with an update regarding this contract in the future. Mr. Martin asked how much is the network portion and how much is the seating portion. There was a brief discussion regarding the cost of these services.

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
JULY 25, 2013

HHC JOINS NYC TO LAUNCH NEW FVRx PROGRAM PROMOTING FRESH FOOD AT FARMERS MARKETS

In an announcement earlier this week at Lincoln Medical Center, Deputy Mayor Linda I. Gibbs, Health Commissioner Dr. Thomas A. Farley and HHC Chief Medical Officer Dr. Ross Wilson launched a new initiative to give New Yorkers greater access to farmers markets' produce and increase healthy eating. The Fruit and Vegetable Prescription Program (FVRx) is being piloted at Lincoln and at Harlem Hospital Center. Under the program, a doctor and nutritionist assess the health and nutritional habits of patients and families at risk for obesity and provide "prescriptions" to consume more fruits and vegetables. FVRx patients at the two hospitals will then receive Health Bucks, which are coupons from the Human Resources Administration and the Health Department that can be redeemed for fruit and vegetables at all New York City farmers markets.

The announcement came as HHC welcomed back farmers markets at eight hospital campuses this summer, making fresh fruits and vegetables available and promoting healthy foods for all New Yorkers. Farmers markets are open now through November, with one market, at Queens Hospital Center open year-round. A variety of regionally-grown vegetables, fruits and fresh juices will be offered on a weekly basis in communities where residents don't always have access to fresh fruits and vegetables at reasonable prices.

At HHC we promote healthy eating, along with regular checkups and exercise, to help people stay physically fit and to control the chronic conditions that affect many of our patients, such as obesity, high blood pressure and diabetes. Farmers markets support HHC's efforts to keep communities healthy by providing healthy and affordable dietary options for patients, employees and the local community.

The farmers markets are hosted in partnership with Harvest Home and Greenmarket. Shoppers can pay for their fresh fruits and leafy greens using EBT cards (food stamps), Health Bucks, Green Checks, Senior Farmers Market Nutrition Program (FMNP) coupons and Women, Infants and Children (WIC) coupons.

HHC TO HOLD RIBBON-CUTTING FOR THE HENRY J. CARTER SPECIALTY HOSPITAL AND NURSING FACILITY

On August 21, HHC will hold a ribbon-cutting ceremony for the Henry J. Carter Specialty Hospital and Nursing Facility, an important new healthcare facility on Park Avenue at 122nd Street in Harlem. HHC leaders, elected officials, residents, staff, and community members will mark the completion of the 365-bed skilled nursing facility and long term care hospital named after HHC's most generous benefactor, Henry J. Carter.

Through his organization Wheelchair Charities, Inc., Hank Carter has donated more than $25 million to HHC for a variety of equipment and programs for residents of Coler-Goldwater Specialty Hospital and Nursing Facility. Because Hank has been such an extraordinary and loyal friend to HHC and to those we serve, we have, for the first time, named a public healthcare facility for a living individual. It is a richly deserved honor.

As the Board knows, the move to the new 400,000 square-foot Carter facility will also enable HHC to return the Goldwater site to the city, and to offer state-of-the-art, technologically advanced acute care and skilled nursing services to current Goldwater residents and to the community of Harlem. Residents will move into the new hospital in October.

TRANSFORMING HHC'S SUPPLY CHAIN: CENTRALIZED CONTRACTING AND PROCUREMENT UPDATE

As part of HHC's continuing cost containment and restructuring plan, most HHC contracting and procurement functions will be integrated into a single central office location beginning mid-August. This will permit HHC to better leverage its size and volume to negotiate corporate-wide contracts that lower our cost and achieve significant savings through increasing standardization. As we centralize this important function, we also will establish clinical advisory workgroups and value analysis committees that will assist and better inform the Supply Chain Council's efforts to achieve greater standardization, operational efficiency and financial improvement in procurement.

The new system will require a shift in the skill set needed by our contracting and procurement staff, and some positions will require new minimum entry competencies. Continuous staff education and training will be provided. While not all of the current employees working on contracting and procurement functions will be needed in the new model, there will be no layoffs. Staff who are not moved into the centralized office will be re-deployed to fill other organizational vacancies.

HHC's Operating Procedure 100-5 -- our rules that define all procurement procedures -- must be revised before these changes can take place and that revision will be completed imminently. As part of implementation, we are also developing a communication strategy to inform staff within our facilities about these new protocols. The new procedures and the transition plan for the new centralized procurement unit have been reviewed and approved by the Network Senior Vice Presidents, Human Resources and the Office of Labor Relations.

METROPLUS HEALTH PLAN RATES APPROVED BY STATE FOR HEALTH INSURANCE EXCHANGE PLAN

The rates that our MetroPlus Health Plan submitted as part of its application to become a Qualified Health Plan for the New York State Benefit Exchange have been approved by the

State. The announcement was made by Governor Cuomo earlier this week, making MetroPlus Health Plan one of the seventeen plans statewide that have completed another step in the process of becoming certified to participate in the NYS Benefit Exchange beginning October 1st.

MetroPlus is also one of eight plans on the rate approval list that will be offering commercial health insurance for the first time. The exchange will give consumers and businesses the opportunity to choose among affordable, high quality health insurance options. Full certification for Qualified Health Plans is expected to be received by the end of July. MetroPlus' application includes 32 different plans with a variety of benefits and cost-sharing options in all tiers.

EMPLOYEE SAFETY SYMPOSIUM ON PREVENTING WORKPLACE VIOLENCE

On June 24, 2013, the Corporate Office of Patient Safety convened an Employee Safety Forum at Harlem Hospital on Workplace Violence Prevention. This forum was designed to support HHC's strategic priority to assure a safe environment for our employees. The keynote presentation, "When Push Comes to Shove: Workplace Violence Prevention in the Healthcare Setting" was provided by Zachary Goldfarb, President of Incident Management Solutions, Inc. The forum objectives were to help our employees better understand the prevalence of workplace violence in healthcare, describe prevention and control measures, discuss the special considerations in healthcare settings, and identify specific ways employees can assist with their own safety.

In addition to the keynote speaker, the program included interactive case scenarios and "actors" from Coney Island Hospital to demonstrate de-escalating the potential for workplace violence. Following the case scenarios, Anthony S. Notaroberta, Senior Associate Director of Hospital Police at Metropolitan Hospital, delivered a talk on "Workplace Violence Prevention Utilizing TeamSTEPPS." Donna Leno-Gordon, RN, Director of Behavioral Health at Coney Island Hospital also spoke on "Calming Agitated Patients: Verbal and Physical De-Escalation" and Katie Walker, RN, Director of HHC's Institute for Medical Simulation and Advanced Learning gave a talk on "Using Simulation to Learn Debriefing Skills."

Approximately 170 HHC clinical and non-clinical staff participated in the Forum.

HHC TO LAUNCH NEW INTRANET HOMEPAGE

As part of our focus on improving communication with our workforce, the homepage of HHC's corporate intranet will get a new look and name later this month. Now called the HHC Insider, the revamped homepage will be the first step in a series of intranet improvements that will take place during the coming months. The homepage will offer regularly updated news and announcements about HHC and our staff and other new features, such as the HHC Photo of the Day.

A project team comprising staff from Information Technology (IT), the Office of Special Projects (OSP), and the Internal Communications Group (ICG) reviewed the existing content and created a new visual design for the homepage.

In addition to a cleaner design, the new homepage will be easier to navigate. Links to other pages will be in alphabetical order and organized into categories for information, functional applications, and external resources. Later this year, IT will migrate the homepage to SharePoint, a platform that will become the standard intranet tool for all of HHC.

I encourage you to visit the new homepage at http://intranet.nychhc.org in the coming weeks.

MARJORIE MATTHEWS AWARDS GIVEN TO OUTSTANDING COMMUNITY ADVISORY BOARD LEADERS IN HHC HOSPITALS

On Wednesday, July 17th, the 9th Annual Marjorie Matthews Community Advocate Recognition Award Ceremony was held at the Susan Smith McKinney Nursing and Rehabilitation Center's beautiful gardens.

Thirty-five individuals from our facilities' Community Advisory Boards and Auxiliaries were recognized for their exemplary leadership, community advocacy and the support provided to their respective HHC facility and its patients. In addition, the Jacobi Auxiliary nominated its honorary member, Elvis, a comfort dog, to be recognized for his volunteerism and the joy he brings to many Jacobi and North Central Bronx patients. Despite the record-breaking hot weather, more than two hundred people attended the awards ceremony and barbecue -- including honorees' family members and friends, HHC facility leadership and Central Office staff and Brooklyn City Council Member Matthieu Eugene.

HHC STRATEGIC GOALS ARE SET FOR FISCAL YEAR 2014

As you know, we engage in an approach for setting, cascading and managing HHC's multi-year strategic goals called *hoshin kanri* -- a strategic planning process which is linked to our Breakthrough work. By focusing each year on a few very high priority initiatives that are key building blocks toward our longer-term vision, we better align resources throughout the organization to ensure achievement of related targets.

Our goals for Fiscal Year 2014 have been set and we will measure progress against a balanced scorecard that includes the dimensions of Quality and Safety, Human Development, Finance, Throughput, and Capacity. We will continue to improve the quality of our care and the safety of our patients by continuing to reduce the incidence of targeted hospital-acquired infections and by continuing to improve the health status of our patients with hypertension. We have ambitious goals around the further reduction of costs and the enhancement of revenue to address our projected budget gaps. Our operational improvement work on increasing access, especially to primary care services, and on care coordination also constitute critical strategic goals for this fiscal year. We also will carry

forward from last year our continued investment in the development of current and future leaders as well as the further engagement and training of our workforce in Breakthrough process improvement activities.

FEDERAL UPDATE

On May 13th, the Centers for Medicare and Medicaid Services (CMS) released a proposed rule to implement the Medicaid Disproportionate Share (DSH) cuts mandated by the Accountable Care Act (ACA). The formula in the proposed rule is designed to incentivize states to target DSH payments to those hospitals serving the most low-income patients. This proposed rule would be effective for the first two years of Medicaid DSH reductions, for federal fiscal year 2014 ($500 million nationwide) and for federal fiscal year 2015 ($600 million nationwide). A new rule will be issued after two years of ACA implementation data becomes available. It should be noted that CMS has not yet determined how to factor in states' decisions not to expand their Medicaid programs to include individuals and families with incomes up to 133% of the federal poverty level. In our July 12th comment letter to CMS, we advocated that states that do not expand their Medicaid programs should not be rewarded with a lesser reduction to their Medicaid DSH allocations. HHC's Financial Plan projects a $56 million reduction in DSH funding in our fiscal year 2014.

On June 27th, the Senate passed an immigration reform bill, The Border Security, Economic Opportunity and Immigration Modernization Act. This legislation would allow undocumented immigrants who are currently in the United States to enter a path to citizenship. On this path, however, immigrants would be required to wait a total of 15 years for public benefit eligibility including Medicaid and Medicare. Notably, the bill does not change the current eligibility criteria for Emergency Medicaid.

The bill also raises the cap on temporary H1B visas from 65,000 to 110,000, which can increase to 180,000 under certain conditions. HHC, like many large healthcare systems, has employees who are in the country on H1 visas, many of whom are doctors. The Senate's immigration bill would also create a merit-based program to award visas for legal permanent resident status based on a point system.

No comprehensive immigration bill has been passed by the House and it is unclear how passage will be attained. Speaker Boehner so far has taken the position that he will only allow floor consideration of immigration legislation if it is supported by the majority of the Republican members. The House Judiciary Committee has reported several immigration bills on various topics; none include a path to citizenship. One of them provides for a visa system similar to the H1 visa provisions contained in the Senate-passed bill.

LEADERSHIP TRANSITIONS AT BELLEVUE AND GOUVERNEUR

As we prepare our system for the fast-changing healthcare reform environment, one of our most experienced and accomplished network senior vice presidents, Lynda Curtis, will be allocating more of her time to leading some of our corporate-wide operational restructuring.

Ms. Curtis will be retaining her role as the Senior Vice President of our vast South Manhattan Healthcare Network (SMHN), but will step out of her role as Executive Director of Bellevue to enable her to take on her new responsibilities.

As many of you know, Lynda is a veteran leader with the skills and insight that come from nearly four decades of service to HHC. She has led the SMHN, which includes Bellevue, Metropolitan, Coler-Goldwater and Gouverneur, since 2005, and has excelled in a variety of leadership positions at several of our facilities over the course of her long HHC career. By devoting more of her time to some of our most important strategic initiatives, Lynda will help ensure that the operational perspective of our network and facility leaders more fully informs our strategic agenda and work.

Lynda will be assuming her expanded duties on September 1st, and I am pleased to announce that the role of Executive Director at Bellevue will be filled by Steven Alexander. Steve, who started at HHC as a Pharmacist, has demonstrated his ability in numerous roles of progressively expanding responsibility in clinical and operational administration at both Elmhurst and Bellevue. Steve has 27 years of proven leadership with HHC, and has served as Bellevue's Deputy Executive Director since 2005. As Deputy Executive Director, he has proven his leadership skill in motivating staff at all levels and in aligning hospital operations with the strategic values and goals that are central to our mission. I am confident that Steve will continue Bellevue's tradition of excellent performance.

Please join me in wishing Lynda and Steve our best wishes and support as they assume their new responsibilities.

At Gouverneur Health, Executive Director Mendel Hagler has resigned, effective September 15th. We will begin actively recruiting to fill his position and will shortly convene a search committee to assist us in this process, including participation by the Gouverneur Community Advisory Board. Mr. Hagler has been a member of the HHC staff since 1983. Please join me in thanking him for his many years of service and in wishing him well in his future endeavors.

DR. ANN SULLIVAN APPOINTED ACTING COMMISSIONER OF STATE OFFICE OF MENTAL HEALTH

Last week Governor Cuomo appointed Dr. Ann Sullivan as Acting Commissioner of the state Office of Mental Health, effective November. Governor Cuomo intends to nominate her to serve as Commissioner of OMH during the next legislative session, when her nomination will be subject to Senate confirmation.

Dr. Sullivan has been an outstanding Senior Vice President of the Queens Health Network, the home of Elmhurst and Queens Hospital Centers, two public hospitals which serve a community of over 2 million New York City residents. In addition, Dr. Sullivan is a Clinical Professor of Psychiatry at the Icahn School of Medicine at Mt. Sinai.

Dr. Sullivan has been an appointee in several important public health advisory positions, including the New York State Public Health and Health Planning Council and its Mental Health Services Committee, the New York State Medicaid Redesign Team and the National Quality Forum Hospital Measures Group. She is also on the Board of Directors of the New York City Mental Health Association.

Dr. Sullivan has been an active advocate for her patients and her profession and will be sorely missed. I know the board joins me in wishing her the very best as she assumes a new and critical public sector role.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

Disaster Planning: Preparing for the Unexpected, President Alan Aviles, HHC, Hospitals & Health Networks, 07/19/13

New Hospital Program "Prescribes" Fresh Produce For Bronx Families, Dr. Ross Wilson, HHC, Dr. Katherine Szema, Lincoln Medical Center, Lincoln Medical Center and Harlem Hospital Center, NY1, 07/23/13 (Covered in numerous other media outlets)

From Britain to the Bronx: Labor pains at Lincoln Hospital, Dr. Khaldun Ferreira, Chief Resident of Obstetrics and Gynecology, Lincoln, WPIX 11, 07/22/13

Effects of a Summer Heat Wave on Your Health, Dr. Fernando Jara, Lincoln, Dr. Susi Vassallo, Bellevue, WPIX, 07/19/13

US News & World Report List of Best Hospitals, Jacobi Hospital, News 12 Bronx, 07/17/13

Grow NYC farmers market on East 149th St. offers fresh local produce outside Lincoln Hospital, Lincoln Hospital, News 12 Bronx, 07/05/13

Hospital Food Begins To Resemble What The Doctor Ordered, Queens Hospital, NY1, 07/16/13

Disaster Preparedness Exercise, Dr. Bonnie Arquilla, SUNY Downstate/Kings County, News 12 Brooklyn, 07/10/13

National HIV Testing Day, NYC public hospitals, News 12 Bronx, 06/27/13

Missing Man Reunion, Coney Island Hospital, News 12 Brooklyn/YouTube, 06/22/13

Print

'Prescription' for fruits, vegetables city's next remedy in battle against obesity, Dr. Ross Wilson, HHC, Dr. Katherine Szema, Lincoln Medical Center, Lincoln Medical Center and Harlem Hospital Center New York Daily News, 07/23/13

'SHARE' brings breast cancer support groups to Jacobi Medical Center, Jacobi Hospital, New York Daily News, 07/17/13

Staten Island's Sea View Hospital receives highest state ranking, Sea View Hospital, HHC, Staten Island Advance, 07/01/13

MLB, Mets donate mobile fun system to hospital, Coney Island Hospital, MLB.com, 07/11/13 (Also covered in Sheepsheadbites.com)

Elmhurst Hospital Center Hosts First Annual Pediatric Health And Safety Fair, Queens Gazette, 07/10/13

Nelson Allocates Nearly $2 Million To Coney Island Hospital, Sheepsheadbites.com, 07/01/13

Homicide 'directly affecting' racial gap in U.S. life expectancy, study shows, Dr. Robert Gore, Kings County Hospital, NBCNews.com, 07/18/13

Cuomo shuffles top staff for health issues, Dr. Ann Sullivan, HHC, The Wall Street Journal, 07/22/13 (Also covered in Crain's Health Pulse and Albany Times Union)

Nearly Killed at 15 by a Bullet That Tore Through Her Brain, Lincoln Hospital, Vada Turns Experience Into Art, CUNY Newswire, July 2013

Fear of humiliation leads to mistakes, doctor says, Dr. Danielle Ofri, Bellevue Hospital, MPRnews, 07/09/13 (Also covered in UPI.com)

Best Hospitals 2013-14: Overview and Honor Roll, Jacobi, Harlem, U.S News & World Report, 07/16/13
(Also covered in NY Daily News)

Your local health agenda, Tu agenda local de salud, HHC Farmers Markets, El Diario, 07/15/13

Cancer patients tell their stories in theater play, Pacientes de cáncer retratan historia en teatro, Lincoln Hospital, AP, 07/09/13

HHC Contracts, Crain's Health Pulse, 07/17/13

Fitch affirms New York City's AA-minus appropriation debt, HHC, Reuters, 07/09/13

APPROVED: July 25, 2013

RESOLUTION

Ratifying the engagement by the President of the New York City Health and Hospitals Corporation (the "Corporation") of Parsons Brinkerhoff and ARCADIS (the "A&E Firms") to each provide specialized engineering services to assess storm damage, estimate replacement costs, assess hazard mitigation opportunities , propose and design such work, develop cost benefit analysis' for the projects and to advise the Corporation in its applications for reimbursement by the Federal Emergency Management ("FEMA") , The State of New York and from Community Development Block Grants ("CDBG") for Hurricane Sandy related repairs at a cost of not more than $5 Million and authorizing the President to increase the funding for such engagements by an additional $6 Million to make the total funding for the work $11 Million.

WHEREAS, the Corporation has identified a need for specialized architecture and engineering firms to assess the Corporation's need to design and perform work to mitigate long term risks life and property from natural hazards similar to Hurricane Sandy;

WHEREAS, the Corporation issued a Request For Proposal ("RFP") to select a firm or firms with technical expertise to conduct an assessment of the Corporation's hazard exposure and to identify hazard mitigation strategies and projects;

WHEREAS, a selection committee of Corporate employees recommended for approval proposals presented by the A & E Firms based on their technical expertise and extensive New York experience;

WHEREAS, in March 2013 the President authorized a deviation from the Corporation's Operating Procedure 100-5 to engage without Board approval the A & E Firms at a cost of not more than $5 Million to each provide specialized architecture and engineering services to assess the need for hazard mitigation construction and to design such work and to advise the Corporation in its applications for reimbursement by the FEMA and from CBGF for Hurricane Sandy the cost of related repairs; and

WHEREAS, such deviation was reported to the Corporation's Board of Directors at its March 2013 meeting; and

WHEREAS, the A & E Firms have provided valuable assistance to the Corporation in its FEMA and CBGF applications and have completed designs for important mitigation projects now being bid out;

WHEREAS, as a result of the A & E Firms' work, it became apparent that further work is required by the A & E Firms to fully assess the Corporation's need for hazard mitigation measures and to complete the design for the indicated projects; and

NOW THEREFORE, be it

RESOLVED, that the Board of Directors hereby ratifies and confirms the engagement of Parsons Brinkerhoff and ARCADIS to each provide specialized engineering services to assess the need for hazard

mitigation construction and to propose and design such work and to advise the Corporation in its applications for reimbursement by the Federal Emergency Management ("FEMA") and from Community Development Block Grants for Hurricane Sandy related repairs at a cost of not more than $5 Million; and it is further;

. **RESOLVED,** that the Board of Directors hereby authorized the President of the Corporation to negotiate and execute an amendment to the contracts with Parsons Brinkerhoff and ARCADIS by an additional $6 Million to bring the total funding for the work of such firms to $11 Million.

A RESOLUTION AUTHORIZING ONE OR MORE BORROWINGS IN AN AGGREGATE AMOUNT NOT TO EXCEED $40,000,000

WHEREAS, the President of New York City Health and Hospitals Corporation (the "Corporation") has issued certain Operating Procedures (40-58 Debt Finance and Treasury) (the "Operating Procedures") relating to the delegation of certain powers for the incurrence of debt for equipment financing to the Corporation's Chief Financial Officer by resolution to be adopted by the Board of Directors of the Corporation; and

WHEREAS, the Board of Directors of the Corporation, and the Finance Committee of such Board, pursuant to Section 4(f)(i) of such Operating Procedures, have determined that it is necessary and desirable to authorize the incurrence of debt for equipment financing, in an aggregate amount from time to time not exceeding $40,000,000, in the form of tax-exempt or taxable loans borrowed by the Corporation from time to time from one or more lenders (the "Lenders"), to provide funds to finance, refinance and reimburse the Corporation for the costs of equipment and various related capital projects and expenditures at the Corporation's facilities, and to carry out the purposes permitted by law and set forth herein and consistent with the Operating Procedures; now, therefore,

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 101. Authority. This Resolution is adopted pursuant to the authority contained in the New York City Health and Hospitals Corporation Act and in the Operating Procedures.

Section 102. Principal Amount. The incurrence of debt is hereby authorized in the aggregate principal amount of not exceeding $40,000,000, from time to time, for the purpose of financing equipment and various related capital projects and expenditures at the Corporation's facilities. Such debt may take the form of borrowings, loan agreements, installment purchase agreements or lease agreements, all as contemplated by the Operating Procedures.

Section 103. Interest. Such debt shall bear interest as determined by the Chief Financial Officer of the Corporation as authorized in the Operating Procedures.

Section 104. Authorization of Related Documents. The Corporation is authorized to enter into one or more debt contracts, such as loan agreements, notes, bonds, installment purchase agreements, rental arrangements or lease agreements. The form, terms and provisions of the debt contracts, between the Corporation and a Lender, providing for the incurrence of such debt, shall be approved by an Authorized Officer (defined below) of the Corporation, as evidenced by his or her signature thereon. The Chairman, Vice Chairman, President, Senior Vice President, Finance and Chief Financial Officer, or any other authorized officer of the Corporation (each an "Authorized Officer") is authorized and empowered for and on behalf of the Corporation to execute, acknowledge and deliver the debt contracts, and the

Secretary or any other Authorized Officer of the Corporation is hereby authorized and empowered to affix the seal of the Corporation and to attest to the same for and on behalf of the Corporation.

The Chairman, Vice Chairman, President, Senior Vice President, Finance and Chief Financial Officer, or any other Authorized Officer of the Corporation are each hereby authorized to take any action, execute any document, or give any consent which may from time to time be required by the Corporation under this Resolution or any such debt contracts. Any such action taken or document executed or consent given by such officer in his or her capacity of an officer of the Corporation shall be deemed to be an act by the Corporation.

Section 105. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board of Directors of the Corporation, subsequent to its adoption by the Finance Committee of such Board.

Adopted: July 25, 2013 Board of Directors of the Corporation

July 9, 2013 Finance Committee of the Board of Directors

Approved as Amended: July 25, 2013

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Surgical Solutions, LLC (the "Vendor") to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative, postoperative support services to Bellevue Hospital Center, Elmhurst Hospital Center and Kings County Hospital Center for a term of two (2) years with two additional 2-year options solely exercisable by the Corporation in an amount not to exceed $31,484,013 including an 8% contingency of $2,332,149 and directing the management of the Corporation to document the volume of the procedures with which the Vendor is to assist at Elmhurst and Kings County prior to the commencement of the authorized contract and thereafter to report to the Board the volume of such procedures on an annual basis with any change over the pre-contract baseline highlighted.

WHEREAS, Operating Procedure 100-5 authorizes the Supply Chain Council to standardize products, services and methods of providing products and services that will produce savings for the Corporation without sacrificing quality or safety; and

WHEREAS, the Supply Chain Council identified laparoscopic and endoscopic instruments, and the management of the preoperative and postoperative scope procedures as a source of potential savings if the methodology of delivering the products and services was standardized; and

WHEREAS, the Vendor has the proven clinical and technical resources to furnish the Corporation's physicians their preferred scope manufacturer and to provide expertise and technical support in pre-operative set-up, inter-operative equipment troubleshooting, post-procedure room turnover, equipment maintenance and repair, decontamination and disinfection of equipment; and

WHEREAS, the Corporation's Supply Chain Council has reviewed Surgical Solutions and concluded that the Vendor's scope management model will improve patient care and patient safety and provide a projected savings for the three hospitals of $6,979,253 to the Corporation; and

WHEREAS, a Request for Expression of Interest was issued on April 1, 2013 seeking vendors that would have an interest in managing the Corporation's instrument and scope operations, and Surgical Solutions was the only vendor that responded; and

WHEREAS, the Executive Vice President/COO shall be responsible for the management and enforcement of the proposed contract.

NOW, THEREFORE, BE IT RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") negotiate and execute a contract with Surgical Solutions, LLC to provide laparoscopic/endoscopic video equipment and other instruments, repair services, disposable supplies and preoperative, postoperative support services to Bellevue, Elmhurst and Kings County hospital for a term of two (2) years with two additional 2-year options solely exercisable by the Corporation in an amount not to exceed $31,484,013 including an 8% contingency of $2,332,149 and the Executive Vice President/COO shall be directed to document the volume of the procedures with which the Vendor is to assist at Elmhurst and Kings County prior to the commencement of the authorized contract and thereafter to report to the Board the volume of such procedures on an annual basis with any change over the pre-contract baseline highlighted.

Approved as Amended: July 25, 2013

RESOLUTION

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

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

WHEREAS, in June 2012 the Board of Directors authorized the President to enter into a six (6) month license agreement with the Licensee, which was extended for an additional six (6) months by the Board of Directors in January 2013, and the Corporation now desires to execute a new six (6) month agreement for its services at the Facility; and

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

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

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

NOW, THEREFORE, be it

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

The Licensee shall be granted the continued part-time use of approximately 150 square feet of office space on the Facility's Goldwater and Coler campuses (the "Licensed Space"). The Licensed Space shall be used by one of the Licensee's attorneys to train Facility staff and provide legal services to Facility residents and patients. The Facility shall provide utilities, housekeeping, maintenance, and reasonable security to the Licensed Space. The Corporation shall pay the Licensee the sum of $37,186 for services provided over a six (6) month period. As the Goldwater campus is closed at the end of the year and its operations shift to the new Henry J. Carter Specialty Hospital and Nursing Facility, the Licensee may also shift its services to such new location as the need arises.

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

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

APPROVED: July 25, 2013

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York ("the Facility").

WHEREAS, the subject parcel and improvements are currently under the jurisdiction of the Corporation, and are deemed surplus by the Corporation for its corporate purposes; and

WHEREAS, the Facility shall be decommissioned and the land and buildings surrendered to the City of New York for disposition to Cornell University and Technion – Israel Institute of Technology to develop the Applied Sciences NYC project;

WHEREAS, Section 7385.6 and Section 7387.4 of the Corporation's enabling act authorize the surrender of property to the City of New York, which is fee owner of the Facility, after a public hearing, which was held July 11, 2013.

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 surrender to the City of New York a parcel of land and buildings, Block 1373, Lot 20, located on the campus of Goldwater Specialty Hospital and Nursing Facility, One Main Street, Roosevelt Island, New York (the "Facility")

APPROVED: July 25, 2013

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated structure under which the Corporation will not have to make any payments to HPD.

WHEREAS, Coney Island Hospital ("CIH") had operated the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the "Center") until such clinic was destroyed by Hurricane Sandy; and

WHEREAS, the Coney Island neighborhood's need for primary health services is not being adequately met without the Center; and

WHEREAS, CIH will require more than a year to complete the selection of a new site for the Center and to complete the necessary alterations and construction once a site is selected; and

WHEREAS, HPD controls a number of vacant lots in the area and is willing to license them to the Corporation at no charge for the Corporation's use to site a pre-fabricated modular structure from which to operate a temporary version of the Center; and

WHEREAS, the Corporation is able to quickly erect a pre-fabricated modular structure from which to operate a temporary version of the Center.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be, and he hereby is, authorized to execute a license agreement with New York City Department of Housing Preservation and Development ("HPD") for the Corporation's use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the Corporation's operation of a temporary primary medical clinic in a pre-fabricated, modular structure under which the Corporation will not have to make any payments to HPD.

RESOLUTION

Ratifying the contract amendment executed by the President of the New York City Health and Hospitals Corporation (the "Corporation") with Crothall Healthcare, Inc. ("Crothall") for an amount not to exceed $129,795,066 in connection with a Declaration of Emergency to restore the Corporation's facilities that sustained damage due to Hurricane Sandy.

WHEREAS, the President of the Corporation issued a Declaration of Emergency on November 21, 2012 due to damage caused by Hurricane Sandy (DR-4085-NY) (the "Storm") to certain facilities of the Corporation and reported the issuance of the Declaration of Emergency to the Corporation's Board of Directors on November 29, 2012;

WHEREAS, as a result of the Storm, the Corporation's facilities were damaged and substantial and extraordinary work was undertaken to stabilize, secure, and reopen the facilities as quickly as possible to assure patient care to the communities served by the Corporation's facilities; and

WHEREAS, the Corporation entered into a contract amendment with Crothall to do emergency construction and restoration work at Bellevue Hospital Center, Coney Island Hospital, Metropolitan Hospital Center and Coler-Goldwater Specialty Hospitals and Nursing Facility and several other HHC facilities which work was beyond the scope of the original contract awarded to Crothall; and

WHEREAS, the Corporation has paid or is in the process of paying Crothall for work satisfactorily completed; and

WHEREAS, the Corporation has filed or is in the process of filing claims with FEMA in connection with the damage caused by the Storm for work performed, that is eligible for FEMA reimbursement for which the Corporation to date has received $83,000,000 in reimbursements from FEMA.

NOW THEREFORE, be it

RESOLVED, that the action taken by the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a contract amendment executed by the President of the New York City Health and Hospitals Corporation with Crothall Healthcare, Inc. for an amount not to exceed $129,795,066 in connection with a Declaration of Emergency to restore the Corporation's facilities that sustained damage due to Hurricane Sandy be, and the same hereby is, ratified.

RESOLUTION

Ratifying the contract amendment executed by the President of the New York City Health and Hospitals Corporation (the "Corporation") with Johnson Controls, Inc. ("JCI") for an amount not to exceed $102,190,077 in connection with a Declaration of Emergency to restore the Corporation's facilities that sustained damage due to Hurricane Sandy.

WHEREAS, the President of the Corporation issued a Declaration of Emergency on November 21, 2012 due to damage caused by Hurricane Sandy (DR-4085-NY) (the "Storm") to certain facilities of the Corporation and reported the issuance of the Declaration of Emergency to the Corporation's Board of Directors on November 29, 2012;

WHEREAS, as a result of the Storm, the Corporation's facilities were damaged and substantial and extraordinary work was undertaken to stabilize, secure, and reopen the facilities as quickly as possible to assure patient care to the communities served by the Corporation's facilities; and

WHEREAS, the Corporation entered into a contract amendment with JCI to do emergency construction and restoration work at Bellevue Hospital Center, Coney Island Hospital, Metropolitan Hospital Center and Coler-Goldwater Specialty Hospitals and Nursing Facility and several other HHC facilities which was beyond the scope of the original contracts awarded to JCI; and

WHEREAS, the Corporation has paid or is in the process of paying contractors for work satisfactorily completed; and

WHEREAS, the Corporation has filed or is in the process of filing claims with FEMA in connection with the damage caused by the Storm for work performed, that is eligible for FEMA reimbursement of which the Corporation to date has received $83,000,000 in reimbursements from FEMA.

NOW THEREFORE, be it

RESOLVED, that the action taken by the President of the New York City Health and Hospitals Corporation to execute a contract amendment to Johnson Controls, Inc. for an amount not to exceed $102,190,077 in connection with a Declaration of Emergency to restore the Corporation's facilities that sustained damage due to Hurricane Sandy, awarded be, and the same hereby, is ratified.


The New York City
Health and Hospitals Corporation
HHC
NEW YORK CITY
HEALTH AND
HOSPITALS
CORPORATION
nyc.gov/hhc
Emergency Restoration and
Construction Services
Post Hurricane Sandy
September 2013

Emergency

- Hurricane Sandy caused:
  - Substantial physical damage;
  - Serious interruption of healthcare delivery;
  - Evacuation of several critical HHC hospitals/facilities.
- An immediate need existed to:
  - **Stabilize, secure, and reopen our facilities**
- HHC identified two contractors to complete the tasks.

Remediation & Stabilization

Bellevue: Fully opens in 95 days…..

Coler: Temporary steam & electricity in 7 days……

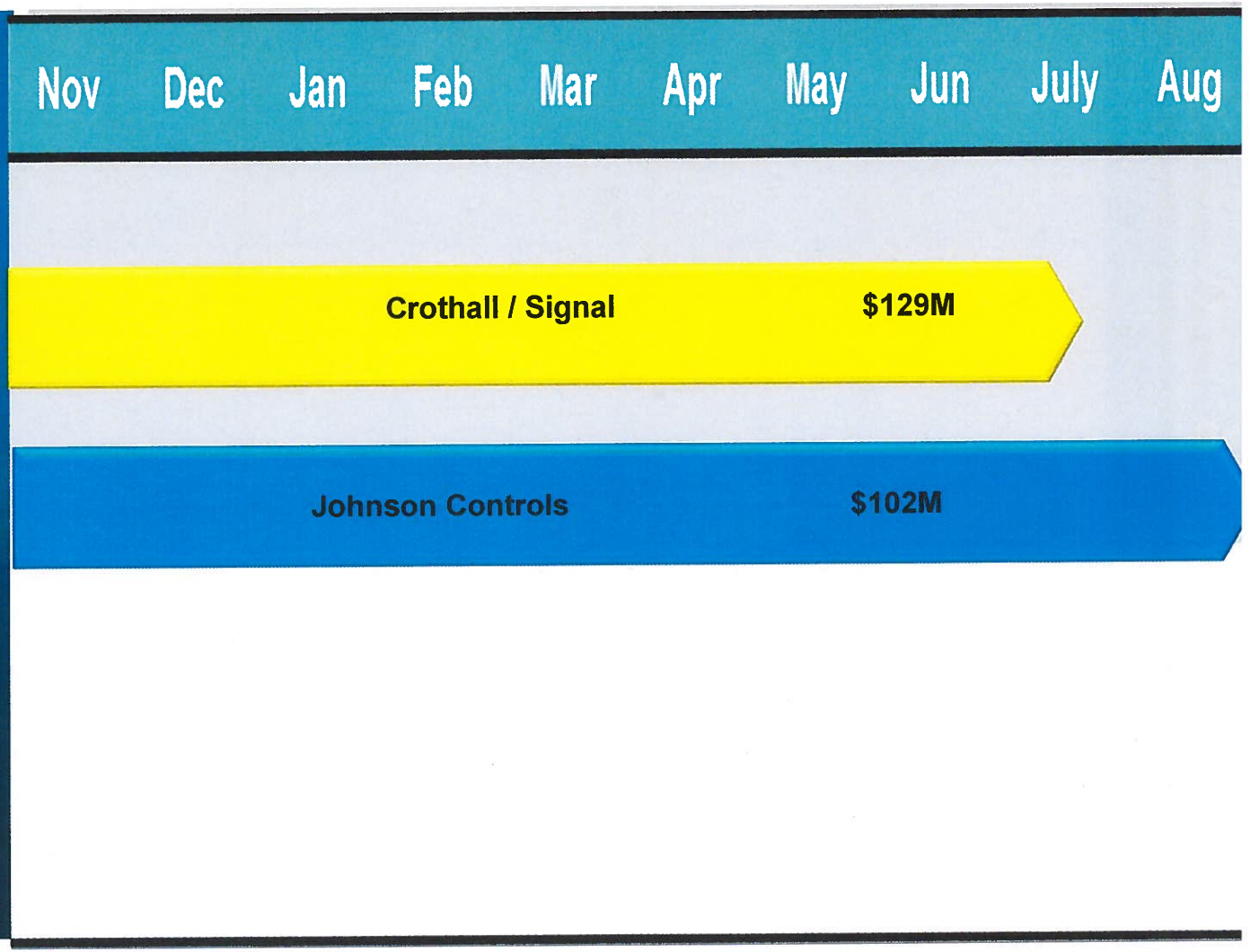
Coney Island: Opens in stages over 2 months……

Helping to mitigate a revenue loss of $15M week

- Building assessments and emergency cleaning services: **(Crothall Healthcare)**
  - De-watering
  - Muck out
  - Sanitization
- Temporary Services: **(Johnson Controls)**
  - Electrical hook-ups, generators, fuel
  - Steam boilers, connections
  - Water pumps
  - Air makeup systems
  - Temporary repairs to elevators

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc

Timeline for Emergency Response



Reconstruction & Repair

- Once hospitals were again operational, more temporary and permanent work was executed.
  - Permanent electrical systems
  - Permanent air handlers
  - Temp repairs to elevators
  - Temp medical gas systems
  - Permanent construction to Bellevue's basement
  - Permanent construction to Coney Island's first floor

FEMA Funding for Emergency Services

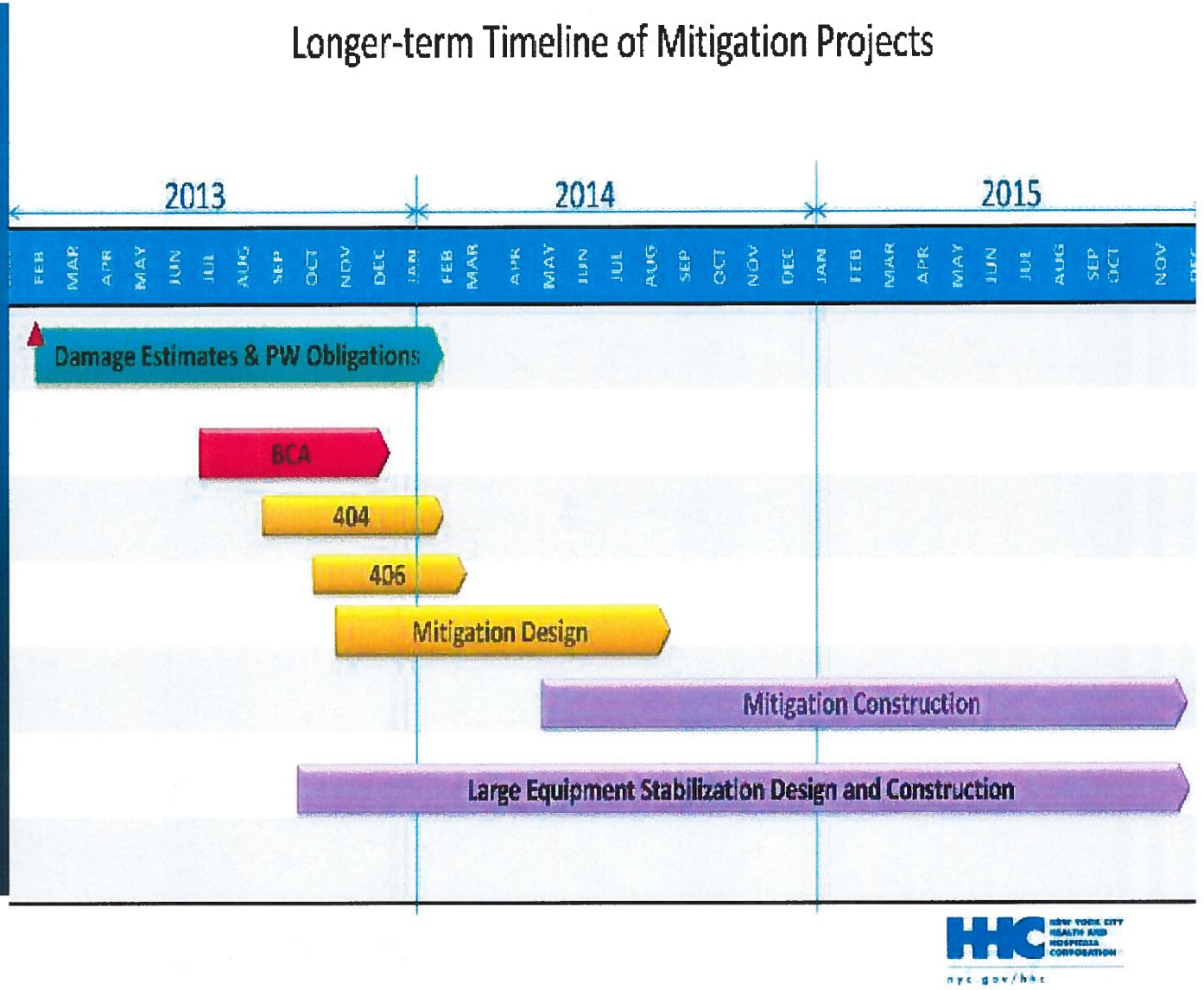
- **FEMA has obligated $137,000,000**
- **$83,000,000 has been paid**
- **Contractors invoices:**
  - **Substantial documentation required**
  - **Certified payrolls difficult for a number of sub-contractors**
- **Weekly invoices are submitted to FEMA after HHC Finance has reviewed**
- **Pay packages will be submitted to FEMA & NYS for draw down of additional funds**

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc

What's the future hold?

Timeline

2013 – 2015




The New York City
Health and Hospitals Corporation
HHC
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CORPORATION
nyc.gov/hhc
Emergency Restoration and
Construction Services Post
Hurricane Sandy
September 2013

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with The Nash Group ("Nash") for enterprise–wide nursing optimization. The contract shall be for a period of three years with one, three-year option to renew exercisable solely by the Corporation, in an amount not to exceed $7 million for the entire term of the contract, including the initial and optional renewal terms.

WHEREAS, the Corporation desires to deploy staff more efficiently and reduce annual staffing costs; and

WHEREAS, the Corporation will enhance continuity of care, diminish incidental shifts, vacancies and lessen recruitment needs, improve patient flow and close admission and discharges gap, and meet financial expectations without laying off staff or changing skill mix; and

WHEREAS, a Negotiated Acquisition ("NA") was issued on May 24, 2013 in accordance with the Corporation's operating procedures; and

WHEREAS, the selection committee evaluated the proposals using criteria specified in the NA, and the committee recommended that The Nash Group be awarded the contract; and

WHEREAS, facilities will monitor utilization, deployment and progress toward agreed upon staffing and financial targets; and

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

Now, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to negotiate and execute a contract with The Nash Group ("Nash") for enterprise–wide nursing optimization. The contract shall be for a period of three years with one, three-year option to renew exercisable solely by the Corporation, in an amount not to exceed $7 million for the entire term of the contract, including the initial and optional renewal terms.

Executive Summary
Proposed Contract with The Nash Group for Nursing/Staffing Optimization

The accompanying resolution requests approval to negotiate and enter into a contract with The Nash Group (Nash) to deploy nursing staff more efficiently and reduce annual supplemental staffing costs which was $118.8 million in FY2012.

HHC spent $118.8 million for supplementary staffing in FY2012, this is in addition to the more than 8,000 salaried employees who provide direct patient care. These expenses are ongoing and contribute to the financial threats HHC is facing. Currently there is a variety of practices with regard to staff deployment, including surveillance staffing, leave coverage, replacement factors and targets. As a result, it is difficult to generate accurate staffing reports within the corporation. Therefore, contracting with a vendor who has this expertise and proven track record is a logical next step in enhancing and improving the process.

The vendor will provide analysis, technology, and support to implement effective strategies in HHC facilities that will improve operations for the nursing units. This project will enhance continuity of care, diminish incidental shifts, vacancies and lessen recruitment needs, improve patient flow and close admission and discharges gap, meet financial expectations without laying off staff or changing skill mix, and allow more staff to be brought to the bedside at no additional cost.

A Negotiated Acquisition ("NA") was issued on May 24, 2013, in accordance with the Corporation's operating procedure. Four (4) vendors were invited to respond to the Negotiated Acquisition, three (3) vendors responded by submitting proposals. All three (3) vendors were invited to present to the committee, evaluations were completed by the selection committee and rated using criteria specified in the NA. The selection committee recommended that The Nash Group be awarded the contract. The Nash Group is offering professional services via its GNYHA GPO contract.

The Nash Group has assisted healthcare organizations since 1992. Their proven methods foster best practices in nurse staffing, conform with financial imperatives, improve staff retention and satisfaction, and deliver measurable cost savings and ROI. They have clients throughout the country, including Maimonides, NYU Medical Center and Continuum.

The contract shall be for a period of three (3) years with one (1), additional three (3) year option to renew exercisable solely by the Corporation, in an amount not to exceed $7 million for the entire term of 6 years.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title:	Nursing/Staffing Optimization
Project Title & Number:	Nursing/Staffing Optimization DCN#:2099
Project Location:	346 Broadway, Room 1136, New York, NY 10003
Requesting Dept:	Division of Medical and Professional Affairs, Office of Patient Centered Care
Successful Respondent:	The Nash Group
Contract Amount:	not to exceed $7 million
Contract Term:	Three years with one (1) renewal three year option, exercisable solely by the Corporation
Number of Respondents: (If sole source, explain in Background section)	**Three**
Range of Proposals:	$7 million to $11 million
Minority Business Enterprise Invited:	X Yes _ No If no, please explain: _____
Funding Source:	_ General Care _ Capital _ Grant: Explain _____ X Other: Explain Central Office Budget
Method of Payment:	_ Lump Sum _ Per Diem X Time and Rate _ Other: explain _____
EEO Analysis:	Approved
Compliance with HHC's McBride Principles?	X Yes _ No
Vendex Clearance	_Yes _ No X N/A __Pending (Vendor is part of GPO)

(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.)

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

HHC would like to negotiate a contract with The Nash Group, who will provide consulting and technical support required to reduce staffing costs, streamline deployment functions, and develop real-time strategies to adjust to fluctuations in patient census and acuity. This project will focus on nursing workforce optimization as well as the analysis of the departmental deployment functions.

HHC spent $118.8 million for supplementary staffing in FY2012, this is in addition to the cost of more than 8,000 salaried employees who provide direct patient care. These expenses are ongoing and contribute to the financial threats HHC is facing. Currently there is a variety of practices with regard to staff deployment, including surveillance staffing, leave coverage, replacement factors and targets. As a result, it is difficult to generate accurate, timely staffing reports within the corporation. Therefore, contracting with a vendor who has this expertise and proven track record is a logical next step in enhancing and improving the process.

The vendor will provide consulting services, technology and on-going support. They will perform an analysis of the current and proposed future state of HHC staffing. During the vendor's engagement they will apply a standardized evidence-based approach to the most efficient deployment of staff based on patients' needs. HHC will also be able to produce facility and corporate level reporting on demand.

Contract Review Committee

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

Yes, May 22 and July 12, 2013, approved September 4, 2013

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:

The original projected budget was based on acute care hospitals only, the new projected budget is inclusive of all HHC acute care hospitals, diagnostic and treatment centers and long term care/nursing facilities. The budget will be controlled and monitored centrally.

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):*

Committee Members:

Chairperson	
Lauren Johnston	*SAVP Office of Patient Centered Care*
Members	
Miriam Carasa	*Chief Nurse, WMMHC*
Joann Gull	*Chief Nurse, EHC*
Moftia Aujero	*Chief Nurse, BHC*
Lillian Diaz	*Chief Nurse, MHC*
Frederick Covino	*AVP, Corp Budget*
Paul Contino	*Chief Technology Officer, IT*
Mirasol Vasquez	*Associate Director, Nursing - Staffing, BHC*
Nancy Doyle	*SAVP, Human Resources*
Yvette Villanueva	*HR – Generations Plus*
Julius Wool	*Executive Director, QHC*
Janet Karageozian	*Senior Director, IT Business Applications*
Mary Carty	*Associate Director Nursing, MHC*

List of Firms Responding:

Assay
MedAssets
The Nash Group

List of Firms Evaluated:

Assay
MedAssets
The Nash Group

Firm Selected:

The Nash Group

Describe the process used to select the proposed contractor, the selection criteria, and the justification for the selection:

In order to solicit the appropriate vendors the Negotiated Acquisition (NA) process was utilized. Four vendors were contacted and asked to submit proposals. Three of these vendors responded and participated in the process and submitted full proposals. Each vendor was invited to present their proposal to the Committee, and did such. After this meeting, the committee requested additional information from each vendor and invited them back to present again. Upon conclusion of the second presentation meetings, but before the evaluation, any questions the Committee had were brought to the vendors for clarification. Once the Committee was satisfied that each of their questions were answered, the evaluations were completed and returned to Committee Chairpersons office. All the evaluations were reviewed and tabulated and the results revealed The Nash Group as the vendor of choice. The Nash Group is offering professional services via its GNYHA GPO contract.

CONTRACT FACT SHEET (continued)

Costs/Benefits:

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

The level of complexity of the calculations completed by the vendor is proprietary and beyond the ability of current corporation resources. As an objective third party the vendor brings needed resources to collect and analyze data as well as implement agreed to changes in a standardized, evidence-based manner.

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?

N/A

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

Ross Wilson, MD - Senior Vice President/Corporate Chief Medical Officer, Division of Medical and Professional Affairs

Lauren Johnston, FACHE – Senior Assistant Vice President, Office of Patient Centered Care

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. 7/8/2013
Date

Analysis Completed By E.E.O 7/9/13 Manasses C. Williams
Date *Name*

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
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Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO
manasses.williams@nychhc.org

TO: Beth Brooks
Assistant Director
Central Office – Patient Centered Care

FROM: Manasses C. Williams

DATE: July 9, 2013

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, The Nash Group, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.
This company is a:
[ ] Minority Business Enterprise [ ] Woman Business Enterprise [X] Non-M/WBE

Project Location(s): HHC – Corporate Wide

Contract Number: _____ Project Number: _____

Submitted by: Central Office – Patient Centered Care

EEO STATUS:

1. [x] Approved

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

3. [ ] Not approved

4. [ ] Conditionally approved subject to EEO Committee Review

COMMENTS:

c:

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

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Nursing Staffing Optimization Services

Medical & Professional Affairs/IT Committee

September 12, 2013

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
nyc.gov/hhc

The Context

- Ongoing financial pressure on HHC
- The majority of personnel costs are nursing related, and nursing is the cornerstone for patient care
- Within the total "nursing" expenditure of $818m in FY 2012, we spent $119 million for "nursing" overtime and agency staffing
- The science of logistics is used extensively in complex delivery systems in planning the deployment of staff.
- Preliminary studies at two HHC sites projected that using optimization would yield significant savings, while enhancing patient care in the most efficient manner at the lowest cost.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

nyc.gov/hhc

Nursing Staffing Optimization Services

Medical & Professional Affairs/IT Committee

September 12, 2013

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
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- The science of logistics is used extensively in complex delivery systems in planning the deployment of staff.
- Preliminary studies at two HHC sites projected that using optimization would yield significant savings, while enhancing patient care in the most efficient manner at the lowest cost.

What is "Optimization"?

- A standardized, evidenced-based approach using real time data for the most efficient deployment of staff based on patients needs
  - Reduces the incidence when units are short staffed, and decreasing the use of premium pay used to cover last minute absences.
- 24/7/365 review of planning and monitoring of staff deployment in all levels of acuity – acute, ambulatory and long term care

What is "Optimization"?

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  - Reduces the incidence when units are short staffed, and decreasing the use of premium pay used to cover last minute absences.
- 24/7/365 review of planning and monitoring of staff deployment in all levels of acuity – acute, ambulatory and long term care

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How will HHC Nursing Optimize?

- Use consulting services, technology and on-going support with the goal of reducing cost while maintaining or enhancing service and staff
- Vendor, Corporate and facility leadership and staff to understand the needs and expectations of each
- Patient placement algorithms to match staff competencies and supply
- Facility and corporate level reporting on demand
- Roll out over 18 months, with continued support over life of contract

Procurement Methodology

- Negotiated Acquisition process was utilized
- 4 vendors were invited to submit proposals
- Advertisement posted in the City Record
- 3 major vendors in the field responded with written and verbal presentations
- Evaluation committee included leaders from nursing, facilities, human resources, finance, business intelligence and applications management
- The Nash Group was the unanimous choice

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Contract

- Contract structured as three years with an option for three additional years
- Consulting costs are phased in over the first 3 years, as facilities begin the process
- Licensing fees paid over life of engagement, commencing with on-site consulting
- Payments for each site do not commence until assessment is complete – at least 6 months from each facility kick-off

Cost of the Program

	FY 14*	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20*	6 yr Cost
Consulting	$34,697	$500,747	$916,307	$948,763	$948,763	$948,763	$237,191	$4,535,232
Technology	$16,798	$220,414	$494,451	$532,947	$532,947	$532,947	$133,237	$2,463,740
Total Cost	**$51,496**	**$721,161**	**$1,410,758**	**$1,481,710**	**$1,481,710**	**$1,481,710**	**$370,428**	**$6,998,972**

* Partial years

a reduction of less than 1.5% of our annual supplemental costs more than pays the highest annual fee for the program

Resolution

Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with The Nash Group to provide nursing staffing optimization services to NYCHHC

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to modify the existing contract with The Gordian Group, Inc. (the "Consultant") to broaden its scope to the provision of project management services to the Corporation with respect to projects performed by the Corporation's Indefinite Quantity Construction Contractors ("IQCCs"), to increase its funding from $1.5 Million to not more than $4 Million, and to extend its term to October 30, 2015.

WHEREAS, pursuant to a contract with the Corporation dated November 4, 2011, the Consultant has been helping to manage the work of the IQCCs by providing a set of prices for standard construction activities to be used by IQCCs to bid on work awarded by the Corporation, a set of model contracts and a system for tracking the work of the IQCCs with a not-to-exceed amount of $1.5 Million of which close to $500,000 has been spent; and

WHEREAS, the prior contract will expire, after all options held by the Corporation are exercised, on November 2, 2014; and

WHEREAS, the Corporation has identified a broader role for the Consultant in managing its IQCCs under a full program of project management;

NOW THEREFORE, be it

RESOLVED, the President of the New York City Health and Hospitals Corporation (the "Corporation") be, and he hereby is, authorized to modify the existing contract with The Gordian Group, Inc. (the "Consultant") to broaden its scope to the provision of project management services to the Corporation with respect to projects performed by the Corporation's Indefinite Quantity Construction Contractors ("IQCCs"), to increase its funding from $1.5 Million to not more than $4 Million, and to extend its term to October 30, 2015.

EXECUTIVE SUMMARY

The Corporation hired The Gordian Group, Inc. (the "Consultant") to help manage the work of the Corporation's Indefinite Quantity Construction Contractors ("IQCCs"). The IQCCs are requirements contractors obtained through a Request for Proposals and are available to perform assigned work based on proposals submitted for each project. Under its contract, the Consultant provided a pricing book that the IQCCs are required to use that provides industry accepted pricing for standard construction tasks. The Consultant also made available a proprietary software program for tracking work by the IQCCs and a set of standard contracting documents. During the past two years, the Corporation has spent about $500,000 under this contract.

As part of its efforts to reform the manner in which its construction work is awarded and managed, the Corporation seeks authority to modify the Consultant's existing contract to add an additional $2.5 Million of spending authority to bring the total spending authority to $4 Million, to extend the term of the contract to October 30, 2015 and to expand the scope of the contract to constitute a management program that parallels what a conventional construction management firm would do.

The benefit of the proposed expanded role for the Consultant is that a single professional will take responsibility for small to medium sized construction projects from their initial planning through to the substantial completion of the work. The Consultant will coordinate the development of the scope of the project, the award of the contract to an IQCC, the supervision of the work, the necessary record keeping and the close out of the job. More particularly the Consultant's services will include the following in addition to the Consultant's services offered before the proposed contract amendment:

a. Select the ICQC based on price, the type of work involved, location, availability and qualifications and document the basis.
b. Coordinate the ICQC's inspection of the site and discuss the details of the proposed construction work prior to submission of a price proposal;
c. Develop and prepare a detailed description of the work the ICQC will perform.
d. Supervise the preparation of the drawings for the proposed construction work by architects, engineers or other design professionals to be sure they reflect the scope of work;
e. Obtain from the ICQC a written price proposal, construction schedule, and a list of proposed subcontractors for the proposed work;
f. Coordinate the process with the Corporation's Network Point of Contact;
g. Review the ICQC price proposal to ensure the entire scope is addressed and an appropriate schedule furnished;
h. Coordinate the issuance of a work order from the Corporation to the ICQC and ensure that all documents required by the Corporation, such as insurance certificates and bonds, are in place;
i. Oversee the work of the ICQC awarded the contract for the proposed work;
j. Coordinate the work of such ICQC with the Network Point of Contact;
k. Conduct site visits of the work at appropriate intervals to monitor progress,;
l. Coordinate periodic job meetings to ensure proper coordination of the work;
m. Prepare appropriate logs, minutes and records of all site visits, meetings and developments in the work;
n. Manage any change order requests;
o. Process all requests for payment from the IQCC and confirm to the Corporation that the payment is due in accordance with the contract for the work;
p. Provide weekly reports and or briefings to the Network Point of Contact of the progress of the work including reports of any delays, accidents or other notable developments;

The Consultant will paid a fee of 10% of the cost of all work ordered.

The Consultant has extensive experience performing the role envisioned by the proposed resolution on behalf of governmental organizations in the New York City area. The Consultant has had a requirements contract for the New York City Department of Education since 1996 during which time it has administered approximately $45 Million of work. Since 2011 the Consultant has also performed similar work for the New York City School Construction Authority during which time it has administered about $12 Million in projects.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
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Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

TO: Marsha Powell
Director, Engineering Services
Office of Facilities Development

FROM: Manasses C. Williams

DATE: May 16, 2011

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, **The Gordian Group, Inc.**, has submitted to the Affirmative Action Office a completed Contract Compliance Questionnaire and the appropriate EEO documents.
This company is a:
[ ] Minority Business Enterprise [ ] Woman Business Enterprise [X] Non-M/WBE

Project Location(s):HHC- Corporate Wide

Contract Number: _____ Project: Indefinite Quantity Construction Contracting Professional Services

Submitted by: Office of Facility Development

EEO STATUS:

1. [X] Approved

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

3. [ ] Not approved

COMMENTS:

MCW:pat

c:

RESOLUTION

Adopting the Corporation's Mission Statement and Performance Measures as required by the Public Authorities Reform Act

WHEREAS, the New York State Public Authorities Reform Act of 2009 requires local public authorities such as the Corporation to adopt each year a mission statement and performance measures to assist the Corporation in determining how well it is carrying out its mission; and

WHEREAS, the Corporation has posted on its website a mission statement that is a refined version of the purposes of the Corporation as expressed in the legislation which created HHC and in the HHC By-Laws; and

WHEREAS, the Corporation keeps extensive data on numerous performance measures for internal monitoring and external reporting; and

WHEREAS, the Corporation has selected performance measures addressing the core functions and values of the Corporation for reporting to the Office of the State Comptroller's Authorities Budget Office (ABO) as required by the Public Authorities Reform Act; and

WHEREAS, the ABO has required reporting of the Corporation's mission and performance measures, as well as responding to certain additional questions, on a form provided by that office and requires that the Board of Directors read and understand the mission statement and read and understand the responses provided to the ABO; and

WHEREAS, the attached "Mission Statement and Performance Measures" is identical to the last report approved by the Board of Directors except that the performance measures have been updated;

NOW, THEREFORE, be it

RESOLVED that the attached "Mission Statement and Performance Measures" as required by the Public Authorities Reform Act is hereby adopted.

Executive Summary

HHC is required to adopt and to report to the New York State Office of the State Comptroller's Authority Budget Office ("ABO") each year a mission statement and performance measures to assist the Corporation in determining how well it is carrying out it's mission. The ABO requires completion of a specific form to achieve this reporting, as well as to respond to some additional questions. Attached is the complete report of our mission statement and the performance measures and the additional responses, all of which require the Board's adoption.

The attached "Mission Statement and Performance Measures" is identical to the last report approved by the Board of Directors except that the performance measures have been updated

There have been minor variations on the HHC Mission Statement over the years. All are refined versions of the purposes of the Corporation as expressed in the legislation which created HHC and in the HHC By-Laws. The mission statement on the ABO form is the version currently included on our website.

The Corporation keeps extensive data on numerous performance measures for internal monitoring and external reporting. The measures included on the form were selected because they address the core functions and values of the Corporation. We were careful not to include any measures that were confidential quality assurance information not properly shared in this context.

The information on this form will be submitted annually so that we will have the opportunity to make whatever changes are deemed necessary for future filings.

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
125 Worth Street · New York · New York 10013

Authority Mission Statement and Performance Measurements

Name of Public Authority:

New York City Health and Hospitals Corporation

Public Authority's Mission Statement:

To extend equally to all New Yorkers, regardless of their ability to pay, comprehensive health services of the highest quality in an atmosphere of humane care, dignity and respect;

To promote and protect, as both innovator and advocate, the health, welfare and safety of the people of the City of New York;

To join with other health workers and with communities in a partnership which will enable each of our institutions to promote and protect health in its fullest sense -- the total physical, mental and social well-being of the people.

Date Adopted: September 25, 2013

List of Performance Measurements (If additional space is needed, please attach):

	Indicator Name	Indicator Description	FY13
1	General Care Average Length of Stay (days)	Average length of stay for a general care inpatient hospitalization	5.0
2	Uninsured Served	Number of patients without health insurance served by HHC	475,627
3	Total Medicaid Managed Care Enrollment	Total number of individuals served by HHC enrolled in Medicaid managed care	525,804
4	MetroPlus Enrollment	Total number of individuals enrolled in MetroPlus health maintenance plan (Medicaid, Child Health Plus, and Family Health Plus)	413,893
5	Percent of eligible women receiving screening mammograms	Total number of women aged 40 to 70 who received a mammogram screening in the reporting period with a primary care or gynecology visit in the past two years	73.9%
6	Adult Psychiatry Average Length of Stay (days)	Average length of stay for adult psychiatry hospital stays	18.10
7	Total outpatient visits	Total outpatient visits	4,450,906
8	Total emergency room visits	Total emergency room visits	1,160,484
9	HIV connect to care	Percent of diagnosed HIV patients who are linked to care within the month of diagnosis	60.10%

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

   Yes.

2. Who has the power to appoint the management of the public authority?

Pursuant to the legislation that created the New York City Health and Hospitals Corporation, the President is chosen by the members of the Board of Directors from persons other than themselves and serves at the pleasure of the Board. (Unconsolidated Law, section 7394)

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

The Governance Committee to the Board of Directors, which is a special committee established by the Board, includes the functions of the former Personnel Committee and has, among its responsibilities, the duty to receive, evaluate and report to the Board of Directors with respect to the submissions of appointments of corporate officers.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

In addition to standing and special committees which have defined subject matter responsibilities and which meet monthly or quarterly, the Board of Directors meets monthly to fulfill its responsibility as the governing body of HHC and its respective facilities as required by law and regulation by the various regulatory and oversight entities that oversee HHC. Corporate by-laws and established policies outline the Board's participation in the oversight of the functions designated to management in order to ensure that HHC can achieve its mission in a legally compliant and fiscally responsible manner.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

   Yes.

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 Joseph Gheraldi Playwright Theatre (the "Licensee") for use and occupancy of space for the operation of a community theater at the Sea View Hospital Rehabilitation Center and Home (the "Facility").

WHERAS, in June 2008, the Board of Directors of the Corporation authorized the President to enter into a license agreement with the Licensee; and

WHEREAS, the Licensee is a non-profit organization which provides community theater performances, and has been occupying space and performing at the Facility since 1984; and

WHEREAS, the Facility continues to have space available in the Protestant Chapel appropriate 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 the Joseph Gheraldi Playwright Theatre (the "Licensee") for use and occupancy of space for the operation of a community theater at the Sea View Hospital Rehabilitation Center and Home (the "Facility").

The Licensee shall be granted the continued use and occupancy of approximately 2,573 square feet of space in the Protestant Chapel (the "Licensed Space") to house administrative functions, auditions, rehearsals, and performances. The Licensee shall pay an occupancy fee of $7,598 per year. The occupancy fee shall be subject to 5% annual increases. In addition, the Licensee shall provide a minimum of twenty-four (24) tickets to the Facility annually for various performances. The Licensee shall provide heat, telephone, maintenance, housekeeping and grounds maintenance. The Facility shall provide all other utilities.

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 the use of the Licensed Space and shall provide appropriate insurance naming the Corporation and the City of New York as additional insured parties.

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

EXECUTIVE SUMMARY

LICENSE AGREEMENT
SEA VIEW HOSPITAL REHABILITATION CENTER AND HOME

JOSEPH GHERALDI PLAYWRIGHT THEATRE

The President seeks authorization of the Board of Directors of the Corporation to execute a revocable license agreement with the Joseph Gheraldi Playwright Theatre (the "Playwright Theatre") for use and occupancy of space for the operation of a community theater at the Sea View Hospital Rehabilitation Center and Home ("Sea View").

The Playwright Theatre is a non-profit performing group which provides community theater productions. The Playwright Theatre has been occupying space in the Protestant Chapel on Sea View's campus since 1984. The proposed new occupancy fee represents a 5% increase over the rate paid during the prior year. The Playwright Theatre has performed substantial repairs to the Protestant Chapel including replacing the building's boiler and roof.

The Playwright Theatre will continue to occupy 2,573 square feet of space in the Protestant Chapel. The Playwright Theatre will pay an occupancy fee of $7,598 per year. The occupancy fee will be subject to 5% annual increases. In addition to the occupancy fee, the Playwright Theatre will provide a minimum of twenty-four (24) tickets annually to performances for use by Sea View residents. The Playwright Theater will provide heat, telephone, maintenance, housekeeping and grounds maintenance. Sea View will provide all other utilities.

The Playwright Theatre will be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of the use of the licensed space and will provide appropriate insurance naming the Corporation and the City of New York as additional insured parties.

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

RESOLUTION

Approving the Harlem Hospital Parking Facility Project (the "Project"), authorizing the President of the New York City Health and Hospitals Corporation to execute a contract known as the Federal-Aid Highway and Marchiselli-Aid Local Project Agreement with the New York State Department of Transportation to provide funding for the Project, and confirming the availability of the funds necessary to complete the Project.

WHEREAS, a grant of approximately $8 million in federal aid has been made available to Harlem Hospital Center through the New York State Department of Transportation for the purpose of building a parking facility; and

WHEREAS, Harlem Hospital is ready to proceed with the project known as the Harlem Hospital Parking Facility Project; and

WHEREAS, in order to avail itself of this funding opportunity, HHC is required to enter into an agreement, known as the Federal-Aid Highway and Marchiselli-Aid Local Project Agreement, with the New York State Department of Transportation to establish the funding for the project; and

WHEREAS, the Federal-Aid Highway and Marchiselli-Aid Local Project Agreement requires that a duly adopted resolution of our governing body that approves the Project, authorizes the execution of the Federal-Aid Highway and Marchiselli-Aid Local Project Agreement, and confirms available funding;

NOW, THEREFORE, be it

RESOLVED that the Harlem Hospital Parking Facility Project is approved, the President of the New York City Health and Hospitals Corporation is authorized to execute the Federal-Aid Highway and Marchiselli-Aid Local Project Agreement, and the availability of funding is confirmed.

NEW YORK CITY HEALTH & HOSPITALS CORPORATION
CAPITAL COMMITTEE

DORMITORY AUTHORITY
WORK ORDER APPROVAL

Date: September 12, 2013 (Revised)

In accordance with the Operating Agreement by and between HHC and the Dormitory Authority of the State of New York (DASNY), the President of HHC respectfully submits for approval by the Capital Committee the following Work Order to be issued to DASNY:

Facility: Harlem Hospital Center

Title: New Parking Facility

Scope: Provide the planning, pre-construction, architectural and engineering services, construction management and project management services necessary to complete the design and construction of up to 99 additional vehicle parking spaces on the Harlem Hospital Center campus.

Estimate of Cost:

	Previously Approved 5/12/2005 →	*Presented for Committee Authorization on 9/12/13→*	*New Authorization Level*	*Preliminary Budget*
Construction	$ 500,000	$ 9,209,471	$ 9,709,471	$ 9,688,200
Design	1,100,000	(365,521)	734,479	331,000
Construction Management	1,000,000	(626,000)	374,100	374,100
Other Consultant Fees	220,000	167,530	387,530	387,530
Furniture & Equipment	0	0	0	0
DASNY Fee	196,000	707,474	903,474	800,050
Contingency	186,000	353,040	539,040	539,040
Total Project Cost	$ 3,202,000	$ 9,445,994	$ 12,647,994	$ 12,119,920
Other non-DASNY costs:				
Other Consultant Fees	$ 0			$ 26,044
Total	$ 3,002,000	$ 9,445,994	$ 12,647,994	$ 12,145,964
Funding:				
HHC tax-exempt bonds	$ 0	$ 0	$ 0	$ 0
Federal Transportation Bill	3,202,000	3,997,200	7,199,200	7,199,200
NYC General Obligation Bonds	0	5,448,794	5,448,794	5,474,938
Total	$ 3,002,000	$ 9,445,994	$ 12,647,994	$ 12,674,138

End Date: August 2015
CON: N/A
Filed: N/A
Approval: N/A

EXECUTIVE SUMMARY

NEW PARKING FACILITY
HARLEM HOSPITAL CENTER
BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK

OVERVIEW: The President seeks authorization to execute an amended work order in the amount of $12,674,138 to provide the planning, pre-construction, architectural and engineering services, construction management and project management services necessary to complete the design and construction of up to 99 additional vehicle parking spaces on the Harlem Hospital Center campus.

NEED: The master plan for the modernization of Harlem Hospital indicates the need for the construction of up to 99 additional vehicle parking spaces that will address the need to meet the future parking needs of the hospital. This work order is to provide the construction services necessary for the construction of the new parking facility at Harlem Hospital Center.

SCOPE: Provide the planning, pre-construction, architectural and engineering services, construction management and project management services necessary to complete the design and construction of up to 99 additional vehicle parking spaces on the Harlem Hospital Center campus.

TERMS: The work order will be executed pursuant to the Operating Agreement by and between the Corporation and DASNY.

COSTS: $12,674,138

FINANCING: The project will be financed through funding from a Federal Transportation Bill in the amount of $7,199,200 and the balance for $5,474,938 from New York City General Obligation bonds.

SCHEDULE: HHC expects DASNY to complete the construction on August 2015.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a 3-year terminable license agreement with Heritage Health and Housing, Inc. ("Heritage") for Heritage's use and occupancy of approximately 20,000 square feet at 1727 Amsterdam Avenue in Manhattan (the "Building") for its operation of a Federally Qualified Health Center at an occupancy rate during the first year of the license of $18/sq. ft. for the approximately 14,000 square feet that Heritage currently occupies on the 1st, 2nd, and 4th floors and at $35/sq. ft. for the additional approximately 6,000 square feet to which Heritage will expand on the 3rd floor and at a rate of $35/sq. ft. for the entire premises after the first year of the license such rates to be inclusive of heat, hot water and electricity.

WHEREAS, in the mid 1970's the Building, consisting of four floors totaling approximately 59,000 square feet plus a basement, was jointly constructed by the Corporation and the City of New York (the "City") to serve as a primary care facility to be operated by the Corporation but the fiscal crisis left both the City and the Corporation without funds to develop and operate such a program; and

WHEREAS, to make use of the Building, the City licensed approximately half to Washington Heights-West Harlem-Inwood Mental Health Council, Inc. ("Council") for the operation of a community mental health center which evolved in subsequent years into a license of the entire Building with the balance being used for an ambulatory care facility both of which were financed largely by City Medicaid and other City funds; and

WHEREAS, although the Corporation had no program at the Building, it was drawn into being its manager and administrator due to the original (though aborted) plans and intentions of the planners and builders of the Building; and

WHEREAS, Council split into two entities: Upper Manhattan Mental Health Center ("Upper Manhattan") and Heritage with Upper Manhattan operating the behavioral health programs and Heritage operating the ambulatory care clinic that came to include pediatrics, adolescent health, adult medicine, geriatrics, medical case management, nutrition counseling, health education, dental care as well as HIV primary care, and podiatry services; and

WHEREAS, during recent years as circumstances changed further, the City Department of Health had occupied most of the 3rd floor of the Building but then vacated the space leaving it empty; and

WHEREAS, since the late 1980's the Corporation has endeavored, without success, to withdraw from any role with the Building given its tangential relationship to the Corporation thereby leaving the Corporation with the burden of operating the Building through Harlem Hospital Center, collecting the license fees from the occupants of the building and supporting the deficit at which the Building operates; and

WHEREAS, due to the Corporation's renewed efforts to transfer all responsibility for the Building to the City, the City agreed that the Building would be treated as part of the Corporation's real estate portfolio and therefor the Corporation could exercise all management authority over the Building that it exercises over other properties over which it has jurisdiction; and

WHEREAS, Heritage has developed into a respected not-for-profit corporation whose board is minority controlled and has come to play an important role in providing primary care services to the residents of West Harlem; and

WHEREAS, the Corporation wishes to enter into market rate leases with Upper Manhattan and Heritage for their continued occupancy of the Building but has not yet completed the necessary negotiations or taken the various statutorily required procedural steps to do so; and

WHEREAS, Heritage has received a Federal grant to expand its FQHC operations into the portion of the 3rd floor of the Building vacated by the City Department of Health but such grant funds must be spent quickly, well ahead of the time when the Corporation could reasonably complete the legal steps required to enter into a fixed term lease; and

WHEREAS, the Corporation wishes to grant Heritage a license for its currently occupied space on the 1st, 2nd, and 4th floors and the vacated Department of Health space on the 3rd floor and Heritage is willing to proceed on the basis of a terminable license agreement with the hope that a fixed term lease will be successfully negotiated and all required approvals obtained.

NOW THEREFORE, be it

RESOLVED, the President of the New York City Health and Hospitals Corporation (the "Corporation") be, and he hereby is, authorized to execute a 3-year terminable license agreement with Heritage Health and Housing, Inc. ("Heritage") for Heritage's use and occupancy of approximately 20,000 square feet at 1727 Amsterdam Avenue in Manhattan (the "Building") for its operation of a Federally Qualified Health Center at an occupancy rate during the first year of the license of $18/sq. ft. for the approximately 14,000 square feet that Heritage currently occupies on the 1st, 2nd, and 4th floors and at $35/sq. ft. for the additional approximately 6,000 square feet to which Heritage will expand on the 3rd floor and at a rate of $35/sq. ft. for the entire premises after the first year of the license such rates to be inclusive of heat, hot water and electricity.

EXECUTIVE SUMMARY

The property at 1727 Amsterdam Avenue at the corner of 145th Street in Manhattan (the "Building") has had a checkered history. The Building was built by the City of New York (the "City") with the plan of its being used by HHC for various out-patient medical services but that plan was never realized due to the City's fiscal crisis in the 1970's. Instead, the City entered into agreements with local community based medical service providers to use the Building. The Corporation found itself as the de facto landlord and manager of the Building although it generally had no programs at the site. Over the years, the Corporation has repeatedly tried to pass responsibility for the Building back to the City. The Corporation's Board of Directors went so far as to adopt a resolution in 1988 determining to surrender the Building to the City. The resolution was not, however, approved by the City Council and the Building has remained under the Corporation's management with the burden falling on Harlem Hospital Center.

During all of the years the use of the Building has changed. The original user, Washington Heights-West Harlem-Inwood Mental Health Council, Inc., split into two parts: Upper Manhattan Mental Health Center ("Upper Manhattan") and Heritage with Upper Manhattan operating various ambulatory care programs. At one time these two entities occupied the entire Building. Later, Heritage gave back some of its space and the City's Department of Health ("DOH") established programs on much of the 3rd floor of the Building. Harlem Hospital Center established a small Women Infants and Children program in the Building. Recently, DOH closed its programs and much of the 3rd floor is empty.

During the history of the Building there has also been ambiguity regarding the ability of the Corporation to exercise control over the Building as it does its hospital buildings. Accordingly, the occupants of the Building reply on licenses given to them by the City more than 30 years ago at rents far below market. Recently due to a renewed effort to transfer responsibility of the Building to the City, the City and its Law Department at least confirmed that the Corporation may exercise control over the Building as it does the other properties in its portfolio. This means that the Corporation may negotiate new leases at market rates.

These developments coincide with Heritage's effort to rent the portion of the 3rd floor of the Building that was vacated by DOH. Heritage has a grant to expand into the vacant 3rd floor space but the money must be spent quickly. Under these circumstances, a fixed term lease of the property is the normal approach because it would give Heritage and its funder confidence that the investment in building-out the property could be amortized over the term of the lease. However, the requirements of the Corporation's enabling act as to leases (a public hearing, a Corporation Board resolution, a resolution of the City Council and of the Mayor) would take too long to meet Heritage's schedule. Accordingly, the proposal is to execute merely a terminable license that is permitted only with a Corporate Board resolution and later to attempt to negotiate a longer term lease and to obtain the various approvals to do so.

Because Heritage's income largely consists of cost-based reimbursement for its medical services, fairness and respect for Heritage's not-for-profit mission dictate that higher market rate occupancy fees be implemented for the space Heritage currently occupies only after it has time to build the higher rate into its cost reports. Accordingly, the occupancy fee for the 14,000 square feet Heritage already occupies is to remain at approximately $18/ sq. ft. for the first year of the license and will increase to $35/sq. ft. only thereafter. The 6,000 square feet that Heritage will newly occupy on the 3rd floor will, however, be charged at $35/sq. ft. from the start of the license.

The Corporation will also negotiate new occupancy terms with Upper Manhattan and will review the arrangements for the management of the Building. Those initiatives will be brought before the Capital Committee and the Board at a later date in the near future.

Currently, the total income generated from the Building is approximately $500,000 per year. If market rents were charged, the Building could generate in excess of $2,100,000 per year. Currently, the below market rents for the Building leave Harlem Hospital Center financing an operating loss on the Building's operation of more than $1 Million. Depending on how successful the Corporation is in its program of fully renting the Building at market rates, the operating loss now supported by Harlem Hospital might be turned into a small supplemental income stream.