

BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 19, 2013
A-G-E-N-D-A

<p>Call to Order - 4 pm</p>	<p>Dr. Stocker</p>
<p>1. Adoption of Minutes: November 21, 2013</p>	
<p><u>Chairman's Report</u></p>	<p>Dr. Stocker</p>
<p><u>President's Report</u></p>	<p>Mr. Aviles</p>
<p>>>Action Items<<</p>	
<p><u>Corporate</u></p>	
<p>2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with Hawkins Delafield & Wood, LLP to provide bond counsel services related to the structuring and continuing implementation of the Corporation's financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: \$420 for Partners, \$360 for Senior Associates, \$280 for Associates, \$210 for Junior Associates, and \$150 for paraprofessionals. <i>(Finance Committee – 12/10/2013)</i></p>	<p>Mr. Rosen</p>
<p>3. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to enter into a contract to purchase software, hardware, services and corresponding maintenance for a biomedical middleware software solution with iSirona, LLC, through a Federal General Services Administration ("GSA") contract in an amount not to exceed \$6,454,161, which includes a 10% contingency of \$586,742 for a one year term with four one-year options to renew at the Corporation's exclusive option. <i>(Med & Professional Affairs/IT Committee – 12/12/2013)</i></p>	<p>Dr. Stocker</p>
<p>4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute contracts with various authorized resellers on an on-going basis over a one year period for the purchase of Cisco networking equipment and software through NYS Office of General Services ("OGS") contracts in an amount not to exceed \$4,188,853, which includes a 20% contingency. <i>(Med & Professional Affairs/IT Committee – 12/12/2013)</i></p>	<p>Dr. Stocker</p>
<p>5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to purchase from Dyntek Services, Inc. through a NYS Office of General Services contract F5 Load Balancers hardware, software and services in an amount not to exceed \$4,448,182, which includes a 15% contingency of \$580,198. <i>(Med & Professional Affairs/IT Committee – 12/12/2013)</i></p>	<p>Dr. Stocker</p>
<p>6. RESOLUTION authorizing the President to negotiate and execute a contract between the New York City Health and Hospitals Corporation and CareFusion Solutions, LLC, to provide automated dispensing systems used in the supply chain process for medication and supplies. The proposed contract, an enhanced Premier contract PPH14CFS, would standardize the cost, support, services and at the same time set an end date for all current active contracts. Currently we spend \$23,921,500 on automated medication dispensing systems and we need \$4,848,048 in upgrades and additional fees. By doing a single overall contract rather than multiple smaller contracts, the Corporation would save \$5,458,240 over the term of the contract, or \$1,091,648 annually. The five (5) year contract cost is \$24,447,347 for existing equipment and 73 new rental units. A Contingency of 20% (\$4,889,470) has been included to provide expansion opportunities for a total not to exceed amount of \$29,336,817. EEO: Approved <i>(Med & Professional Affairs/IT Committee – 12/12/2013)</i></p>	<p>Dr. Stocker</p>
<p>7. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a three year revocable license agreement with Simon and Company for continued use and occupancy of approximately 144 square feet of space including use of the reception area, conference room, library, storage area, kitchen, high-speed internet service and digital cable television at an occupancy fee rate of \$1,494 per month or approximately \$17,962 per year at 1660 L Street, NW, Washington, DC, for use by the Corporation's federal lobbyist. <i>(Capital Committee – 12/12/2013)</i></p>	<p>Ms. Youssouf</p>
<p><u>North Bronx Healthcare Network</u></p>	
<p>8. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a five- year lease agreement with Franciosa Owners, LLC for 5,300 square feet of space at 1012 East Gun Hill Road, Borough of the Bronx, to house the Gun Hill Health Center, operated by Jacobi Medical Center at an initial rent of \$29.78 per square foot to increase at 2.5% per year with the Corporation responsible for the payment of real estate taxes, water and sewer rents, and separately metered electricity provided that the Landlord shall perform renovation work which includes exterior storefront replacement, painting, and the installation of two new rooftop HVAC units and installation of a new water heater. <i>(Capital Committee – 12/12/2013)</i></p>	<p>Ms. Youssouf</p>
<p style="text-align: right;"><i>(over)</i></p>	

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<p><u>MetroPlus Health Plan, Inc.</u></p>	
<p>9. RESOLUTION approving Tamira Boynes for nomination to serve as a member of the Board of Directors of MetroPlus Health Plan, Inc., to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws. <i>(MetroPlus Board – 12/10/2013)</i></p>	<p>Mr. Rosen</p>
<p>10. RESOLUTION approving Meryl Weinberg for nomination to serve as a member of the Board of Directors of MetroPlus Health Plan, Inc., to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws. <i>(MetroPlus Board – 12/10/2013)</i></p>	<p>Mr. Rosen</p>
<p><u>HHC Accountable Care Organization (ACO)</u></p>	
<p>11. RESOLUTION approving and ratifying the actions of the HHC ACO Inc. Board of Directors to fix the number of Directors of the HHC ACO Inc. Board of Directors at nine, subject to approval by the Centers for Medicare and Medicaid Services (CMS) of the Participation Agreement executed between the ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI doing business as Mount Sinai Elmhurst Faculty Practice Group (“Elmhurst FPP”) and HHC ACO Inc., which CMS approval has since been granted; AND approving and ratifying the actions of the HHC ACO Inc. Board of Directors to elect the person designated below to serve as an additional Director of the HHC ACO Inc. Board of Directors, subject to such person’s earlier death, resignation or removal, in accordance with the laws of the State of New York until such person’s successor is duly elected and qualified: A Director to be named by the Elmhurst FPP, as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of HHC ACO Inc.; AND approving and ratifying the actions of the HHC ACO Inc. Board of Directors that the existing non-HHC Participants Director of the HHC ACO Inc. Board of Directors shall hereafter be named pursuant to a designation by a majority in number of HHC ACO Inc.’s ACO Participants, as defined in 42 C.F.R. Part 425, other than the Corporation and the Elmhurst FPP, that have executed Participation Agreements with HHC ACO Inc., which Director is specified in a writing signed by such majority that is delivered to the Chairman of HHC ACO Inc. <i>(HHC ACO Board – 11/06/2013)</i></p>	<p>Mr. Aviles</p>
<p>12. RESOLUTION authorizing that each of the following persons be elected to serve as a Director of the HHC ACO Inc. Board of Directors, subject to such person’s earlier death, resignation or removal, in accordance with the laws of the State of New York until such person’s successor is duly elected and qualified: Alan D. Aviles, Antonio D. Martin, Salvatore J. Russo, Ross M. Wilson, M.D., Marlene Zurack, Jeroman Berger-Gaskin, a Medicare beneficiary Director, a Director who shall be the Chief Executive Officer of Physician Affiliate Group of New York, P.C. (“PAGNY”), a Director to be named by the ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI doing business as Mount Sinai Elmhurst Faculty Practice Group, as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of HHC ACO Inc., and, a Director to be named pursuant to a designation by a majority in number of HHC ACO Inc.’s ACO Participants, as defined in 42 C.F.R. Part 425, other than the Corporation and the Elmhurst FPP, that have executed Participation Agreements with HHC ACO Inc., which Director is specified in a writing signed by such majority that is delivered to the Chairman of HHC ACO Inc. <i>(HHC ACO Board – 11/06/2013)</i></p>	<p>Mr. Aviles</p>
<p><u>Committee Reports and Subsidiary Boards Reports</u></p>	
<ul style="list-style-type: none"> ➤ Audit ➤ Capital ➤ Finance ➤ Medical & Professional Affairs / Information Technology ➤ Strategic Planning ➤ MetroPlus Health Plan, Inc. ➤ HHC Capital Corporation ➤ HHC Accountable Care Organization (ACO) 	<p>Ms. Youssouf Ms. Youssouf Mr. Rosen Dr. Stocker Mrs. Bolus Mr. Rosen Dr. Stocker Mr. Aviles</p>
<p><u>Facility Governing Body / Executive Session</u></p>	
<ul style="list-style-type: none"> ➤ Bellevue Hospital Center 	
<p>Semi-Annual Report (Written Submission Only)</p>	
<ul style="list-style-type: none"> ➤ Jacobi Medical Center ➤ North Central Bronx Hospital 	
<p>>>Old Business<<</p>	
<p>>>New Business<<</p>	
<p>Adjournment</p>	<p>Dr. Stocker</p>

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 21st of November 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. Vincent Calamia
Dr. Herbert F. Gretz, III
Ms. Anna Kril
Rev. Diane E. Lacey
Mr. Robert F. Nolan
Mr. Bernard Rosen
Ms. Emily A. Youssouf

Andrea Cohen was in attendance representing Deputy Mayor Linda Gibbs, Dr. Gerald Cohen was in attendance representing Dr. Adam Karpati, Dr. Amanda Parsons was in attendance representing Commissioner Thomas A. 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 October 31, 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 October 31, 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 advised the Board that an overview of the history of our affiliations relations was included in the Board packet.

Dr. Stocker announced the schedule of the remaining FY2014 annual public meetings as follows: November 25, 2013 at Elmhurst Hospital Center; November 26, 2013 at Woodhull Medical and Mental Health Center; and December 9, 2013 at Bellevue Hospital Center.

PRESIDENT'S REPORT

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

ACTION ITEMS

RESOLUTIONS

2. Authorizing the President of the New York City Health and Hospitals Corporation to seek **trauma center designation** for Jacobi Medical Center, Kings County Hospital Center, Bellevue Hospital Center, Elmhurst Hospital Center, Harlem Hospital

Center, and Lincoln Medical and Mental Health Center through the national trauma program of the **American College of Surgeons**.

Dr. Stocker moved the adoption of the resolutions which were duly seconded and unanimously adopted by the Board.

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to execute contracts with **Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green, P.C.** to provide specialized legal counsel and representation to the Corporation on such legal matters as may be requested by the Corporation. The retention shall be for a term of three years with two one-year options to renew. Fees shall not exceed \$465 per hour for partners and from \$245 to \$415 per hour for associates, depending on experience, and \$160 per hour for paralegals, with a five percent increase in the option years of the contracts.

Ms. Youssouf moved the adoption of the resolution which was duly seconded and adopted by the Board by a vote of 13 in favor with Rev. Lacey opposing.

RESOLUTION

4. Authorizing the President of the New York City Health and Hospitals Corporation to proceed with the **procurement and installation** of a second **Linear Accelerator** and to renovate the suite required to house this new unit at **Kings County Hospital Center** in an amount not to exceed \$5,551,879.

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

RESOLUTION

5. Authorizing the President of the New York City Health and Hospitals Corporation to execute a revocable **license agreement** with the **New York College of Podiatric Medicine** for the use of **forty parking spaces** on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center at no cost to the

Corporation in exchange for certain security to be provided by the Facility.

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

RESOLUTION

6. Authorizing the President of the New York City Health and Hospitals Corporation or the President of MetroPlus Health Plan, Inc. to execute a lease between either the Corporation or MetroPlus and **1776 Eastchester Operating LLC** for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road, Borough of the Bronx to house the **disaster recovery facilities** of **MetroPlus** for a term of ten years with a five year option at a base rent of \$34.50 which shall increase at 6% every other year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation or MetroPlus a cost of approximately \$2.1 million for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.

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

BOARD COMMITTEE REPORTS

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

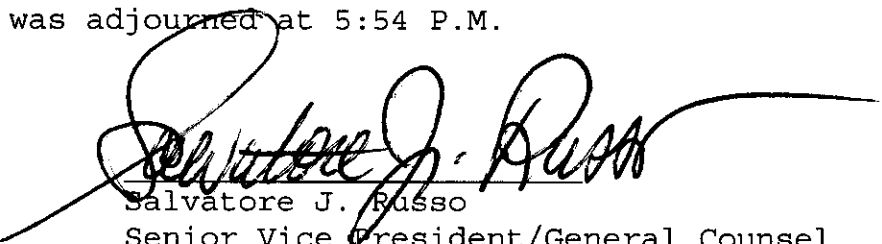
FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Dr. Stocker reported that the Board of Directors as the governing body of Harlem Hospital Center

reviewed, discussed and adopted the facility's report presented;
and reviewed and accepted the semi-annual written report for
Metropolitan Hospital Center.

ADJOURNMENT

Thereupon, there being no further business before the
Board, the meeting was adjourned at 5:54 P.M.



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

COMMITTEE REPORTS

Audit Committee – October 10, 2013

As reported by Ms. Emily Youssouf

Ms. Youssouf called for the presentation of the first item--an information item which is an update from Internal Audit.

Mr. Telano saluted the Committee and directed them to pages three and four of the briefing which summarizes the external audits being conducted by the City Comptroller's Office. Compared to last month there is really no significant progress to report on. As a matter of fact, we have not heard from them in over a month regarding their audit of Navigant.

Mr. Telano moved on to page five, the completed audits since September. The first four audit reports we will discuss are related to PAGNY. We will begin with the PAGNY bank accounts audit and he asked Dr. Luis Marcos and Anthony Merdita of PAGNY to approach the table.

Ms. Youssouf asked them to introduce themselves, and they did as follows: Dr. Luis Marcos, CEO of PAGNY; Anthony Merdita, Chief Financial Officer.

Mr. Telano continued by stating that he'll briefly go over the findings related to the bank accounts. The first one was that the control over the bank accounts was not adequate; the oversight of the bank accounts is segregated. Some of them are monitored at Lincoln and some of them are monitored at the PAGNY finance department at Jacobi. As a result one bank reconciliation was done at both sites creating a lack of coordination. There was also confusion over the total number of accounts. This led us to contact TD Bank and Chase in order to determine the exact number of accounts. The last issue had to do with the signing authority related to the accounts; three individuals who were no longer employed by PAGNY still had signing authority, and one individual, a separate individual had online access to the funds. The other findings have to do with the bank reconciliations – they were not properly prepared. For example, we found 110 outstanding payroll checks totaling \$340,000 that were issued before June 30, 2012. Since checks become void after six months, these should not have been outstanding, they should have been void. We also found accounts payable checks from 2011 outstanding. Within the past reconciliations there were 28 entries without proper description as to the check number or any other identification. The bank reconciliation done at Lincoln was not being signed off by a supervisor indicating that they were reviewed.

Ms. Youssouf asked the PAGNY representatives to give an update on the progress.

Dr. Marcos stated that since June they have made significant improvements and also they have been able to recruit very talented executives, including Mr. Merdita and Mr. Reggie Othum their new Chief Human Resources Officer. They also have their first lawyer Walter Ramos and he thinks that they have the team they need to address all of these issues which are very serious and of great concern to them.

Dr. Marcos said that he would like to thank the help they have gotten from Tony Martin, Marlene Zurack and also Nelson Conde who has been very helpful. Dr. Marcos stated that he forgot to mention that they also have a new Comptroller Joe McDermott and said that Mr. Merdita is the right person to address the specifics of the audit.

Mr. Merdita saluted the committee and stated that he came in June and is completing his fourth month with PAGNY and it is the second time at the Audit Committee. With regard to some of the specific things that Mr. Telano mentioned – there were some challenges. As mentioned in the report, at the moment finance is located at three different sites with the bulk being at Jacobi. There is the Lincoln staff and sometimes that presented a little oversight in some of the logistics that needed to get cleaned up; as well as at Metropolitan which is where they are at. The good news is that at the end of the month they will be at one site.

Dr. Stocker asked where the site is. To which Mr. Marcos answered that it would be 135th Street in Harlem, they have been able to identify a very good location.

Dr. Stocker asked if it is an Agency space. Mr. Marcos responded yes, that the whole central office for PAGNY will be located there.

Mr. Merdita continued by stating that some of the things they needed to pull together, was to put in place policies and procedures. Although they are at different sites Mr. McDermott signs off on all of those reconciliations. The issue with the check number being missing has all been rectified. They have put in place several policies and procedures with regard to all of the things that are in the report, check requests have been put in place are being followed. The challenges were the different systems, different GLs, which now have been rolled into one. Now going forward they are in a good position to not only have made these corrections, but more importantly continue to refine because there are certain things not mentioned in these reports which needed to also address.

Ms. Youssouf asked if all of the bank accounts and the signatories have been cleaned up. Mr. Merdita responded that once they got hold of the report, they made changes so that all the individuals that left were taken off. They did a full sweep of all the signature cards and at the moment they have sign in authority for the folks who are designated to sign.

Ms. Youssouf asked if there is a process in place that if a signatory leaves, their names are pulled right away. Mr. Merdita said yes and the number of folks that have signatory cards is only four. He believes that they have a good handle on that.

Ms. Youssouf stated that that is great and asked if they are taking care of the other things such as outstanding payroll checks and other things. Mr. Merdita stated that they went through every single check and either reissued them, canceled them or voided them.

Ms. Youssouf asked if going forward they have set up some sort of automatic tickler or something. Mr. Merdita answered yes, Mr. McDermott's office reviews all the outstanding checks on a monthly basis. In addition, they are five affiliates rolled into one; everyone with their own way of doing business came in along with their bank accounts. We are down to 17 bank accounts from 28 and we think we can bring that down. Although it will not come down that much because there are five faculty practices and there are multiple grant researches that have to be kept separate.

Ms. Youssouf asked if they are automated, because the concern is that how you are going to be monitoring all these 17 different bank accounts to run smoothly. To which Mr. Merdita answered that it is a little of both, a little automated and a little manual. Then Ms. Youssouf asked if the manual part is memorialized somewhere in a process and procedure so that if there is any change in administration within the organization the next person will know what has to occur. Mr. Merdita responded yes, they do.

Ms. Youssouf asked if there were any questions on this topic. She then asked Mr. Telano to continue.

Mr. Telano continued by stating that the next audit is also regarding the PAGNY affiliation. This one is related to Lincoln and since one of the issues prominent throughout the other audits relates to the recalculation not being performed timely, he asked Mr. Nelson Conde from the Office of Professional Services and Affiliations to approach the table.

Mr. Telano stated that the two primary issues are; one that the recalculation and other documentation that is required to be completed per the affiliation agreement for fiscal year 2012 was not done as of the date of this audit. The other issue is related to the 18 subcontractor agreements that we reviewed, 10 of them had expired but the affiliation continued to do business with the vendors.

Ms. Youssouf asked for someone give an explanation. Mr. Conde stated that they have been working very closely with the affiliates and the facilities to bring these documents up to speed. Our colleagues in Corporate Finance have been collaborating with us to get this done as well. He expects that by the end of the month to receive outstanding recalculations to the facilities for fiscal years 2011 and 2012. That is where we are at in terms of documentation.

Ms. Youssouf asked what type of subcontractor agreements are they. Mr. Merdita responded that they are for various services like orthopedic services, radiological, mostly medical services; things that we do not have in-house at the various sites. Ms. Youssouf then asked what procedures have they put in place to make sure that there is something like a tickler system to let you know when a contract is about to expire. Mr. Merdita stated that these contracts kept rolling forward without being taken a look at. The Chief Affiliation Officer, Sabina Zak at Coney Island has already forwarded all of the contracts to Mr. Ramos our general counsel. Before forwarding them, she went through each one of the contracts with the medical director at Coney Island as well as the finance staff. Once they got an inventory and agreed on the contracts, they forwarded them for review from a legal perspective by Mr. Ramos. Coney Island will be done within the next two weeks and about 80 percent of them have gone through legal review. The plan is to renew them for a year and have what you mentioned a tickler; we do not have those contracts that automatically renew. In addition, we are implementing software to do exactly what you described. At the moment we have taken an inventory and it is on a spreadsheet through an archive vendor.

Mrs. Bolus stated that at Coney Island three of the vendors were operating with prior contracts and they had no extended agreements, renewal clauses, but they kept using them. Also, you have some of them which have been in existence for 7 to 8 years but no documentation of the assessment of them. These are things that bother me, that is completely wrong and you have not addressed that. Mr. Marcos responded by stating that it bothers him tremendously. In most of these contracts he personally has asked the facility if they still need this service. The answer has always been yes, he has not found one event where the facility would say no.

Mrs. Bolus asked what was documented. The assessment that they are absolutely needed is not documented. Also, it is not brought back to the Board to reevaluate whether we want to continue this or not. She does not understand why the contracts were just rolled over and kept on doing it.

Dr. Marcos stated that it is obviously neglect. Mrs. Bolus said yes, it is and that has not been answered and nothing has told her that it will not continue.

Mr. Martin said that PAGNY was not in existence 8 years ago. This lays at the feet of the facilities to having contracted for these services. The affiliate office will make sure from that point on that those contracts are up to date and renewed. Then Mr. Martin added that this is a commitment the committee has from him – that he was not aware of this.

Mrs. Bolus stated that Mr. Martin was not there either. Mr. Martin said that he assumes responsibility and it should not lie at the affiliate office.

Ms. Youssouf said that she thought that they had a broad discussion about contracts in making sure that everything was loaded in and there was a tickler system created across the board. Can someone clarify that distinction?

Mr. Russo stated that these are not HHC contracts; these are subcontractors between PAGNY and a group that will either provide neurosurgery, orthopedics. It is their subcontract in order to fulfill their commitment to us to provide these range of services. They do not have these physicians on staff, and it may not be appropriate to have all these physicians on staff because they are very expensive specialties, but they are needed in certain instances.

Ms. Youssouf then asked if they started off as contracts with the facilities. To which Mr. Martin said that that is what he assumed, but Mr. Russo is saying something different.

Mr. Russo said that they may have been contracts that the prior affiliate had.

Ms. Youssouf then asked if PAGNY had done some kind of evaluation that these contractors are in fact the best contractors and their fees for service are the appropriate fees for service.

Dr. Marcos responded that yes, they have and they bring it to the Joint Oversight Committee (JOC) meetings. It has taken a while because at times contracts came up that they did not even know they were there. In every instance that he has been a part, the facility, meaning HHC hospital requested that the contract be continued. That it was essential for the management of the patients. We will expand on what we are doing to prevent it from happening again.

Mr. Merdita commented that with these contracts they have taken a full inventory of the Coney Island and the Lincoln so far. They have been discussed with the hospital as well as PAGNY staff. The onus falls on us to make sure that they do not automatically renew them. The assessment of whether we need them at Coney Island has been done; inventory has been taken and is now going to legal review.

Ms. Youssouf added that she is assuming and hoping from everything you are saying that all of the findings from internal audit is in fact what is going to help guide you for any missing pieces and that the most important thing that we have learned here from the central office is that whatever procedures you put in place need to be documented somehow in some kind of handbook or guidance book so that there is a road map ten years from now when changes need to be made. She also said that she would strongly urge them to do that because it is important.

Dr. Marcos responded by stating absolutely – you are 100 percent right, and we have already started that process and we used it during Joint Oversight Committee meeting where the hospital and PAGNY get together and we explore every item and to ensure that the hospital continues to need the services of these physicians from the outside and that the monies we are paying are appropriate.

Dr. Stocker asked if they are using GHX to register and code the contracts. To which Mr. Merdita responded no, at the moment they have a spreadsheet of all of them with the column and the date and when notification is due which is in the legal department with Mr. Ramos. We are in the process of bringing in software.

Dr. Stocker added that HHC has a system for tracking contracts and was wondering if it would not be better to use this kind of system. Mr. Merdita said that they have not signed on the dotted line and asked what the name of the system is. Dr. Stocker responded GHX. Mr. Marcos said that they will explore it. Mr. Martin added that they should speak to him and that HHC does have an existing system. Mr. Marcos stated that they will follow up. Ms. Youssouf said that that was a great suggestion.

Mr. Telano continued with his presentation by stating that on page eight is Coney Island. We have spoken about the first two issues which are the recalculation and the subcontractors. The only other issue is related to a segregation of duties finding and that was that two individuals in the PAGNY human resources department also have access to the payroll system which they can enter and edit data – he believes that was resolved.

Mr. Merdita said yes, it was. Since then we have done a full sweep to make sure that everyone has either edit or read only access for ADP. We have put in a policy manual that states the only way we can add or subtract anybody on payroll in ADP is through a form which each of the chief affiliation officers would need to sign. In addition, a monthly report goes to each of the officers until we implement a new ADP which will be the first quarter of calendar year 2014. The only two people who can actually add on the system itself is the payroll director, Mr. Peter Garske, or his assistant director, so we have certainly put a lot of controls in this space as we needed to.

Ms. Youssouf added that you need to keep the records so everyone is aware. The other thing is, as far as who is being used for the background checks because that is a little distressing that it took so long that 34 out of the 50 employees who were reviewed HR did not perform criminal background checks in a timely manner. Some of them took up to a year and what are you doing about that. Mr. Marcos said that it has been corrected and to his knowledge they all been done in a timely basis.

Dr. Stocker asked that there are all these accounts and huge amounts of variation in terms of how the accounts were handled across all the various organizations, is there any evidence of fraud or self-dealing in either things that you found. To which Mr. Marcos responded that to their knowledge, despite the obvious sloppiness in managing this company, they have not found any situation of fraud or abuse in terms of payroll, bank accounts or the contracts.

Dr. Stocker said that that is reassuring. It is worth pointing out that you have a new team and new organization and a new start.

Mr. Merdita commented that CohnReznick who are their outside auditors did an internal audit control and found the same thing that Mr. Telano's team found; just multiple sites need to standardize. It was another check that was done and the same conclusion, we need to tighten up.

Ms. Youssouf asked if Mr. Telano has access to those audit reports, because he is auditing PAGNY for the Committee and it would be great if he could have access to whatever outside auditors PAGNY uses; just as a cross checker. Mr. Marcos said yes, he will follow up.

Ms. Youssouf asked if there is any more for PAGNY. To which Mr. Telano responded no, but regarding the background check it had to do with North Bronx Network and that would conclude PAGNY. We have one other report, Phycare. Ms. Youssouf asked if that was related to PAGNY. Mr. Telano said that he did not know.

Mr. Martin added that Phycare is sort of like the billing arm for a number of the different faculty practices that exist at the PAGNY facilities – that is the relationship.

Mr. Stocker said that that is not unusual in these kinds of organizations. These are physicians which are separate from the hospital. Mr. Telano added that they review the billing, the coding, the collection and the overall accounts receivable, and management. The CEO of Phycare is here.

Ms. Youssouf thanked the PAGNY representatives and stated that we look forward to the continued improvements that you all are making. Then she asked the representatives of Phycare to introduce themselves. They did as follows: Peter Gordon, CEO; Sudha Pentylala, Sr. VP/Director; Sandip Mukherjee, General Counsel/Compliance Officer.

Mr. Telano continued by stating that overall our review found control weaknesses in the documentation and the recordkeeping over the payments and the receipts process. For example, checks were not being restrictively endorsed and not all receipts could be accounted for in their payment log entry. At Lincoln, the receipt book was kept unsecured and out in the open. At Harlem, the receipt book still had the Harlem Affiliation name on it instead of Phycare. At Metropolitan, there were no checks and balances to insure that the monies that were being transferred from the site to the main office was the amount being sent and the amount being received.

Mr. Gordon stated that we do not get a lot of money coming in through the actual sites. Most of the money goes directly into a lock box and sent directly to the bank. The receipts that we do receive at the sites are patients who receive a statement and come in with a check. Those checks are made out payable to the practice plan directly not payable to cash. Actually, we only receive maybe, for the full year, about \$5,000 in cash that came into all the sites. We have since then implemented a policy that we do not want to take cash. We ask patients to come back with a money order or something like that. The checks that came in that were payable to each of the practice plans are sent to the central accounting office. What Mr. Telano is referring to is sort of compliance with our own internal policy and we have a pretty robust policy that requires that when the checks are presented to the site that the site actually endorse the check for deposit only. That was being done in the central accounting office not at the site where the checks were taken. I think that during the audit they confirmed that those stamps were being used. There was not any real issue of any misappropriation; it was that we were not following the rigorous policy that we put in place. As for the voided items, our receipts are three-part receipt books; the top copy goes to the patient. Again, this is a situation where we had a policy that was pretty stringent; if we void a receipt we must have all three copies back so we know we have control of the receipt. There are circumstances that if the patient gives us a check, we deposit it, the check bounces, we will go ahead and void that receipt out on the copy we have. But we have no ability to get the original receipt back from the patient. Those are some of things they noticed.

Ms. Youssouf asked if they take credit cards, debit cards or cash. Mr. Gordon responded no, that right now we are asking for only money orders. We never really had patients that came in with cash – very rarely cash. We do have the ability to take credit cards through the collection process. If somebody came in and that is their only means of payment, we could make arrangements.

Ms. Youssouf added that she wants to make sure from the patient's vantage point. Mr. Gordon commented that what we are finding is that we do not have a lot of people who come in and offer us credit card payments, and the cost of maintaining a merchant service account sometimes outweighs the value of taking credit cards.

Dr. Stocker asked how long has he being doing this. To which Mr. Gordon answered for a while – 12 years that we have been with DBMA and then took on Metropolitan back in 2005 and Harlem back in 2006.

Dr. Stocker asked if DBMA is Downtown Bronx. Mr. Gordon said Downtown Bronx Medical Associates.

Dr. Stocker asked if the future is you will now do the billing for all of PAGNY. To which Mr. Gordon responded all of PAGNY and a few others outside. Then Dr. Stocker asked if it was other medical groups. Mr. Gordon said other medical groups. We are now doing Queens and are about to do Kings County.

Dr. Stocker asked if any groups outside of HHC. Mr. Gordon answered Bronx Lebanon and a couple of clients outside of HHC.

Ms. Youssef asked if they were going to have a contract with PAGNY or a contract with the hospitals. Mr. Gordon responded that what was created was the practice plans are independent companies and those companies are Harlem Medical Associates at Harlem and Downtown Bronx Medical Associates. These practice plans have a contract with Phycare.

Dr. Stocker asked if they are organized as a corporation. To which Mr. Gordon responded C Corp. Dr. Stocker asked if they are privately owned. Mr. Gordon said technically right now it is owned by DBMA – a subsidiary of DBMA.

Dr. Stocker asked if he has any observations, since you have observed the process of forming PAGNY and consolidating groups. Mr. Gordon responded that he actually created it. He thinks it is heading on the right track; it was bumpy for a couple of years, but he thinks that with Dr. Marcos and the team he has created we are seeing a turnaround and very optimistic of its success going forward. Like any new company, what we have always said was this was a 200 mile train and everyone just jumped on. Never really slowed down as all these groups merged into PAGNY, and that was part of the initial issues, that we never had time to breathe. I think now we are turning the corner, starting to slow down and going to be successful.

Dr. Stocker asked if you think of yourself as a team partnered with HHC. Mr. Gordon said that they have always considered themselves part of the family.

Ms. Youssef asked Mr. Telano if there was anything else regarding Phycare. Mr. Telano said that that was it, and then stated that there was one more thing regarding the briefing on page 11, which is an overview of the Auxiliary audits that are being conducted by the accounting firm of Loeb and Troper. As you can see, 19 of the 22 auxiliaries are completed and only three of them have issues. Two have one issue and East New York had five issues of which three were repetitious, but they had hired a new permanent president and it looks like they are on their way to resolving any issues. We saw an improvement in the latter part of the year compared to the beginning of the year when they had a temporary president. We feel confident that these issues will be resolved by the next audit.

Mrs. Bolus asked if they have a director yet. Mr. Martin answered that they have a new head of the auxiliary, a new president. Then Mrs. Bolus asked not a director? Mr. Martin responded that when you say director, director of the facility itself? Mrs. Bolus said the person that has to work with the auxiliary. Mr. Martin said that he did know and would follow up. Mrs. Bolus added that please do because that would mean the auxiliary would be in limbo. Then Mr. Telano said that that concluded his presentation.

Ms. Youssef thanked Mr. Telano and asked if Mr. McNulty had anything for the committee.

Mr. McNulty answered yes, saluted the Audit Committee of the HHC Board of Directors (the "Audit Committee" or the "Committee"). Mr. McNulty then started with page three of his report - - compliance training efforts. He informed the Committee that the compliance training period started on January 1, 2012 and ended on June 30, 2013. He added that there was a grace period that granted an extension to September 16, 2013. Mr. McNulty further commented that the Office of Corporate Compliance ("OCC") noted marked increases in compliance training during the grace period. Mr. McNulty stated that provisions have been made to schedule live training for those health care professionals who do not have access to a computer for training purposes. According to Mr. McNulty, personnel who failed to take the course as of the September 16th deadline were notified by the OCC to promptly take the course. Mr. McNulty stated that he personally placed numerous calls and contacted numerous directors to ensure that their subordinates underwent compliance testing. Mr. McNulty added that these efforts increased testing significantly.

Mr. McNulty moved forward by turning his attention to section 1B of his report to discuss the preliminary results of the compliance training. Mr. McNulty first discussed the results of the physicians' training module. Specifically, Mr. McNulty stated that by July 1, 2013, fifty percent (50%) of the physicians corporate-wide had completed the training, and as of October 7, 2013 eighty-two (82%) percent had completed the same. Mr. McNulty continued by providing that the health care professionals module had a forty-seven (47%) percent completion rate on July 1, 2013 and an eighty-four (84%) percent completion rate by October 7, 2013. He further informed the Committee that, for the group 11 general workforce module, seventy-five (75%) percent of affected personnel had completed the same by July 1, 2013, and as of October 7, 2013 ninety-five (95%) percent had completed the requisite training. Mr. McNulty pointed out to the Committee that training completion rates continue to grow. He added that his goal was to achieve ninety-five (95%) training completion across all three modules within the next couple of weeks.

Mr. McNulty continued by going over Section 1C of his report - - Board of Directors (the "Board") Compliance Training. Mr. McNulty stated that compliance training for Members of the Board was available and that the corresponding training period was scheduled to end the first week of November. Mr. McNulty provided that several Members of the Board have already completed the training through the PeopleSoft system.

Mr. McNulty then moved on to item number two, the HHS self-identification of corporate-wide risks. Mr. McNulty stated that, since June of 2013, sixteen (16) different Network/Facility compliance committees convened to identify and score Network and/or Facility specific risks. He continued by adding that OCC made significant progress in identifying and prioritizing corporate-wide risks. He informed the Committee that the Executive Compliance Workgroup ("ECW") convened in July of 2013 and identified and scored several corporate risks. He mentioned that the ECW convened again on September 11, 2013 to prioritize previously identified corporate risks and Network/Facility risks. Mr. McNulty stated that the process has led to the ongoing development of an interim draft fiscal year 2014 Corporate Compliance Work Plan ("FY14 Work Plan"). Mr. McNulty stated that the FY14 Work Plan was expected to be completed in a couple of weeks.

Mr. McNulty continued with his report by turning to the staffing update. He stated that there was one vacant compliance officer position in the North Bronx Healthcare Network. He advised the Committee that the recruitment process for that position had commenced.

Mr. McNulty continued with his report by discussing the monitoring of excluded providers. According to Mr. McNulty, the OCC was informed on September 9, 2013 that a Bellevue Hospital Center ("Bellevue") attending dentist, who was a sessional employee, appeared on the U.S. Department of Health and Human Services Office of the Inspector General's ("OIG") most recent list of excluded providers. Mr. McNulty informed the Committee that the excluded employee no longer provides services at Bellevue. He stated that the Finance Department was in the process of determining the exact amount of payments that would have to be reimbursed to the Federal Government or private payors. Mr. McNulty stated the refund of payments appeared to be less than \$500 at this point. He closed by stating that there were no reports of excluded providers at the other HHC facilities.

Mr. McNulty asked the Committee if there were any questions; after a brief pause, Mr. McNulty concluded his report.

Ms. Youssouf thanked Mr. McNulty, and then indicated that the Committee was going into Executive Session. (Executive Session was then held).

Ms. Youssouf stated that they were out of the Executive Session. They discussed matters related to potential litigation against the Corporation.

Capital Committee – November 7, 2013

As reported by Ms. Emily Youssouf

Assistant Vice President's Report

Roslyn Weinstein, Senior Assistant Vice President, Office of the President, provided an overview of the meeting agenda. She noted that there would be five action items, two (2) status updates on major modernization projects, and five delay reports from the bi-monthly project status reports. Action items would include; 1) a resolution regarding the leasing of new space for MetroPlus Health Plan, as a result of Hurricane Sandy; 2) a license agreement with the College of Podiatric Medicine to provide additional parking spaces at the new Henry J. Carter facility; 3) a resolution regarding installation of the second Linear Accelerator at Kings County Hospital Center (KCHC); and, 4) two requests to increase Work Order thresholds for the Economic Development Corporation to provide services for construction of the Long Term Acute Care Hospital (LTACH) and the Skilled Nursing Facility (SNF) at Henry J. Carter. Information Items would include status updates on the major modernization projects at Gouverneur Healthcare Services and Henry J. Carter, and delay reports for two (2) projects at KCHC, two projects in the Generations+ Health Network, and one project in delay at Elmhurst Hospital.

That concluded her report.

Information Items

Major Modernization Status Report – Gouverneur Healthcare Services

Lynda Curtis, Senior Vice President, Office of the President, Peter Lynch, Senior Director, Office of Facilities Development, and Matthew McDevitt, Associate Executive Director, Gouverneur Healthcare Services, were present for reporting.

Mr. McDevitt advised that the project had an anticipated completion date of February 2014, with four floors of the facility still left open. Floors eight (8) and nine (9) received their Temporary Certificates of Occupancy, and on November 15, 2013, the Department of Health (DOH) would be doing their pre-occupancy surveys on those floors. The Department of Buildings (DOB) would have their TCO inspections on for floor ten (10) in January, and floors 11 and the first floor, in February; the first floor to be completed in February. He advised that exterior clean-up would likely be taking place in March but that will begin while internal work is being completed.

He said the project remains on schedule for completion. Dr. Stocker remembered that a status update provided a year ago had the same estimated completion time, and said it was reassuring to see that the schedule had not slipped.

Dr. Stocker noted that there have been a few glitches as the project neared the end, but those are to be expected on a project this big, and are being worked out.

That concluded the report.

Dr. Stocker stated that the next report, for updated status on the Henry J. Carter Major Modernization project, should be considered a preamble to the two Work Orders for the Economic Development Corporation that were to be presented as action items later in the meeting.

Major Modernization Status Report – Henry J. Carter

Robert Hughes, Executive Director, and Michael Buchholz, Senior Associate Executive Director, Henry J. Carter Specialty Hospital and Nursing Facility, were present for the report. Mr. Hughes and Mr. Buchholz were joined by Emil Martone, and Dmitri Konon, New York City Economic Development Corporation.

Mr. Hughes advised that the State Department of Health (SDOH) had been doing preoccupancy surveys throughout the week, but reviews were ongoing. He said that the project is going full steam ahead to be ready for the move in dates scheduled for November 17, and November 18, 2013. Hospital patients would be moved on November 17, and nursing facility patients would be moved on November 18. He noted that the SDOH had reviewed the lab at Carter on Tuesday and that had passed inspection, and the pharmacy had also received certification to operate.

Mr. Martone reiterated that the project was on track for move-in on November 17, and 18, 2013, pending finalization of SDOH inspections. He acknowledged the tremendous amount of work that had been completed by not only EDC staff, but the facility and Central Office staff as well.

Mr. Martone narrated a power point with images of the new space, highlighting some of the decorative and functional features.

Mr. Martone said that SDOH inspections had been going well. He informed committee members that they would be seeing three requests for increase of the Work Order thresholds, two on the current meeting agenda, and one in the following month or two. He explained that a total of \$6 million was coming from the New York City Economic Development Portfolio and \$1.6 million would be transferred from the Goldwater Decommissioning as it had been determined over the last six months that there would be less work than anticipated on the back-end of the project. Mr. Martone said that the \$6.5 million threshold increase, dollars of HHC funding for the project, would be brought before the Committee at a later date, as the Certificate to Proceed (CP) had not yet been issued.

Dr. Stocker said this project had been a great example of the conversion of an old hospital into a functional serviceable modern facility. Mr. Martone said it had been challenging and exciting and he had been pleased to work on it. Mr. Aviles acknowledged the breadth of the project as well, saying it was a great accomplishment, particularly considering the accelerated schedule and very tight time line.

Mr. Martin thanked Mr. Hughes and Mr. Buchholz for all their hard work at the new Carter site while continuing daily work at the original facility.

Project Status Reports

Central/North Brooklyn Health Network

Daniel Gadioma, Senior Project Manager, Kings County Hospital Center, provided delay reports for two projects in the Central Brooklyn Health Network.

KCHC Upgrade (10) Elevators “ABC” Buildings – There are three phases to this project; Phase I of the project has been completed and in use, Phase II is in progress with completion expected in December 2013, and Phase III should be completed in April 2014.

KCHC Upgrade (4) Elevators “T” Buildings – Two Phases; Phase I has been completed, South elevators. Phase II, north elevators should be completed in November 2013, this month. Peter Lynch added that original delays were due to FDNY not signing off because of original old fire alarms... there was a compromise so the project could proceed but the a facility will come back to capital at some point for upgrade of fire alarm systems.

Generations+/Northern Manhattan Health Network

Louis Iglhaut, Associate Executive Director, Generations+/North Manhattan Health Network, provided delay reports for the Harlem Kountz Pavilion Renovation, and the Lincoln Emergency Room Renovation.

Harlem Kountz Pavilion Renovation – Substantially complete, awaiting manufacturers field report, which is expected in the coming weeks. After the manufacturer comes and gives their blessing the project will get warranty for the project.

Lincoln Emergency Room Renovation – The facility plans to schedule a DOH pre-occupancy survey for mid-December. There had been no changes to project scope and it the project remained within agreed spending limits. Mr. Iglhaut noted that Central Office had been a tremendous support, every step of the way.

Queens Health Network

Thomas Scully, Senior Associate Director, Elmhurst Hospital Center, provided a delay for the Women's Health Clinic project.

Elmhurst Women's Health Center – In June 2013 the project was on track for completion in September but the General Contractor (GC) had serious financial issues. Liens were issued but that made it more difficult for the GC to keep up. He explained that exterior metal and glass skin for the building could not be obtained because the supplier would not extend credit to the GC. However, the manufacturer helped identify a supplier that would extend credit, and those items are now scheduled for installation in mid-December. Mr. Scully advised that more recent investigations regarding the elevators had uncovered that the vendor had not been paid and therefore they were not in fabrication. That issue pushed the schedule back another three to four months. Currently the GC is really working requisition to requisition, said Mr. Scully. They can't man the project the way they need to, but interior work is being completed as the issues with the components for the exterior are being addressed.

Dr. Stocker said that he remembered previous reports on the project and asked if the same contractor was on the job. Mr. Scully said yes. Mr. Lynch advised that Central Office; the Office of Facilities Development (OFD) and the Office of Legal Affairs (OLA) were working closely with the facility to monitor the project. The money is going directly to the surety, and the contractors counsel is in constant dialog with the surety concerning funds being dispersed. Mr. Lynch and Mr. Scully explained that they should be able to drag the project over the finish line without hurting HHC. It's would not hurt HHC but would be slow and would remain so. Barbara Keller, Deputy Counsel, OLA, said that default had been considered but once it was threatened the GC cleaned things up. She advised that the GC and their counsel were being kept on a short leash. She explained that if the GC were defaulted that would slow things down even more. If we keep it tight we will finish it but defaulting won't help. She noted that a list of long lead items had been provided so that constant monitoring of project components could be done.

Action Items:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a lease with 1776 Eastchester Operating LLC for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road Borough of the Bronx to house the disaster recovery facilities of MetroPlus Health Plan, Inc. ("MetroPlus") for a term of ten years with a five year option at a base rent of \$34.50 which shall increase at 6% every other year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation a cost of approximately \$2.1M for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.

Arnold Saperstein, MD, Executive Director, MetroPlus Health Plan, read the resolution into the record. Dr. Saperstein was joined by Stanley Glassman, Chief Operating Officer, MetroPlus Health Plan, and Mr. Joe Kelleher, President, Simone Development.

Dr. Saperstein explained that the lease being presented would provide for dedicated disaster recovery space, and training and conference space. Something that became necessary in the aftermath of Hurricane Sandy. Due to the fact that MetroPlus was displaced from 160 Water Street following Sandy, they entered into a contract with Sunguard for disaster recovery services, provision of data back-up plan, and seats for 280 staff members. This location was incredibly difficult for staff members to reach, was not an ideal space, and was technically only available for use in an emergency. This new space would be able to be utilized for emergency disaster space but will also be available all the time, whether for daily functions or training purposes.

Dr. Stocker asked what flood zone the new location would be located in. Dr. Saperstein said it would be in an area considered low-moderate on the FEMA flood map, under the new standards. Ms. Weinstein said parties were advised that the location would be safe and if Sandy occurred again, that area would not be flooded. Mr. Kelleher confirmed that during Sandy, none of the acreage was damaged. He also noted that located within that same area is a 911 call center for the City of New York, and they have said that they are located in that location because the elevations are higher, and they feel it is safe.

Dr. Saperstein explained that there is still a contract with Sunguard because the main data center is still located there. He said that a back-up data center would also be located at 160 Water Street, so that there would be lines feeding to Sunguard, and from Sunguard to 160 Water Street.

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

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

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with New York College of Podiatric Medicine ("NYCPM") for the use of forty parking spaces on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center's (the "Facility") at no cost to the Corporation in exchange for certain security to be provided by the Facility.

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the resolution into the record. Mr. Hughes was joined by Lynda Curtis, Senior Vice President, Office of the President, and Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility.

Ms. Curtis explained that parking in the vicinity of the facility was limited and said that it was imperative that it be available for employees coming from Goldwater to the new facility. This agreement was one of the approaches being taken.

Alan D. Aviles, President, explained that because the move to the Carter facility would take place prior to the full Board meeting, he would be issuing a deviation to move forward based on this Committee approval. He explained that Emily Youssef, Capital Committee Chair, had been made aware of that, and all parties had been briefed. The approval and deviation would be reported at the full Board meeting on Thursday, November 21, 2013.

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 proceed with the procurement and installation of a second Linear Accelerator and to renovate the suite required to house this new unit at Kings County Hospital Center (the "Facility") in an amount not-to-exceed \$5,551,879.

Ernest Baptiste, Executive Director, Kings County Hospital Center, read the resolution into the record. Mr. Baptiste was joined by Robert Miller, II, Chief Operating Officer, Kings County Hospital Center.

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 increase the New York City Economic Development Corporation's (NYCEDC) work order threshold by two million, eight hundred ninety five thousand, four hundred twelve dollars (\$2,895,412) to one hundred thirty-two million, seven hundred twenty thousand, six hundred sixty eight dollars (\$132,720,668) to provide project management services that will manage the architectural, engineering design services, pre-construction, construction, construction management services necessary for the Construction of the New Skilled Nursing Facility (SNF) to be built in the parking lot of the former North General Hospital.

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to increase New York City Economic Development Corporation's (NYCEDC) work order threshold by three million, four hundred thirty three thousand, four hundred and seventy two dollars (\$3,433,472) to one hundred twenty-seven million, seven hundred seventy four thousand, eight hundred eighty four dollars (\$127,774,884) to continue providing project management services to manage the architectural, engineering design services, pre-construction, construction, construction management services for renovating the existing North General Hospital building into a new 201 bed Long Term Acute Care Hospital building (LTACH).

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the two (2) resolutions into the record. Mr. Hughes was joined by Lynda Curtis, Senior Vice President, Office of the President, and Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility.

Dr. Stocker noted that the status report given earlier in the meeting had provided background on the items, and asked if there were any additional questions.

There being no further questions or comments, the Committee approved the Work Orders.

Finance Committee – November 12, 2013
As reported by Mr. Bernard Rosen

Senior Vice President Report

Ms. Marlene Zurack informed the Committee that her report would include the monthly update of HHC's cash balance and the status of HHC's preparation for the implementation of the Affordable Care Act (ACA) as it relates to the Corporation's role in the Medicaid applications process.

Ms. Zurack stated that as of November 8, 2013, HHC's cash balance was \$163 million which represents ten days of cash on hand (COH), a deterioration since last month of 22 days of COH. However, HHC anticipates receiving some significant supplemental Medicaid payments that will be forthcoming within the next few weeks that will take HHC back to a normal level. Additionally, there are other payments expected that include, a Disproportionate Share (DSH) maximization payment of \$193 million on November 29, 2013; a Supplemental payment of \$89 million also on November 29, 2013, and a MetroPlus supplement of \$36 million on November 27, 2013. As per the State these payments should be received by HHC within the expected time frame. However, it is important to note that HHC is very much dependent upon the receipt of the 1115 waiver funding to fully balance on a cash basis by year-end. Additionally HHC is expected to make significant payments to the City by year-end. If all of the payments are received as anticipated, HHC cash balance will be at a healthy level by year-end.

Commissioner Doar asked how much the 1115 waiver is. Ms. Zurack replied that it is \$250 million.

Ms. Youssouf asked what the projected cash balance is for the FY 14 year-end.

Ms. Zurack stated that the projection is over \$500 million which includes paying the City at year-end and receiving all of the noted payments.

Commissioner Doar asked how much the payments to the City are. Ms. Zurack stated that the total is \$600 million but there are some other payments to the City that will be made before year-end.

Ms. Youssouf asked if the projected healthy year-end cash balance is an indication that HHC would begin the next fiscal year with a normal cash reserve.

Ms. Zurack stated that it would; however, it is contingent upon the receipt of the 1115 waiver funding. Ms. Cohen has been working with HHC on getting these funds and perhaps could share with the Committee her take on the prognosis of HHC receiving those funds.

Ms. Cohen stated that it appears for certain something will come through but exactly how much and when are yet to be determined.

Commissioner Doar asked if the DSH payments were reduced. Ms. Zurack stated that to-date there has not been any reductions in those payments.

Ms. Youssouf asked if there had been some efforts by HHC to have the City forgive those payments.

Ms. Zurack stated that it was not HHC's expectation but rather the Community Development Block Grant (CDBG) grant that in the second round the City might allocate some additional funding to HHC to cover the difference in the \$250 million total expenses versus the \$183 million received to date.

Ms. Youssouf asked if the City is considering this issue. Ms. Zurack stated that it is still under consideration by the City.

Affordable Care Act (ACA) – Health Exchanges

Ms. Zurack introduced Mr. Victor Bekker, Chief Financial Officer who has been re-assigned to work with corporate finance on the implementation of the ACA provisions. Mr. Bekker has a very extensive background having worked at OMB and HRA before coming to HHC. Given his background, Mr. Bekker will spearhead HHC's efforts as part of a Task Force group that has been established to prepare for the multiple changes that are anticipated as a result of the implementation of the Exchanges and the changes to Medicaid. HHC is learning about these changes in the level of detail that is needed to operationalize them on a week to week basis. The group has developed three major topics; one of which related to changing HHC's operational processes as part of the new flow. In the future Medicaid clients as well as the clients of the Exchanges will be using an interactive on-line vehicle for establishing their qualification for subsidy and the program weighing heavily on the filing of the individuals tax returns. HHC's current process for enrolling clients into Medicaid is very complex but similar to the new process in that understanding individuals' incomes, the rules and how everything interacts are very important elements in the completion of the process. Additionally, there is a lot of newness to the ACA process. The key challenge for HHC will be the training of the appropriate staff. Currently, Ms. Katz reports monthly on the progress of the Medicaid eligibility process. The new approach will move the focus more to the outpatient side given that more individuals will be eligible for Medicaid when the expansion occurs in January 2014. There will be the option to get individuals on the

subsidized qualified health plan. The technology of the process will be different with an on-line application and some of rules will also change. HHC's patients will have a more complicated choice to make in selecting a tier and a plan. It is important to note that the new process is very similar to the current managed care enrollment but it is slightly more complex. HHC is working on getting the appropriate staff trained and certified as certified application counselors (CAC).

Ms. Youssef asked who would certify the staff. Ms. Zurack stated that there is a process, whereby the State will certify HHC's train-the-trainer and HHC will have a cohort of staff who will get certified and a password that will allow access to the Exchange. HHC as a certified organization can have its certified staff train and certify other staff within the Corporation. The training of HHC's staff by an outside vendor will begin on November 18, 2013 and is expected to result in a number of train-the-trainer for each of the facilities. MetroPlus has trained a significant number of its staff. The State in its rollout started with the training of staff as Navigators who are members of community-based organizations (CBOs). Principally, HHC's relationship with the Navigators has been through the Community Service Society (CSS) that was awarded a contract for the entire State as a Navigator. HHC is currently in the process of signing memorandums of understanding (MOUs) with CSS who will conduct on-site work for HHC as well as the work that MetroPlus is also doing at HHC facilities to supplement the kind of work HHC can do until the staff is certified. The strategy is multifold in that HHC has MetroPlus which per the State's training plan has already trained a significant number of its staff and are on-site at HHC facilities.

Ms. Youssef asked for clarification of the outside vendor CSS. Ms. Zurack explained that CSS was trained by the State and is the outside vendor that will have some presence at some of HHC's facilities.

Ms. Youssef asked if there are other entities beside MetroPlus.

Ms. Zurack stated that MetroPlus has been trained and is on-site at HHC facilities.

Ms. Youssef asked if there are other vendors. Ms. Zurack stated that the State has hired a vendor to train the trainers. And HHC is scheduled to begin its training on November 18, 2013 for the first cohort of train-the-trainer.

Ms. Youssef asked how long the training is. Ms. Zurack stated that it is three-day training with an exam at the end of the program. Employees will have an opportunity to take the exam as many times as needed to pass.

Commissioner Doar stated that one of the biggest changes in this process is that HRA is no longer HHC's partner but rather the State.

Ms. Zurack stated that HRA will still be HHC's partner for a very long time.

Commissioner Doar stated that HRA's principle role has been shifted to assisting HHC in applying directly to the State as opposed to going through HRA.

Ms. Zurack stated that HRA's role will change, however, the recertification which Commissioner Doar would further explain will remain with HRA.

Commissioner Doar stated that HRA will continue to do recertification but original applications under the State's guidance and decisions are to be shifted to the State directly. It is a new process with new rules and a new decision maker, the State. Essentially, the local role of the department of social services has been taken over by the State.

Ms. Zurack added that the exception is the non-MAGI will remain with HRA. Commissioner Doar added that the Modified Adjusted Gross Income (MAGI) is the biggest portion of HRA's caseload compared to the non-MAGI.

Ms. Zurack added that the non-MAGI includes individuals with Medicaid due to cash assistance, children in foster care, aged, blind and disabled, etc.

Commissioner Doar stated that another factor that is becoming more apparent is the extent of the MAGI methodology which would expand the eligibility requirement for Medicaid. Therefore, there is an opportunity for growth in Medicaid due to that factor.

Mrs. Bolus asked if that would include those individuals who are currently being dropped by their insurance carrier.

Ms. Zurack stated that it does not relate to that group but rather the commitment by President Obama that anyone who currently has employer sponsored or commercial purchased insurance, those individuals' plans would not change. However, the ACA set minimum standards for coverage in the plans. There are individuals who have plans with less than the minimum coverage and less expensive that have become obsolete under the health plans as part of the ACA. Therefore, those individuals will need to purchase on the Exchanges. To further expand on the non-MAGI it includes those individuals on cash assistance SSI, foster care, individuals 65 and older when given conditional eligibility; individuals eligibility based on being blind and disabled; individuals requesting coverage long term care, Medicare savings program, medically needy, cancer service programs, individuals in residential adult home; former foster care youth, individuals in residential treatment centers and community centers operated by the State office of Mental Health Services. Those individuals will continue to be processed by the local department of social services.

Ms. Youssef asked what category of individuals it would include that given that it broaden the scope of eligibility to include more individuals.

Ms. Zurack stated that it would include childless adults, couples or singles, their eligibility income threshold increased significantly as a result of the minimum standards in the ACA. Prior to January 2014 individuals had to earn less than 87% of the federal poverty level (FPL) after January 2014 it is less than 138% of the FPL. Therefore the difference in those two percentages represents the potential increase.

Ms. Youssef asked if HHC knows how many individuals would be affected by that change. Ms. Zurack stated that information is not yet available.

Commissioner Doar added that it is much higher than anticipated for a different group of people who could become eligible.

Ms. Cohen asked if there is a way to determine the difference in the benefits for individuals and whether the trainers will be trained to assist in that distinction to avoid improper use of the various pathways, given that the distinction between the MAGI and non-MAGI is that an individual who has a disability and who would be eligible through the disability pathway could also have low income and also be eligible through the MAGI pathway.

Ms. Zurack stated that HHC would be unable to determine what that number would be. However, HHC will research the issue and report back to the Committee as information becomes available.

Ms. Youssef asked which department of NYS is involved in this process.

Ms. Zurack stated that the State Department of Health (SDOH) under the ACA has contracted with MAXIMUS as the vendor to do eligibility determination work.

Commissioner Doar stated that SDOH's position is that the computer system will make the determination of eligibility and is managed by SDOH. MAXIMUS is the enrollment facilitator.

Ms. Zurack added that it is by CSS a different vendor. MAXIMUS currently has the contract with the State for managed care enrollment and manages the Medicaid Choice line. Essentially once an individual has been determined eligible by the local social services district, a plan is selected and maintaining the roster and the management of which plan the individual has selected has been the role of MAXIMUS in Medicaid managed care. MAXIMUS has been awarded the contract for the Exchanges and Medicaid. What was formerly an eligibility determination that was made by a member of the staff of the local social service district and then input into the Welfare Management System (WMS) will now be made through the decision support within the Exchange system which is the same vendor CSS. Additionally, MAXIMUS will do all non-computer work that was previously done by the local social service district. However, it is anticipated that the volume will decrease. The company that manages the actual programming of these Exchanges is CSS and formerly operated the previous e-MEDNY system.

Ms. Youssef added that a significant portion of what HRA did will be taken over by the State.

Commissioner Doar agreeing stated that the role of HRA will change significantly and that for a long time the State has taken a position that as a result of the ACA and other changes, the objective was to move the local department of social services out of the determination of the vast majority of the cases. Ultimately the goal is to eventually do all of the cases. In actuality, HRA is shrinking and the State is growing.

Mr. Rosen stated that the ACA and the role of the Exchanges is very complex process for the Committee to fully comprehend and as such a more detailed presentation would be helpful in providing a summary of the major changes and the various nuances of the ACA and the impact for HHC from a revenue perspective. Therefore, if at the next meeting, Ms. Zurack could do a presentation for the Committee it would be extremely helpful.

Ms. Zurack stated that the reason for not putting together a presentation is that every fact is steadily changing on a daily basis. Mr. Rosen added that given the changes that are evolving there may be some benefit to HHC by enabling HHC to enroll more individuals.

Commissioner Doar added that there may be a benefit but there could be a shift. Additionally, there is the issue of the undocumented.

Ms. Zurack stated that the State has not been releasing regular updates on the number of people who have been enrolled and the latest data that is available is as of two weeks ago. There are 37,000 individuals and families enrolled; 23,717 will be enrolled in Medicaid and 13,313 in qualified health plans (QHP).

Ms. Youssef asked if the data was state-wide. Ms. Zurack responded in the affirmative.

Commissioner Doar added that the Medicaid number is much higher than anticipated in that the expectation was that there would be more QHPs and less Medicaid.

Ms. Zurack stated that HHC is also working with the trade associations, in getting as much information as possible. Based on recent discussions with Greater New York Hospital Association (GNYHA), the data is lagging but that there is some speculation that there has been an increase in QHPs and less in Medicaid as the process progresses.

Ms. Youssef asked for clarification of the role of MAXIMUS as a private vendor for profit and their role in the eligibility process.

Ms. Zurack asked Commissioner Doar if he would explain.

Commissioner Doar stated that the State would not categorize them in that fashion but rather MAXIMUS is a facilitator but the overall management is the State. However, MAXIMUS is working with the State in determining eligibility.

Mr. Aviles stated that in response to an earlier question raised by Mr. Rosen regarding new enrollment for HHC, there were some probability models that were run. Given that MetroPlus is offering the lowest premium than three of the four pricing tiers, it does suggest that there is an opportunity with additional enrollment; a combination of the Exchanges enrollment and some additional Medicaid enrollment, some Medicaid shifting that may occur could be as high as 100,000 new members under one of the models which represents the revenue opportunity. It is highly questionable whether HHC can execute on the access redesign work in ambulatory care that would create the additional capacity needed and additional primary care would accommodate new patients. HHC is very focused on this initiative.

Ms. Zurack stated that the MetroPlus data as of November 1, 2013 showed that there are 1,899 enrollees and 50% of those were less than thirty years of age and 30% are choosing platinum and gold plans that are slightly higher plans. Eighty percent are selecting the particular model that gives the option of the dental and vision benefits. Based on that data, MetroPlus is pleased with their enrollments.

Ms. Cohen asked if the data was the MetroPlus QHP and does not include individuals enrolling in the FHP. Ms. Zurack stated that it does not include Family Health Plus (FHP) that will not come until January 2014.

Dr. Stocker asked if there is data on enrollment for other plans. Ms. Zurack responded there is no data available at this time.

Mrs. Bolus asked if the January 2014 date still in effect. Ms. Zurack replied that it is.

Mr. Aviles added that the only date that has been pushed back relates to the initial date for individual to enroll in a plan which was February 15, 2014 to avoid a penalty mandate but has now been pushed back to March 31, 2014.

Ms. Youssef asked if the State is addressing the uninsured issue. Ms. Zurack stated that the only area where this activity overlaps with that question is in the area of emergency Medicaid. The Medicaid applications that are reported monthly to the Committee by Ms. Katz, half are individuals who are eligible for emergency Medicaid if their condition is considered emergent their immigration status would not be relevant and the eligibility would be for three months. Those individuals come through in a special application process that requires less documentation. Those applications will be processed by the electronic Exchange which is of concern for HHC given that those applications will be processed in a federal data base.

Mr. Russo added that it is to treat the emergency condition as long as the emergent condition exists and as such the eligibility is up to that period of time.

Ms. Katz commented that the eligibility is up to a year but whether the billing can be done depends on whether the patient comes in with an emergent condition but the eligibility is on file for a year. The documentation of the emergency must be done.

Ms. Zurack stated that HHC can only bill for conditions that the State accepts as an emergent condition but the eligibility does not require a resubmission.

Commissioner Doar asked if the undocumented stay in fee-for-service. Ms. Zurack responded in the affirmative.

Ms. Youssef asked if there is a difference in the application for the Exchange current application.

Mr. Bekker stated that it is very different in that there are more questions than on the current application.

Mrs. Bolus asked if there will be a need for additional staff due to the new application.

Ms. Zurack stated that the process is expected to be much easier than the current process given the decrease in the number of documents needed to document the data on the application. The current process that is being done by the HCIs basically involves getting documentation and verification of information. The Exchange process is different in that once the information is submitted it is cross-checked and matched to the federal data base and instantaneously the eligibility is received.

Commissioner Doar asked if the hospital stays are higher what would be an indicator of a problem in terms of that number coming down.

Ms. Zurack stated that the payer mix report which would be presented later by Ms. Olson would show that above 6% would be of concern. If that trend continues a year later and goes above 6% in either of those two numbers it would be of concern.

Key Indicators/Cash Receipts & Disbursements Reports

Mr. Fred Covino stated that the reporting would begin with Ms. Krista Olson.

Ms. Olson stated that the total ambulatory care visits are down by 1.6% and acute care visits are down by 1.5% excluding Harlem due to prior year visits in psych that were posted this FY 14, visits are down 3.5% or 17,000 visits. The diagnostic and treatment centers (D&TCs) are down by 2.4%. Acute discharges are down by 4% or 1,800 discharges excluding Coney Island down 2% or 882 discharges. Nursing Home days are down by 15.5% due to transitions underway at Coler/Goldwater and the construction at Gouverneur. The average length of stay (ALOS), Kings County was above the expected length of stay (LOS) by 6/10 of a day compared to last month at 9/10 day a slight decrease. At the beginning of the year the facility made an effort to discharge very hard to place patients, four patients over 100 days which reduces the LOS in the months ahead. The case mix index was .1% higher than last year.

Ms. Bolus asked whether the LOS issue at Kings County is due to the ongoing problem with the facility taking and placing some patient into CAMBA Gardens housing.

Ms. Brown, Senior Vice President, Corporate Planning, Intergovernmental Relations and Community Health stated that CAMBA Gardens is not yet open and it was not solely for the placement of patient into that housing. There is a process whereby there is a percentage of people who are slotted as patients from Kings County to go into CAMBA Gardens but not all will be hard to place patients some will be eligible due to a number of factors such as homelessness prior to hospitalizations, income levels, low income housing and residents of the community. In addition to the CAMBA Gardens there is a percentage of individuals who work for Kings County Hospital who would also be eligible for a CAMBA Gardens apartment. There is a staff person at Kings County who is the liaison with CAMBA Gardens in assisting with the application process.

Mr. Covino continuing with the reporting of the Cash Receipts and Disbursement Report stated that full-time equivalents (FTEs) are up by 79.5 that include an increase of 50 residents and the centralization of the procurement staff in addition to the continual staffing of the enterprise Information Technology (IT) which is up by 18 FTEs due to the implementation of the electronic medical record--EMR/EPIC. Receipts are \$70 million worse than budget and disbursements are \$20 million worse than budget.

Ms. Youssouf asked if the increase in disbursements included expenses related to Hurricane Sandy.

Mr. Covino stated that there is approximately \$10.5 million in disbursements.

Ms. Youssouf asked for clarification of why FTEs are up after being down last year.

Mr. Covino stated that last year FTEs were down by 931 which was 700 FTEs better than the target.

Ms. Zurack stated that the base period changed which for the current FY 14 the time period is different from the year-end total last year.

Mr. Covino stated that the current base period for FY 14 is 6/30/13. It is anticipated that the headcount will increase by 200-250 FTEs due to key backfills that were on hold last year; the hiring of patient centered medical home (PCMH) hiring staff for the EMR.

Ms. Youssouf asked what the projection for the current FY 14 given that last year there was a target.

Mr. Covino stated that the target was exceeded last year against the target of 3,700 FTEs. The increase in the FTEs is due to the PCMH program a total of 250 FTEs increase. Page 3, current year actual receipts are \$432 million less than last year due to the timing of DSH payment. \$624 million was received through September 2012 compared to this year of \$152 million for the same period. However, as previously mentioned by Ms. Zurack \$194 million in DSH payments is anticipated in November 2013 and another \$520 million in April 2014. Comparing the two while there was the spend-up of DSH payments last year; HHC received \$1.148 billion compared to \$866 million this year which is reflective of a significant decrease.

Ms. Andrea Cohen asked if the MetroPlus supplemental payment was always expected. Ms. Zurack stated that it is something new.

Mr. Covino stated that expenses were \$113 million better than last year due to the timing of City Payments compared to last year for the same period. Last year \$141 million in payments were made to the City that included medical malpractice, health insurance payments and Emergency Medical Service (EMS). Comparison of the current FY 14 actuals to budget, inpatient receipts were \$53 million worse than budget due to Medicaid fee-for-service and Medicaid managed care where the workload is continuing to decrease on the Medicaid fee-for-service is down 535 paid Medicaid discharges, 3,000 psych days, 18,700 SNF days and 10,000 chronic nursing home days. Outpatient receipts are down \$15 million due to the decline in the Medicaid fee-for-service workload. Other Than Personal Services (OTPS) expenses are \$22 million worse than budget due to \$10.5 million in expenses related to the storm last year due to restorations at Bellevue, Coney Island and Coler. There will be a

considerable deficit throughout the year in OTPS for Coler/Goldwater due to the transitioning. The revenue is projected to decrease. The report was concluded.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation to execute contracts with **Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green, P.C.** to provide specialized legal counsel and representation to the Corporation on such legal matters as may be requested by the Corporation. The retention shall be for a term of three years with two one-year options to renew. Fees shall not exceed \$465 per hour for partners and from \$245 to \$415 per hour for associates, depending on experience, and \$160 per hour for paralegals, with a five percent increase in the option years of the contracts.

Representatives from the firms included: Linda Tiano, Epstein Becker & Green, Joseph Willey, Katten Muchin Rosenman, Linda Malek, Moses & Singer, Frederick Miller, Garfunkel Wild, Michele Masucci, Nixon Peabody.

Mr. Salvatore Russo introduced Barbara Keller, Deputy Counsel who was responsible for the Request for Proposals process. Additionally, Mr. Russo extended thanks to the selection committee which was comprised of seven members including legal affairs, medical & professional affairs/affiliation, corporate finance/revenue management, a network CFO and workforce planning and development. It is important to note that the decision to expand the pool of specialized legal counsel services does not reflect negatively on the counsel retained in the past. Particularly Katten, Muchin & Rosenman, who were previously retained in an early iteration as Rosenman & Colin, was retained as outside counsel for the Corporation since 1976 and has recovered more than a \$1 billion for the Corporation. The expansion reflected the need to expand the bench of law firms that can respond to the Corporation's needs in a variety of matters. Also noted, while the resolution contains upper limits of the firms' category, page 1 of the contract fact sheet specifies subgroup rates based on experience. Due to the constant changes in the healthcare law, the legal needs of the Corporation are expanding and ever changing. In the current healthcare environment of the Accountable Care Organization (ACO), market places, federally-qualified healthcare centers (FQHCs) and paid for performances, HHC needs to have specialized and the best legal timely advice.

Ms. Youssef asked if the fees were consistent across all of the firms for services such as printing which could become costly.

Ms. Keller stated that it was not included as part of the proposals. The contract requires that those expenses would be billed at cost. There is no fee proposal for that aspect of the work.

Mr. Russo stated that the standard fees that the law firms charge for these services other than HHC are much higher; however, HHC has set the bar. One firm's fee was below the highest.

Ms. Cohen asked if there is access to all of the firms and whether there are minimum caps. Mr. Russo stated that it is similar to a requirements contract.

Ms. Cohen asked if the firm is selected based on their expertise and capacity. Mr. Russo stated that all of those factors are taken into account in selecting a firm. Also there is some healthy competition. Ms. Cohen asked if there is an expected increase in the total work.

Mr. Russo stated that the cost has been increasing over the years and HHC sets the top rate but the expansion of work has been a factor as a result of all the changes in the healthcare area. HHC staff has not increased but in order to address that increase in workload, there has been an increase in referrals to outside counsel. It is anticipated that the cost will increase but moderately.

Ms. Keller added that the increase in cost would not be related to the increase in the number of firms.

Ms. Youssef asked if joint ventures will be handled by the firms. Mr. Russo stated that has been the case and would continue to be as part of the contracted services.

Ms. Youssef asked whether there are any anticipated major changes in the industry that would require specialized services beyond the selected group of firms.

Mr. Russo stated that there are no anticipated changes at this time. However, the selected firms are some of the top firms in NYC specializing in healthcare law and all have a number of attorneys that could be used beyond the healthcare area if there was a need for those services.

Ms. Cohen asked if the contract only allows for hourly rates as opposed to negotiating a project based fee.

Mr. Russo stated that the Corporation has experimented with enterprise billing which may not be the best alternative and this contract does not incorporate that type of arrangement. If there is a need in the future to do that type of arrangement, HHC has the ability to negotiate with the firms.

Ms. Cohen asked how the cost of the contract is managed to ensure that the number of hours for attorneys assigned to a specific project is appropriate and whether there is language in the contract to address that issue.

Mr. Russo stated that the bills are reviewed by the office of legal affairs and if it is determined that there may be an excess of resources being expended by the firms, it is addressed and if necessary an adjustment in the cost is made.

Ms. Keller added that at the beginning of a project, legal affairs would see it hands on and would know if there were too many attorneys at meetings or on a phone call which is not something HHC has experienced but it is something to monitor more closely upfront.

Mr. Russo stated that on occasion, legal affairs have requested to have a specific healthcare partner from a certain area or multiple attorneys.

Ms. Youssef asked if the contract should allow for the enterprise given that a certain project would require a specific type of service as oppose to developing the scope and trying to get a complete bid on the cost from each firm.

Mr. Russo stated that cost is not always the barometer in selecting or assigning the appropriate firm for a specific project, adding that after being in the field for thirty three years, it is known who is capable. In terms of the enterprise there is no language in the contract that requires that or prohibits it.

The resolution was approved for the full Board's consideration.

Information Items:

PS Key Indicators Quarterly Report FY14 – 1st Qtr

Mr. Covino stated that disbursements, actual versus the budget there was a \$3 million deficit in disbursements against the budget primarily at Coler/Goldwater due to the transition underway at those facilities. Some of the FTEs at those facilities are being reassigned to other HHC facilities. As of September 2013 there were approximately 240 FTEs who were to be transferred and as of to-date there are 24 -30 FTEs remaining on the list. FTEs are 79.5 above the 6/30/13 baseline. FTEs are 931 less than last year. The increase in FTEs by category showed that the increase has been in nurses, residents and managers. Overtime is \$3.6 million over budget. Nurse registry is up by 800,000 compared to last year. The bulk of the increase is in plant maintenance which includes operating maintenance which is up by \$700,000 due to housekeeping and \$100,000 for security year-to-date.

Ms. Youssef asked if the increase in plant maintenance was due to the storm. Ms. Covino stated that it is not given that these expenses were incurred prior to the storm.

Ms. Youssef asked what the increase in plant maintenance is attributable to. Mr. Covino stated that the expenses are being managed against last year which was lower than the prior year. The average cost for plant maintenance overtime is \$9 to \$10 million for the 1st quarter of the year compared to \$7.2 million last year. So it was significantly lower than last year compared to an increase this year. However, corporate finance has reached out to Johnson Controls, Inc. (JCI) about this issue and will continue working with them on resolving this issue. JCI has indicated that there were some unanticipated expenses at Coler/Goldwater and JCAHO related to the preparation that required additional resources.

Ms. Youssef asked for further clarification of the 36% increase that has not been addressed in terms of what that increase is attributable to.

Mr. Covino stated that there were several factors, the base for last year was very low; there has been some work going on at Coler/Goldwater and the new Hank Carter Nursing Facility in preparation for the transfer of services to that facility; the new emergency departments at Lincoln and Harlem that are scheduled for opening; and preparation at those facilities that were scheduled for the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) during the year are all contributing factors to the increase.

Ms. Zurack interjected that what Mr. Covino has stated may appears to be somewhat confusing; however, the reporting is on where the increase in overtime has occurred and there are places where there has been a need for extra work. However, overall, JCI was hired to reduce overtime expenses even when there was extra work; therefore, HHC is in discussions with JCI regarding this issue to ensure that the targeted reduction in this area gets back on track based on their guarantee in the contract and is a requirement that JCI must achieve.

Ms. Youssef stated that was the point that was being raised that regardless of the baseline being low and being targeted against that base, the fact is that JCI as a contractor was hired to reduce overtime and other expenses but based on the 36% increase that has not been the case.

Mr. Covino stated that there have been direct discussions with JCI regarding this issue and corporate finance will continue to address this issue as it relates to the contract. Continuing with the reporting, nurse registry expenses are \$.5 million higher than last year. Allowances were \$1.3

million higher than last year. Allowances baseline is between \$19 to \$20 million per year compared to last year which was very low--at \$16 million compared to this year it is \$17.5 million which is significantly better than the baseline.

Ms. Youssouf stated that if HHC's goal is to reduce cost the new baseline should not be higher but lower in comparing the actual expenses. If the old baseline which was higher becomes the new baseline as opposed to a targeted baseline it would defeat the purpose of having a reduction. Therefore a new baseline that is lower should be established as part of the reporting.

Mr. Covino stated that there was a 25% reduction in the baseline and it is not expected that HHC can maintain that level.

Ms. Youssouf asked what the goal is. Ms. Zurack stated that the goal is to get the reduction to be permanent. However, the point that Mr. Covino was making is that the data only reflects one quarter of the year's actuals and trying to put that into context to determine whether there should be concern in terms of what the data is showing. Last year the first quarter relative to the year was very low; therefore, Mr. Covino is just cautioning overreacting to the first quarter data. There is no question that the baseline should be lower and it is reflected in the budget as such. Every effort will be made going forward to fine tune the reporting to ensure consistency with the various targets relative to HHC's plan.

Ms. Cohen asked what the status of the NASH contract is. Mr. Covino stated that it is for all nursing costs. Ms. Cohen asked when HHC would expect to see the impact of those services on the expenses.

Dr. Wilson stated that the contract is signed and the work is getting underway. The expectation is that by January 2014 it will be in full effect and by March and June 2014 the impact on the services is expected to be seen.

Payor Mix Reports- Inpatient/Adult/Pediatrics

Mr. Rosen informed the Committee that there is a new payor mix report that would be presented to the Committee on a quarterly basis.

Ms. Olson stated that the report showed that the share of each payor category for each facility and the corporate total. Each of the numbers represents the percentage. In 2014, 59.4% of the inpatient discharges were Medicaid either fee for service or managed care. Twenty-one percent of the total discharges were Medicaid fee-for-service and 38.3% were one of the Medicaid plans. Twenty-one point two percent in FY 14 were Medicare and 20.5% Medicare in FY 13 which is reflective of a slight increase. Overall 9.2% are insured comprised of self-pay and HHC Options. It is anticipated based on prior years that percentage will decrease to an average of 6%.

Commissioner Doar asked if the numbers will shift as the year progresses. Ms. Olson responded in the affirmative.

Ms. Bolus asked if the Medicare commercial included the 20% of Medicare. Ms. Zurack stated that it could or it could be a patient with only commercial and some of the self-pay could be co-insurance deductible.

Commissioner Doar asked why the FY 13 numbers are the same. Ms. Olson stated that this year the FY 13 data was run on November 9, 2013 which is as of that date.

Ms. Youssouf asked what the anticipated reduction in the percentages is based on. Ms. Zurack stated it is based on historical trends. To clarify a previous response, the data comparison is not based on a quarterly comparison. The reports were run so that the comparison would be comparable. In this instance the lag is consistent in both years.

Commissioner Doar asked what happened at Bellevue. Ms. Olson stated that Bellevue improved from last year to this year down to the 13.8% and is expected to improve more as the year progresses.

Dr. Stocker commented that it is a great report and one key factor that it highlights is that there are significant variation between facilities and the number of patients in managed care. Lincoln is at 60% and Bellevue at 35% a significant difference since the incentives change with payment methods. In terms of capitation, it may be worthwhile to look at utilization measures such hospital days per 1,000; commercials are about 300 days per 1,000 and LOS days per 1,000 at 60% managed care may be to HHC's advantage. A facility at 60% capitated would be run differently than a 30% capitation.

Ms. Zurack stated that the report could be done; however, it is not clear why one hospital is higher than another. It may be related to the uninsured and the nature of the community but an analysis of the utilization at those hospitals could be done.

Dr. Stocker stated that it would be interesting to see what the data would show and it could change HHC's approach on how to handle the population with Medicare going up.

Ms. Zurack stated that it is higher than HHC historical experience it has been steadily increasing.

Dr. Stocker asked if the data could cover a few years. Ms. Zurack stated that the data could be run but the date would be a problem. Ms. Olson stated that the actual data is based on the former report so the source date is the same and therefore the date would not be a problem.

Dr. Stocker stated if HHC invest in primary care there may be an increase in the uninsured. Emergency Medicaid is fee-for-service but not in the data. After reviewing that data from the utilization analysis it may be financially advantageous for HHC to have some level of penetration of capitation.

Ms. Olson continuing with the reporting stated that the adult payor mix with the D&TCs included the uninsured goes up to 30.9% in 2014.

Commissioner Doar asked what would be the expected reduction in the percentage based on the prior year experience would it be higher or lower.

Ms. Olson stated that the data was not available but would include it in the next reporting; however, there has not been a significant reduction on the outpatient side.

Ms. Zurack stated that when the patient is referred from the inpatient side and goes to outpatient there is some movement in the percentage.

Ms. Olson stated that the pediatrics percentage of uninsured is similar to the inpatient at 8.9% in 2014.

Mr. Rosen stated that Dr. Stocker raised a very good question regarding the trend over a period of time and running the data quarterly may not give a good trend; therefore, perhaps if the reports are available showing a few years that would be helpful in identifying a trend.

Ms. Youssouf commented that the pediatrics is very low but the adult is very high.

Ms. Zurack stated that immigration status does not apply to children. It is the State's intention to maintain its child health programs. So there will be families in different plans.

Ms. Youssouf asked what the age limit is. Ms. Zurack stated that it is 19.

Mr. Rosen stated that given the overrun of the meeting, the remaining two items on the agenda will be postponed for the next scheduled reporting.

Ms. Zurack added that the information item related to the banks for the lease was in response to the Committee's request; therefore, if there are any questions regarding the data, member of the Committee can call either her or Linda Dehart, Assistant Vice President, Corporate Reimbursement Services/Debt Financing.

Medical & Professional Affairs / Information Technology Committee
November 7, 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:

NYS Hospital Medical Home Demonstration Award

This was a very important body of work that facilitated the movement of Medical Home and PCMH using federal dollars through the State to achieve Patient Centered Medical Home status, as well as several other projects. This year, a team of people led by Irene Kaufman and Mary-Ann Etiebet have been helping facilities reapply, under the new standards; every site that responded has been designated as a NCQA Level 3 with very high scores.

All 11 hospitals received notification on October 2, 2013 that they had completed initial milestones including submission of an acceptable work plan, baseline PCMH assessment, and first quarterly report and thus were eligible to receive the remainder of year one payments. To date, this award has provided HHC with approximately \$38M in total year one funding. The goal of this award is to support teaching hospitals as they improve coordination, continuity, and quality of care for Medicaid beneficiaries by transforming their outpatient primary care training sites into high quality Patient-Centered Medical Homes, enhancing training of primary care physicians, and making other quality and safety improvements. Continued full funding of each of the award payments is contingent upon obtaining NCQA PCMH Level 2 or 3 recognition (2011 standards) by July 1, 2014 and meeting NYS Department of Health quarterly reporting requirements.

Eight facilities have received Level 3 PCMH recognition under the 2011 NCQA standards (Gouverneur, Elmhurst Hospital, Belvis D&TC, Morrisania D&TC, Lincoln Hospital, Harlem Hospital, Coney Island Hospital, and Metropolitan Hospital). Through New York State Medicaid's

PCMH Incentive Program, PCMH Level 3 practices received an additional \$ 6 PMPM for Medicaid Managed care patients and an additional \$16.75 per primary care service for FFS patients. Five facilities have submitted their applications to NCQA and are awaiting determination: Jacobi Hospital, NCB Hospital, Bellevue Hospital, Woodhull Hospital, and Cumberland D&TC). Four facilities have their PCMH application in development and intend to submit by the end of calendar year 2013: Queens Hospital, Kings County Hospital, East New York D&TC, and Renaissance D&TC.

Flu

Considerable activity continues to promote flu vaccination across HHC, and to implement the New York State regulations that require the wearing of a mask for health care workers who are not vaccinated. Wearing a mask will be mandatory once the Health Commissioner declares the beginning of the flu season. Nearly 100,00 doses of flu vaccine have been administered at HHC so far this season, and nearly 65% of our employees have been vaccinated. Our target is to achieve "herd immunity" and to exceed 92% of employees being vaccinated. Belvis, Seaview, and Gouverneur have already exceeded 75% vaccination rates.

The importance of the EVR is not to be underestimated. The registry is the source of truth and in combination with PeopleSoft, allows us to get lists of vaccinated and non-vaccinated employees.

Dr. Stocker asked about the correctional line. Dr. Wilson indicated that is related to the correctional staff at Bellevue and they are not our employees and they are technically not supposed to be on the list.

Hepatitis C Screening Law

On October 23, 2013, Governor Cuomo signed into law the requirement that all patients born between 1945 and 1965 ("baby boomers") be screened for Hepatitis C. As of January 1st, 2014, anyone who enters, either through a clinic or an inpatient stay, will have to be tested for Hepatitis C. Anyone testing positive will require a follow-up blood test and if that is positive, they may require liver investigations. The Council of the Chiefs of Internal Medicine is working on a standards HHC protocol to manage the screening and subsequent testing/management of screen positive patients. Given the "silent" nature of the disease, it is expected that many more patients will be diagnosed and be able to receive treatment to reduce the morbidity and mortality due to liver disease.

Designation of Trauma Centers

As a result of the New York State DOH no longer managing trauma center designation and verification directly, this function will now be undertaken by the American College of Surgeons and the result will then be recognized by DOH. There has been considerable preparation to meet standards that in some cases may be more stringent, and the first of the preliminary site visits will occur later this month. All our trauma centers have consultative visits scheduled over the next several months.

A resolution will be presented to the full HHC Board Meeting later this month in support of this direction, as requested by the American College of Surgeons.

HHC Accountable Care Organization

The annual general meeting of the Board of the HHC ACO was conducted yesterday and was briefed on the general progress in establishing the ACO as a participant in the CMS Medicare Shared Saving Program. The presentation gives a brief overview of the Beneficiaries that have been allocated so far to the ACO. It is these patients which whom we will need to demonstrate to CMS that we can meet the 33 quality reporting requirements and also reduce the cost to Medicare (year on year), in order for us to share 50% of that cost reduction to Medicare. This general principle of shared savings is becoming a theme in both commercial arrangements and other arrangements in different states. The ACO is part of an important agenda to move from volume to quality.

Amanda Parsons asked if a causal conclusion between the higher inpatient spending and the lower outpatient spending was drawn. Dr. Wilson stated CMS struggles to meet the current date. The data was obtained a few weeks ago and therefore a thorough analysis by beneficiary has not yet been completed. We will be able to analyze by looking at the demographics vs. the diagnostic vs. the claim in the next few month to get a clear picture.

MetroPlus Health Plan

Arnold Saperstein, MD, Executive Director, MetroPlus Health Plan Inc. presented to the Committee. Dr. Saperstein informed the Committee that the Total plan enrollment as of October 2nd, 2013 was 422,472. Breakdown of plan enrollment by line of business is as follows:

Medicaid	360,019
Child Health Plus	12,217
Family Health Plus	33,813
MetroPlus Gold	3,289
Partnership in Care (HIV/SNP)	5,410
Medicare	7,305
MLTC	419

Attached are 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.

This month, we lost approximately 3,700 members. We continue our efforts to address our membership losses and have recently completed a closer look at the application submission and acceptance process to HRA and are seeking to improve this process.

In October, the NY State of Health, the Official Health Plan Marketplace went live, offering health insurance options for consumers. As of October 24th, nearly 174,000 New Yorkers completed the full application process and were determined eligible for health insurance plans. New York State's completed applications make up more than 30 percent of the total applications completed nationwide. Additionally, as of October 24th, 37,030 New Yorkers have fully enrolled for health insurance through the NY State of Health marketplace. By media reports this number includes 23,717 in Medicaid and 13,313 in a Qualified Health Plan. The Medicaid enrollments are being held by the state and will be shared with the plans in December. NYS has started transmitting enrollments to the plan via a '834 Transaction File'. As of the writing of this report, MetroPlus has received 1,200 members that have selected MetroPlus as their plan. The plan has been informed that the processing of the enrollment transactions has been delayed, so we do not know the actual number of individuals that have chosen our plan. Additionally, NYS held a series of train-the-trainer sessions this month to allow state managed care plans and others to train Certified Application Counselors (CACs). The State mandated that training sessions could only commence upon receipt of a state- approved training curriculum. MetroPlus has received its training curriculum from NYS and will immediately begin training our Facilitated Enrollers (FEs) to serve as Certified Application Counselors (CACs).

This month, MetroPlus has entered into an agreement with eleven HHC facilities to offer a grant for MetroPlus Care Managers. This grant funds 17 positions as part of an expansion of the current HHC Emergency Department (ED) Care Case Management Project. The new MetroPlus Care Managers will be on site at each facility and will be a fully integrated and engaged member of the Inpatient Project RED and ED Care Management Interdisciplinary Teams. These care managers will facilitate MetroPlus' patient's progress during their stay in the inpatient or ED setting. The current program is showing encouraging results and we expect that this expansion will continue to positively impact our members as they are admitted and discharged at our HHC facilities.

MetroPlus is preparing for the carve-in of the nursing home population. Beginning in January 2014, Medicaid recipients in New York City newly requiring long term nursing home placement will enroll in, or remain in, a managed care plan. Plans will be required to pay, at minimum, the current nursing home fee-for-service rate, which will include the nursing home capital component and the nursing home quality add-on, for two years. Based on workgroup recommendations, DOH is developing guidance on eligibility determination periods, network adequacy requirements, authorizations, and credentialing. The department recommended close coordination among plans and nursing homes with hospital providers, Health Homes, New York City Human Resources Administration (HRA) and Local Districts of Social Services (LDSS) around discharge planning and care management. MetroPlus' internal preparation to service this population is well underway and we anticipate no issues with this implementation.

Information Item

ICIS Electronic Health Record (HER) Program Update:

Epic Foundation Database has been loaded on HHC servers and is operational and accessible for HHC EITS staff members. More than 95 EITS Staff have been Epic Certified in their respective modules. Four Rounds of Workflow Preview Sessions have been completed to review the Epic Foundation functionality: Over 220 sessions, 2,000 workflows reviewed, 70% consensus, and 1,100 Parking Lot Actions

Accomplishments to date are as follows: Established weekly SOARIAN/ICIS leadership meetings, shared Soarian EMPI file, shared Soarian Facility Structure, constructed workshop on Medical Record clean-up and sustainment, identified charging data elements by service, scoped out interface issues, and reorganized Soarian timeline to coordinate with EPIC (Elmhurst and Queens scheduled for April 2014).

ICIS Workgroup Focus Areas are: Nursing Orders, Policy and Procedures for Patient Portals, transfers and handoffs, Formulary Standardization, EMPI Management, Ambulatory Specialty Templates (Pain Management, WTC, Nutrition, HIV), Organ Procurement, Charging, Materials Management Linkages, Medication Administration, Interoperative Orders and Blood Administration.

Soarian Next Steps are: Final scheduling install week of November 16, 2013; Long Term Care Facilities installed for financials starting December 2013, concluding February 2014 and Acute Care Facilities installed for financials starting April 2014, concluding March 2015.

Due to delays caused solely by Soarian, it has been decided that Soarian Leadership will be invited to attend all upcoming M&PA IT Committee meetings until issues are resolved.

HHC's Care Plan Management System Deploying the Patient Portal

The Care Plan Management System is a web-based platform providing access to care plan and care coordination transactions to the care team and to patients via respective portals. The provider portal tracks patient engagement and self-management progress toward self-defined health goals. The patient portal offers patients access to their care plan, discharge information, tailored preventive health recommendations, and personal health information. The data is either manually entered or pulled from Quadramed, UNITY, and shared with the RHIO. The Care Plan Management System is not a full medical record. HHC's goal is for every patient to be engaged in their care and to have easy access to their health information.

Portal governance will be provided by an Oversight Committee responsible for decisions regarding the strategy for engaging patients and incorporating patient preferences in portal development, recommending standard work for portal implementation and provider engagement strategies, establishing unified messaging and communications about the patient portal and establishing metrics for monitoring patient engagement and ensuring HHC goals and objectives are met. The Oversight Committee will have representation from Communications, Marketing, Information Technology, Consumers, Nursing and Clinical staff from inpatient and ambulatory care.

Some key findings of the Patient Portal Survey are that 70.8% of patients say it is moderately important to very important for them to be able to request an appointment through the portal; 69.1% of patients say it is moderately important to very important for them to be able to request medication refills through the portal; 66.1% of patients say it is moderately to very important for them to be able to discuss a health concern through the portal. The survey also conveyed that 71.7% of patients would use the website to do the following if it could be done more quickly rather than doing so in person: refill requests, referral requests, or communicate with their provider. 77.3% of patients say they would attend a free training on how to use the website to improve their health. 72.5% of patients want someone they trust, like a family member or close friend, to access the patient portal on their behalf.

Strategic Planning Committee – November 12, 2013 As reported by Josephine Bolus, RN

Senior Vice President Remarks

Ms. LaRay Brown informed the Committee that in lieu of her Senior Vice President's Report, she had asked Mr. Leonard Guttman, Assistant Vice President, to present an update on federal issues. However, due to the delay in the start of the Strategic Planning Committee Meeting, she asked to defer Mr. Guttman's presentation until the next meeting. The Committee agreed.

Information Item:

2013 Election Review

Ms. Brown invited Ms. Wendy Saunders, Assistant Vice President of the Office of Intergovernmental Relations to provide an update on the 2013 Election and the implications for HHC. Ms. Saunders began her presentation by stating that there are a lot of big changes as a result of the recent election. She reported on the following citywide offices that had been for election:

- Mayor of the City of New York (Bill DeBlasio)
- Public Advocate (Letitia James)
- Comptroller (Scott Stringer)
- Council Speaker still to be determined but focus in on the following potential candidates: Dan Garodnick, Mark Weprin, Inez Dickens, Melissa Mark Viverito, Annabel Palma and James Vacca.

Ms. Saunders stated that in addition to a new Mayor, Bill DeBlasio, a new Public Advocate, Letitia James and Comptroller, Scott Stringer, there were also some important changes in leadership that would occur at the City Council level. She reported that the next Council Speaker had not yet been determined and that the selection would likely occur in January at the Charter Meeting of the Council. She noted, however that the campaign for a Council Speaker was well underway and that there were a lot of interested candidates, as highlighted above. She added that there would also be a new Minority Leader. Since there are only three members, the likely choice would be either Vincent Ignizio or Eric Ulrich.

Ms. Saunders reported that the Borough Presidencies were also up for election. The results of those elections are described below:

- Brooklyn: State Senator Eric Adams replaced Marty Markowitz
- Bronx: Ruben Diaz Jr., was re-elected

- Manhattan: Council Member Gale Brewer replaced Scott Stringer
- Queens: Melinda Katz replaced Helen Marshall
- Staten Island: Council Member James Oddo replaced James Molinaro

Ms. Saunders stated that, there were a lot of changes in the New York City Council. She reported that 21 newly elected Council Members will be joining the City Council. She explained that there were a total of 51 Council Member seats across the five boroughs of New York City.

Council Members: Bronx

Ms. Saunders reported that the Bronx will have three new Council Members:

- District 11: Oliver Koppell was replaced by Andrew Cohen. Mr. Cohen is a lawyer. He does not have any government background. He ran on the platform of seniors and talked about more preventive health for seniors, i.e., flu shots, etc. Other issues on his campaign were community and government reform.
- District 15: Joel Rivera was replaced by Ritchie Torres. Mr. Torres formerly worked for Council Member Vacca. His campaign was focused on housing.
- District 16: Helen Foster was replaced by Vanessa Gibson. Ms. Gibson has been in the State Assembly since 2009. She is not on the Assembly Health Committee but has sponsored a variety of health related legislation focusing on issues like lupus and dialysis training for technicians, etc.

Council Members: Brooklyn

Ms. Saunders reported that the Borough of Brooklyn had the largest turnover with nine new members:

- District 34: Diana Reyna was replaced by Antonio Reynoso. Mr. Reynoso was Ms. Reyna's Chief of Staff. His campaign was focused on housing issues.
- District 35: Letitia James was replaced by Laurie Cumbo. Ms. James is the newly elected Public Advocate. Ms. Cumbo does not have previous government experience. She ran a museum of Arts focused on the African Diaspora.
- District 36: Al Vann was replaced by Robert Cornegy, Jr. Mr. Vann, who was a member of the Health Committee on the City Council, is replaced after a close election of fewer than 100 votes by Robert Cornegy, Jr., a current Council staffer. Mr. Cornegy is one of the few members, who specifically spoke about health care issues during his campaign and was calling for a Central Brooklyn Health Care Summit.
- District 37: Erik Dilan was replaced by Rafael Espinal. Mr. Espinal has only been in the State Assembly since 2011. He has attended most of HHC's Legislative Breakfasts and talked about the fact that he was born at Woodhull Medical and Mental Health Center. In addition, his family has a long history in health care.
- District 38: Sara Gonzalez was replaced by Carlos Menchaca. Sara Gonzalez was the only Council Member who lost the primary election. She was defeated by Carlos Menchaca, a staff of the Speaker. His campaign focused on immigrant issues.
- District 42: Charles Barron was replaced by Inez Barron. Mrs. Barron is the wife of Mr. Charles Barron. Mrs. Barron is a member of the Health Committee and the State Assembly. While she has not sponsored any health care related bills, it is expected that she will be active in health care issues.
- District 46: Lew Fidler was replaced by Alan Maisel. Mr. Alan Maisel, another State Assemblyman is a longtime friend to HHC. He is a new addition to the City Council.
- District 47: Domenic Recchia was replaced by Mark Treyger. In Coney Island, Mark Treyger is a teacher and focuses on community and education issues. In addition, he formerly worked for State Assemblyman Colton.
- District 48: Michael Nelson was replaced by Chaim Deutsch. Mr. Deutsch was Michael Nelson's staffer. Though presumed to be a hotly contested race between him and former State Senator Nelson, it did not end up to be a close race at all.

Council Members: Manhattan

Ms. Saunders reported on the four (4) new Council Members in the Borough of Manhattan:

- District 3: Christine Quinn was replaced by Corey Johnson. Mr. Johnson's campaign focused on housing and health care issues. The closing of St. Vincent's Hospital was a hot issue on his campaign. Mr. Johnson currently works for a State developer and is also one of the few new members who do not have any government experience.
- District 5: Jessica Lappin was replaced by Ben Kallos. Mr. Kallos was an aide to former State Assemblyman Bing. His campaign mostly focused on government transparency issues. Ms. Brown interjected that Mr. Kallos has been a frequent visitor to Bellevue and Bellevue's Community Advisory Board's meetings on behalf of Ms. Lappin. He also shared some interest in being informed about Coler/Goldwater.
- District 6: Gale Brewer was replaced by Helen Rosenthal. Ms. Rosenthal is a current Office of Management and Budget (OMB) staffer and former Chair of Community Board (CB) 7.

- District 7: Robert Jackson was replaced by Mark Levine. Mr. Levine, a District Leader, heads up the Afterschool Corporation and was formerly the head of Teach for America. Education was the centerpiece of his campaign.

Council Members: Queens

Ms. Saunders reported on the four newly elected Council Members in the borough of Queens:

- District 19: Dan Halloran was replaced by Paul Vallone. Mr. Paul Vallone is the Brother of Peter Vallone. This seat, previously held by a Republican, was turned over to a Democratic candidate. Mr. Paul Vallone is a lawyer and focused his campaign on community and Fair Share issues as well as jobs and small businesses. There was no real mention of health care issues.
- District 22: Peter Vallone Jr. was replaced by Costa Constantinides. Mr. Constantinides is a Council staffer. Health care was part of his campaign along with issues such as expanding Mount Sinai Queens and the need for a new health clinic.
- District 24: James Gennaro was replaced by Rory Lancman. Former Assemblyman Rory Lancman will be replacing James Gennaro. Mr. Lancman is a former Queens Hospital Center's Community Advisory Board's Chair. Mr. Lancman is very familiar with the Corporation and has been very supportive of HHC.
- District 27: Leroy Comrie was replaced by Daneek Miller. Mr. Miller is the head of the transportation workers union. His campaign was focused on union, transportation and community issues.

Council Members: Staten Island

Ms. Saunders reported on the newly elected Council Member in Staten Island:

- District 50: James Oddo was replaced by Steven Matteo (R). Mr. Matteo was Mr. Oddo's Chief of Staff. His campaign focused on non-related health issues such as development, roads, Sandy rebuilding, economic development and fair share.

Ms. Saunders reported on the two Assembly District Special Elections:

53rd Assembly District – Brooklyn

- Democrat Maritza Davila replaces Vito Lopez
- Worked for Ridgewood-Bushwick Senior Citizen's Council
- Lopez' Co-District Leader

Ms. Saunders noted that in her past campaign in 2009 for City Council, Ms. Davila noted that she had served on the Boards of two hospitals; one of them being Woodhull Community Advisory Board. While Ms. Davila was not the chairperson, she was a very active CAB member.

86th Assembly District – Bronx

- Democrat Victor Pichardo replaced Nelson Castro
- Worked for U.S. Senator Schumer and State Senator Rivera

Ms. Saunders explained that it was the single closest race in the Democratic Primary as Mr. Pichardo narrowly defeated Hector Ramirez by only 72 votes. Mr. Ramirez claimed that some of the voting machines were defective and challenged the election results by filing a lawsuit. Mr. Pichardo started his career with Senator Schumer as an intern and was most recently a staffer of State Senator Rivera.

Ms. Saunders explained that, as a result of the four Assembly Members and one Senator who have been elected to various city offices, Governor Cuomo is expected to call Special State Elections after January 1, 2014 to fill the ensuing State Legislator vacancies:

- ✓ Inez Barron (60th Assembly District – Brooklyn)
- ✓ Alan Maisel (59th Assembly District – Brooklyn)
- ✓ Rafael Espinal (54th Assembly District – Brooklyn)
- ✓ Vanessa Gibson (77th Assembly District – Bronx)
- ✓ Eric Adams (20th Senate District – Brooklyn)

At the request of Mr. Bernard Rosen, Board Member, Mrs. Saunders clarified that there were 21 new City Council Members that will add to the other 30 returning City Council Members.

Mr. Robert Nolan, Committee Member, asked about the Corporation's approach to brief the newly elected Borough Presidents and City Council Members on HHC's role and mission. He asked if HHC would consider meeting with these representatives together or separately in their district offices. Ms. Brown responded that because HHC already had prior relationships with the newly elected Borough Presidents, the priority would be to reach out to the City Council Members, specifically, the ones who did not raise health care as an issue in their campaign. Ms. Brown added that she would ask the Executive Directors to host a facility walk-through for these Council Members. Ms. Brown noted that they will be very impressed as they learn about HHC's accomplishments, innovations and the growing number of uninsured HHC served. In addition, Ms. Brown

urged the Community Advisory Boards to schedule their legislative breakfasts and lunches at the beginning of next year. Another strategy is for Mr. Jurenko and Mrs. Saunders to meet the legislators in their Albany offices to introduce HHC. Ms. Brown commented that her favorite presentation slide for the legislators was a bar graph which showed the number of uninsured New Yorkers HHC served relative to all the hospitals in New York City. She commented that this graph provides a clear understanding/definition of a true safety net hospital. Ms. Brown noted that all the different approaches noted above were very challenging and would be carried out over several days and months.

Mr. Nolan asked Ms. Brown if it would be more efficacious to meet with the three newly elected Bronx Council Members in their respective district offices or together in one location. Ms. Brown responded that when meeting a Council Member for the first time, an individual meeting would always be preferable as it provides a level of comfort for that individual. After that initial visit, if there are issues that are borough-wide, a group meeting could be scheduled. Ms. Brown noted that a lot of legislators' work hinges on their staff. Therefore, establishing a relationship with their staffers is as important as there will also be new staffers. Mr. Nolan reassured Ms. Brown that he would be looking forward to working with her on establishing those relationships.

Mr. Nolan commented that there were three new Council Members in the Bronx. He volunteered to accompany Ms. Brown to the initial meetings. Ms. Brown informed the Committee that Mr. Andrew Cohen had recently visited Jacobi and North Central Bronx Hospitals. Ms. Brown reiterated that it's all about establishing relationships and not assuming that people are already informed about the facilities, even if these facilities are in their neighborhoods.

Ms. Brown recalled that several years ago, when Mr. Sampson was elected, Mrs. Bolus was instrumental in helping HHC to meet with Senator Sampson. Ms. Brown stated that Mrs. Bolus' status in the borough of Brooklyn had always been helpful to provide an open door for HHC.

Mr. Nolan commented that he agreed with Ms. Brown's approach to go to the City Council Members' individual offices. Ms. Brown quoted that she "will go where the water is," even if they do not have an office. She commented that in the past, she has had to meet with legislators at their convenience including in their living rooms, at the deli, or in restaurants.

Mr. Rosen and Mrs. Bolus thanked Ms. Saunders for her presentation.

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

**ALAN D. AVILES
HHC PRESIDENT AND CHIEF EXECUTIVE
REPORT TO THE BOARD OF DIRECTORS
NOVEMBER 21, 2013**

LINCOLN HOSPITAL OPENS A NEW INTEGRATED WELLNESS CENTER

This month, Lincoln Medical Center opened its Integrated Wellness Center, an innovative program designed to provide primary care and behavioral health services for adult psychiatric patients under one roof. Using an integrated, collaborative care model, the Center is co-located within Lincoln's Behavioral Health Clinic, providing easy access to essential services for a vulnerable population in need of a dedicated patient-centered medical home.

The program targets patients who have serious mental illness along with other chronic health conditions such as diabetes or cardiovascular disease. These patients often miss medical appointments and cannot participate in their own care. Sometimes the treatment of their mental illness interferes with their regular primary healthcare. Many of these patients wind up in emergency rooms or being admitted to a hospital unnecessarily. Fifty-five percent of the patients who use Lincoln's Behavioral Health Clinic have at least one chronic condition (pulmonary, diabetes, cardiovascular disease or HIV) and thirty-one percent suffer from two or more conditions.

This innovative approach to treating mentally ill patients with chronic medical conditions was made possible through a \$1.6 million grant over four years from the Substance Abuse and Mental Health Services Administration (SAMHSA) of the U.S. Department of Health and Human Services.

**BELLEVUE OPENS PSYCHIATRIC INPATIENT UNIT FOR
CHILDREN AND ADOLESCENTS IN CRISIS**

Bellevue opened a new, 15-bed inpatient psychiatric unit for adolescents that expands the inpatient capacity by 50 percent and enables the hospital to address the growing need for inpatient mental health services for children and adolescents. The \$2.2 million project brings the total number of inpatient beds for children and adolescents to 45. The expansion of the inpatient service was funded through a New York State Health Care Efficiency and Affordability Law (HEAL) grant. The secure unit has been designed to provide an optimal environment for the treatment of psychiatric crises, including depression, suicidal or aggressive behavior, psychosis and serious family conflicts.

In recent years, Bellevue has experienced a steady increase in the number of children and adolescents coming to the emergency room in psychiatric crisis for reasons associated with a number of factors: society's growing awareness of children's mental health issues; the crisis of teen suicide; and increased referrals from schools that have implemented psychiatric assessment protocols to prevent school violence.

NEW PSYCHIATRIC ER IS OPENED AT NORTH CENTRAL BRONX HOSPITAL

Also this month, healthcare professionals, elected officials and community leaders cut the ribbon to launch a renovated and greatly expanded psychiatric emergency room at North Central Bronx Hospital (NCBH). The ceremony celebrated the \$2.4 million investment made by HHC to provide quality mental health resources for Bronx residents. The new emergency room nearly triples the clinical space used for psychiatric services, from 1430 square feet to 3600 square feet.

Last year alone, NCBH's original Psychiatric Emergency Room evaluated nearly 3,400 patients. The hospital operates 24 hours a day, seven days a week, providing treatment to all those in need including children, adult and geriatric patients. In the expanded ER, additional examination and intake rooms allow patients to be promptly seen by psychiatrists, nurses, psychologists, social workers and other medical professionals. Once patients are assessed and stabilized, they are either admitted for inpatient services or connected with outpatient resources.

NEW CHAIRMAN OF OB/GYN SERVICES JOINS NORTH BRONX HEALTHCARE NETWORK

Dr. Michael Zinaman has been appointed Chairman of the HHC North Bronx Healthcare Network's Obstetrics and Gynecology Department. Dr. Zinaman will oversee inpatient and outpatient women's health services and labor and delivery services at Jacobi Medical Center and North Central Bronx Hospital beginning in mid-December. With the appointment of the new Chair, HHC will begin to plan the reopening of labor and delivery services at North Central Bronx Hospital (NCBH) in 2014.

The NCBH maternity services were suspended in August after a series of senior physician vacancies proved difficult to fill and led to patient safety concerns related to staffing. As a result, HHC consolidated labor and delivery services from two campuses at NCBH and Jacobi, to one campus at Jacobi to better target resources and ensure optimal staffing while still meeting the community's need for inpatient obstetrical services. Both campuses have experienced a decrease in the volume of deliveries over recent years and the labor and delivery space at Jacobi was originally sized to accommodate a number of deliveries that is slightly more than Jacobi's current volume plus the volume from NCBH.

No employees from NCBH lost their jobs as a result of the consolidation and most chose to transfer to Jacobi and follow their patients there. The majority of expectant mothers from NCBH continued to receive their outpatient services at NCBH and since the consolidation more than 250 NCBH moms chose to deliver their babies at Jacobi Medical Center.

Earlier this month, we notified the New York State Department of Health that it is our intention to re-open labor and delivery services at NCBH in 2014 once we have recruited

the full complement of obstetricians, midwives, nurses and other staff required to provide coverage for all shifts, seven days a week.

PCMH RECERTIFICATIONS CLOSE TO COMPLETION

HHC adult, pediatric and HIV primary care practices are all current reapplying for recognition as Patient-Centered Medical Homes (PCMH), and most have received their recertification. The standards now applied by the National Committee for Quality Assurance (NCQA) are more rigorous than those used when care practices received their first certifications in 2010, and HHC facilities have all scored well above the requirement for the top Level III certification that assures the maximum level of enhanced revenue. There are now 10 facilities that have achieved recertification. Two additional applications have been submitted and are under review by NCQA and three applications are under development and will be submitted by the end of the year.

FIRST ENROLLMENTS IN METROPLUS FROM NY STATE HEALTH EXCHANGE

MetroPlus has been informed by the State that nearly 3,200 applicants have enrolled in our MetroPlus Qualified Health Plans on the new health insurance exchange, with coverage scheduled to begin January 1. Of the applicants that have chosen MetroPlus, it appears that many are younger members looking for a low cost plan. Seventy-five percent of the applicants are under the age of 50.

Although we understand that a significant number of new Medicaid enrollees have also signed up for MetroPlus under the expanded Medicaid eligibility standards established by the Affordable Care Act, the State will not release those official enrollment numbers to the plans until the middle of December.

FEDERAL UPDATE

Washington has been busy the last few weeks dealing with problems associated with the roll-out of the Affordable Care Act (ACA).

First, the website that functions as the portal to the federal marketplace, which is the gateway for the 36 states that did not set up their own exchanges, has been suffering numerous technical glitches. As a result, the number of persons using the website to sign up for health insurance has been much lower than projected nationally. New York State's exchange website, which appears to be functioning well, has signed up about 30 percent of all those who have successfully enrolled in exchange insurance plans nationally.

Second, millions of Americans who have had privately purchased health insurance plans have been receiving notification from their healthcare insurers that due to ACA regulations, their plans are being discontinued and canceled. The prime reason is that the plans were substandard under ACA requirements. For example, the plans may not cover all mandated

procedures or may have deductibles or out-of-pocket expenses that are too high to qualify under the ACA. This is creating a firestorm on Capitol Hill, with many Democrats joining Republicans in criticizing these cancellations. Many members of Congress have cited the statements made by President Obama and others that "if you like your insurance plan, you could keep it."

In response, President Obama and the Administration have said that regulations would be promulgated which would allow people to keep their existing plans for up to a year and possibly two. It is important to note that there is an effort by House Republicans to change the ACA to allow these non-complying plans to be offered in perpetuity, which would negate the ACA's efforts to provide greater consumer protection for those affected, potentially shift the risk profile of the pool of patients available to enroll on the exchange and threaten to ultimately undermine the affordability of premiums on the exchange. It is too early to tell how the President's attempted "fix" will impact the political or practical dynamics associated with enrollment on the new insurance exchanges.

TAKE CARE NEW YORK 2013 CAMPAIGN RESULTS

HHC's 10th Annual Take Care New York campaign in October successfully advanced our goals of promoting HHC's various health offerings to the general public, increasing employee wellness, and recognizing staff champions. Almost 6,500 staff and patients attended 60 screening and educational events throughout the month -- a 47% increase over last year. More than 4,000 health screening tests were performed on site, which is 49% higher than last year. We also had great pro-bono support from media partners with nineteen local newspapers that provided over \$40,000 in free advertising for our events.

I want to thank the 10 HHC staff members from across the corporation who served as "HHC Health Champions" and were featured on our Facebook pages. As Health Champions, they each agreed to go through one health screening and publicly share their experiences with key messages and photos. The TCNY posts on Facebook and Twitter received a record number of engagement, including likes, comments, and retweets.

I also want to thank the Office of Communications and Marketing for leading this campaign and all the facility public affairs and clinical staff who helped to make the 10th Anniversary Take Care New York campaign a success.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

Manhattan Hospital Demonstrates New Evacuation Technology, Bellevue Hospital, NY1, 11/15/13

Bellevue Hospital Expands Mental Health Services for Young People in NYC, Dr. Jennifer Havens, Bellevue, WNBC, 11/06/13

North Central Bronx Hospital to Reopen Labor & Delivery Unit, News 12 Bronx, 11/07/13

NYS Nurses Association calls for immediate reopening of maternity ward at North Central Bronx Hospital, News 12 Bronx, 11/18/13

Print

Closed North Central Bronx Hospital Maternity Ward Will Reopen — In About Nine Months!, New York Daily News, 11/07/13

North Central Bronx Opens Psychiatric ER to Ease a Borough's Anxiety, New York Daily News, 11/07/13

Weight-Loss Patients Show off New Figures on Runway, Bellevue Hospital, DNAinfo.com, 11/09/13

A Healthy Start In Life, Harlem, Jacobi, New York Daily News, 11/06/13

Bellevue Hospital Conducts Emergency Evacuation Drill, CBS New York, 11/15/13

What Happened When NYC's Bellevue Hospital Found Itself (Literally) Underwater, HealthBeatBlog.com, 11/07/13

When Doctors Share with Their Patients, Op-ed by Dr. Danielle Ofri, Bellevue, The New York Times, 11/14/13

Kings of Kings County, Kings County, East New York Diagnostic & Treatment Center, Dr. Susan Smith McKinney Nursing & Rehabilitation Center, Carribean Life, 11/15/13

Affording a Healthier Future, HHC, Harlem, Lincoln, Huffington Post, 11/04/13

Coney Island Hospital Employee Receives Nursing Excellent Award, Sheepsheadbites.com, 11/01/13

At A Glance: Rankings of most affordable hospitals in New York state, Coney Island Hospital, Crain's Health Pulse, 11/05/13

Holiday Brunch date set by Staten Island Inter-Agency Council on Aging, Theresa Rafferty, Associate Hospital Director, Sea View Hospital, Staten Island Advance, 11/17/13

CipherHealth Receives Prestigious PATH Award From New York eHealth Collaborative, President Alan D. Aviles, Digital Journal, 11/15/13

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to seek trauma center designation for Bellevue Hospital Center, Elmhurst Hospital Center, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center and Lincoln Medical & Mental Health Center through the national trauma program of the American College of Surgeons.

WHEREAS, the Corporation has played a significant and needed role in the provision of trauma services in New York City; and

WHEREAS, Bellevue Hospital Center, Elmhurst Hospital Center, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center and Lincoln Medical & Mental Health Center have all been designated trauma centers by the New York State Department of Health; and

WHEREAS, in 2014 the American College of Surgeons will become the designating and verifying authority for trauma centers; and

WHEREAS, the Board of Directors of the New York City Health and Hospitals Corporation fully supports the provision of trauma services at the hospitals that are currently designated as trauma centers; and

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation with the full support of the Board of Directors, be, and hereby is, authorized to pursue trauma center designation at Bellevue Hospital Center, Elmhurst Hospital Center, Harlem Hospital Center, Jacobi Medical Center, Kings County Hospital Center and Lincoln Medical & Mental Health Center through the national trauma program of the American College of Surgeons.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation to execute contracts with **Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green, P.C.** to provide specialized legal counsel and representation to the Corporation on such legal matters as may be requested by the Corporation. The retention shall be for a term of three years with two one-year options to renew. Fees shall not exceed \$465 per hour for partners and from \$245 to \$415 per hour for associates, depending on experience, and \$160 per hour for paralegals, with a five percent increase in the option years of the contracts.

WHEREAS, the Corporation relies on specialized legal counsel to represent the Corporation in matters related to health care and the operation of the Corporation including matters relating to billing and reimbursement, corporate restructuring efforts and business ventures, physician compensation arrangements, affiliation contract negotiation and compliance, clinical research, copyright and intellectual property, insurance, fraud and abuse, compliance investigations, taxation, labor and employment, ERISA, real estate, antitrust, managed care regulations and contracting, health information and information exchange, HIPAA, and other matters relevant to the provision of and payment for healthcare services; and

WHEREAS, in 2008, the Board of Directors authorized the retention of Katten Muchin Rosenman LLP and Moses & Singer LLP to prosecute the Corporation's rights and represent and advise it with respect to the legal matters listed above, which contracts are now expiring; and

WHEREAS, the Corporation has determined that having retainer agreements with additional firms will best serve the interests of the Corporation by ensuring access to the legal resources that are needed in all relevant areas and at all times; and

WHEREAS, through a Request for Proposals process for specialized legal counsel, a selection committee determined that the five firms listed in the resolution are best qualified to provide the specialized legal services required by the Corporation; and

WHEREAS, the five firms listed in the resolution have extensive resources, established records and reputations of excellence in this field and are thoroughly qualified to provide highly effective counsel to the Corporation; and

WHEREAS, the responsibility for monitoring this contract shall be vested with the Senior Vice President/General Counsel of the Corporation;

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute contracts with **Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green,**

P.C. to provide specialized legal counsel and representation to the Corporation on such legal matters as may be requested by the Corporation. The retention shall be for a term of three years with two one-year options to renew. Fees shall not exceed \$465 per hour for partners and from \$245 to \$415 per hour for associates, depending on experience, and \$160 per hour for paralegals, with a five percent increase in the option years of the contracts.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to proceed with the procurement and installation of a second Linear Accelerator and to renovate the suite required to house this new unit at Kings County Hospital Center (the "Facility") in an amount not-to-exceed \$5,551,879.

WHEREAS, the Facility is a leading health care provider for radiation oncology services in the Central Brooklyn community; and

WHEREAS, the existing Linear Accelerator cannot accommodate the increasing patient volume for this service at the Facility; and

WHEREAS, the New York State Department of Health (NYSDOH) approved a Certificate of Need (CON) application on November 11, 2012, for the Facility to purchase a second Linear Accelerator and to complete the construction required for installation; and

WHEREAS, the Advisory Board Company recommends the purchase of a second Linear Accelerator to address the increasing need for this service within the Central Brooklyn community; and

WHEREAS, the Office of Management and Budget (OMB) has approved a capital expenditure authorization in the amount of \$5,551,879 in Mayoral and City Council funds to be used for the purchase of a second linear accelerator and related construction; and

WHEREAS, the proposed Linear Accelerator equipment will provide the capability to treat additional out-patients per year and accommodate current excess work load; and

WHEREAS, the revision to Operating Procedure 100-5 requires that capital projects with budgets of \$3 million or more shall receive approval of the Board of Directors; and

WHEREAS, the overall management of the construction and installation contracts will be under the direction of the Facility's Executive Director and Sr. Assistant Vice President – Facilities Development.

NOW THEREFORE, be it

RESOLVED, Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to proceed with the procurement and installation of a second Linear Accelerator and to renovate the suite required to house this new unit at Kings County Hospital Center (the "Facility") in an amount not-to-exceed \$5,551,879.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a revocable license agreement with New York College of Podiatric Medicine ("NYCPM") for the use of forty parking spaces on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center (the "Facility") between 3PM and 6AM daily at no cost to the Corporation in exchange for certain security to be provided by the Facility.

WHEREAS, the Facility will be opening on or about November 17, 2013; and

WHEREAS, the Facility shall require adequate parking to accommodate staff and visitors; and

WHEREAS, the Facility licenses from City of New York's Department of Citywide Administrative Services ("DCAS") two lots underneath the viaduct supporting the MetroNorth tracks, one between 120th and 121st Streets and another between 121st and 122nd Streets, each of which affords forty parking places; and

WHEREAS, forty parking spaces are available to the Facility at Metropolitan Hospital Center; and

WHEREAS, the two lots and the Metropolitan Hospital parking does not provide enough parking to accommodate the Facility's staff and visitors during several hours each day when Facility work shifts overlap; and

WHEREAS, the Corporation has the opportunity to license from DCAS a third lot underneath the viaduct supporting the MetroNorth tracks between 119th and 120th Streets that can hold forty cars but such lot will not be available for several months; and

WHEREAS, NYCPM controls another DCAS lot under the MetroNorth tracks between 122nd and 123rd Streets that also holds about forty parking spaces and NYCPM is willing to allow the Facility's employees to use the forty parking spaces in exchange for certain security services and enhancements.

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 revocable license agreement with New York College of Podiatric Medicine for the use of forty parking spaces on a lot under the MetroNorth tracks between 122nd and 123rd Streets close to the Henry J. Carter Specialty Hospital and Nursing Center (the "Facility") between 3PM and 6AM daily at no cost to the Corporation in exchange for certain security to be provided by the Facility.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") or the President of MetroPlus Health Plan, Inc. ("MetroPlus") to execute a lease between either the Corporation or MetroPlus and 1776 Eastchester Operating LLC for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road Borough of the Bronx to house the disaster recovery facilities of MetroPlus for a term of ten years with a five year option at a base rent of \$34.50 which shall increase at 6% every other year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation or MetroPlus a cost of approximately \$2.1M for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.

WHEREAS, MetroPlus, a subsidiary corporation of the Corporation, maintains a Business Resumption Plan which coordinates the response and recovery of its mission critical business processes and IT infrastructure should a disaster render any of the space occupied by MetroPlus unusable; and

WHEREAS, MetroPlus currently has a contract with Sunguard for disaster recovery services including a back-up data center and seating for staff; and

WHEREAS, in the aftermath of Hurricane Sandy, Metroplus used Sunguard facilities to seat up to 280 of its staff, and its experience with this arrangement led it to conclude that the allotted number of seats was inadequate and additional seats needed to be secured in advance of a disaster and dedicated exclusively to MetroPlus use; and

WHEREAS, MetroPlus considered several approaches to improving its Business Resumption Plan capability including use of existing Corporation facilities, contracting with Sunguard for additional seats to be reserved in advance, and leasing space for dedicated disaster recovery use; and

WHEREAS, leasing space for dedicated disaster recovery use, which may also function as training and conference space was deemed the most cost effective means of meeting the requirements of the Disaster Recovery Plan; and

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") or the President of MetroPlus Health Plan, Inc. ("MetroPlus") be and they hereby are authorized to execute a lease between either the Corporation or MetroPlus and 1776 Eastchester Operating LLC for approximately 17,414 square feet of space located on the second floor at 1776 Eastchester Road Borough of the Bronx to house the disaster recovery facilities of MetroPlus Health Plan, Inc. for a term of ten years with a five year option at a base rent of \$34.50/sq. ft. which shall increase at 6% every other year over the lease term and which shall include the cost of building out the space to the building standard but that will leave to the Corporation a cost of approximately \$2.1M for the installation of furniture and IT equipment, supplemental HVAC and an emergency generator.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Hawkins Delafield & Wood LLP ("Hawkins") to provide bond counsel services related to the structuring and continuing implementation of the Corporation's financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: \$420 for Partners, \$360 for Senior Associates, \$280 for Associates, \$210 for Junior Associates, and \$150 for paraprofessionals.

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

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

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

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

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

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

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute a contract with Hawkins Delafield & Wood LLP to provide bond counsel services related to the structuring and continuing implementation of the Corporation's financing program for the period beginning December 1, 2013 through November 30, 2016, plus two one-year renewal options solely exercisable by the Corporation. The hourly rates are: \$420 for Partners, \$360 for Senior Associates, \$280 for Associates, \$210 for Junior Associates and \$150 for paraprofessionals.

EXECUTIVE SUMMARY

Hawkins Delafield & Wood LLP

Bond Counsel Services

The Corporation funds a vast majority of its major capital expenditures with the proceeds of bonds, notes, leases, or other publicly traded securities issued either by the Corporation or by a third-party on the Corporation's behalf. This activity has become increasingly diverse in recent years, encompassing fixed and variable rate bond issues, equipment leases, and lease-leaseback financings. The Corporation cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure and ancillary documents.

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

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

Hawkins was selected in 1995 and 1998 through a RFP process. In 2001 and 2004, the Corporation's Board of Directors approved Hawkins as its bond counsel for back-to-back three-year sole source contracts primarily due to the depth of Hawkins' health care experience and the firm's thorough working knowledge of the Corporation's legal and business components. Hawkins' knowledge was proven to be extremely beneficial to the Corporation during its' bond issuances in 1997, 1999, 2002, 2003, 2008 and 2010; and its 2004 capital lease financing. Hawkins has an intricate understanding of the Corporation's credit, legal structure and its relationship with the City of New York, resulting in effective advocacy on the Corporation's behalf. This can be demonstrated by Hawkins' successful interpretation of the Corporation's lockbox security structure to credit rating agencies which resulted in a Moody's upgrade from Baa3 to A3 in 2001. Hawkins' extensive health care experience and outstanding reputation among the credit rating agencies and the investment banking community has served the Corporation very well in the past. To ensure that the Corporation selected the highest level of expertise and services and to allow the Corporation an opportunity to consider other potential bond counsel firms, a RFP was issued in August 2007. Of the five responsive firms that submitted proposals, Hawkins was chosen by a Selection Committee comprised of representatives from the New York City Office of Management and Budget ("OMB"), New York City Office of the Comptroller ("NYC Comptroller's Office"), the Corporation's Finance staff and senior staff from Gouverneur Healthcare Services and Woodhull Hospital Center. Selection criteria included: overall firm and individual team members' experience in health care, New York City, tax-exempt/taxable debt; taxation experience in arbitrage rebate, legislative and/or regulatory issues; and firm's reputation. During the 2010 RFP process, Hawkins was chosen from the pool of seven firms that responded to the RFP.

Four firms responded to the RFP issued by the Corporation on July 22, 2013. Hawkins was ranked as the best qualified bond counsel firm by the Selection Committee that consisted of staff from two HHC Central Office divisions (Finance and Legal Affairs), Bellevue Hospital, OMB and the NYC Comptroller's Office.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Bond Counsel Services

Project Title & Number: N/A

Project Location: N/A

Successful Respondent: Hawkins, Delafield & Wood LLP

Contract Amount: Hourly fees as follows: Partners \$420; Senior Associates \$360; Associates \$280; Junior Associates \$210; Paraprofessional \$150

Contract Term: Three years, plus two (1) year renewal options; commencing December 1, 2013.

Requesting Dept.: Debt Finance/Corporate Reimbursement Services

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

Range of Proposals: Hourly Fees: Partners: \$425-\$395, Senior Associates: \$375-\$270, Associates \$300-\$245, Junior Associates: \$225-\$200, and Paraprofessionals: \$150-\$125
One Firm offered a blended rate of \$500/hr, or a transaction fee structure.

Minority Business Enterprise Invited: Yes If no, please explain:

Funding Source: General Care Capital
 Grant: explain

 Other: explain Central budget and bond proceeds

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

EEO Analysis: Approved (see attached)

Compliance with HHC's McBride Principles? Yes No

Vendex Clearance Yes No Awaiting Approval
(required for contracts in the amount of \$50,000 or more awarded pursuant to an RFP or as a sole source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

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

Hawkins Delafield & Wood LLP ("Hawkins") has served as the Corporation's bond counsel since November 1995. During the past 18 years, the firm assisted in all aspects of successfully structuring nine HHC bond issuances and two tax-exempt capital leases. Hawkins provided high quality counsel services in helping the Corporation interpret, understand and resolve many taxation, bond and legal issues it faced over the years.

Hawkins is a highly reputable public finance law firm in the U.S. and was ranked nationally as second most used bond counsel for long term debt issuances in 2008 through 2011. The attorneys and key staff assigned to HHC have 26 to 37 years of experience in health care and tax-exempt financing. The wealth and depth of Hawkins' health care experience is extremely beneficial to the Corporation. Hawkins' extensive health care experience and outstanding reputation among credit rating agencies and the investment banking community has served the Corporation very well in the past and will continue to do so in the future. Hawkins' thorough understanding of the Corporation's credit, legal structure, lockbox security mechanism and the close yet unique relationship with the City of New York has resulted in effective advocacy on the Corporation's behalf.

Bond counsel services are required by the Corporation on an ongoing basis - as long as the Corporation continues to fund capital needs through public debt issuances and/or any of the Corporation's tax-exempt debts are still outstanding.

Contract Review Committee

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

No. HHC's Operating procedure 40-58 indicates that bond counsel services contracts are exempt from the CRC process.

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

Not applicable.

CONTRACT FACT SHEET (continued)

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

Selection Committee members:

Linda DeHart, HHC Debt Finance/Corporate Reimbursement Services, Assistant Vice President
Joanne Haberlin, HHC Office of Legal Affairs, Senior Counsel
Rebecca Fischer, Bellevue Hospital, Associate Executive Director
Michael Stern, New York City Office of the Comptroller, Director of Debt Management
Carmen Pigler, New York City Office of the Comptroller
Scott Ulrey and Jeff Werner, New York City Office of Management and Budget, Counsel

Firms that responded to the RFP:

Harris Beach PLLC
Hawkins, Delafield & Wood LLP
Nixon Peabody LLP
Winston & Strawn LLP

Firms considered:

Winston & Strawn was deemed to be non-responsive due to their billing/pricing structure (i.e. blended hourly rate of \$500). All firms were evaluated by the Selection Committee.

History and Selection Process:

Hawkins was selected as bond counsel in 1995 and 1998 through an RFP process by a Selection Committee comprised of representatives from the New York City Office of Management and Budget ("OMB"), the New York City Office of the Comptroller, and the Corporation's Offices of Legal Affairs and Finance. Due to Hawkins' understanding of the Corporation's credit structure and its reputation among the investment community, HHC awarded Hawkins with three-year sole source contracts in 2001 and 2004. In 2007, Hawkins was one of 6 firms responding to the Corporation's RFP. The 2007 Selection Committee which consisted of staff from OMB, the New York City Office of the Comptroller, senior staff from Gouverneur Healthcare Services and Woodhull Hospital plus HHC's Office of Legal Affairs and HHC Finance determined that Hawkins was the best qualified bond counsel firm. In 2010, Hawkins was chosen from the pool of seven firms that responded to the RFP.

On September 6, 2013, the 2013 Bond Counsel Selection Committee ranked the four proposals that were received on August 15, 2013. The firms were judged on: (1) overall public finance experience (with extra credit given to New York City and healthcare experience), (2) taxation expertise, and (3) quality and experience of the attorneys assigned to HHC. Interviews of the top three ranked firms were held on September 24, 2013. The Selection Committee members submitted the evaluation forms for all the firms on the same day. Hawkins Delafield received the highest overall score.

CONTRACT FACT SHEET (continued)

Scope of work and timetable:

- Provide legal counsel at the Corporation's request in connection with matters related to the structuring and ongoing implementation of capital financing programs;
- Prepare and/or review documents (i.e., disclosure, security and ancillary documents) of lease and bond transactions, and assist the Corporation in negotiating such transactions;
- Render bond counsel opinions pertaining to the Corporation's authority to issue debt, the adequacy of disclosure, the legal validity under State law securities and tax-related issues;
- Discuss legal implications of proposed future HHC bond issues with rating agencies, credit enhancers and internal HHC personnel;
- Prepare arbitrage rebate compliance reports for all of HHC's tax-exempt obligations; and
- Other traditional bond counsel services not explicitly detailed above.

Timetable - Information Item at the following:

Finance Committee meeting: December 10, 2013

Board of Directors meeting: December 19, 2013

Contract commencing date: Retroactive to December 1, 2013

Costs/Benefits:

Hourly rates: Partners \$420 per hour; Senior Associates \$360 per hour; Associates \$280, Junior Associates \$210 per hour; and paraprofessionals \$150 per hour.

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

The Corporation cannot issue tax-exempt debt without obtaining formal bond counsel opinion, nor can it prepare the required security, disclosure, taxation and ancillary documents.

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

Not applicable.

CONTRACT FACT SHEET (continued)

Contract monitoring (include which Vice President is responsible):

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

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

Received By E.E.O. _____ (delivered via intra-office on 11/26/13)
Date

Analysis Completed By E.E.O. 12/2/2013 Manasses C. Williams
Date Name

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO
manasses.williams@nychhc.org

TO: Nini Mar
Director
Central Office – Finance, Corporate Reimbursement

RECEIVED
DEC 3 2013

FROM: Manasses C. Williams

DATE: December 2, 2013

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Hawkins Delafield & Wood LLP, 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 Non-M/WBE

Project Location(s): HHC – Corporate Wide

Contract Number: _____ Project: Provide Legal Services

Submitted by: Central Office – Finance, Corporate Reimbursement

EEO STATUS:

1. 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:

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to enter into a contract to purchase software, hardware, services and corresponding maintenance for a biomedical middleware software solution with iSirona, LLC (the "Contractor"), through a Federal General Services Administration ("GSA") contract in an amount not to exceed \$6,454,161, which includes a 10% contingency of \$586,742 for a one year term with four one-year options to renew at the Corporation's exclusive option.

WHEREAS, the Corporation has over 45,000 biomedical devices in place today that are being monitored manually by clinical staff; and

WHEREAS, the data from these devices is being entered manually into the Electronic Medical Record ("EMR") allowing for the possibility of transcription errors, patient ID errors, delayed documentation and data omission; and

WHEREAS, the proposed contract will allow the Corporation to implement a solution that will automatically take the critical patient data from these devices and send the results to the EMR; and

WHEREAS, this solution will greatly improve the efficiency of the Corporation's clinicians and improve patient safety by enabling automatic updates rather than manual updates to a patient's EMR; and

WHEREAS, the Corporation issued a biomedical middleware software and services RFP to which the Contractor responded; and

WHEREAS, the Contractor is able to provide middleware software and hardware, which will be used to integrate the Corporation's biomedical devices with the EMR system utilizing the InterSystems Ensemble integration engine; and

WHEREAS, the overall responsibility for managing and monitoring the agreement shall be under the Senior Vice President/Corporation Chief Information Officer.

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 enter into a contract to purchase software, hardware, services and corresponding maintenance for a biomedical middleware software solution with iSirona, LLC, through a Federal General Services Administration contract in an amount not to exceed \$6,454,161, which includes a 10% contingency of \$586,742 for a one year term with four one-year options to renew at the Corporation's exclusive option.

Executive Summary

Biomedical Middleware Software Implementation

This is a request for approval to enter into a contract to purchase software, hardware, services and corresponding maintenance for a Biomedical Middleware software solution with iSirona, LLC. through the Electronic Medical Record (EMR) budget previously presented to the Board of Directors. On September 27, 2012 Enterprise IT Services (EITS) presented the Epic contract to the Board of Directors for approval. In the presentation to the Board, EITS advised that multiple future contracts needed to complete the transition to the new EMR would be presented to the Board of Directors. As listed on slide 14 of that presentation to the Board, the total projected cost for the EMR program over a 15 year period is approximately \$1.4 billion.

The total fifteen year cost that was presented to the Board in September 2012 to move from the current state to Epic is outlined below. This includes the cost of the new system as well as the cost to transition off the old systems.

Component	Description	15 Year Cost (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
2. QMED	Continuation of current contract through the transition	\$80
3. Third Party & other Software*	To be installed over the next 5 years and to be funded through 2027. Includes transition of other existing applications.	\$144
4. Hardware*	To be purchased over the next 3 years and replacement to be funded through 2027	\$191
5. Interfaces*	To be purchased over the next 3 years and replacement to be funded through 2027	\$157
6. Implementation Support*	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage.	\$203
7. Application Support Team	New and existing HHC Staff to be used through the implementation and maintenance period	\$357
*Future contracts to be presented to the Board of Directors.		Total: \$1,435

(Source: September 2012 "The ICIS Project – Epic Contract" Presentation, slide 14.)

The accompanying resolution requests approval to enter into a contract to purchase software, hardware, services and corresponding maintenance for a Biomedical Middleware software solution with iSirona, LLC. through a Federal General Services Administration (GSA) contract in an amount not to exceed \$6,454,161, which includes a 10% contingency of \$586,742 for a one year term with four (4) one year options to renew.

Presently, there are over 45,000 biomedical devices in place within the Corporation. These biomedical devices track critical patient information that is currently reviewed by clinicians and manually entered into the Electronic Medical Record (EMR). This project will connect biomedical devices electronically to the EMR and pass this data automatically. Enabling the devices to be connected will allow critical patient information, such as vital signs and clinical measures, to be sent from monitors, infusion systems, ventilators, anesthesia carts and point of care instruments.

Ongoing maintenance would require specialized skills, knowledge base and interaction with multiple vendors for the wide variety of biomedical devices the Corporation currently has. Manual entry of the results from these devices runs the risk of transcription errors, lost results and patient ID errors. The potential for delayed documentation in the EMR and variations in the actual data documented greatly increases those risks.

The suggested middleware solution provides an enterprise platform to interface these devices, greatly reducing the effort required to “connect” them to the EMR and supporting future device integration. The software improves data access by providing immediate enterprise-wide access to results data, it captures elements not previously available, and improves documentation filing and reporting for regulatory and compliance. The clinicians will see improved workflow as the software solution will eliminate manual and paper recording of clinical results and streamline efficiency and workflow.

The addition of a biomedical middleware solution takes data from multiple and varying monitoring devices, formatting the data into a standard format (HL7) which will be interfaced and loaded into the EMR automatically. This will eliminate the duplication of data in multiple databases and provide a consolidated view of the patient record in real time.

A Request for Proposals (RFP) was issued for the required software, hardware, services and corresponding maintenance. The selection committee, which included representation from HHC networks, recommended iSirona, LLC for contract award.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Bio Medical Middleware Software Implementation
Project Title & Number: Bio Medical Middleware Software Implementation DCN #: 2108
Project Location: Central Office – 160 Water Street
Requesting Dept.: EITS

Successful Respondent: <u>iSirona, LLC.</u>
Contract Amount: <u>\$ 5,867,419 plus a 10% contingency of \$586,742</u>
Total Not To Exceed Amount: <u>\$6,454,161</u>
Contract Term: <u>1 Year with 4 (one) 1 year options to renew</u>

Number of Respondents: 2
(If Sole Source, explain in Background section)

Range of Proposals:* \$ 6,623,606 to \$ 12,362,849
*Best and Final Offer amounts were subsequently requested.

Minority Business Enterprise Invited: Yes No If no, please explain:
No MWBE vendors were found to provide services required or who were able to meet the minimum requirements as outlined in the RFP. A waiver was granted by the EEO Office.

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

Method of Payment: Lump Sum Per Diem Time and Rate
Other: explain _____

EEO Analysis: Submitted, pending approval

Compliance with HHC's McBride Principles? X Yes No

Vendex Clearance Yes No X N/A

CONTRACT FACT SHEET (continued)

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

Currently there are over 45,000 biomedical devices in place within The Corporation. They track critical patient information that is reviewed by the clinician and manually entered in the Electronic Medical Record. Interfacing these devices individually would be a costly and complicated process. Manual entry of the data from these devices runs the risk of transcription errors, lost results, patient ID mismatches and delayed and incomplete documentation in the EMR. It takes the clinician away from direct patient care.

The new contract with iSirona will provide an enterprise platform for medical device integration for the New York City Health and Hospitals Corporation. This solution provides middleware software and recommended hardware for connectivity. It will be used to integrate the bio-medical devices at each facility with the EMR system.

Integration of our bio-medical devices with the EMR will allow HHC to immediately stream patient information into the electronic health record at the point of care. This middleware product will enhance the depth of comprehensive data sets available within a patient's health record with data collected from all patient care settings. It will greatly reduce the risks associated with manual entry of data into an EMR.

CONTRACT FACT SHEET (continued)

Contract Review Committee

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

The RFP for the Bio-Medical Middleware Software Implementation was presented before the CRC on May 22, 2013.

The Contract Award Application was presented before the CRC on November 20, 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:

Yes, the contract budget has decreased from a projected amount of approximately \$13.4 million to \$6.4 million. HHC Enterprise IT Services requested best and final offers from the proposers.

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

Selection Committee Chair:

Yolanda Thompson – Sr. Management Consultant NYCHHC

- *Paul Contino – Chief Technology Officer, Office of the CIO*
- *Richard Elrose – Sr. Mgmt Consultant, Biomedical Engineering (Coler)*
- *Michael Kim - Sr Consultant MIS A, Corporate IS*
- *Andy Lin – Senior Director, Network Services*
- *Marvin Picon – Integration Analyst*
- *Mark Priyev - Asst Director Biomedical Eng*
- *Robert Rossdale – Deputy Exec. Director, Operations*
- *Alexander Shakhnavarov - Director, Clinical Engineering*
- *Jeannie Wasserman – Biomedical Integration Analyst*
- Clinical Advisory members -*
 - *Dinah Bampoe, RN, Nursing Informatics, NBHN*
 - *Anthony Jarzembowski, Director of Biomedical Engineering, QHN*
 - *Lauren Johnston - Sr. Assistant Vice President, Medical and Professional Affairs*

An RFP was issued and posted on the City Record and HHC websites. HHC received two proposal responses from Capsule Tech, Inc. and iSirona LLC and each presented a presentation on the functionality of their product.

A formal selection process was implemented for this procurement and was governed by a Section Committee comprised of thirteen HHC officials and facility representatives.

CONTRACT FACT SHEET (continued)

The selection criteria consisted of:

- a. Understanding of Work and Soundness of Approach
- b. Organizational Capacity and Qualifications
- c. Technical Qualifications
- d. Cost of the Proposal
- e. Software Functional Qualifications

As of October 2013, numerous meetings have taken place to inform and update the group on progress and key outcomes from due diligence activities such as requesting clarification on product functionality and best and final cost proposal. The Selection Committee provided feedback to help guide the selection process and analytical efforts, ultimately voted to determine the winning vendor.

From June 2013 to October 2013, five meetings were held, which consisted of detailed reviews of specific application functionalities and features for various clinical areas and monitoring devices. The purpose of these reviews was to better understand how the solution operates in each clinical area and to determine whether it would meet the needs of HHC staff. These detailed reviews resulted in scores for the vendors that were subsequently reviewed by the Selection Committee. The Selection Committee identified deficiencies, gaps within each product and solicited questions to each of the vendors, which led to further demonstrations and additional reviews.

After the initial demonstrations were done by iSirona and Capsule, the Selection Committee determined it would be advantageous for each provider to deliver a typical HHC workflow to obtain a better understanding of how each vendor's solution would work in an HHC environment. The Selection Committee was expanded to include additional clinical representation (clinical advisory members) and each of these workflows were evaluated and scored for each vendor accordingly. In addition, HHC requested site visits where each of the products would be installed in an environment similar to HHC. The site visits were arranged at Cooper University Hospital for iSirona and Yale New Haven Hospital for CapsuleTech, Inc.. A small group of HHC clinical and biomedical staff was assembled to attend the site visits and provide feedback and scoring evaluations back to the Selection Committee. This group included the following individuals from across different departments and from various facilities.

- Steven Schwalbe, Associate Director of Anesthesia, Elmhurst Hospital
- Anthony Jarzembowski, Director of Biomedical Engineering, QHN
- Dinah Bampoe, RN, Nursing Informatics, NBHN
- Wilfred Harris, Respiratory Therapist Lincoln
- Richard Elrose, Director of Biomedical Engineering, HJ Carter Hospital
- Joyce Nolasco, Assistant Director of Nursing Informatics, HJ Carter Hospital
- Richard Besa, PCA KCH

Prior to each vendor's demonstration, HHC requested that vendors submit references. Each reference listed was sent a letter with a list of questions which allowed the Selection Committee to further evaluate the two competing vendors based on the responses from their provided references.

Best and Final Offers were requested from both vendors, after site visits and reference checks, in which both vendors reduced their price proposals. Finally, the Selection Committee including the Clinical advisory members

CONTRACT FACT SHEET (continued)

met to review and discuss their choice. iSirona was determined to be the more innovative and industry leading vendor of Biomedical Middleware. The higher percentage of their clients that have implemented an EPIC EMR system demonstrates their commitment to developing Epic integration products. Their software only solution makes them the clear choice for NYCHHC's bio-medical device integration with our future EMR system, EPIC.

Scope of work and timetable:

iSirona will work under the supervision of the Corporation's project management team throughout the implementation process, from initiation to live. It is anticipated that, in such capacity, the company will be called upon to ensure that the implementation of the software is successfully integrated into the electronic health record. The patient care devices that will be interfaced will be determined in conjunction with the selected vendor utilizing the vendor validated inventory. The bio-medical devices will be connected to our enterprise systems utilizing Intersystems Ensemble integration engine.

The following is the scope of services required:

- a) A final validated inventory of devices will be provided
- b) Based on this inventory identify what devices can be integrated using the middleware product;
- c) Based on this inventory identify new devices that drivers will have to be built for;
- d) Installation and configuration of the software
- e) Specifications of any additional hardware (if required)
- f) Setup, implementation and testing of the software and devices;
- g) Building, in conjunction with the corporate project team, an assessment of devices vs. HHC inventory with development of unique device drivers;
- h) Communication must be verified at the protocol level to/from remote systems
- i) Receive and capture data from devices and create translation definitions
- j) Data must be defined for all transactions
- k) Perform simulation testing
- l) Training a subset of the corporate project team, or their designees, on how to use the middleware product;
- m) Project Management with project plan and detailed status reports
- n) Change and resolution management
- o) Customer Support SLA

The iSirona biomedical middleware software implementation timeline will be defined by the EPIC EMR rollout schedule and sequencing

CONTRACT FACT SHEET (continued)

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

Currently the HHC environment has over 45,000 bio-medical devices in place within the corporation. There is a mix of stand-alone (non-interfaced) wired and wireless devices. There

are point-to-point interfaces with QuadraMed and a variety of proprietary device hubs and controllers. This all leads to a costly and involved process to add/upgrade the device interfaces. The iSirona middleware solution provides an enterprise platform to support future devices and equipment. iSirona software will reduce documentation errors such as lost results, transcription errors and patient ID errors. The new software will improve data access by providing immediate enterprise-wide access to results data, it will capture elements not previously available, and improve documentation filing and reporting for regulatory and compliance. The clinicians will also see improved workflow as the software solution will eliminate manual and paper recording of clinical results and streamline efficiency and workflow.

We expect expenditures of \$6,454,161 under this contract. iSirona's initial price proposal was reduced after requesting a best and final offer.. The contract will be funded through both capital and operating funds, which are within the initial EMR program budget.

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

Not applicable, as this solution has never been purchased.

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

iSirona middleware is a software application, which takes data from multiple and varying monitoring devices formatting the message into an HL7 format which will be interfaced and loaded into the EHR system. Currently, the Corporation does not have the ability to develop and implement a middleware software application. Therefore, through this contract, iSirona will provide HHC resources the required training material and training session to become experts at maintaining the system and adding new devices. In addition clinicians will be trained on use of the software, workflow and the connection of devices to specific patients.

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

No.

CONTRACT FACT SHEET (continued)

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

Accountable person:

Paul Contino, CTO
Information Technology
160 Water St, 13th Floor

Senior Vice President:

Bert Robles
SVP/Chief Information Officer
160 Water Street, 13th Floor
New York, NY 10038

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. 11/6/13
Date

Analysis Completed By E.E.O. _____
Date

Name



Bio-Medical Middleware Software and Services Contract

Board of Directors Meeting

December 19, 2013



Purpose

*The purpose of this **Bio-Medical Middleware Software and Services Contract** is to provide a medical device integration solution for the New York City Health and Hospitals Corporation.*

The selected vendor, iSirona, LLC., will provide middleware software and recommended hardware to integrate our bio-medical devices with the EPIC EMR system. This will provide an enterprise solution that will enable current and future equipment to be seamlessly integrated with our EMR.

Funding for this purchase will be provided from the EMR budget previously presented to the Board of Directors

Note:

This solution is a required component of our Electronic Medical Record system and budgeted as part of the overall EMR plan



HHC Environment

- Over 45,000 bio-medical devices in place within the Corporation
- Mix of stand-alone (non-interfaced), wired and wireless devices
- Point-to-Point interfaces with QuadraMed
- Proprietary device hubs and controllers
- Costly and involved process to add/upgrade device interfaces

Proposed Contract - Medical Device Integration



Requirements

- Improve patient safety by integrating select bio-medical devices directly to the EMR eliminating paper and/or manual transcription into the patient record.
- Providing immediate access of this data to our clinicians

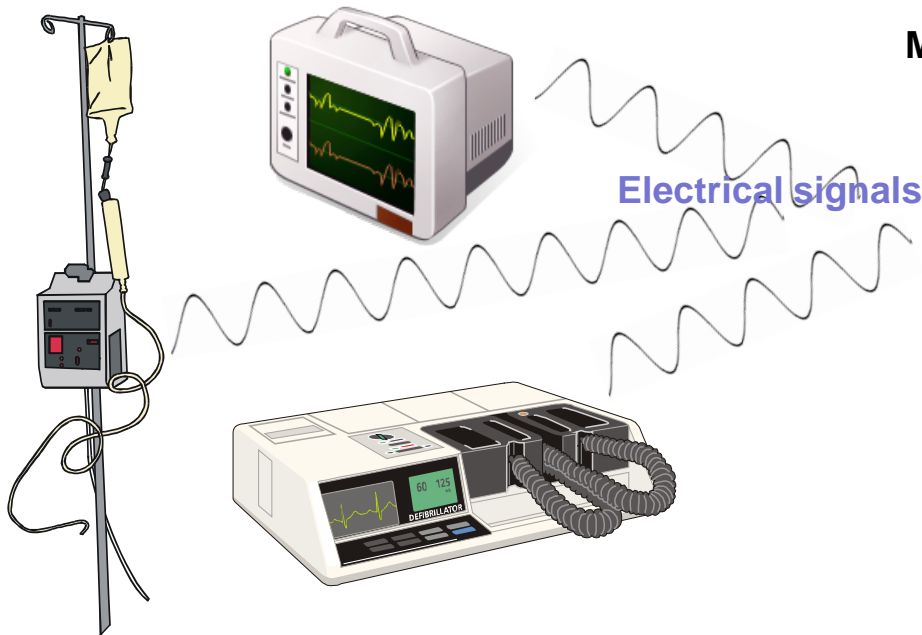
In Scope

- Validation of HHC Device inventory (per facility)
- Identification of all interface capable bio-medical devices
- Connection all priority bio-medical devices to middleware and test interface to EMR
- Training of our staff on setup and maintenance of software
- Enterprise platform to support future devices and equipment



How Middleware Works

Biomedical Devices



Middleware



Interface Engine



HL7

01010101010101

Epic EMR

Guarantor Overview

Peterson, Cindy
 28491, Personal/Family
 EPIC MEDICAL CENTER
 DOB: 12/22/1985

Coverages

Effective From	Healthcare Point Of Service	Insurance	Self-pay
01/16/2012	Gold	608-555-8000	608-555-6500
01/16/2012	Gold	608-555-8000	608-555-6500

Visits

Date	Physician	Insurance	Self-pay
01/16/2012	Anna Gold, M.D.	101.00	0.00
01/16/2012	Hedy Seeger, M.D.	192.00	20.00
01/04/2012	Anna Gold, M.D.	25.00	0.00

Statements (Last 5)

Invoice #	Charged	Outside
01/16/2012	516841	20.00
07/13/2010	515893	108.00
06/25/2010	514279	108.00
02/23/2010	513689	108.00
09/13/2009	513305	54.00

Payments (Last 5)

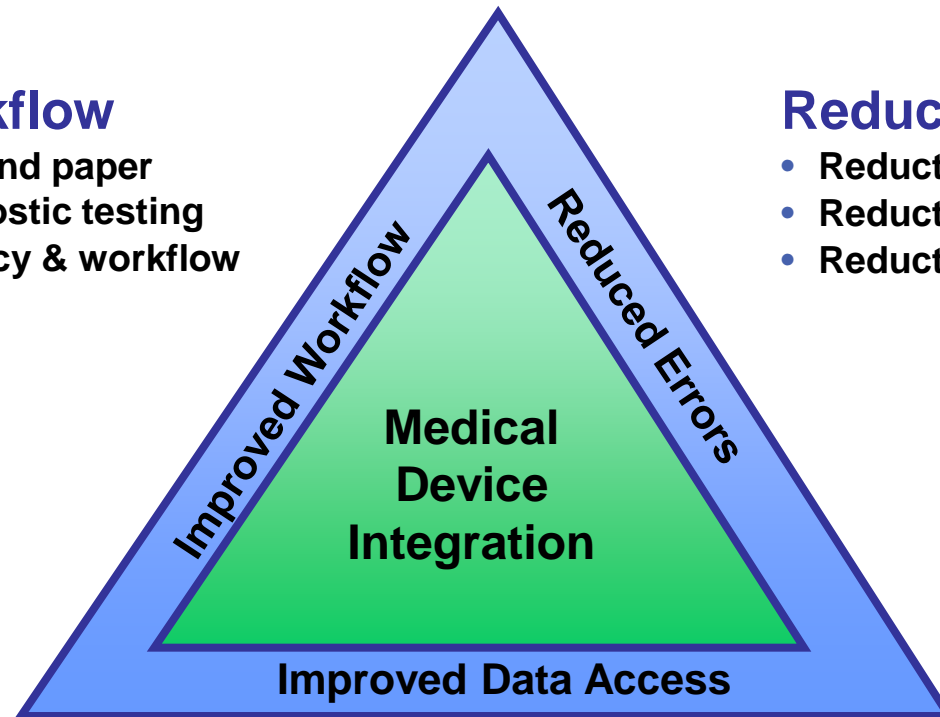
Date	Payment Type	Self-pay	Credit Card
01/17/2012	Co-Payment	20.00	Credit Card
01/17/2012	Co-Payment	20.00	Credit Card
01/17/2012	Patient Payment	108.00	Check
02/03/2010	Co-Payment	10.00	Credit Card
09/14/2009	Patient Payment	54.00	Check



Benefits of Medical Device Integration with EMR

Improved Workflow

- Eliminate manual and paper recording of diagnostic testing
- Streamline efficiency & workflow

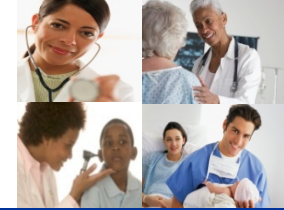


Reduced Errors

- Reduction in lost results
- Reduction in transcription errors
- Reduction in patient ID errors

Improved Data Access

- Immediate enterprise-wide access to results data
- Capture of elements not previously available
- Improve documentation filing and reporting for regulatory/compliance



Selection Committee

Committee Members:

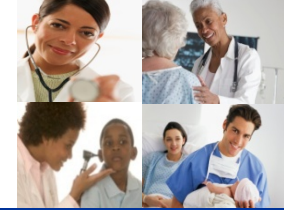
- Yolanda Thompson – Sr. Management Consultant, Chairperson
- Paul Contino – Chief Technology Officer, Office of the CIO
- Richard Elrose – Sr. Mgmt Consultant, Biomedical Engineering (Coler)
- Michael Kim - Sr Consultant MIS A, Corporate IS
- Andy Lin – Senior Director, Network Services
- Marvin Picon
- Mark Priyev - Asst Director Biomedical Eng
- Robert Rossdale – Deputy ED, Queens
- Alexander Shakhnavarov - Director, Clinical Engineering
- Jeannie Wasserman – Biomedical Integration Analyst

Clinical Advisory members -

- Dinah Bampoe, RN, Nursing Informatics, NBHN
- Anthony Jarzembowski, Director of Biomedical Engineering, QHN
- Lauren Johnston - Sr. Assistant Vice President, Medical and Professional Affairs

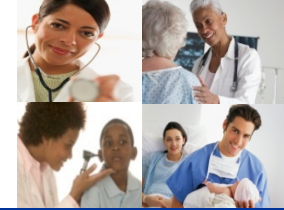
Site Visits:

- Steven Schwalbe, Associate Director of Anesthesia, Elmhurst Hospital
- Anthony Jarzembowski, Director of Biomedical Engineering, QHN
- Dinah Bampoe, RN, Nursing Informatics, NBHN
- Wilfred Harris, Respiratory Therapist Lincoln
- Richard Elrose, Director of Biomedical Engineering, HJ Carter Hospital
- Joyce Nolasco, Assistant Director of Nursing Informatics, HJ Carter Hospital
- Richard Besa, PCA KCH



Selection Process

- RFP for Bio-medical Middleware Software Implementation presented before the CRC on May 22, 2013
- RFP was posted on the City Record and HHC Website on June 19, 2013
- HHC received two proposal responses
- Functional demonstrations presented by two vendors & scored on July 17, 2013
- Workflow demonstrations requested, presented & scored on August 5, 2013
- Site visits conducted & scored on August 15 & 29, 2013
- References checked on September 20, 2013
- BAFO requested and received for remaining two vendors
- Final meeting and vote held on October 25, 2013



Financial Analysis

i | SIRONA Projected Contract Cost

Hardware	\$45,600	\$91,200	\$91,200	\$91,200	\$91,200	\$45,600	\$456,000
Software	\$2,566,010						\$2,566,010
Implement Services	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$50,000	\$500,000
Training	\$3,600	\$7,200	\$7,200	\$7,200	\$7,200	\$3,600	\$36,000
Soft Maintenance	\$230,941	\$461,882	\$461,882	\$461,882	\$461,882	\$230,940	\$2,309,409
TOTALS	\$2,896,151	\$660,282	\$660,282	\$660,282	\$660,282	\$330,140	\$5,867,419

Notes: All costs are accounted for in EMR budget



EMR Budget Presented to Board of Directors in September 2012

The total fifteen-year cost to move from the current state to Epic is outlined below. This includes the cost of the new system as well as the cost to transition off the old systems.

Component	Description	15-year Cost Presented in September 2012 (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
2. QMED	Continuation of current contract through the transition	\$80
3. Third Party & other Software *	To be installed over the next 5 years and to be funded through 2027. Includes transition of other existing applications.	\$144
4. Hardware*	To be purchased over the next 3 years and replacements to be funded through 2027	\$191
5. Interfaces*	To be purchased over the next 3 years and replacements to be funded through 2027	\$157
6. Implementation Support*	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage. <i>(Includes costs associated with backfilling non IT staff with temps.)</i>	\$203
7. Application Support Team	New and Existing HHC Staff to be used through the implementation and maintenance period. <i>(Includes existing and net new FTEs including fringe benefit costs)</i>	\$ 357

Funding source for Biomed Middleware

- \$6.5M funding from EMR budget



* Future contracts to be presented to the Board of Directors.

Total: \$1,435

Integration Services



Questions

Questions?

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute contracts with various authorized resellers on an on-going basis over a one year period for the purchase of Cisco networking equipment and software through NYS Office of General Services ("OGS") contracts in an amount not to exceed \$4,188,853, which includes a 20% contingency.

WHEREAS, the Corporation has several hundred servers to support the Corporation's new electronic medical record ("EMR") system, which are utilized to manage clinical, financial and administrative data throughout the Corporation to support business and clinical applications pertaining to patient care; and

WHEREAS, the Cisco networking equipment and software are required to connect the various servers holding EMR data into the Corporation's network; and

WHEREAS, failure to obtain this equipment and software for the Corporation's network will result in the inability to deploy the EMR system with adverse impacts on patient care; and

WHEREAS, the Corporation will solicit proposals from Cisco Inc.'s authorized resellers who offer Cisco equipment and software for sale through OGS contracts; and

WHEREAS, OGS contract prices for such equipment and software are discounted from market price; and

WHEREAS, contracts will be issued to the OGS vendors offering the lowest price for the requested equipment and software; and

WHEREAS, the overall responsibility for managing and monitoring these contracts shall be under the Senior Vice President/Corporate Chief Information Officer.

NOW THEREFORE, be it:

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to negotiate and execute contracts with various authorized resellers on an on-going basis over a one year period for the purchase of Cisco networking equipment and software through NYS Office of General Services ("OGS") contracts in an amount not to exceed \$4,188,853, which includes a 20% contingency.

EXECUTIVE SUMMARY

This is a request for authorization to purchase Cisco networking equipment and software through the Electronic Medical Record (EMR) budget previously presented to the Board of Directors. On September 27, 2012 Enterprise IT Services (EITS) presented the Epic contract to the Board of Directors for approval. In the presentation to the Board, EITS advised that multiple future contracts needed to complete the transition to the new EMR would be presented to the Board of Directors. As listed on slide 14 of that presentation to the Board, the total projected cost for the EMR program over a 15 year period is approximately \$1.4 billion.

The total fifteen year cost that was presented to the Board in September 2012 to move from the current state to Epic is outlined below. This includes the cost of the new system as well as the cost to transition off the old systems.

Component	Description	15 Year Cost (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
2. QMED	Continuation of current contract through the transition	\$80
3. Third Party & other Software*	To be installed over the next 5 years and to be funded through 2027. Includes transition of other existing applications.	\$144
4. Hardware*	To be purchased over the next 3 years and replacement to be funded through 2027	\$191
5. Interfaces*	To be purchased over the next 3 years and replacement to be funded through 2027	\$157
6. Implementation Support*	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage.	\$203
7. Application Support Team	New and existing HHC Staff to be used through the implementation and maintenance period	\$357
*Future contracts to be presented to the Board of Directors.		Total: \$1,435

(Source: September 2012 "The ICIS Project – Epic Contract" Presentation, slide 14.)

The accompanying resolution requests approval to purchase Cisco equipment and software through New York State Office of General Services (OGS) contract(s) from authorized resellers on an on-going basis over a one year period in an amount not to exceed \$4,188,853, which includes a 20% contingency. The contingency will be used for additional capacity required on the network infrastructure for new applications.

In a telecommunications network, a switch is a device that channels incoming data from any of multiple input ports, such as servers, to the specific output ports, such as workstations, that will take the data towards its intended destination. In a local area network (LAN), a switch determines the networking path from the workstation device to a server device. In a wide area network such as the Internet, a switch determines the networking path from the workstation to the intended destination on the Internet.

The networking equipment represents an integral component of the Electronic Medical Record (EMR) production infrastructure which will enable EITS to install and maintain the EPIC environment. Networking switches are required to communicate data between the hundreds of EPIC EMR servers. The current networking (routing and switching) infrastructure is not sufficient with respect to the impending requirement in two areas, quantity and speed.

The EPIC EMR system requires several hundred servers to receive, process, store, present and report electronic patient records. These servers require a network infrastructure system to transport the associated data. The current networking (routing and switching) infrastructure does not have sufficient capacity and redundancy required to process the projected traffic that will be generated from the EPIC environment. Significant infrastructure redundancy and Business Continuity requirements must be met to guarantee 99.99% uptime and availability to HHC hospital and clinic facilities. These infrastructure networking components will provide that capability.

Under this EPIC installation project, multiple solicitations will be conducted via NYS OGS contract to procure Cisco equipment and software on an on-going basis for the Corporation's EPIC Production environment deployment. EITS will solicit authorized resellers via NYS OGS contract. A minimum of three resellers will be solicited for each purchase. A purchase order will be issued to the lowest responsive bidder for each purchase.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: EMR Networking Equipment/ Software (Network Switches)

Project Title & Number: EMR Networking Equipment/ Software (Network Switches)

Project Location: Enterprisewide

Requesting Dept.: EITS – Enterprise Information Technology Services

Successful Respondent:

Multiple Vendors – On-Going Procurements via NYS OGS Contract

Contract/Project Amount: \$3,490,711 plus a 20% contingency of \$698,142

Total Not To Exceed Amount: \$4,188,853.00

Contract Term: Anticipated 12 month Period

Number of Respondents: Multiple Vendors (NYS OGS Authorized Resellers)

(If Sole Source, explain in Background section)

Range of Proposals: N/A to N/A

Minority Business Enterprise Invited:

Yes If no, please explain:

Funding Source:

General Care Grant: explain X Capital

Other: explain

Method of Payment:

Lump Sum Per Diem Time and Rate

XOther: explain Upon Acceptance

EEO Analysis:

Compliance with HHC's McBride Principles?

Yes No

Vendex Clearance

Yes No N/A

(Required for contracts in the amount of \$100,000 or more awarded pursuant to an RFP, NA or as a Sole Source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET(continued)

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

The EPIC EMR system requires several hundred servers to receive, process, store, present and report electronic patient records. These servers require a network infrastructure system to transport the associated data. The current networking (routing and switching) infrastructure is does not have sufficient capacity and redundancy required to process the projected traffic that will be generated from the EPIC environment. The several hundred EMR servers will require corresponding network infrastructure connection ports. Since this environment will incorporate all eight Quadramed Electronic Medical Records application instances into one EPIC application instance, significant infrastructure redundancy and Business Continuity requirements must be met to guarantee 99.99% uptime and availability to HHC hospital and clinic facilities. These infrastructure networking components will provide that capability.

CONTRACT FACT SHEET(continued)

Contract Review Committee

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

Presented to the CRC on November 20, 2013.

This is a request for authorization to purchase Cisco equipment through the EMR budget previously presented to the Board of Directors.

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:

N/A.

CONTRACT FACT SHEET(**continued**)

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

Multiple solicitations will be conducted via NYS OGS contract to procure networking equipment and software for the EPIC production environment installations. EITS will solicit authorized resellers via NYS OGS contract. A minimum of three resellers will be solicited for each purchase. A purchase order will be issued to the lowest responsive and responsible bidder for each purchase.

Scope of work and timetable:

Vendors will provide Cisco hardware and software including, but not limited to, networking hardware (routers, switches, wireless access points). The anticipated project duration for these purchases is approximately 12 months.

CONTRACT FACT SHEET (continued)

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

By conducting solicitations via State contract, this mechanism will ensure that HHC is promoting competition by receiving the best price for the required equipment and software. The NYS OGS contract offers discounted pricing compared to the market price for such equipment and software.

In addition, this hardware is required to support technologies for the clinical Electronic Medical Record (EMR). This application requires a robust data communication system in order to operate efficiently and provide the required redundancy and business continuity required.

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

FY2011 – Total spend for the purchase of networking hardware and software is \$4,049,922.

FY2012 – Total spend for the purchase of networking hardware and software is \$7,952,347.

FY2013 – Total spend for the purchase of networking hardware and software is \$4,388,342.

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

Not applicable. These purchases are for networking equipment and software.

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

No.

CONTRACT FACT SHEET (continued)

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

Bert Robles, SVP, Enterprise Information Technology Services.

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):

N/A.

Received By E.E.O. _____
Date

Analysis Completed By E.E.O. _____
Date

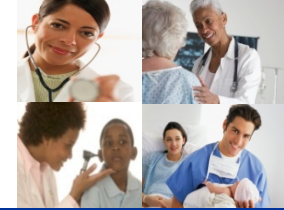
Name



EMR Networking Equipment/ Software (Network Switches)

Board of Directors Meeting

December 19, 2013



Background Summary

HHC Requirements

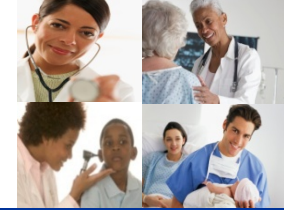
- Comprehensive routing and switching infrastructure to support the ICIS roll-out

Background

- Funding for this purchase will be provided from the EMR budget previously presented to the Board of Directors.
- The ICIS project -- HHC's EMR (Electronic Medical Record) system requires:
 - Several hundred servers to receive, process, store, present and report electronic patient records.
 - The several hundred ICIS/EPIC servers require hundreds of ports (connections) and transport
 - Provide a fully redundant environment to achieve 99.99% uptime and availability
 - Near real-time Disaster Recovery capability

Recommendation

- Capability to purchase routing, switching and wireless infrastructure hardware off of the State contract not to exceed \$4,188,853 over a 12 month period of time



Solution Summary

In Scope with Contract Solution

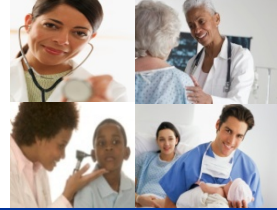
- 4 Nexus 7700 Core Switches
- 4 Nexus 6004 Boarder Leaf Switches
- 4 Nexus 6004 Core Leaf Switches
- 12 Nexus 6001 Server Leaf Switches
- 4 Nexus 2000 Series Access Switches
- 4 Nexus 6004 Server Leaf Switches
- 4 Cisco ASA 5585 Firewalls
- Various modules and Gbics to upgrade existing server farm switches.
- Maintenance for the above covered by the 3-Year Smartnet maintenance and support services contract signed in July, 2013



Procurement

- Multiple solicitations will be conducted via NYS OGS and GSA contracts to procure networking equipment and software for the EMR production environment installations.
- A minimum of three resellers will be solicited for each purchase.
- A purchase order will be issued to the lowest responsive and responsible bidder for each purchase.

EMR Budget Presented to Board of Directors in September 2012



The total fifteen-year cost to move from the current state to Epic is outlined below. This includes the cost of the new system as well as the cost to transition off the old systems.

Component	Description	15-year Cost Presented in September 2012 (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
2. QMED	Continuation of current contract through the transition	\$80
3. Third Party & other Software *	To be installed over the next 5 years and to be funded through 2027. Includes transition of other existing applications.	\$144
4. Hardware*	To be purchased over the next 3 years and replacements to be funded through 2027	\$191
5. Interfaces*	To be purchased over the next 3 years and replacements to be funded through 2027	\$157
6. Implementation Support*	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage. <i>(Includes costs associated with backfilling non IT staff with temps.)</i>	\$203
7. Application Support Team	New and Existing HHC Staff to be used through the implementation and maintenance period. <i>(Includes existing and net new FTEs including fringe benefit costs)</i>	\$ 357

Funding source for Networking Equipment & Related Software

- \$4.2M funding from EMR budget



* Future contracts to be presented to the Board of Directors.

Total: \$1,435



Questions

Questions?

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“the Corporation”) to purchase from Dyntek Services, Inc. (the “Vendor”) through a NYS Office of General Services (“OGS”) contract F5 Load Balancers hardware, software and services in an amount not to exceed \$4,448,182, which includes a 15% contingency of \$580,198.

WHEREAS, the Corporation has an immense inventory of routers, switches, firewalls, servers and wireless controllers, which are utilized to link various computers and data systems throughout the Corporation together to share business and clinical applications used for patient care; and

WHEREAS, the F5 Load Balancers are required to avoid outages associated with traffic congestion over the network; and

WHEREAS, failure to obtain such hardware, software and services for the Corporation’s network infrastructure may result in system unavailability with an adverse impact on patient care; and

WHEREAS, the subject acquisition is needed for the network infrastructure to support the Electronic Medical Record program; and

WHEREAS, the Corporation solicited proposals from vendors who offer their equipment, software and services via the OGS and Federal General Services Administration contracts; and

WHEREAS, the Vendor, Dyntek Services, Inc. offered the lowest price for the requested equipment, software and services; and

WHEREAS, the overall responsibility for managing and monitoring the agreement shall be under the Senior Vice President/Corporate Chief Information Officer.

NOW THEREFORE, be it:

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and he hereby is authorized to purchase from Dyntek Services, Inc. through a NYS Office of General Services contract F5 Load Balancers hardware, software and services in an amount not to exceed \$4,448,182, which includes a 15% contingency of \$580,198.

EXECUTIVE SUMMARY

This is a request for authorization to purchase an F5 Load Balancing Solution through the EMR budget previously presented to the Board of Directors. On September 27, 2012 Enterprise IT Services (EITS) presented the Epic contract to the Board of Directors for approval. In the presentation to the Board, EITS advised that multiple future contracts needed to complete the transition to the new EMR would be presented to the Board of Directors. As listed on slide 14 of that presentation to the Board, the total projected cost for the EMR program over a 15 year period is approximately \$1.4 billion.

The total fifteen year cost that was presented to the Board in September 2012 to move from the current state to Epic is outlined below. This includes the cost of the new system as well as the cost to transition off the old systems.

Component	Description	15 Year Cost (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
2. QMED	Continuation of current contract through the transition	\$80
3. Third Party & other Software*	To be installed over the next 5 years and to be funded through 2027. Includes transition of other existing applications.	\$144
4. Hardware*	To be purchased over the next 3 years and replacement to be funded through 2027	\$191
5. Interfaces*	To be purchased over the next 3 years and replacement to be funded through 2027	\$157
6. Implementation Support*	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage.	\$203
7. Application Support Team	New and existing HHC Staff to be used through the implementation and maintenance period	\$357
*Future contracts to be presented to the Board of Directors.		Total: \$1,435

(Source: September 2012 "The ICIS Project – Epic Contract" Presentation, slide 14.)

The accompanying resolution requests approval to purchase a F5 Load Balancing Solution, which includes hardware, software and services from Dyntek Services, Inc., through a NYS Office of General Services (NYS OGS) contract in an amount not to exceed, \$4,448,182, which includes a 15% contingency over a one year term. The contingency is for additional capacity as new applications are introduced to the EPIC environment.

The purchase is needed to support the Electronic Medical Record (EMR) program for EPIC's application servers and web servers. Load balancing is a computer networking method for distributing workloads across multiple computing resources, such a server cluster (multiple servers acting as one), network links, single servers or a farm of servers running the same applications. Load balancing aims to optimize resource use, maximize throughput, minimize response time, and avoid overload of any one of the server resources. Using multiple components with load balancing instead of a single component may increase reliability through redundancy and automatic disaster recoverability.

F5 Networks Inc. is a provider of Application Delivery Networking (ADN) technology that optimizes the delivery of network-based applications and the security, performance, and availability of servers, data storage devices, and other network resources and is normally managed by the system administrators and engineers.

The Corporation solicited proposals from vendors who hold New York State OGS contracts and Federal General Services Administration (GSA) contracts. Dyntek Services, Inc. was selected as the winner based on lowest proposed price.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: EMR F5 Load Balancers
Project Title & Number: EMR F5 Load Balancers
Project Location: Corporate Data Centers
Requesting Dept.: EITS
Number of Respondents: 3 respondents

Successful Respondent: DynTek Services, Inc.
Contract Amount: \$3,867,983.56 plus a 15% contingency of \$580,198
Total Not To Exceed Amount: \$4,448,182
Contract Term: 1 year

(If Sole Source, explain in Background section)

Range of Proposals: \$ 3,867,983.56 to \$6,582,676.02

Minority Business Enterprise Invited: Yes If no, please explain: _____

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

Method of Payment: Lump Sum Per Diem Time and Rate
Other: explain _____

EEO Analysis: N/A

Compliance with HHC's McBride Principles? Yes No

Vendex Clearance Yes No N/A

(Required for contracts in the amount of \$100,000 or more awarded pursuant to an RFP, NA or as a Sole Source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

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

The F5 Load Balancers represent an integral component of the ICIS EMR production infrastructure, which will enable EITS to install and maintain the EPIC environment. The Load Balancers are required to automatically distribute workload across the server farms.

Load balancing is a computer networking method for distributing workloads across multiple computing resources, such as a server cluster (multiple servers acting as one), network links, single servers or a farm of servers running the same applications. Load balancing aims to optimize resource use, maximize throughput, minimize response time, and avoid overload of any one of the server resources. Using multiple components with load balancing instead of a single component may increase reliability through redundancy and automatic disaster recoverability.

One of the most commonly used applications of load balancing is to provide a single Internet service from multiple servers, sometimes known as a server farm. Commonly, load-balanced systems include popular web sites, large Internet Relay Chat networks, high-bandwidth File Transfer Protocol sites and in HHC architecture, EPIC's application servers and Web servers.

For Internet services, the load balancer is usually a software program where external clients connect to access services. The load balancer forwards requests to one of the "backend" servers, which usually replies to the load balancer. This allows the load balancer to reply to the client without the client ever knowing about the internal separation of functions. It also prevents clients from contacting backend servers directly, which have security benefits by hiding the structure of the internal network and preventing attacks on the backend processing server network.

Some load balancers provide a mechanism for doing something special in the event that all backend servers are unavailable. This might include forwarding to a backup server, or displaying a message regarding the outage. Load balancing gives EITS a chance to achieve a significantly higher fault tolerance. It can automatically provide the amount of capacity needed to respond to any increase or decrease of application traffic.

The specific requirements are to acquire Application Delivery Networking (ADN), Load Balancing Technology, required to optimize the delivery of network-based applications, security, performance, server availability, data storage, and other network resources for the ICIS EPIC EMR System.

In the current environment, HHC does not have the ability to automatically distribute ICIS EPIC EHR application workload across the Corporation's network server farm. HHC cannot provide the same load balancing outcomes manually that will be achieved through this contracted solution.

CONTRACT FACT SHEET(continued)

Contract Review Committee

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

Presented to the CRC on November 20, 2013.

This is a request for authorization to purchase an F5 Load Balancing Solution through the EMR budget previously presented to the Board of Directors.

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:

N/A.

CONTRACT FACT SHEET (continued)

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

A Request for Quotes (RFQ) to purchase the F5 Load Balancers Solution was issued to 10 vendors, who are on either NYS OGS or GSA contracts.

Three price proposals were received.

All three proposals were reviewed by HHC IT Infrastructure Services staff to determine whether they met the solicitation requirements. The award was based on lowest proposed price. Dyntek, Services, Inc. offered the lowest price.

List of Solicited Firms

1. Dyntek Services, Inc.
2. Carahsoft Technology Corp.
3. The Ergonomic Group Inc. (WBE)
4. Dell Marketing, L.P.
5. Annese & Associates, Inc. (WBE)
6. AT&T
7. CDW-G
8. Corporate Computer Solutions (WBE)
9. Trightec (MWBE)
10. Verizon Network Business

Scope of work and timetable:

The accompanying resolution requests approval to purchase F5 load balancers, as the Corporation currently has an immense inventory of routers, switches, firewalls, UCS servers and wireless controllers, which are utilized to link various computers and data systems throughout the Corporation together to share business and clinical applications used for patient care.

The F5 Load Balancers are required in order to avoid any outages associated with traffic

congestion over the network and hardware failures.

HHC will deploy the F5 Load Balancers as soon as they are secured.

CONTRACT FACT SHEET (continued)

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

The vendor selected offered the lowest price for requested equipment at approximately a 43% discount off of list price.

This acquisition will allow the EPIC applications to be able to be load balanced between the two Corporate Data Centers. This would also allow us to reduce the annual cost of purchasing SSL certificates. Load balancing technology is being procured to support the fast and stable access to Electronic Medical Record information maintained by the EPIC system.

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

There are no expenditures for this service within the past four years, as this is a new infrastructure needed to support the new environment surrounding the EPIC EMR implementation.

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

Largely this is hardware procurement; services make up a small portion of the contract and are unique consulting and training services, which cannot be performed by the HHC staff due to lack of training and prior knowledge of this new hardware.

The investment in training is to provide HHC staff with base skills and knowledge to support the technology going forward.

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

No

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

Bert Robles, Sr. Vice President, Enterprise Information Technology Services

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):

N/A.

Received By E.E.O. _____
Date

Analysis Completed By E.E.O. _____
Date

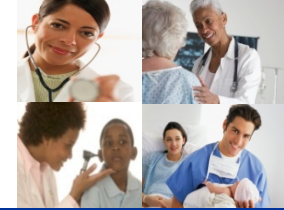
Name



F5 Networks, Inc. Load Balancers Hardware, Software and Services

Board of Directors Meeting

December 19, 2013



Background Summary

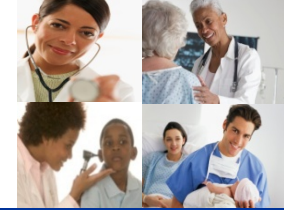
Funding for this purchase will be provided from the EMR budget previously presented to the Board of Directors.

HHC Requirements

- Acquire Application Delivery Networking (ADN), Load Balancing Technology, required to optimize the delivery of network-based applications, security, performance, server availability, data storage, business continuity and automatic disaster recovery capabilities for the ICIS EMR System.

Current Scenario

- HHC does not have the ability to automatically distribute ICIS EMR application workload across the Corporation's network server farm.
- HHC cannot provide the same load balancing outcomes manually that will be achieved through this contracted solution.



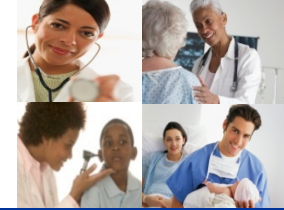
Solution Summary

In Scope with Contract Solution

- F5 Networks, Inc. Viprion Chassis and Blade Hardware
- F5 Traffic Manager and Advanced Firewall Manager Software
- Load Balancing for all Server Farm Switches, 8 Licenses x 24 instances
- 360 Hours of Professional Services provided by F5 Networks, Inc.
- On-Site Training provided by F5 Networks, Inc., 5-day package x 2; 10 days total
- F5 Premium Maintenance 24x7x365 with 4 Hour Hardware Replacement, Advanced Firewall Manager, and Global Traffic Manager

Included Highlights

- ADN Load Balancing Solution, required to optimize the delivery of network-based applications, security, performance, server availability, data storage, and other network resources for the ICIS EPIC EHR System
- 4 Hour Replacement for all purchased hardware



Bid Response Summary

- 10 vendors were solicited via NYS OGS and GSA contracts.
- 3 bids were received.
- **Recommendation:** Contract with Dyntek Service Inc. based on lowest responsive bid for the F5 Load balancers Hardware, Software and Services.
- Contract in an amount not to exceed \$4,448,182, which includes a 15% contingency of \$580,198 for additional load within the environment.

Vendor Information	Contract	Bid Amount	No Bid	No Reply
1. Dyntek Services, Inc.	NYS OGS	\$ 3,867,984		
2. Carahsoft Technology Corp.	FEDERAL GSA	\$ 6,582,676		
3. The Ergonomic Group Inc. (WBE)	NYS OGS	\$ 6,239,701		
4. Dell Marketing, L.P.	FEDERAL GSA		X	
5. Annese & Associates, Inc. (WBE)	NYS OGS		X	
6. AT&T	NYS OGS			X
7. CDW-G	NYS OGS			X
8. Corporate Computer Solutions (WBE)	NYS OGS			X
9. Trightec (MWBE)	NYS OGS			X
10. Verizon Network Business	NYS OGS			X

EMR Budget Presented to Board of Directors in September 2012



The total fifteen-year cost to move from the current state to Epic is outlined below. This includes the cost of the new system as well as the cost to transition off the old systems.

Component	Description	15-year Cost Presented in September 2012 (in millions)
1. EPIC Contract	Epic Resolution Term 2012-2027	\$303
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4. Hardware*	To be purchased over the next 3 years and replacements to be funded through 2027	\$191
5. Interfaces*	To be purchased over the next 3 years and replacements to be funded through 2027	\$157
6. Implementation Support*	Vendors to be identified through RFP, Includes cost of non IT Staff participation, training & clinical staff coverage. <i>(Includes costs associated with backfilling non IT staff with temps.)</i>	\$203
7. Application Support Team	New and Existing HHC Staff to be used through the implementation and maintenance period. <i>(Includes existing and net new FTEs including fringe benefit costs)</i>	\$ 357
		Total: \$1,435

Funding source for Load Balancers

- \$4.4M to be funded from EMR budget



* Future contracts to be presented to the Board of Directors.



Questions

Questions?

RESOLUTION

Authorizing the President to negotiate and execute a contract between the New York City Health and Hospitals Corporation (HHC or Corporation) and CareFusion Solutions, LLC ("CareFusion"), to provide automated medication dispensing systems used in the administration of medication and supplies. The proposed contract is an enhanced Premier contract PPPH14CFS that would standardize the cost, support, services and at the same time set an end date for all current active contracts. Currently we spend \$23,921,500 on automated medication dispensing systems and we need \$4,848,048 in upgrades and additional fees. By doing a single overall contract rather than multiple smaller contracts the corporation would save \$5,458,240 over the term of the contract, or \$1,091,648 annually. The five (5) year contract cost is \$24,447,347 for existing equipment and 73 new rental units. A Contingency of 20% (\$4,889,470) has been included to provide expansion opportunities for a total not to exceed amount of \$29,336,817.

WHEREAS, on January 9, 2013 the Supply Chain Council approved CareFusion Pyxis as the Corporate standard for automated dispensing system; and

WHEREAS, In December 2012, the Directors of Pharmacy approved the Pyxis MedStation as the standard: and

WHEREAS, HHC is renting CareFusion Pyxis equipment, products and services via various HHC contracts. The cost of the equipment, type of support and services varies across the facilities; and

WHEREAS, a new five year contract would standardize the cost, support, services and continuously set an end date for all the incorporated contracts with a discount of 57% for all units with a total savings under the contract term of \$5,458,240 or \$1,091,648 annually; and

WHEREAS, an assessment shall be conducted to determine present and future needs during the term of the agreement by the Pyxis Advisory team comprised of Director of Pharmacy, Office of the Chief Medical Officer, Office of Procurement and EITS representatives; and

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

NOW, THEREFORE be it **RESOLVED**, that the President be and hereby is authorized to negotiate and execute a contract between the New York Health and Hospitals Corporation (HHC or Corporation) and CareFusion Solutions, LLC ("CareFusion"), to provide automated medication dispensing systems used in the administration of medication and supplies. The proposed contract is an enhanced Premier contract PPPH14CFS that would standardize the cost, support, services and at the same time set an end date for all current active contracts. Currently we spend \$23,921,500 on automated medication dispensing systems and we need \$4,848,048 in upgrades and additional fees. By doing a single overall contract rather than multiple smaller contracts the corporation would save \$5,458,240 over the term of the contract, or \$1,091,648 annually. The five (5) year contract cost is \$24,447,347 for existing equipment and 73 new rental units. A Contingency of 20% (\$4,889,470) has been included to provide expansion opportunities for a total not to exceed amount of \$29,336,817.

EXECUTIVE SUMMARY

This is a request to enter into a new contract with CareFusion for its Pyxis MedStation and supply cabinets. The proposed contract, an enhanced Premier contract PPPH14CFS, will be for a term of five (5) years and standardize pricing for equipment, products, services and support across all the facilities at HHC. The contract shall be an amount of \$24,447,347 and a 20% contingency of \$4,889,470 for an amount not to exceed \$29,336,817.

Today there are over 290 Pyxis MedStation units installed across 10 NYC facilities at a current cost of \$4,784,300 per year. These facilities, along with the new Henry J Carter facility, need to be on the same configuration platform for both equipment and service/support at a lower cost with the ability to acquire more equipment at a lower cost.

The Pyxis MedStation system is an automated dispensing system supporting decentralized medication management to improve patient safety. Barcode scanning helps ensure accurate medication dispensing. Its features are designed to prevent loading of the wrong medication along with active alerts for high risk medication and help manage medications at risk of diversion, at risk of being diverted from their intended use.

A decentralized automated medication distribution systems allows HHC clinicians to deliver the right medication in the right dosage/form at the right time to the right patient that improves patient outcomes to mitigate adverse events.

Patient Safety

- **Quality Enhancement**
 - Increase nursing time with patient
 - Help start patient therapies faster by reducing time to first dose
 - Standardized processes – the same drug distribution system used for all drugs at all times of the day
 - Improved medication management during patient transfers and discharges
 - Reduces missing patient doses and improves workflow efficiencies
 - Centralizes clinical information, including medication orders, labs and vitals
 - Mitigates adverse event

- **Risk Mitigation**
 - Reduces dispensing errors and duplicate dose administration
 - Minimizes risk of harm by alerting clinicians about potential medication errors before they reach the bedside
 - Biometrics capability supports JAHCO compliance with timed audit trail (Chain of Custody) for all transactions to thwart diversion and inventory loss prevention
 - Provides the ability to restrict access of meds to those that are on a patient's medication list or those that are emergently needed
 - Thwart diversion, improve loss prevention, eliminate medication stock-outs
 - Improved process management of discontinued medication

- Block Load: Through activation of the scan features, can block the load and refill of a specific medication item into a specific Pyxis station (i.e. blocks adult medication items from being filled in Neonatal Med Stations)

CareFusion is a global medical technology company with clinically proven products and services designed to improve the safety, quality, efficiency and cost of healthcare with \$3.6 billion in revenue. CareFusion offers comprehensive product lines in the areas of medication and supply dispensing, intravenous infusion, respiratory care, infection prevention and surgical instruments. CareFusion brands are used in hospitals throughout the United States and more than 130 countries worldwide.

Currently equipment is rented under contract number 09-01-022, with an expiration date of 12/31/2014. The cost of the equipment, type of support and services varies greatly across the facilities.

The proposed contract would standardize the cost, support, services and coterminous the contract. The new contract would save approximately \$1,000,000 per year.

- \$5,458,240 savings over the term of the contract, or \$1,091,648 annually
- The five (5) year estimated contract cost is \$24,447,347 for current existing equipment
- A Contingency Reserve of 20% (\$4,889,470) has been included for expansion opportunities
- Total Spend Authority totals \$29,336,817

The new contract extends the discount to the CareFusion Pyxis Supply Stations. These are used to manage supplies on nursing floors and areas across facilities. This proposed contract is an enhanced Premier contract PPPH14CFS01 creating a new contract lasting five years. The Supply Chain Council approved Pyxis MedStation as a standard on 01/09/2013.

Overview of Proposed CareFusion Contract

Initial Transaction Discount: 57% total product discount applied to the List Price for a Preferred Product under the Initial Rental and Support Transaction. This discount is applicable within sixty (60) months of the Effective Date. Note: this is the total discount vs. the discount over the current discount.

Initial Rental and Support Transaction: Upgrade/conversion of the Pyxis systems currently installed at its facilities

Coterminous Expansion Product Discount: If a Member executes a transaction for additional Preferred Products (“Expansion Transaction”) within twenty four (24) months of the Effective Date, then the Price and applicable discounts for each such Preferred Product under the Expansion Transaction will be the same as those offered during the Initial Discount Period (“Coterminous Expansion Discount”); provided, however, the following terms and conditions will apply:

- This Section will not be applicable to any Member that is not listed in BID #025-0117 Dated 03.30.06 attached as Schedule A (“New Facility”).

Support Fee Discount: If a Member executes a transaction for additional Preferred Products, the total support discount applied to the List Support Price shall be twenty percent (20%) within sixty (60) months of the Effective Date. This discount is inclusive of GPO and Quantity discounts and is applied consecutively, and not cumulatively.

Initial Support Fee Lock: The support fees in the Initial Rental and Support Transaction will be locked for the term of that agreement.

Support Price Lock: The List Support Price for each Preferred Product used in the Initial Rental and Support Transaction will be locked for twenty four (24) months from the Effective Date for all applicable terms (60, 48, 36, 12) and Purchase transactions for Members.

Support Price Fee Increase Cap.: The Support Fee increase for an Expansion Transaction only will not exceed a cumulative average of three percent (3%) during years three (3) through five (5) of the Effective Date.

HHC History

Carefusion-Pyxis manages our medication management process and supplies at most of our facilities. The automation streamlines medications and supplies distribution, dispensing medications faster and more accurately meeting our patient needs. Our automation needs are increasing daily.

- The cost of the equipment, configuration of the devices and service & support levels varies greatly across the facilities.
- Contract end dates vary
- The 290 Pyxis devices are comprised of various configurations between the MedStation 3500 and MedStation 4000 with various service and support programs

Our intent was to standardize this goods contract, co-terminus the end dates, improving analytic and improve maintenance. The result is approximately **\$1 Million dollars** per year of savings. This is an 'enhanced' Premier contract PPPH14CFS01, creating a new contract lasting five years.

- Standardization of Eight different Facility contracts to one
- Co-Terminus the Contract
- GOAL is a single enterprise system (*ES*)
- Initial upgrade all site to MedStation 4000, then to *ES*
- Automation of the Medication Management Process and supplies
- Standardize the GPO discount ranges off list, ranging from 29%, to new 57% for all facilities.
- Improve Time require maintenance to 4 hours for all users
- Improve Analytics
 - Collects data to monitor, KPI in 4 functional areas Diversion and Inventory loss, Inventory Management, Safety and Compliance, System Maintenance
 - Performs improvement priorities, identify potential problem areas

- Drug dispensing Analytics –delivers views of unusual user patterns and inventory management concerns
- Use Analytic data in decision making that supports safety and quality of care.
- Encompass Joint Commission standards for safety and compliance
- Biometric fingerprint are used for MOST user access

Contract Management

- The Contingency Reserve is managed, monitored and tracked as not to go above spend authority by the **Pyxis Advisory Board (PAB)**
- PAB is comprised of central office leadership from Clinical, Pharmacy, Supply Chain and EITS
 - Works with HHC facilities to facilitate assessments and develop business justification for all future requirements
 - Presents contract spend authority updates to the Contract Review Committee (CRC) throughout the contract life
 - Will make appropriate recommendations for spend authority increase requests to the CRC

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Pyxis/Carefusion
Project Title & Number: Pyxis Contract update
Project Location: Facilities
Requesting Dept.: Materials Management

Successful Respondent: Carefusion

Contract Amount: The contract shall be an amount of \$24,447,347 and a 20% contingency of \$4,889,470 for an amount not to exceed \$29,336,817

Contract Term: 5 years

Number of Respondents: One
(If Sole Source, explain in Background section)

Range of Proposals: \$ N/a to \$ _____

Minority Business Enterprise Invited: Yes If no, please explain: _____

Funding Source: General Care Goods , monthly Rental
Grant: explain _____
Other: explain _____

Method of Payment: Lump Sum Per Diem Time and Rate
Other: explain Monthly

EEO Analysis: Approved

Compliance with HHC's McBride Principles? X Yes No

Vendex Clearance Yes No N/A In Progress

(Required for contracts in the amount of \$100,000 or more awarded pursuant to an RFP, NA or as a Sole Source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET (continued)

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

Our mission is to reduce the contract cost, coterminous contract dates, and standardize the platform to an enterprise system.

We renegotiated the current contract, the current discount from 29% to 57% discount. Coterminous all local facility contracts

A decentralized automated medication distribution systems allows HHC clinicians to deliver the right medication in the right dosage/form at the right time to the right patient that improves patient outcomes to mitigate adverse events.

Patient Safety Enhancement

A decentralized automated medication distribution systems allows HHC clinicians to deliver the right medication in the right dosage/form at the right time to the right patient that improves patient outcomes to mitigate adverse events.

❖ **Quality Enhancement**

- Increase Nursing time with Patient
- Help start patient therapies faster by reducing time to first dose
- Standardized processes – the same drug distribution system used for all drugs at all times of the day
- Improved medication management during patient transfers and discharges
- Reduces missing patient doses and improves workflow efficiencies
- Centralizes clinical information, including medication orders, labs and vitals
- Mitigates adverse event

❖ **Risk Mitigation**

- Reduces dispensing errors and duplicate dose administration
- Minimizes risk of harm by alerting clinicians about potential medication errors before they reach the bedside
- Biometrics capability supports JAHCO compliance with timed audit trail (Chain of Custody) for all transactions to thwart diversion and inventory loss prevention
- Provides the ability to restrict access of meds to those that are on a patient's medication list or those that are emergently needed
- Thwart diversion, improve loss prevention, eliminate medication stock-outs
- Improved process management of discontinued medication

Page 49 of 49. PRICING SHEET. Replace the text of the Pricing Sheet with the following:

Initial Rental and Support Transaction. The initial Transaction that New York Health and Hospitals Corporation will enter for the upgrade/conversion of the Pyxis[®] systems currently installed at its facilities ("**Initial Rental and Support Transaction**")

Initial Transaction Discount. The total product discount applied to the List Price for a Preferred Product under the Initial Rental and Support Transaction shall be fifty seven (57%) percent ("**Initial Transaction Discount**"). This discount is inclusive of GPO and Quantity discounts and is applied consecutively, and not cumulatively. This discount is applicable within sixty (60) months of the Effective Date when a Member executes a transaction for additional Preferred Products.

Coterminous Expansion Product Discount. If a Member executes a transaction for additional Preferred Products ("**Expansion Transaction**") within twenty four (24) months of the Effective Date, then the Price

and applicable discounts for each such Preferred Product under the Expansion Transaction will be the same as those offered during the Initial Discount Period ("**Coterminous Expansion Discount**"); provided, however, the following terms and conditions will apply:

- The Coterminous Expansion Discount applicable to New York Health and Hospitals Corporation shall not exceed five percent (5%) of the Contract Value for all Preferred Products under the Initial Rental and Support Transaction ("**Coterminous Expansion Discount Threshold**").
- This Section will not be applicable to any Member that is not listed in BID #025-0117 Dated 03.30.06 attached as Schedule A ("**New Facility**").

Support Fee Discount. If a Member executes a transaction for additional Preferred Products, the total support discount applied to the List Support Price shall be twenty percent (20%) within sixty (60) months of the Effective Date. This discount is inclusive of GPO and Quantity discounts and is applied consecutively, and not cumulatively.

Initial Support Fee Lock. The support fees in the Initial Rental and Support Transaction will be locked for the term of that agreement.

Support Price Lock. The List Support Price for each Preferred Product used in the Initial Rental and Support Transaction will be locked for twenty four (24) months from the Effective Date for all applicable terms (60, 48, 36, 12) and Purchase transactions for Members.

Support Price Fee Increase Cap. The Support Fee increase for an Expansion Transaction only will not exceed a cumulative average of three percent (3%) during years three (3) through five (5) of the Effective Date.

Contract Review Committee

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

Presented November 20, 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:

NO

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

Extension of current contract

Scope of work and timetable:
CONTRACT FACT SHEET (continued)

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

NYCHHC Pyxis Medication Cart Summary

		FY13	FY14	FY15	FY16	FY17	5Yr (FY13-FY17)
Current Pyxis Contract Spend for existing equipment & support	Monthly Cost 12 Month Total						
MedStation Equipment	\$	286,615	\$ 3,439,380	\$ 3,439,380	\$ 3,439,380	\$ 3,439,380	\$ 3,439,380
Support	\$	39,662	\$ 475,944	\$ 475,944	\$ 475,944	\$ 475,944	\$ 475,944
Knowledge Portal (MedAnalytics)	\$	3,748	\$ 44,976	\$ 44,976	\$ 44,976	\$ 44,976	\$ 44,976
Pharmacy Supply Med/Surg	\$	47,083	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000
Pharmacy Supply Procedural	\$	21,584	\$ 259,000	\$ 259,000	\$ 259,000	\$ 259,000	\$ 259,000
Current Pyxis Contract Spend Total	\$	398,692	\$ 4,784,300	\$ 4,784,300	\$ 4,784,300	\$ 4,784,300	\$ 23,921,500
New Contract Cost for existing equipment & support							
Equipment	\$	203,105	\$ 2,437,260	\$ 2,437,260	\$ 2,437,260	\$ 2,437,260	\$ 2,437,260
Support	\$	44,140	\$ 529,680	\$ 529,680	\$ 529,680	\$ 529,680	\$ 529,680
Knowledge Portal (MedAnalytics & DataInsight)	\$	3,476	\$ 41,712	\$ 41,712	\$ 41,712	\$ 41,712	\$ 41,712
Pharmacy Supply Med/Surg	\$	47,083	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000	\$ 565,000
Pharmacy Supply Procedural	\$	21,584	\$ 259,000	\$ 259,000	\$ 259,000	\$ 259,000	\$ 259,000
New Contract Cost for existing equipment & support Total	\$	319,388	\$ 3,832,652	\$ 3,832,652	\$ 3,832,652	\$ 3,832,652	\$ 19,163,260
Savings							
Contract Savings: Old vs New	\$	79,304	\$ 951,648	\$ 951,648	\$ 951,648	\$ 951,648	\$ 4,758,240
Recurring Savings McKesson Decommission @Kings County	\$	-	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Savings Total			\$ 1,126,648	\$ 1,126,648	\$ 1,126,648	\$ 1,126,648	\$ 4,933,240
Future Expansion (All Facilities)			\$ 1,042,348	\$ 0	\$ 0	\$ 0	\$ 1,042,348
Total			\$ 4,784,300	\$ 4,700,000	\$ 4,841,000	\$ 4,986,230	\$ 5,135,817

3% Inflation Rate 3% Inflation Rate 3% Inflation Rate

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

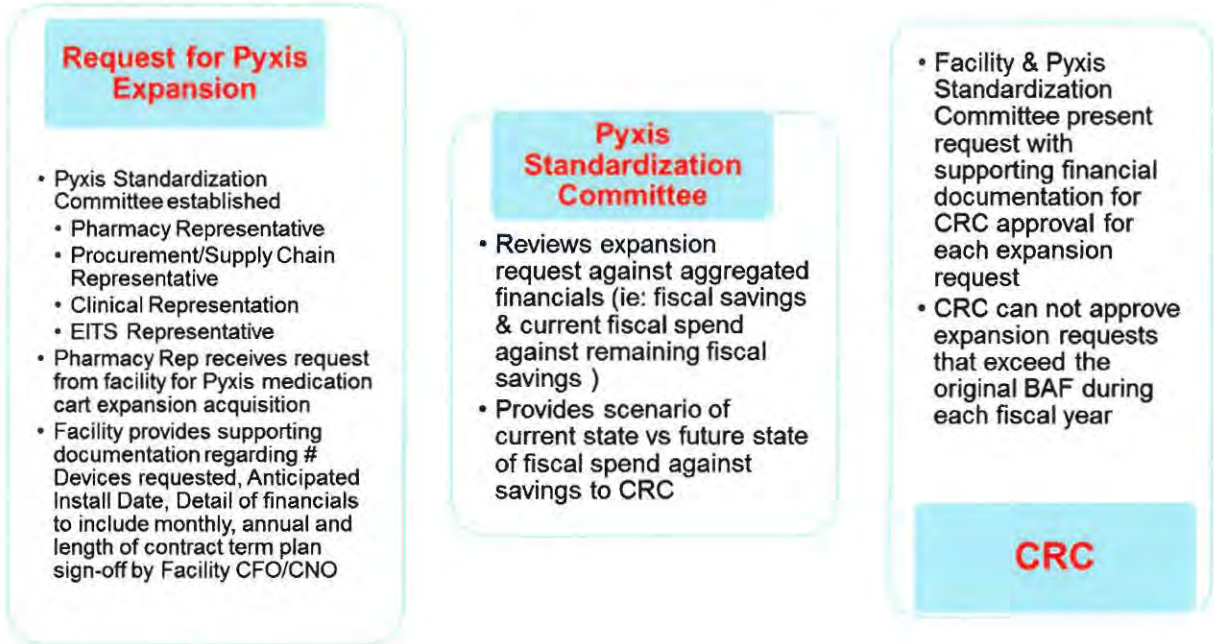
see above for details

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

NA
 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?

CONTRACT FACT SHEET (continued)

Contract monitoring: Executive Vice President, Chief Operations Officer



Pyxis Advisory Committee

Procurement Office – Paul Albertson, Sr Assistant Vice President
Director of Pharmacy – Vincent Giambanco, Director
Office of the Chief Medical Officer
EITS Representation

Equal Employment Opportunity Analysis

In progress


Received By E.E.O. _December 17, 2013
Date

Analysis Completed By E.E.O. _December 18, 2013
Date

_Manasses Williams
Name

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO
manasses.williams@nycchc.org

TO: David Larish
Director Procurement Systems and Operations
Materials Management

FROM: Manasses Williams 

DATE: December 18, 2013

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, CareFusion Solutions, LLC, 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 Non-M/WBE

Project Location(s): HHC's Corporate Wide

Contract Number: _____

Project: Procurement of Pyxis Medication and Supply Dispensing Technology

Submitted by: Materials Management

EEO STATUS:

1. 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: pt

NYC Health and Hospitals Corporation

*Automated Medication Dispensing Contract
CareFusion Pyxis*

December, 2013

Presenter:

Antonio Martin

*Executive Vice President &
Chief Operating Officer*

Why CareFusion Pyxis

- CareFusion is a leader in Healthcare
 - CareFusion is a global medical technology company with its products used in more than 130 countries worldwide and has a market share of 70% for U.S. medication dispensing Pyxis market

- How does Pyxis improve patient safety and quality of patient care
 - Pyxis is a medication dispensing station currently used in HHC Facilities
 - Pyxis Profile System provides patient specific alerts to avoid medication errors
 - The MedStation interfaces with the hospital's EMR
 - Keeps medication inventory records
 - Provides integrated workflow between clinicians and pharmacists
 - Allows for controls to limit access to only approved users and medication formulary
 - Blocks adult medication from being dispensed in neonatal units
 - Assists in identifying potential adverse drug events

Proposed Contract

- CareFusion Pyxis Master Agreement
 - The proposed contract consolidates many different agreements entered into by HHC facilities
 - The master agreement being proposed with Pyxis will achieve a \$1,091,648 in annual savings, totaling \$5,458,240 over the five year contract term based on the current units in the HHC facilities
- The Corporation will now have one Master Agreement for five years that will assure a 57% discount for current equipment and any new units the corporation may wish to obtain
- The total amount of \$24,447,347 is broken up as follows:
 - The current spending requests will lower contract spending for the current units being utilized at the facilities for the contract term of 60 months
 - An additional 73 units will be purchased for certain facilities in which a need has been determined
 - Certain units will require upgrades and interfaces, these costs have also been included as part of the contract.
- Contingency 20% (\$4,889,469) has been included to provide expansion of opportunities for additional units for HHC facilities
- The Corporation has established a Pyxis Advisory Board (PAB), which is comprised of clinical, pharmacy, supply chain and IT representation to verify and confirm all future Pyxis needs across the Corporation

Thank You

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a three year revocable license agreement with Simon and Company (the "Licensor") for its continued use and occupancy of approximately 144 square feet of space including use of the reception area, conference room, library, storage area, kitchen, high-speed internet service and digital cable television at an occupancy fee rate of \$1,494 per month or approximately \$17,926 per year at 1660 L Street, N.W., Washington, D.C., for use by the Corporation's federal lobbyist

WHEREAS, the Corporation employs a lobbyist who focuses on federal legislative and regulatory affairs and who works full-time in Washington, D.C.; and

WHEREAS, the Licensor holds a lease for a suite of offices at 1660 L Street, N.W., Washington D.C., and rents office space to state and municipal governments for use by their lobbyists; and

WHEREAS, in February 2011 the Board of Directors authorized the President to enter into a three year license agreement with the Licensor for the use of an office in its suite; and

WHEREAS, the Corporation now desires to extend the license agreement for an additional three year period.

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 three year revocable license agreement with Simon and Company for its continued use and occupancy of approximately 144 square feet of space including use of the reception area, conference room, library, storage area, kitchen, high speed internet service and digital cable television at an occupancy fee rate of \$1,494 per month or approximately \$17,926 per year at 1660 L Street, N.W., Washington, D.C. for use by the Corporation's federal lobbyist.

EXECUTIVE SUMMARY

FEDERAL LOBBYIST OFFICE SIMON AND COMPANY

- OVERVIEW:** The President seeks authorization from the Board of Directors of the Corporation to execute a revocable license agreement with Simon and Company for use and occupancy of space at 1660 L Street, N.W., Washington, D.C., for use by the Corporation's federal lobbyist.
- NEED/
PROGRAM:** The Corporation employs a lobbyist who focuses on federal legislative and regulatory affairs and works full-time in Washington, D.C. To function effectively, the federal lobbyist requires office space in Washington, D.C. Simon and Company holds a lease for a suite of offices at 1660 L Street, N.W., Washington, D.C., and rents office space for use by lobbyists. Simon and Company will license office space to the Corporation that is suitable for its purposes.
- TERMS:** The Corporation will have the continued use and occupancy of approximately 144 square feet of space and the use of common areas in Suite 501. The term of the license agreement will be three years, commencing February 1, 2014. The occupancy fee will be approximately \$1,494 per month, or approximately \$17,928 per year. The Licensor shall allow the Corporation the shared use of its reception area, conference room, library, storage area and kitchen. The occupancy fee also includes use of dedicated high-speed internet service and digital television with cable service. The cost of utilities is included in the rent. The Licensee shall be billed separately for phone service and use of the copy machine.
- The license agreement shall be revocable by either party on ninety days prior notice.

SUMMARY OF ECONOMIC TERMS

SITE: 1660 L Street
Washington, D.C.

FLOOR AREA: Approximately 144 square feet plus common areas.

TERM: Three years

RENT: \$1,494 per month or \$17,928 per year

UTILITIES: Included in the occupancy fee

REVOCABILITY: The agreement may be terminated by either party on ninety days prior written notice.

SAVITT PARTNERS

November 26, 2013

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

Re: 1660 L Street NW, Washington, D.C.

Dear Dion:

Pursuant to your request, I evaluated the proposed license 'renewal' for the above referenced property. The proposed terms are fair and appropriate. There are two additional spaces available at 1660 L street, one is 2,293sf with an ask of \$44/sf and the other is 2,720sf with an ask of \$42/sf. Asking rents in the general area range from \$35-\$48/sf. The low end of that range represents spaces subleased to tenants at reduced lease terms. The high end of the spectrum represents newer construction with full TI and workletter. We assume a taking rent of 8-12% below the asking rent.

Address	SF	Ask/sf	Term
1100 17th St NW	1,000-5,600	\$39.50	1-5 years
1150 17th St NW	3,818	\$43.00-45.00	1-4 years
1015 18th St NW	6,265	\$39.75	Negotiable
1200 18th St NW	4,400	\$38.00	5-10 years
1200 18th St NW	3,937	\$38.00	5-10 years
1120 19th St NW	4,324	\$43.00	3-10 years
1320 19th St NW	5,396	\$47.00	5-10 years
1233 20th St NW	4,490	\$35.00	Thru Nov 2015

The lobbyist occupies 144/sf of an approximately 3,800sf space. On a per square foot basis, therefore, HHC pays \$120.83/sf, or approximately three times a fair market rate as suggested by the comps. However, that cost includes shares use of common areas, the reception area, conference room, library, storage area and kitchen, which are all decorated and furnished. This cost also includes utilities, high speed internet and digital cable service. Considering the cost of these shared common areas and services, HHC is currently paying a fair market rate.

The proposed 3% increase in rent is also fair and reasonable. Typically, rent increases range from 2.5%-3.25% per year. A 3% increase in rent at the beginning of the term of the agreement with no additional increases over three years, therefore, is fair and reasonable.

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

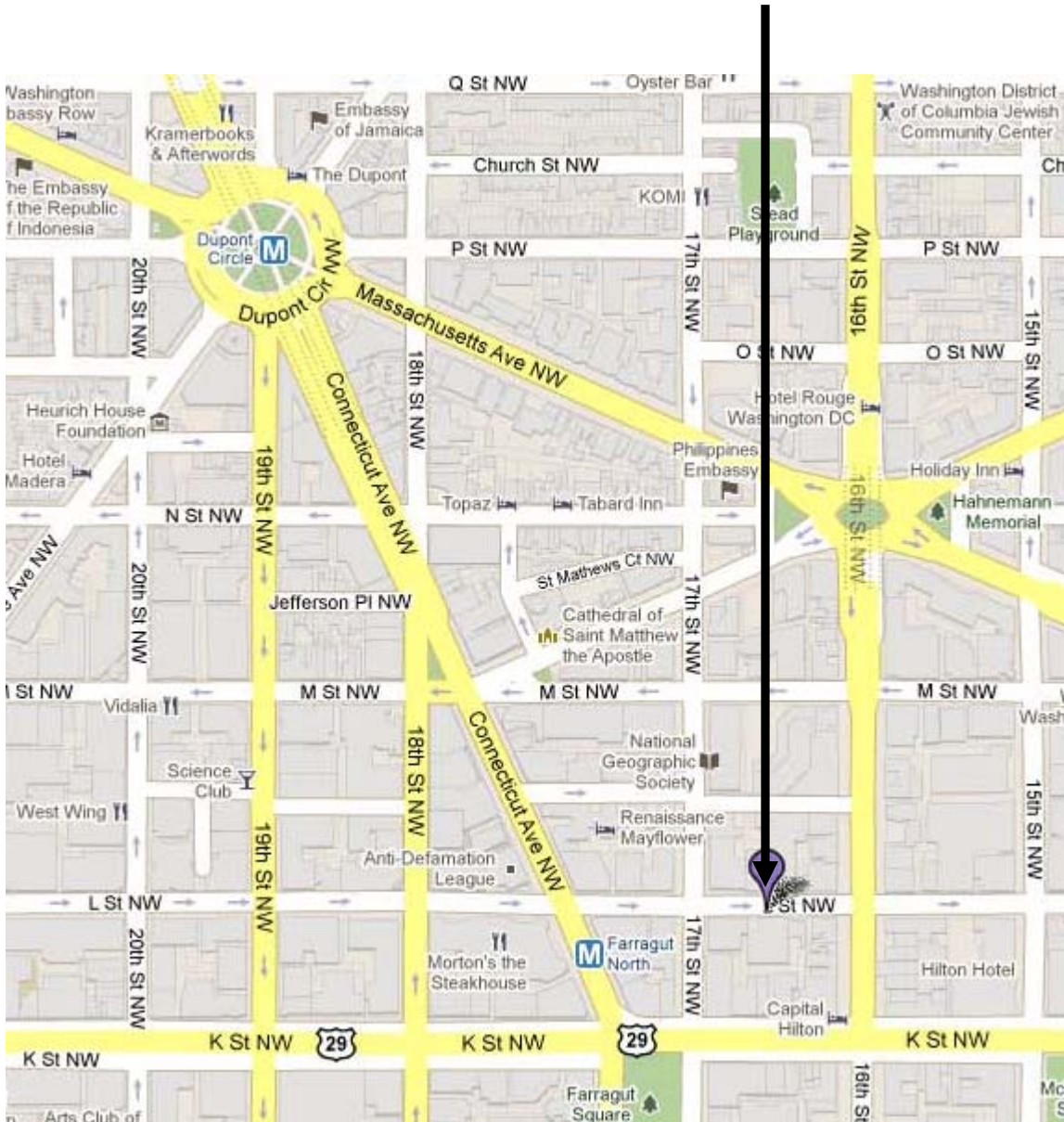
Very Truly Yours,



Michael E. Dubin
Partner

HHC Federal Lobbyist Office Space

Simon & Company
1660 L Street, NW, Washington, DC
144 square-feet



RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a five year lease extension agreement with Franciosa Owners, LLC (the "Landlord") for 5,300 square feet of space at 1012 East Gun Hill Road, Borough of the Bronx, to house the Gun Hill Health Center, operated by Jacobi Medical Center (the "Facility") at an initial rent of \$29.78 per square foot to increase at 2.5% per year with the Corporation responsible for the payment of real estate taxes, water and sewer rents, and separately metered electricity provided that the Landlord shall perform renovation work which includes exterior storefront replacement, painting, and the installation of two new rooftop HVAC units and installation of a new water heater.

WHEREAS, the Gun Hill Health Center is a community-based health care center that has been providing primary care services to residents of the Woodlawn, Soundview, Tremont-Crotona, Parkchester and Fordham sections of the Bronx since 1998; and

WHEREAS, the Gun Hill Health Center serves a patient population with high rates of low birth weight babies, infant mortality, and neonatal mortality and offers primary care services which include General Medicine, Pediatric and Women's Health Services; and

WHEREAS, there remains a need for primary care services in this section of the Bronx and extending the lease for this site will allow the Gun Hill Health Center to continue to serve the community; and

WHEREAS, the Landlord has offered to upgrade the premises with a complete paint job, new storefront, hot water heater, HVAC units.

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 five year lease extension agreement with Franciosa Owners, LLC (the "Landlord") for 5,300 square feet of space at 1012 East Gun Hill Road, Borough of the Bronx, to house the Gun Hill Health Center, operated by Jacobi Medical Center at an initial rent of \$29.78 per square foot to increase at 2.5% per year with the Corporation responsible for the payment of real estate taxes, water and sewer rents, and separately metered electricity provided that the Landlord shall perform renovation work which includes exterior storefront replacement, painting, and the installation of two new rooftop HVAC units and installation of a new water heater.

EXECUTIVE SUMMARY

NORTH BRONX HEALTHCARE NETWORK GUN HILL HEALTH CENTER 1013 EAST GUN HILL ROAD BOROUGH OF THE BRONX

- OVERVIEW:** The President seeks authorization from the Board of Directors of the Corporation to execute a lease extension agreement with Franciosa Owners, LLC for space at 1012 East Gun Hill Road, Borough of the Bronx, to house the Gun Hill Health Center ("Health Center"), operated by Jacobi Medical Center ("Jacobi").
- NEED/
PROGRAM:** The Health Center is a community-based site that has been providing primary care services to residents of the Woodlawn, Soundview, Tremont-Crotona, Parkchester and Fordham sections of the Bronx since 1998. The Health Center serves a patient population with high rates of low birth weight babies, infant mortality, and neonatal mortality and offers primary care services that include General Medicine, Pediatric and Women's Health Services. The Health Center is equidistant between Jacobi and North Central Bronx Hospitals and is accessible via bus and subway lines. The Health Center's hours are Monday, Tuesday, Thursday and Friday from 8:00 a.m. to 5:00 p.m., and Wednesday from 8:00 a.m. to 8:00 p.m. There remains a need for primary care services in this section of the Bronx and extending the lease for this site will allow the Gun Hill Health Center to continue to serve the community.
- UTILIZATION:** For the FY 2013, the Health Center provided approximately 4,987 visits. It is anticipated that patient visits for FY 2014 will be approximately 5,737.
- TERMS:** The Tenant will continue to occupy approximately 5,300 square feet of space comprising the entire floor area of the one-story building at 1012 East Gun Hill Road (the "Demised Premises"). The lease will contain an initial term of five years with two five-year renewal options exclusive to the Tenant. The base rent will be \$29.78 per square foot or approximately \$157,834 per year. The base rent will be escalated by 2.5% per year. The rent for the option periods shall be set at 90% of fair market value.
- The Landlord will perform renovation work which includes exterior storefront replacement, painting, and the installation of two new rooftop HVAC units and installation of a new water heater. Maintenance of the HVAC units and hot water heater will be the responsibility of the Landlord. The cost of the renovation work, and the HVAC units and hot water heater maintenance contracts are included in the base rent.
- The Tenant shall be responsible for the payment of real estate taxes of approximately \$27,000/year, water and sewer rents, and separately metered electricity. The Tenant shall be responsible for non-structural maintenance and repair not caused by the Landlord's negligence. The landlord shall be responsible for structural maintenance and repair including roof, gutters, foundation and utility supple lines. The Landlord shall be responsible for snow removal. The Landlord shall provide janitorial services. The Tenant shall reimburse the Landlord approximately \$5,000 per month for this service.

SUMMARY OF ECONOMIC TERMS

SITE:	1012 East Gun Hill Road Bronx, New York 10469 Block 4637, Lot 36
LANDLORD:	Franciosca Owners, LLC 784 Morris Park Avenue Bronx, NY 10462
INITIAL TERM:	Five (5) years
FLOOR AREA:	5,300 square feet
RENEWAL OPTIONS:	Two five (5) year options at 90% of FMV
BASE RENT:	\$29.78 per square foot or approximately \$157,834 per year
ESCALATION:	2.5% per year
UTILITIES:	Tenant is responsible for payment for electricity and water and sewer rents
REAL ESTATE TAXES:	Tenant is responsible for payment of real estate taxes of approximately \$27,000/year
RENOVATIONS:	The Landlord will perform renovation work which includes exterior storefront replacement, painting, and the installation of two new rooftop HVAC units and installation of a new water heater. The cost of the renovation work, and the HVAC units and hot water heater maintenance contracts are included in the base rent.
REPAIRS/ MAINTENANCE:	The Tenant will be responsible for non-structural maintenance and repairs not caused by the Landlord's negligence. The Landlord will be responsible for structural maintenance and repair including roof, gutters, foundation and utility supply lines. Maintenance of the HVAC units and hot water heater will be the responsibility of the Landlord. The Landlord will be responsible for snow removal.

SAVITT PARTNERS

August 1, 2013

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

Re: Fair Market Value/appraisal of Health Center at Gun Hill, a clinic of Jacobi Hospital
1012 East Gun Hill Road, Bronx, New York
On behalf of NYC Health & Hospitals Corporation

Dear Dion:

Pursuant to your request, the referenced property was inspected on July 12th and July 25th, 2013 in order to assess its fair market value, specifically regarding the renewal terms presented by the landlord, Franciosa Owners LLC. This assessment is inclusive of the value of the tenant improvements, CAM charges, if any, and real estate taxes and assumes that other operating expenses are directly procured by the tenant unless indicated otherwise. This evaluation is subject to the following:

- The unit is currently occupied and zoned for use as a medical office.
- The lease expires 7/31/13.
- The landlord has proposed renewal terms for a ten year period with 3.5% escalations per annum and two five-year renewal options.
- The unit is approximately 5,400RSF.
- This evaluation is for the purpose of a lease renewal.

Medical offices in this area are typically situated in stand-alone buildings or retail “tax payers” used for various commercial purposes. Rents for turn-key (ready to use), generally retail medical space range from approximately \$20 - \$32 per rentable square foot with a median price of \$28/RSF. Older, retrofitted and side street medical spaces garner the lower rents with the larger mall-type spaces and newly constructed spaces receiving higher rents. These properties typically offer more amenities, i.e., on-site property management, parking, security, etc. Most of the opportunities for medical office space in these markets are for undeveloped offices in small commercial buildings or retail sites, which will require extensive capital improvements.

Current market conditions for these types of spaces provide for minimal landlord concessions. Additionally retail transactions do not provide for landlord concessions other than rent abatements, which are not usually applicable in a renewal, although always negotiable. Most of the opportunities for medical office space in these markets are for undeveloped offices in commercial buildings or strip malls where the tenant will be offered few concessions by the landlord despite market conditions denoting more of a “tenant’s market”. Concessions are

minimal and landlords have been inflexible; preferring to see current market conditions as a prelude to a return to stability. Rents in general have been flat for the past few years and are expected to remain so well into 2014.

This requires that the tenant improvements be provided greater weight as an overall factor in the assessment of the FMV rental due to the cost associated with relocation; relocating, or rebuilding with new construction, would entail an up-front expense of no less than \$140/RSF or approximately \$750,000.00 for construction. Despite possible lower rents opportunities in the same market area this expense cannot be appropriately amortized over the proposed renewal term of 10 years.

The referenced medical office is a retail tenant user within the East Gun Hill Road corridor in the Williamsbridge section of the Bronx, an area of moderately priced one- and two-family houses just minutes away from several of the city's major thoroughfares and a 20-minute drive from New Jersey, Westchester, Long Island or upper Manhattan. National franchises like Dunkin' Donuts, CVS and Rite Aid dot White Plains Road, sandwiched among the bodegas, Caribbean bakeries and restaurants, car dealerships, bowling alleys and pool halls. The elevated-train line carries the 5 and 2 trains up White Plains Road and the area is serviced by bus lines running east and west along East Gun Hill Road and north and south along both Boston Post Road and Bronxwood Avenue. There is no on-site parking available, however, street parking is available in the surrounding community, which consists of metered parking on main thoroughfares and 'free' parking on side streets. During my two visits to the site, I experienced no difficulties with street parking but could imagine that such parking is difficult to find at certain times of day.

The tenant has signage on the main entrance door to the office, as well as a fixed banner on the "eye brow" (upper façade) of the building, which is visible from north and south approaches. The existing medical practice operates in the building on Monday, Tuesday, Thursday and Friday from 8am-5pm and Wednesday from 8am-8pm. The office is comprised of approximately 5,400RSF on grade. There is no second floor or basement and the HVAC and mechanicals are located on the roof of the building. The front entrance and interior areas are accessible via wheelchair and compliant with the American Disabilities Act. The office consists of the following:

- Waiting area with 23 chairs
- Reception/business area with
 - 2 ADA bathrooms
 - Business office
 - Conference room
 - Patient triage area (fully plumbed)
- Medical office area in the rear of the space with
 - 10 exam rooms
 - 2 private physicians' offices
 - 2 supply rooms
 - Records room
 - Lab
 - Staff office
 - Employee break room

- Staff lounge with private bathroom
- Conference room
- Mechanical room
- IT closet
- Janitor's closet with plumbing
- Supply room with plumbing
- Utility room (for soiled linens, etc.)

Rents in the commercial and retail markets within East Gun Hill Road have been flat for the past few years and are expected to remain so well into 2014. The tenant improvement (T.I., build out of the space) has not been fully depreciated and should remain in fair to good condition with continued proper maintenance through the ten year renewal term. The spaces showed well and are kept well. HVAC units on the roof provide heating and cooling to the building. However, areas of the roof have been reported to leak. The landlord has acknowledged the leaks and agreed to necessary repairs. The value of the original capital expenditure is estimated at \$100 per RSF. Over and above any Landlord improvements, the current value is 40% -60% depreciated.

As part of the renewal proposal, Landlord has agreed to the following work at Landlord's cost and expense:

- Replace the storefront and all windows on the exterior of the building
- Replace exterior lighting with new enhanced fixtures
- Replace existing hot water heater
- Install two (2) ten-ton LuxAire units
- Install new rooftop ductwork
- Install new electrical connections
- Install new gas connections
- Install two (2) new thermostats
- Install new entrance door buzzer entry system including A/V phone
- Install two (2) new 110 volt, 12.5 amp Bruch stainless steel Xlerator series hand dryers in men's and women's restrooms.

Additionally, the Landlord will provide the following repairs and maintenance at Landlord's cost and expense:

- Structural repairs including the roof
- Maintenance and repairs of the HVAC system
- Snow removal

In light of such work, maintenance and repairs, this lease renewal should be viewed as a gross lease.

We have been asked to consider additional items that will be included at Landlord's cost and expense, specifically the provision of a licensed security guard and janitorial staff during business hours as well as painting, including repainting over the course of the lease. We estimate the approximate cost of private security at \$14-15/hr and licensed security at \$18-22/hr, janitorial

services at \$21/hr plus supplies and painting at \$7,500 plus supplies, with repainting taking place once every 5 years.

The renewal terms presented by the landlord are commercially fair and reasonable based on this assessment, the condition of the space, Landlord's contribution & Landlord's ongoing maintenance obligations. It is our conclusion that the fair market value of this space with the referenced services and amenities is between \$29 - \$31 per RSF. This takes into consideration comparable commercial/retail rents within the immediate market areas (see Schedule A attached) and the subsequent tenant improvements of the space, as well as current availability for similar opportunities.

While it is our professional observation that the terms are fair and reasonable given current conditions and immediate vacancies within the surrounding areas, we would recommend further negotiations regarding the rent but specifically focused on the 3.5% per annum escalations, which we consider within market terms but on the higher end of said market.

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

Thank You.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael E. Dubin".

Michael E. Dubin
Partner

Schedule A – Comparables

1175 East Tremont Avenue
Area: 4,134sf
Price: \$22/sf

1172 East Tremont Avenue
Area: 2,417sf
Price: \$22/sf

1071 East Tremont Avenue
Area: 6,000sf
Price: \$28/sf

1065 East Tremont Avenue
Area: 2,400sf
Price: \$25/sf

542 East 180th Street
Area: 4,000-8,000sf
Price: \$25-30/sf

4256 Bronx Blvd
Area: 1,500-9,000sf
Price: \$30/sf

1733 Eastchester Road
Area: 2,500 – 10,000 (2nd Fl)
Price: \$25/sf

301 East Gun Hill Road
Area: 4,850sf
Price: \$30/sf

1550 St. Peters Avenue
Area: 5,667
Price: \$24/sf

445 East Tremont Avenue
Area: 5,880 (1,470sf on ground, 2nd and 3rd fls)
Price: \$21/sf

901 East Tremont Avenue
Area: 6,000sf
Price: \$22/sf

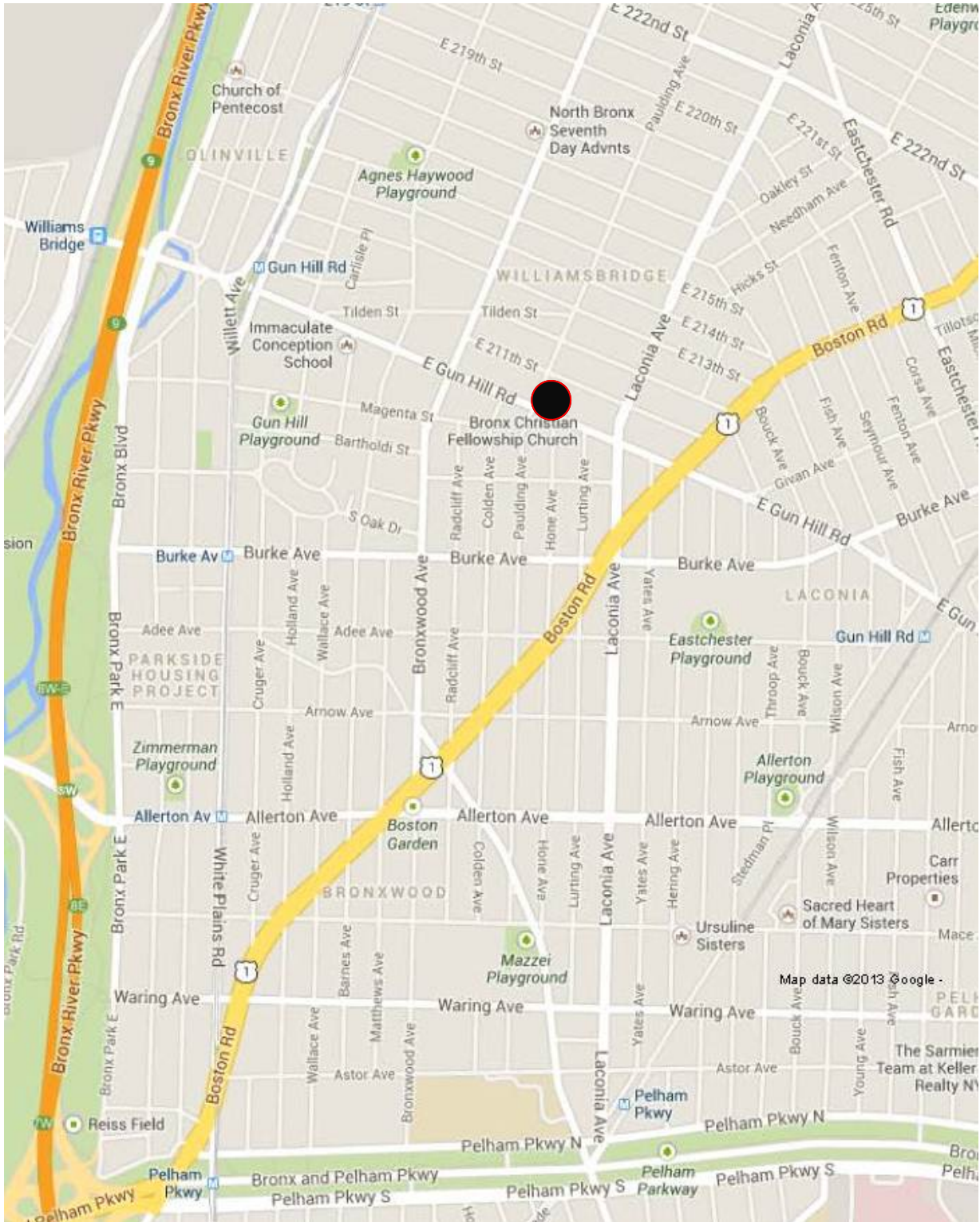
2356 University Avenue
Area: 4,500sf (2nd Fl)
Price: \$27/sf

2510 Westchester Avenue
Area: 1,500- 10,000sf
Price: \$28-\$30/sf

1012 East Gunhill Road

Bronx, NY

Approximately 1.9 miles from Jacobi Medical Center



RESOLUTION

Reappointing Tamira Boynes as a member of the Board of Directors of MetroPlus Health Plan, Inc., a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York (“MetroPlus”), to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws.

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

WHEREAS, the Certificate of Incorporation of MetroPlus reserves to HHC the sole power with respect to appointing members of the Board of Directors of MetroPlus; and

WHEREAS, the Bylaws of MetroPlus authorize the Executive Director of MetroPlus to nominate a Director who is a member of the MetroPlus Health Plan, subject to approval by the Board of Directors of HHC; and

WHEREAS, Tamira Boynes is a member of MetroPlus and has been a member of the Board of Directors of MetroPlus since February 2004; and

WHEREAS, the Executive Director of MetroPlus has selected Ms. Boynes to serve an additional term of five years as a member of the Board of Directors of MetroPlus;

WHEREAS, the Board of Directors of MetroPlus has approved said nomination;

NOW, THEREFORE, be it

RESOLVED, that the HHC Board of Directors hereby reappoints Tamira Boynes to the Board of Directors of the MetroPlus Health Plan, Inc. to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

EXECUTIVE SUMMARY

The Bylaws of MetroPlus authorize its Executive Director to select a Director who is a member of the MetroPlus Health Plan, subject to approval by the Board of Directors of HHC.

Ms. Tamira Boynes first joined the MetroPlus Board of Directors in February 2004. The Executive Director of MetroPlus has nominated Tamira Boynes to serve an additional 5 year term.

Ms. Boynes has been a participating member of the MetroPlus Health Plan since 1997. She has been an active member of MetroPlus' Member Advisory Committee for over ten years. MetroPlus is very pleased that she has agreed to serve an additional term. She has been a great asset to the MetroPlus Board, and we look forward to another 5 years of Ms. Boynes' participation.

RESOLUTION

Reappointing Meryl Weinberg as a member of the Board of Directors of MetroPlus Health Plan, Inc., a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York ("MetroPlus"), to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws.

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

WHEREAS, the Certificate of Incorporation of MetroPlus designates HHC as the sole member of MetroPlus and has reserved to HHC the sole power with respect to electing members of the Board of Directors of MetroPlus; and

WHEREAS, the Bylaws of MetroPlus authorize the President of HHC to select two directors of MetroPlus' Board subject to election by the Board of Directors of HHC; and

WHEREAS, Meryl Weinberg has been a member of the Board of Directors of MetroPlus since January 2009; and

WHEREAS, the President of HHC has selected Meryl Weinberg to serve an additional 5 year term as a member of the Board of Directors of MetroPlus;

WHEREAS, the Board of Directors of MetroPlus has approved said nomination;

NOW, THEREFORE, be it

RESOLVED, that the HHC Board of Directors hereby reappoint Meryl Weinberg to the Board of Directors of the MetroPlus Health Plan, Inc. to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

EXECUTIVE SUMMARY

The Bylaws of MetroPlus authorize the President of HHC to select two Directors, subject to approval by the Board of Directors of HHC.

The President of HHC has nominated Meryl Weinberg to serve an additional term as a member of the MetroPlus Board of Directors.

Ms. Weinberg is currently the Executive Director of Metropolitan Hospital Center. She has more than 20 years experience in health care management, nursing, acute and long-term care. Prior to working at Metropolitan Hospital Center, Ms. Weinberg served for eight years as the Executive Director of HHC's Health and Home Care division. She transformed the division from six distinct departments in 1999 to a fully certified home health agency that today delivers comprehensive services to more than 1500 multi-lingual patients living in Manhattan, Queens and the Bronx.

MetroPlus is very pleased that she has agreed to serve on the Board for another 5 year term. Her knowledge and commitment to the mission and vision of HHC and MetroPlus Health Plan will make her a valued member of the MetroPlus Board.

RESOLUTION

Approving and ratifying the actions of the HHC ACO Inc. Board of Directors to fix the number of Directors of the HHC ACO Inc. Board of Directors at nine, subject to approval by the Centers for Medicare and Medicaid Services (“CMS”) of the Participation Agreement executed between the ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI doing business as Mount Sinai Elmhurst Faculty Practice Group (“Elmhurst FPP”) and HHC ACO Inc., which CMS approval has since been granted;

AND

Approving and ratifying the actions of the HHC ACO Inc. Board of Directors to elect the person designated below to serve as an additional Director of the HHC ACO Inc. Board of Directors, subject to such person’s earlier death, resignation or removal, in accordance with the laws of the State of New York until such person’s successor is duly elected and qualified:

A Director to be named by the Elmhurst FPP, as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of HHC ACO Inc.;

AND

Approving and ratifying the actions of the HHC ACO Inc. Board of Directors that the existing non-HHC Participants Director of the HHC ACO Inc. Board of Directors shall hereafter be named pursuant to a designation by a majority in number of HHC ACO Inc.’s ACO Participants, as defined in 42 C.F.R. Part 425, other than the Corporation and the Elmhurst FPP, that have executed Participation Agreements with HHC ACO Inc., which Director is specified in a writing signed by such majority that is delivered to the Chairman of HHC ACO Inc.

WHEREAS, the Corporation previously appointed certain individuals to serve as the Board of Directors of HHC ACO Inc., as specified in the Certificate of Incorporation of HHC ACO Inc. and a subsequent Resolution of the Corporation’s Board of Directors, and now wishes to approve and ratify the actions of the HHC ACO Inc. Board of Directors to (i) fix the number of Directors of the Board of Directors of HHC ACO Inc. at nine and (ii) add a Director to be named by the Elmhurst FPP, subject to approval by CMS of the Participation Agreement executed between the Elmhurst FPP and HHC ACO Inc., which CMS approval has since been granted, and approval by the Corporation;

WHEREAS, the Corporation wishes to approve and ratify actions of the HHC ACO Inc. Board of Directors, which authorized, subject to such CMS approval which has since been granted, and subject to approval by the Corporation, that the existing non-HHC Participants Director of HHC

ACO Inc. shall hereafter be named by a majority in number of HHC ACO Inc.'s ACO Participants other than the Corporation and the Elmhurst FPP.

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation hereby approves and ratifies the actions of the HHC ACO Inc. Board of Directors to fix the number of Directors of the HHC ACO Inc. Board of Directors at nine; and

BE IT FURTHER RESOLVED, that the Corporation hereby approves and ratifies the actions of the HHC ACO Inc. Board of Directors to elect the person designated below to serve as an additional Director of the HHC ACO Inc. Board of Directors, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified:

A Director to be named by the Elmhurst FPP, as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of HHC ACO Inc.; and

BE IT FURTHER RESOLVED, that the Corporation hereby approves and ratifies the actions of the HHC ACO Inc. Board of Directors that the existing non-HHC Participants Director of HHC ACO Inc. shall hereafter be named pursuant to a designation by a majority in number of the HHC ACO Inc.'s ACO Participants, as defined in 42 C.F.R. Part 425, other than the Corporation and the Elmhurst FPP, that have executed Participation Agreements with HHC ACO Inc., which Director is specified in a writing signed by such majority that is delivered to the Chairman of HHC ACO Inc.

RESOLUTION

Authorizing that each of the following persons be elected to serve as a Director of the HHC ACO Inc. Board of Directors, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified:

Alan D. Aviles

Antonio D. Martin

Salvatore J. Russo

Ross M. Wilson, M.D.

Marlene Zurack

Jeroman Berger-Gaskin, a Medicare beneficiary Director

A Director who shall be the Chief Executive Officer of Physician Affiliate Group of New York, P.C. ("PAGNY")

A Director to be named by the ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI doing business as Mount Sinai Elmhurst Faculty Practice Group ("Elmhurst FPP"), as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of HHC ACO Inc.

A Director to be named pursuant to a designation by a majority in number of HHC ACO Inc.'s ACO Participants, as defined in 42 C.F.R. Part 425, other than the Corporation and the Elmhurst FPP, that have executed Participation Agreements with HHC ACO Inc., which Director is specified in a writing signed by such majority that is delivered to the Chairman of HHC ACO Inc.

WHEREAS, the Corporation previously appointed certain individuals to serve as the initial Board of Directors of HHC ACO Inc., as specified in the Certificate of Incorporation of HHC ACO Inc. and subsequent Resolutions of the Corporation and now wishes to authorize a new slate of Directors of HHC ACO Inc.

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation hereby authorizes that each of the following persons be elected to serve as a Director of the HHC ACO Inc. Board of Directors, subject to such person's earlier death, resignation or removal, in accordance with the laws of the State of New York until such person's successor is duly elected and qualified:

Alan D. Aviles

Antonio D. Martin

Salvatore J. Russo

Ross M. Wilson, M.D.

Marlene Zurack

Jeroman Berger-Gaskin, a Medicare beneficiary Director

A Director who shall be the Chief Executive Officer of PAGNY

A Director to be named by the Elmhurst FPP, as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of HHC ACO Inc.

A Director to be named pursuant to a designation by a majority in number of HHC ACO Inc.'s ACO Participants, as defined in 42 C.F.R. Part 425, other than the Corporation and the Elmhurst FPP, that have executed Participation Agreements with HHC ACO Inc., which Director is specified in a writing signed by such majority that is delivered to the Chairman of HHC ACO Inc.