

BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 28, 2013

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Call to Order - 4 pm	Dr. Stocker
1. Adoption of Minutes: January 31, 2013	
<u>Chairman's Report</u>	Dr. Stocker
<u>President's Report</u>	Mr. Aviles
>>Action Items<<	
<u>Queens Health Network</u>	
2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to approve the budget for relocation of the "T" Building at Queens Hospital Center , estimated to be \$8.4 million. <i>(Capital Committee – 02/14/2013)</i>	Ms. Youssouf
<u>Committee Reports</u>	
➤ Audit	Ms. Youssouf
➤ Capital	Ms. Youssouf
➤ Medical & Professional Affairs / Information Technology	Dr. Stocker
<u>Facility Governing Body / Executive Session</u>	
➤ Lincoln Medical and Mental Health Center	
➤ Gouverneur Healthcare Services	
>>Old Business<<	
>>New Business<<	
Adjournment	Dr. Stocker

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (hereinafter the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 31st of January 2013 at 4:00 P.M. New York time, pursuant to a notice which was sent to all of the Directors of the Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

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

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

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on December 20, 2012 were presented to the Board. Then, on motion made by Dr. Stocker and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on December 20, 2012, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

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

Dr. Stocker received the Board's approval listing the various subcommittee assignments of the Board members.

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

Dr. Stocker announced that four of the five annual public meetings have taken place. The Brooklyn public meeting was canceled due to Super Storm Sandy, but will be rescheduled before the end of the fiscal year.

PRESIDENT'S REPORT

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

ACTION ITEMS

RESOLUTION

2. Acknowledging Ms. Judy Wessler, Director of the Commission on the Public's Health System for her unabiding commitment to social justice and longstanding advocacy for quality, accessible health care for all New Yorkers.

Dr. Stocker thanked Ms. Wessler for her advocacy and sound advice.

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

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency- (FEMA) for expenses incurred by the Corporation in connection with damages caused by Hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

Mr. John Levy, President of Base Tactical, provided the Board with an overview of the steps that were taken in the recovery process of the facilities affected in the aftermath of Hurricane Sandy.

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

RESOLUTION

4. Authorizing and approving the adoption of the resolution entitled "Health System Bonds, 2013 Series Resolution" providing for the issuance of a series of Health System Bonds in a principal amount not exceeding \$175 million for the refunding of all or a portion

of the 2003 Series Bonds and the 2008 Series Bonds.

Mr. Rosen 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 Sole Source contract with Sedgwick Claims Management to provide specialized claims and risk management services to the Corporation in connection with medical malpractice claims, and to manage subcontracts for risk reduction education, and insurance consulting and management for a term of four years with an option to renew for one additional two-year term, solely exercisable by the Corporation, for an amount not to exceed \$34,434,496.00.

Salvatore Russo, HHC Senior Vice President and General Counsel, explained the procurement process implemented to acquire a sole source contract for professional services in the context the sole source procurement of the Sedgwick Claims Management. Mr. Russo and Ms. Suzanne Blundi, who assisted in the presentation, detailed the credentials and variety of services that Sedgwick provides and will continue to provide to the Corporation. It was acknowledged that the next time a contract for these services will be sought, the Corporation will test the market by issuing a request for proposal as the method of procurement.

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

RESOLUTION

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

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

BOARD COMMITTEE REPORTS


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

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Dr. Stocker reported that the Board of Directors as the governing body of Kings County Hospital Center and Dr. Susan Smith McKinney Nursing and Rehabilitation Center reviewed, discussed and adopted the facility's report presented.

ADJOURNMENT

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



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

COMMITTEE REPORTS

Capital Committee – January 10, 2013

As reported by Ms. Emily Youssef

Assistant Vice President's Report

Alfonso Pistone, Assistant Vice President, Office of Facilities Development, informed members of the Committee that there were two action items for the Committee's consideration, a report on the progress of the Henry J. Carter facility, and a short progress report on the Corporation's progress on placing back into normal operation the three most adversely affected facilities impacted by Hurricane Sandy – Coney Island Hospital, Coler-Goldwater Specialty Hospital and Nursing Facility, and Bellevue Hospital Center. Finally, there would be delay reports on two projects; the emergency department renovation at Lincoln Medical and Mental Health Center, and the modernization at Queens Hospital Center.

He was pleased to report that the Office of Facilities Development (OFD), with the assistance of team members from internal audits, Lincoln, Elmhurst, Bellevue, and Queens, engaged in a one week rapid improvement event recently. The event focused on the Bid-Award process and resulted in a number of constructive recommendations that are currently being reviewed and prepared for piloting.

Mr. Pistone advised that the next step would be the development of a Value Stream Analysis involving the entire process, which he was expecting to occur next month, as the early stages of the A3 for the event had already begun.

He thanked Joanna Omi and her team; the work of members of his staff, the facilities, and internal audits for their participation.

That concluded his report.

Action Items:

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

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, read the resolution into the record. Mr. Hughes was joined by Randy Retkin, New York Legal Assistance Group.

Mr. Hughes explained that in July of 2012, a six month agreement was signed for the same services and the facility wished to continue the relationship due to benefits, such as: counsel on immigration, domestic relations, custody and benefit entitlement, and in many cases ultimately assisting residents in becoming Medicaid eligible. It is anticipated that over 60 matters will be addressed throughout the new contract term, and the Corporation would be paying \$36,103 for said services. Mr. Hughes noted that over the course of the previous agreement, NYLAG assisted with over 90 matters, 15 of which culminated with the resident becoming Medicaid eligible, which assisted with reimbursement to the facility. A number were able to obtain important entitlements which eventually help with their discharge into the community, and a couple of residents were able to obtain passports for eventual return to their country of origin.

Michael Stocker, MD, Chairman of the Board asked how many NYLAG staff operated at the facility. Ms. Retkin said there would be one attorney on site, the same one who worked through the first six month agreement.

Dr. Stocker asked if NYLAG had been busy over the first term. Ms. Retkin said yes, 90 matters were completed with more already in the pipeline.

Dr. Stocker asked if NYLAG were able to convert residents to Medicaid without going through the usual steps. Ms. Retkin said that NYLAG works with social workers and other staff to get residents to the point where they are eligible to apply for Medicaid, sorting through preliminary issues, such as immigration status, and for other residents, who have unknown histories, NYLAG is doing checks and requesting background information.

Ms. Youssef asked if the fee of \$36,103 was an average and acceptable fee considering 60 cases would potentially help 60 patients and would therefor amount to approximately \$600 per case. Ms. Retkin said yes. She noted that the attorney spent more than half of her working time on site, and additionally, paralegal assistance is utilized, limited supervision is needed, and time is spent providing training to Coler-Goldwater staff. She added that each case, whether it comes to resolve or not also requires a significant amount of pre-screening.

Committee Member Josephine Bolus, RN asked if the attorney would be splitting her time between the new Goldwater site and the Coler campus. Mr. Hughes said the new facility would not be open during the course of this agreement but they would reevaluate those issues at the end of the term, see if they have met necessary goals, and whether services should be continued.

Mrs. Bolus asked about the services that NYLAG performs at other HHC facilities and whether immigration is an issue at those other sites. Ms. Retkin said yes, benefits, immigration and housing are the top three issues that NYLAG assists with at all hospital facilities.

Dr. Stocker said it seemed like a relatively inexpensive agreement considering the benefits, and asked whether NYLAG assists walk-ins. Ms. Retkin said for the most part no, services are typically based on referrals from within the facility, social workers and/or doctors, but there have been a few exceptions, such as; Haitian nationals when they were allowed Temporary Protective Status (TPS), Deferred Action Dreamers, and recently for storm relief legal services, which were open to staff and community.

Dr. Stocker asked what these services would cost if recipients went to a law firm for assistance. Ms. Retkin said she was unsure but for immigration type issues charges can run at an exorbitant rate.

Ms. Retkin stated that this agreement was slightly different from other models because many of the other agreements have some sort of other supportive funding, from organizations like the Robin Hood Foundation, and that support usually funds the bulk of NYLAG services. In those cases, facilities often make an additional contribution but there was no such funding behind this agreement.

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 approve a Capital Project for Harlem Hospital Center to Relocate and Modernize the Dental Clinic for a total project cost of \$9.0 million.

Denise Soares, Executive Director, Harlem Hospital Center, read the resolution into the record. Ms. Soares was joined by Anita O'Brien, Associate Executive Director, James King, MD, Chief of Dentistry, Harlem Hospital Center, and Louis Iglhaut, Associate Executive Director, Lincoln Medical and Mental Health Center.

Ms. Soares explained that a HEAL 21 Grant of \$3.8 million had been awarded to the facility as well as \$1.8 million, for new equipment, from City Council Fiscal Year 2012. Ms. Soares noted that the dental clinic is currently located in Women's Pavilion (WP), which is slated for demolition, so this project would help in decanting that building as well as expanding the clinic's services.

Ms. Youssouf asked if the total funding from other sources would be \$5.8. Mrs. O'Brien said that is the total confirmed at this time but the remainder would be reallocated from funding that was previously approved by the Office of Management and Budget (OMB) for WP decanting and demolition. Alfonso Pistone, Assistant Vice President, Office of Facilities Development added that the additional funding, to be reallocated, was contingent upon formal OMB approval.

Ms. Youssouf asked for an explanation of the need, in comparison to current services that are provided, and an overview of the actual cost.

Dr. King explained that the present facility was constructed in 1984 and provided services for 6,000 patients. Prior to the institution of mandatory Medicaid Managed Care, in the late 1990s, the patient number had increased to 27,000 visits per annum. Currently, the facility offers comprehensive dental services, acting as a full service clinic that takes appointed patients as well as walk-ins. It provides a service for the community, and access to care for people that don't have access any other way.

Dr. Stocker asked how much the project would cost to HHC. Ms. O'Brien said that the cost would be the difference between the HEAL funds and the \$9 million total; the city council funds are an allocation of discretionary funding, the HEAL grant is a grant, so there is no cost for that, so the remainder of the \$3.3 million, from previous WP decanting funding, are GO bonds that will be paid back. Ms. Youssouf asked for clarification of the \$1.8 million in city council funds. Ms. O'Brien stated that those monies would in fact be charged back by the Corporation.

So, Ms. Youssouf asked, the total cost to us would be the \$3.3 million and the \$1.8 million. Ms. O'Brien said yes.

Ms. Youssouf said an enormous amount of money had been spent on redoing Harlem Hospital Center and she was unaware that a new dental clinic was needed.

Ms. O'Brien advised that the dental clinic was part of the original modernization project and the remaining need to complete this is partially due to the fact that in 2008/9 the project lost funding for MLK renovations and infrastructure work totaling \$47 million. Ms. Youssouf said she didn't think that the decrease in funding was the problem with the project. She thought the project was severely over budget. Ms. O'Brien disagreed.

Mr. Pistone rephrased the question, saying was the anticipated scope of the project adequately funded. Ms. O'Brien said she did not think that it was.

Dr. Stocker said that at a time when almost all budgets with relation to capital projects have been overrun, particularly Harlem, it is disconcerting to hear that information has not reached certain persons working on the project. Ms. Youssouf added that she was surprised Ms. O'Brien was unaware of that fact that the project had gone over budget since the Committee had discussed that matter a number of times.

Ms. O'Brien said the original estimate for the whole project included; renovations for the Martin Luther King (MLK) Pavilion, WP demolition, demolition of the New Nurse's Residents, and construction of a new garage and Emergency Medical Services (EMS) station. At the time the mural pavilion was started, she added, full funding was not in place. There was a promise for \$325 million, but not enough for specific parts of the project. Ms. Youssouf said there was clearly a disconnect happening from other presentations regarding the Harlem modernization.

Ms. Youssouf stated that the amount of money appropriated and approved for the project was supposed to cover certain things but did not cover them because the project was over budget. She asked Mr. Pistone whether he agreed.

Mr. Pistone said that the original scope included razing the WP, a new garage, and partial renovation of the MLK Pavilion. In FY 2009 the project had a 15-20% budget reduction of approximately \$48 million because that was the only place funding was available for budget reduction measures. He advised that when the project was reviewed after the cut it was determined what could be done with the remaining money and that various parts of the project, including the garage construction and the relocation of WP programs could not be completed even though some funding was already in place.

Ms. Youssouf said the reason was not the \$48 million budget cut and asked how much the budget variance was at the end of the project. Mr. Pistone said the entire project was approximately \$424 million but the project was budgeted for \$328 million. Ms. Youssouf said that for whatever reason, and she knows that people are actively trying to fix the issues, the project was way over budget, a number of increases had to be approved, and all the work was not even able to be completed. She said this has happened on every major project that has come before the committee and to say that the budget was taken away is not accurate. Mr. Pistone said that is part of the problem but not the whole cause. A small part, said Ms. Youssouf.

Dr. Stocker said the Committee has watched overruns on almost all capital projects, a problem for which a consultant has been hired to review, and to see the team unaware that there were budget overruns on the project is disconcerting.

Ms. O'Brien advised that she had been involved with the modernization for over five (5) years and didn't exactly agree with the analysis. She stated that the project was never fully funded and an estimate provided an overview of what the available funding covered. Ms. Youssouf said the problem was that when you are doing a Capital project, you need to know what the whole cost is, everything included, and if you don't have the full funding then don't start with the piece that you do have, not explain what the total project cost would be, and then come back later. Ms. Youssouf suggested that time be spent reviewing all past presentations regarding Harlem, reviewing the significant number of increases provided over the past few years, and fully informing the current team of what happened in the past, to ensure that it does not happen again in the future.

Mr. Pistone asked whether this specific project could be discussed due to the criticality of the timeliness of the HEAL funding. He noted that the grant money must be spent by the end of the calendar year. Ms. Youssouf advised that it was only January and that a few weeks delay shouldn't impact anything. She offered the opportunity to hold a special meeting if necessary but said she would not be doing her fiduciary responsibility deciding now just because of the spend-down date.

Mrs. Bolus asked when the money had to be spent by. Ms. O'Brien advised that bills had to be paid by the end of the 2013 calendar year. Ms. Youssouf and Mrs. Bolus said a couple of weeks to circulate information, discuss this project and review the whole modernization wouldn't kill the project. We need to see information and you need to see information, she advised, because as Dr. Stocker said, the idea that you don't agree with what happened with the budget raises concerns.

O'Brien said she would welcome an opportunity to review everything, and it was agreed that meetings would be scheduled for the following week.

Roslyn Weinstein, Senior Assistant Vice President stated that the item was reviewed, in depth, to be sure that all budget numbers were accurate prior to being placed on the agenda and being brought before the Committee. She said that she hoped that fast-tracking would be possible and she looked forward to learning more about the history of the project.

Ms. Youssouf appreciated that assurance but said that the fact that everyone seems so shocked to hear comments about the Harlem project being over budget is shocking. Mrs. Weinstein said she was anxious to reestablish credibility so that the Committee knows when projects are presented in the future the budget and the dollar amount will be accurate. Ms. Youssouf also asked that sources and uses be presented in the future. It's great to have a budget, she said, but where the money comes from is equally important.

Dr. Stocker asked about contingency. Ms. O'Brien said that contingency is just under \$1 million. Ms. Youssef said a contingency should always be calculated by a percentage. Ms. O'Brien said it was. It was 20% of the construction cost.

Mrs. Bolus asked for an explanation of the OMB funding that was mentioned. Mr. Pistone said that those funds would be transferred from another project and that had to be formally approved by OMB. Dean Moskos, Director, Capital Budget, advised that discussions were in progress regarding said transfer and he hoped to have more information by next week.

Mrs. Bolus asked that the meeting be scheduled after OMB determines whether the funding will be reallocated. Ms. Youssef agreed and said the meeting should be coordinated for next week.

Mrs. Bolus asked if the Harlem Dental Clinic had the only Periodontist in the system. Mr. King said yes.

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

On motion by the Chair, the Committee tabled the resolution pending further information.

Information Items:

Henry J. Carter Specialty Hospital & Nursing Facility – Major Modernization – Status Report

Robert Hughes, Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, provided the status report on the Henry J. Carter Specialty Hospital and Nursing Facility major modernization project. Mr. Hughes was joined by Michael Buchholz, Senior Associate Executive Director, Coler-Goldwater Specialty Hospital and Nursing Facility, and Emil Martone, Odit Oliner, and Michael Kimura, New York City Economic Development Corporation.

Mr. Hughes advised that considerable progress had been made on the project as the move-in date has approached. He noted that the project was on budget but a little behind schedule due to the hurricane, but a plan is being discussed to make up any lost time. He explained that the hurricane had caused re-evaluation of life-safety and emergency equipment locations, reviews have been done and recommendations are being put forward.

Aside from the construction aspect of the project, planning of deactivation and relocation plans continue, as Gilbane works with the facility to coordinate planning. Various numbers and types of staff have been identified and meetings are being held to discuss concrete relocation plans, the number of days it will take to relocate patients and residents is being finalized, and procurement for transportation will be done shortly. He said that a training unit had been set up at the Coler campus that will contain some of the new equipment that will be located in the new facility, so staff can get acclimated prior to the move.

Mr. Martone advised that progress is a result of the facility staff, central office staff, and his fellow EDC staff as well. He narrated a power point presentation detailing progress on both the interior and exterior of the Skilled Nursing Facility (SNF), and interior work being completed at the Long Term Acute Care Hospital (LTACH). He said an extraordinary amount of work had been completed in the past few months; duct work has been completed to the 4th floor, the 7th floor is being sheet-rocked, the pre-cast façade of the SNF is complete and windows have been closed out so that heat can flow and interior work can be completed without interference from outside elements.

He stated that the project remained on budget with \$13.2 million in contingency remaining to complete the project, which should be adequate. Additionally, he noted that \$1.7 million had been allocated to decommission the Goldwater facility. While that is not the entire cost, the balance is being estimated and at that time the entire cost will be known. Ms. Youssef asked if the decommissioning cost was expected to be more than the contingency. Mr. Martone said no, but the project team needs a full cost for de-commissioning soon because at present they are being very cautious not to tap into the contingency because they want to be sure that there is enough money to complete the project and provide fully for de-commissioning.

Ms. Youssef asked if any money had been set aside for de-commissioning the Goldwater facility. Mr. Martone said no.

Mrs. Bolus asked if the oil drums were part of the de-commissioning. Mr. Buchholz said no, and explained that the fuel tanks Mrs. Bolus was referring to were a separate project related to the power plant on the Coler campus.

Ms. Youssef asked Jeremy Berman, Deputy Counsel, to provide an update on the power plant project. Mr. Berman advised that he was unable to confirm any cost for closing the fuel tanks connected to the steam plant but studies have been completed regarding contamination studies and that could be shared at a future time. He noted that progress had been made regarding surrender of the power plant and where responsibility lies. He said that City Hall seems to be in agreement that obligations are only to follow regulations concerning the fuel storage tanks. There is no obligation with respect to the building or further remediation of the building. Just as HHC has turned over some buildings on their property, this is the same type of situation; the developer will be responsible for the parcel of land.

Mrs. Bolus asked if the Roosevelt Island Operating Corporation (RIOC) agreed with this determination. Mr. Berman said he thinks they want HHC to take care of the building but typically that is not part of a development deal.

Dr. Stocker asked if the project would be part of the contingency. Mr. Berman said it was not part of the same project.

Mr. Buchholz explained that the project is a separate project and only a very preliminary number has been brought before the committee. That number was for preliminary studies that would help determine what the full project would cost. Dr. Stocker asked if that project would be on budget. Mr. Buchholz said they hope to have more complete budget information soon.

Dr. Stocker asked about the cost for closing off the tanks. Mr. Berman said that is what was being discussed. They are unsure whether the tanks will be filled with soil or removed how to proceed and/or what the total cost will be. Mr. Berman added that is all that needs to be done to the site. HHC is not responsible for anything else prior to turning the parcel over, only as per requirements set forth by the Department of Environmental Protection (DEP), all we have to do is address the tanks.

Dr. Stocker asked whether they were accounted for and whether issues would hold up the real estate deal planned for the site, and who owns the tanks. Mr. Berman said that they are located on City owned land, occupied by HHC. It isn't a defined situation. Dr. Stocker again expressed concern that the real estate deal not be delayed.

Ms. Youssouf asked when this information would be presented to the Committee and Board, so that the full cost would be known. Mr. Buchholz said hopefully March.

Dr. Stocker advised that Cornell would be taking over the parcel and they may not like the situation. Mr. Berman said that he did not believe that it would be an issue. He noted that the site is not where they plan to develop, there are no serious environmental concerns, and it should not be a problem.

Ms. Youssouf asked what the cost of decommissioning the Goldwater facility would be. Will it be \$1.77 million? Mr. Martone explained that is a soft-cost for planning and undertaking. The hard-cost, which would provide cost/budgeting for removal of equipment, etc., should be in by the end of the month.

Mrs. Bolus asked for an accurate figure and a breakdown of where that money would be coming from. Mr. Martone advised that when the overall cost has been determined then OMB will be asked to assist with funding for that part, but it is based on what the total cost comes out to.

Mrs. Bolus asked if HHC would get stuck paying for it if OMB did not approve funding. Mr. Martone said we will be paying for it either way. The worst case scenario, he explained, would be if OMB says the decommissioning costs must come out of the current modernization project, in which case there is concern that there wouldn't be enough money to complete the modernization with the decommissioning included.

Ms. Youssouf asked why this wasn't thought about in the beginning. Mr. Pistone said that OMB has advised that will make the project whole if it turns out that the decommissioning is of significant cost. Ms. Youssouf asked if HHC had received that assurance in writing. Mr. Pistone said no but he would follow up with OMB. Ms. Youssouf recommended that Mr. Pistone receive confirmation in an email, print it, and bring it before the Committee.

Mr. Martone said that the project was 31% complete as of December, 97% complete with contracts, and barring any unforeseen issues, procurement should be wrapped up by the end of the month.

Mrs. Bolus asked whether Affirmative Action and EEO requirements were being met. Mr. Martone said that the Minority and Women owned Business Enterprise (MWBE) component of their contract is in place and being met. He said that contracting goals are at 75% for contracts, over \$1 million, and EDC is pushing to be sure that prime and sub-contractors are meeting goals, and that the primes are identifying the subs which should make up for the remaining 25%. He said that the goals have not yet been met but the team is confident that they will be.

Mrs. Bolus asked if sub-contractors are getting paid in a timely manner. Mr. Martone said yes, EDC is getting waivers with each payment so that they know who got paid.

Mrs. Bolus asked if the Community Advisory Board (CAB) had been contacted because they have voiced concerns about environmental conditions. Mr. Martone said that he and LaRay Brown have been in frequent discussions with the CAB and he was unaware of any concerns. He advised that he would follow up with Ms. Brown.

Mr. Martone said that luckily a majority of design was completed after hurricane Irene so life-safety and emergency concerns had already been thought of prior to hurricane Sandy, but he noted that the Carter site was not in an A flood zone and there wasn't much redundancy or many mitigation issues to address.

Dr. Stocker asked if the 100 year flood plan is the current requirement from the Federal Emergency Management Agency (FEMA), or if they were working with a 500 year plan. Jon Levy, Base Tactical, advised that there are in fact 500 year plans being released and those will be the plans that the hospitals will need to follow. He advised that the 500 year plans seemed to average around 2-3 feet higher than the 100 year estimates.

Dr. Stocker asked if the Carter site would be affected by the 500 year plan. Mr. Levy said that it is likely that the 500 year plan would have levels above the cellar but he would have to research it because he was not looking at any current statistics he was estimating.

Dr. Stocker acknowledged that much has been done to mitigate future problems but asked if there are there more things that should be done with these new buildings. Mr. Levy said he would have to look at information specific to the project. Dr. Stocker asked that Mr. Martone discuss the issue(s) in further detail with Mr. Levy.

Dr. Stocker asked whether the site had elevators that did not go to the cellar. Mr. Martone said yes, there are a few. Mr. Martone advised that in the LTACH the emergency switch-gear is in the cellar, which is not ideal, but that was an existing condition that had to be dealt with. However, he noted, in the SNF, which is a new building, it has been placed on the 1st floor. He explained that both fuel-oil transfer pumps are currently in the cellar but relocating is being discussed to see if they can be moved between the two buildings. The only thing that would prevent that would be code issue and the architects are investigating. He added that there are two (2) 1250kw generators on the roof of each building as additional emergency back-up.

Mrs. Bolus asked for a copy of the information regarding 100 and 500 year flood plans, as displayed in the power point. Mr. Martone advised that the 100 year plan information, related to HHC facilities would be available but he did not have to 500 year. He added that both buildings have been equipped with emergency generator connections for back-up and they would provide heating and cooling as well electricity.

Dr. Stocker asked whether fuel pumps could be located higher up in a building. Mr. Martone said no, he was not entirely sure why but has been told it is not possible. Marsha Powell, Director, Office of Facilities Development, advised that it is a hydraulics issues, a column of oil cannot be pulled up.

Mr. Martone said all smaller pumps; natural gas, mechanical air compressors, will be elevated as high off the ground as possible to afford another level of protection. Also elevator pits that service the buildings cellar have been outfitted with alarms that will trigger during any flooding so that the elevator cabs are raised to a higher level.

In conclusion Mr. Martone stated that, as previously mentioned, the project is slightly behind schedule but plans are already being made to make up any time lost as a result of the Hurricane. Additionally, the Institute of Family Health (IFH) has been successfully moved out of the facility and into their new location nearby, and decommissioning planning is under way.

Project Status Reports

Central/North Brooklyn Health Network
Generations+/Northern Manhattan Health Network*
Queens Health Network*

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

Generations+/Northern Manhattan Health Network – Lincoln Emergency Department

William Hicks, Deputy Executive Director, Lincoln Medical and Mental Health Center, provided an update on the delayed Emergency Department (ED) project. Mr. Hicks was joined by Louis Iglhaut, Associate Executive Director, Lincoln Medical and Mental Health Center.

Mr. Hicks advised that the project had been moving forward smoothly since the last report. He noted that the project was on schedule and on budget. He said that approximately 60% of the space would be beneficially useful by the end of the month; the Psychiatric ED, Pediatric ED, and rapid or fast-track adult services.

Dr. Stocker asked how fast patients would come back after the new department opened. Mr. Hicks advised that Lincoln is still serving emergency patients and that they hope to continue serving at capacity when the new site is fully opened.

Queens Health Network – Phase III Modernization Project

Robert Rossdale, Deputy Executive Director, Queens Hospital Center, provided an update on the delayed Phase III Modernization at Queens Hospital Center. Mr. Rossdale was joined by Juan Izquierdo, Associate Executive Director, Queens Hospital Center.

Mr. Rossdale advised that recent delays were due to an ongoing dispute between a contractor and their sub-contractor regarding the delivery of exterior stone. Ms. Youssouf asked how long the delay had been going on. Mr. Rossdale advised that delivery was expected in October 2012. Dr.

Stocker asked what the dispute was over. Mr. Rossdale advised that the sub-contractor expected full payment prior to shipping and the contractor expected to pay 30 days after receipt so that inspections could be performed.

Dr. Stocker asked what the contract says. Mr. Rossdale said there are separate contracts that say separate things.

Ms. Youssouf asked what HHC thought, being that they are paying for the stone. Mr. Rossdale said that the facility is attempting to mediate as well as pay the General Contractor in an expedited manner so that they may not be as concerned about payment.

Dr. Stocker asked how much the stone cost. Mr. Rossdale said \$80,000. Mr. Rossdale advised that the interior of the building was complete and testing and inspections are going on.

Ms. Youssouf said that HHC had to set limits, and they needed to be more involved in a resolution. Mr. Rossdale said the dispute has been going on for about 3 months but it was not until January that the facility was aware of the exact cause of the delay. He said that he hopes that in the next few weeks mediation will resolve the issue.

Dr. Stocker asked if mediation was necessary. Mr. Rossdale said no. Mrs. Bolus advised that, if the contract allows, the facility should threaten to do business with someone else. Give them a week, she said. Ms. Youssouf and Dr. Stocker agreed that the facility should give the contractor and sub-contractor a week to solve the dispute.

Mr. Rossdale advised that likely in February, the facility will be coming to capital committee to discuss a change in scope of work for phase II activity that could not be completed until patients vacated the building. He noted that money for the work was already set aside but the work was being performed out of sequence. Mr. Rossdale reiterated that the money was in the scope of the budget but was originally anticipated to be performed by staff instead of by an outside contractor. Dr. Stocker asked why staff could not perform it. Mr. Rossdale said the resources were no longer available.

Status of Sandy Reconstruction Efforts

Mr. Pistone provided a brief overview of the effects of Hurricane Sandy at Coler-Goldwater Specialty Hospital and Nursing Facility, Bellevue Hospital Center, and Coney Island Hospital center.

Beginning with Coler, Mr. Pistone advised that major damage had been sustained to electrical and heating systems caused by flooding in basement areas, and permanent electrical and heating service had been interrupted to the A, B, C and S buildings. He noted that the steam tunnel had been impacted by flooding. That abatement project had been completed and steam pipe re-insulation was in progress. The desired outcome of decommissioning temporary boilers and restoring normal heating function was anticipated to be complete the week of January 13, 2013. With regards to electrical issues; the facility is currently operating on temporary electrical generators. The desired outcome would be to decommission temporary electrical generators by transitioning back on to permanent electrical power grid maintained by Consolidated Edison, which requires switchgear fabrication and electrical power distribution. It is anticipated that that will be complete by May/June 2013. Restoration & environmental issues involve continued remediation within safely maintained and continuously monitored environment. Anticipated completion is March 2013 but the facility has remained open, and continues to remain operational.

Coney Island sustained major damage to electrical and mechanical systems caused by flooding in basement areas. The basement requires remediation which is expected to be complete by February 2013. Electrical issues are as follows: operating off permanent electrical power supplied by Consolidated Edison fed through C/D switch, bypassing A/B switch, which requires replacement. Current temporary solution is sustainable, but may require increased electrical capacity for cooling. Requires design of a temporary or permanent solution and said solution is in design. The hospital is in limited operation, with permanent work and hazard mitigation solutions under development.

Ms. Youssouf asked about the possibility of replacing the Coney Island facility. Asking if there had been any discussion about money from FEMA for replacing the facility since it is a continued risk. Mr. Pistone said yes, there are ongoing discussions about what is better, replacement or repair. Ms. Youssouf asked who was handling the issue. Mr. Pistone advised that a consultant was on the task and he believed that they would be making a presentation at the next Board meeting.

At Bellevue, ambulatory services are open. Emergency department is open, with limited services and the main hospital is expected to open in February 2013. Limited ambulatory services were re-established in November 2012. Limited service of the Emergency Department was re-established in December 2012. Electrical: Replacement of major electrical switchgear onto first floor is proceeding. Mechanical: Replacement of air make-up systems, the new equipment will be replaced in existing location, but will be of outdoor caliber construction to make it more resilient. Submarine doors are being planned as an additional flood mitigation measure. Under further consideration is a strategy to move fuel pumps, domestic water pumps and other critical services into areas above the basement where they resided at the time of the storm. Re-opening of Bellevue expected in February and design hazard mitigation solutions to prevent a similar event from occurring.

Mrs. Bolus asked whether sandbags would assist in flood prevention. Mr. Pistone said that the caliber of flooding would not likely have been prevented by sandbags. Michael Rawlings, Associate Executive Director, Bellevue Hospital Center, added that the use of sandbags at his facility were of no consequence in protecting against the surge.

Community Relations Committee – January 8, 2013

As reported by Josephine Bolus, RN

Chairperson's Report

Mrs. Bolus opened the meeting with a warm welcome to members of the Committee and invited guests and wished all a Healthy and Happy New Year.

Before proceeding with the annual reports of the Community Advisory Boards of the South Manhattan Network, Mrs. Bolus highlighted some developments that had occurred across HHC since the September 4, 2012 meeting.

Mrs. Bolus began her report by publicly thanking HHC's staff for their stellar work before, during and after Hurricane Sandy. Mrs. Bolus noted that it was a monumental effort to staff in command centers, working in special medical needs emergency shelters, conducting ongoing operations at the facilities, carrying out the safe evacuations of several hundred patients at two acute care hospitals, safely transferring long term care patients on ventilators from one campus to another; and all the while, in many ways, being personally affected by the ravages of the storm. Mrs. Bolus added that words cannot truly capture how proud she is of the job that was done.

Mrs. Bolus continued and reported that four (4) Annual Public Meetings of the HHC Board of Directors was held during 2012. She noted that at each of those meetings, Mr. Aviles shared HHC-wide achievements and notable facility-specific performance improvements and accomplishments. Mrs. Bolus added that Mr. Aviles also described some of the exemplary actions taken by incredibly committed and creative staffers at each facility during and after Hurricane Sandy.

Mrs. Bolus stated that "Mr. Aviles outlined the significant financial challenges that HHC faced before the storm that will continue and, indeed, intensify in the future. Specifically, he noted that not only does the City forecast a \$2.5 billion dollar budget gap in the fiscal year beginning this coming July, which means a \$5 million, cut in City funding to HHC; but there are also significant federal budget actions that will mean hundreds of millions in federal funding cuts to HHC over the next several years." Mrs. Bolus added that Mr. Aviles' message was that this very sobering fiscal reality will require that HHC make some difficult decisions while at the same time endeavoring to maintain its mission.

Mrs. Bolus continued by briefly reviewing some of the key messages that the Board members heard from CAB members, patients, staff and elected officials at HHC's Board of Director's Annual Public Meeting. Mrs. Bolus noted that in the Bronx, Queens and Manhattan there were concerns expressed by union representatives about the outsourcing of dialysis services.

Mrs. Bolus stated that at "the Bronx meeting, nursing staff also recommended that there be better training for new staff assuming the responsibilities of retiring nurses. In addition, at the Bronx meeting, a union leader commented that there was a need to ensure that all union representatives were kept apprised of the restorations of services at Coney Island and Bellevue hospitals."

Mrs. Bolus reported that at the Queens meeting, members of the Board heard testimony from Council Member Leroy Comrie, former Council Member Helen Sears, the Chairpersons of the two CABs and labor representatives. She noted that there were many accolades given to the Network and facility leadership about the services provided by the borough's two public hospitals. Mrs. Bolus stated that "some of the issues that were raised included the increases in emergency room volumes as a result of the closing of voluntary hospitals in the borough; the need for enhanced communication with unions; and the importance of continuing to keep the CABs and community boards apprised of plans for the use of the T Building on the Queens Hospital campus."

Mrs. Bolus reported that at the Staten Island meeting testimony from elected officials or their staff was given regarding the vulnerability of that borough's health care infrastructure. She noted that it was emphasized that this vulnerability had been exacerbated by Hurricane Sandy. They asked that HHC dedicate a greater proportion of its resources to meeting the borough's needs. Mrs. Bolus stated that praise was also offered by community stakeholders for the services provided by HHC's mobile medical office on Staten Island, as well as the services provided at HHC's ambulatory care sites on Staten Island and at Coney Island Hospital.

Mrs. Bolus continued and stated that "at the Manhattan Meeting on December 12th, the Board heard from Council Member Maria Del Carmen Arroyo, who is Chairperson of the City Council Health Committee and a former HHC employee. She praised HHC overall, including the role of HHC's facilities during and after Hurricane Sandy. She offered her continued support and called for a collaborative strategy in addressing HHC's financial challenges." Mrs. Bolus noted that, Council Member Arroyo also expressed strong concerns about the outsourcing of dialysis services.

Mrs. Bolus reported that the Board heard from Ms. Judith Berdy, of the Coler CAB, who spoke and described the work of staff to transfer patients at Coler and the superb overall performance of staff and support from the community at both Coler and Goldwater.

Mrs. Bolus continued and reported that the Board heard from Daniel Porro, a Commission on the Public's Health System Board member, who spoke about the needs of patients with disabilities. Mr. Porro thanked HHC staff for their help in navigating his services at Jacobi, particularly in the pharmacy. However, he said there is more work to be done to remove obstacles and reduce waiting times for all patients.

Mrs. Bolus reported that Judy Wessler, Executive Director of CPHS, spoke at the Manhattan meeting emphasizing the lessons of Sandy, which underscored how vital the public hospitals' services are, and praised the pioneering work of HHC's Breakthrough program. Ms. Bolus noted that Ms. Wessler registered a serious complaint that the minutes from the July Board meeting which referenced the discussions about HHC's outsourcing of dialysis services were incomplete and misleading because they did not include the very substantive testimonies of the many speakers who were critical of the proposal.

Mrs. Bolus stated that "at the Manhattan meeting, we also heard from Jose Grajales, Chair of the Metropolitan Hospital CAB, who said that the CAB remains opposed to the construction of housing at East 99th Street due to concerns about the environmental risks to tenants from a former gas plant."

Mrs. Bolus concluded her remarks by announcing that Judy Wessler is retiring from her position and on behalf of the Board, she thanked Judy for her tireless and tenacious advocacy over the many years where she has fought to improve the healthcare system in New York.

Mrs. Bolus turned the meeting over to Mr. Antonio Martin to give President Aviles' report.

President Remarks

Mr. Antonio Martin greeted Committee members and invited guests. He informed them that Mr. Aviles, along with Ms. Brown, Senior Vice President, hosted Senator Charles Schumer at Coney Island Hospital to tour the damages from Hurricane Sandy. He added that he would limit his remarks to some updates of post Hurricane Sandy. Mr. Martin began his remarks by acknowledging Ms. Lynda Curtis, Senior Vice President and Executive Director of Bellevue Hospital Center, Ms. Meryl Weinberg, Executive Director of Metropolitan Hospital Center, Mr. Robert Hughes, Executive Director of Coler/Goldwater Specialty Hospital and Nursing Facility and Mr. Mendel Hagler, Executive Director of Gouverneur Healthcare Services. Mr. Martin stated that the decision to evacuate a hospital was a very difficult one to make. He recalled that Ms. Curtis, who is so committed to take care of Bellevue's patients, re-agonized making that decision. However, at the end of the day, it was decided that the evacuation was inevitable. Mr. Martin reported that Bellevue Hospital Center, Coney Island Hospital and the Coler Campus of the Coler/Goldwater Specialty Hospital and Nursing Facility experienced major storm surge in basements mechanical fixtures and, in the case of Coney Island Hospital, first floor access. Mr. Martin added that this resulted in catastrophic failure of electric, heat, domestic cold and hot water, ventilation, IT and communication systems; in addition, electric distribution systems, electrical switches, network IT switches, oxygen and other mechanical gas distribution systems; medical vacuum systems, fuel pumps, steam pipes, injector pumps, domestic water pumps, circulatory heating pumps, air handling units, medical and surgical supplies, equipment, motors, life safety systems, vehicles and emergency generators. Mr. Martin highlighted that it takes a lot to run a hospital. He added that, unfortunately, when hospitals were being built in the past, not only it was thought that it was very wise to put mechanicals in the basement, but also that it was the most effective and efficient way of handling them. Mr. Martin admitted that lessons learned in these two consecutive years from Hurricanes Irene and Sandy will result in rethinking the placement of mechanicals in hospitals in the future.

Mr. Martin reported that Bellevue inpatient services and full emergency department operations remain close leaving all of Manhattan South of 68th Street without a Level I Trauma services. In addition, Coney Island Hospital currently operates in limited capacity with temporary electricity shared from the north end of the hospital. He added that, Ida Israel, an off-site clinic that supports Coney Island Hospital, was totally demolished. Also, Coler, to this day, continues to function on emergency generators. He reiterated that full power has not been restored at Coler. Mr. Martin pointed out that the Senior Vice-Presidents and Executive Directors of the affected facilities have not had restful nights the past couple of months because of the significant responsibility they have for the patients. Mr. Martin reiterated that he is very proud of their work and dedication. Mr. Martin noted that their efforts are bearing fruits. He reported that a number of services have been restored at Coney Island Hospital including: ambulatory care services, inpatient services and behavioral health services. He added that Coney Island Hospital is expected to be fully operational by the end of this month, early February. Bellevue Hospital is also expected to be fully operational early February and efforts are being made to bring the Trauma Unit operational as quickly as possible.

Mr. Martin stated that Hurricane Sandy was not a minor occurrence and that the following HHC hospitals were also impacted by the Hurricane: Metropolitan Hospital Center, Queens Hospital Center, Gouverneur Healthcare Services, Jacobi Medical Center, Kings County Hospital Center and Harlem Hospital.

Mr. Martin reported that HHC is aware of its responsibility to its communities and is working feverishly to restore all services. He added that, while the collection of FEMA dollars is really tied towards permanent fixes at the affected facilities for a number of different situations, HHC is making a determination to bring the hospitals back up quicker and forego some FEMA dollars because of its responsibility to the communities it serves.

Mr. Martin ended his remarks stating that he was proud of Mr. Aviles, HHC President, Senior Staff, including himself and other staff members. He added that a number of senior staff reported to other facilities during this crisis. Mr. Martin underscored that he is overwhelmed at the dedication and the commitment of the staff and feels very proud to be a member of HHC.

At Ms. Brown's request, Mr. Martin shared with Committee members and guests that Meryl Weinberg had provided ambulatory care by driving a mental health patient from Bellevue Hospital Center to Metropolitan Hospital.

Mr. Martin added that, as Bellevue Hospital was being decanted, a significant number of patients went directly to Metropolitan Hospital. He noted that Metropolitan Hospital became the call center. He added that Ms. Weinberg must have been happy to see Metropolitan Hospital Center's census jumped to the roof. He acknowledged that Metropolitan Hospital Center had played a major role in supporting Bellevue Hospital's patients.

Mrs. Bolus added that, in addition to evacuating the patients, Bellevue's staff kept track of everyone and all of its equipment. It is hopeful that all patients and equipment will be back to Bellevue Hospital Center as soon as possible.

South Manhattan Health Network

Bellevue Hospital Center (Bellevue) Community Advisory Board

Mrs. Bolus introduced Mr. Bobby Lee, Chairperson of the Bellevue Hospital Center CAB and invited him to present the CAB's annual report.

Mr. Lee began his presentation by greeting members of the Committee and invited guests and acknowledging the leadership of Ms. Lynda Curtis, Senior Vice President, South Manhattan Network, Ruth Hunt, Director of Community, Lisa Marie Izquierdo, CAB Liaison and members of the Bellevue CAB who were in attendance.

Mr. Lee reported that Bellevue Hospital Center staff continues to engage in the Breakthrough process and identified a number of activities in key service areas to reduce inefficient processes and maximize financial outcomes.

Mr. Lee continued and reported that the Bellevue CAB continues to pass various resolutions. He noted that recently the CAB passed a resolution opposing the use of styrene products in HHC's facilities and opposing MTA's height requirement for Bellevue's pediatric patients with Medicaid to pay full fare.

Mr. Lee informed members of the Committee and invited guests that the Bellevue CAB is informed of and provided input into the facility's plans for new programs and modernization projects prior to their implementation. Mr. Lee noted that the Bellevue CAB is notified through monthly reports given by the administration. Mr. Lee added that the Bellevue CAB is also given reports on the status of contracts made with vendors such as River Renal Dialysis Unit, Visiting Nurse Service, Optometry Service and food service such as Au Bon Pain and Tower's Café.

Mr. Lee reported that members of the Bellevue CAB have participated in the hospital's outreach activities to promote preventive healthcare in the community.

Mr. Lee concluded his report by stating the Bellevue CAB will continue to advocate for the community to improve patient services.

Coler Specialty Hospital and Skilled Nursing Facility (Coler) Community Advisory Board

Mrs. Bolus introduced Ms. Gladys Dixon, Chairperson of Coler Specialty Hospital and Skilled Nursing Facility and invited her to present the CAB's annual report.

Ms. Dixon began her presentation by acknowledging Ms. Bolus, members of the Community Relations Committee and guests. Ms. Dixon thanked the members of the Committee for the opportunity of sharing the Coler CAB's 2012 Annual Report.

Ms. Dixon informed the Committee, CAB Chairpersons and invited guests that the Coler CAB members are proud of the staff for their dedication and commitment to the residents during Hurricane Sandy. Ms. Dixon noted that several CAB members also assisted when needed during the storm.

Ms. Dixon reported that during the past year the CAB's membership has declined due to resident's discharges and the passing of several CAB members.

Ms. Dixon continued and stated that "quarterly meetings are held with the Goldwater Campus and CAB members from both board regularly attends the monthly Council of CAB meetings and participated in the Annual CAB Council Conference."

Ms. Dixon reported that at the CAB's monthly meetings Mr. Robert Hughes, Executive Director and the Administrative Staff provided information pertaining to operational initiatives and new healthcare topics. Ms. Dixon noted that CAB members appreciate being involved, kept informed of issues, and the actions taken as it involves the well-being of the residents and the Community at large.

Ms. Dixon reported that in opposition of the Governor's proposed budgetary cuts to healthcare the Coler CAB contacted local legislators by letters and telephone calls. In addition, the CAB held its Annual Legislative Forum.

Ms. Dixon concluded her report by acknowledging the assistance provided by Mr. William Jones, Sr. Associate Director/CAB Liaison.

Goldwater Specialty Hospital and Skilled Nursing Facility (Goldwater) Community Advisory Board

Mrs. Bolus introduced Ms. Virginia Granato and invited her to present the Goldwater Specialty Hospital and Skilled Nursing Facility CAB report.

Ms. Granato began her presentation by acknowledging the passing of Sunderam Srinivan, CAB's Chairperson.

Ms. Granato informed members of the Committee and CAB Chairpersons that since the last CAB report, the Goldwater Specialty Hospital and Skilled Nursing Facility had a successful Article 28 survey.

Ms. Granato reported that the facility's modernization plan to relocate Goldwater to Harlem by 2013 is making progress. She noted that the new facility will be known as Henry J. Carter Specialty Hospital and Nursing Facility and that it will have 201 Hospital Sector beds and 164 Nursing Facility beds. Ms. Granato added that Mr. Carter through his Wheelchair Charities organization has made contributions that add to the quality of life of patients and residents of Coler-Goldwater.

Ms. Granato continued and reported that the Executive Director and the members of administration attend the CAB's monthly meeting and update the members on progress of the facility.

Ms. Granato reported that members of the Goldwater CAB attended the annual legislative brunch and the theme focused on Healthcare Reform Act and its effect on long term care facilities. Ms. Granato noted that the CAB also participated in the HHC Annual Council of CABs Conference.

Ms. Granato paused for a moment to thank Lynda Curtis, Senior Vice President/South Manhattan Network, Robert Hughes, Executive Director and William Jones, CAB Liaison for their support to the CAB and working in partnership.

Ms. Granato concluded her report by stating that "there are changes and challenges in the Healthcare of today so is the future of the Goldwater Community which will open a new chapter where we will miss the calmness and the serenity of the island which served in the healing process of consumer rehabilitation and as we move forward we hope the new environment will not only continue the healing process, but will help us to meet the challenges of the future long-term health care."

Metropolitan Hospital Center (Metropolitan) Community Advisory Board

Mrs. Bolus introduced Mr. Jose Grajales, Chairperson of the Metropolitan Hospital Center and invited him to present the Metropolitan Hospital Center CAB report.

Mr. Grajales began the Metropolitan CAB report by thanking members of the CAB for their unwavering support. Mr. Grajales noted that the Metropolitan CAB is ethnically diversified.

Mr. Grajales continued and acknowledged Meryl Weinberg, Executive Director, for her willingness to work with the CAB on mutual goals of strengthening the hospital and ensuring its viability in the community.

Mr. Grajales reported that the CAB's Environmental Taskforce committee is active and continues to focus on advocating against construction on E. 99th Street. Mr. Grajales explained that's because of the planned re-location of a vulnerable population next to a sanitation garage and because of the extensive and documented chemical contamination on the construction site. Mr. Grajales added it's the CAB's hope that the appropriate remediation efforts will be done at that site.

Mr. Grajales referred members of the Committee and invited guests attention to page six (6) of the CAB's annual report and noted a correction. Mr. Grajales stated that "the Metropolitan CAB will not participate in the City Council Participatory Budget process this year."

Mr. Grajales acknowledged the passing of CAB Member Maria Del Rosa, Environmental Tasks Force, Co-Chair. Mr. Grajales stated that Ms. Rosa will be missed.

Mr. Grajales concluded his report by stating that the Metropolitan CAB remains confident that the hospital is delivering quality patient care. Mr. Grajales noted that the CAB knows this because the CAB does its own research by comparing Metropolitan Hospital services to outside data.

Gouverneur Healthcare Services (Gouverneur) Community Advisory Board

Mrs. Bolus introduced Mr. Mendy Erez, CAB Representative of the Gouverneur Healthcare Services CAB and invited him to present the CAB's annual report on behalf of Gerald From, Chairperson.

Mr. Erez reported that this has been a busy and eventful year at Gouverneur, the major Modernization Project continues to overshadow all else. He noted that the project progresses despite many technical challenges and the CAB members are very anxious to see the project reach its conclusion. Mr. Erez added that the CAB appreciates that HHC and New York City supports the project despite a very difficult fiscal climate and hope that this level of support continues until the project is completed as originally planned.

Mr. Erez informed members of the Committee and invited guests that the new facility provides an excellent opportunity and the CAB is committed to working with administration to making Gouverneur a premier healthcare center and facility-of-choice for the community. Mr. Erez added that this requires an unwavering focus upon delivering high quality healthcare services and having a true patient orientation.

Mr. Erez reported that the Gouverneur CAB appreciates the efforts being made by HHC to support Gouverneur, including attaining Federal Qualified Health Center (FQHC) look-alike status for its diagnostic and treatment centers and investments in state-of-the art scheduling and electronic medical record systems.

Mr. Erez continued and stated that "Gouverneur was fortunate to be for the most part unaffected by Hurricane Sandy." He noted that Gouverneur was one of the few buildings below 14th Street that remained lit after the storm and this affirmed Gouverneur's role as an important part of the community that goes beyond its role as healthcare provider. Mr. Erez added that at the same time, the CAB would like to take this opportunity to pledge their support to Gouverneur's sister facilities in the Network who faced much tougher challenges due to the storm and responded in an exemplary fashion.

Mr. Erez concluded his report by stating that "HHC's Board of Directors has been very supportive of Gouverneur Healthcare Services through these new initiatives, and especially as exemplified by the major renovation and expansion of the Nursing Facility." He added that the Gouverneur CAB is very proud that Gouverneur is becoming a facility that stand out in a positive way in the community.

Equal Employment Opportunity Committee – January 15, 2013

As reported by Josephine Bolus, RN on behalf of the Committee Chair, Rev. Diane Lacey

Assistant Vice President's Report

Manasses C. Williams, Assistant Vice President, Affirmative Action/EEO briefed the Committee that on October 20, 2012 - October 27, 2012, the Office of Affirmative Action/EEO and the Office of Facilities Development represented HHC at the New York State M/WBE Forum sponsored by Governor Andrew M. Cuomo. He stated that over the three days of the conference, there were approximately 1,700 attendees.

2012 Affiliate Affirmative Action Plan Update

Gail Proto, Senior Director, Affirmative Action/EEO reported on the Equal Employment Opportunity status on the four affiliates. The report showed that all four affiliate facilities Mount Sinai School of Medicine, New York School of Medicine, (NYU) Physician Affiliate Group of New York, P.C. (PAGNY) and State University of New York (SUNY) had job groups with no underutilizations.

Conditional Contractor

Mr. Williams presented four conditional contractors, the first contractor reported was New York Blood Center which eliminated the three underutilizations it had in 2011, but picked up three new underutilizations this year for Minorities in Management Job Group 2, females in Clericals Job Group 5 and Technicians Job Group 5. The second contractor he reported was Allscripts Healthcare Solutions, Inc. which was given an Administrative Conditional Approval after they were reviewed by the Office of Federal Contract Compliance Programs (OFCCP) in October of 2012 and were given a Certificate of Approval. The third 3M Company is located in Murray, Utah. This division of 3M Company consists of 492 employees and had one underutilization for minorities in Sales Job Group 1. The fourth and final contractor Mr. Williams reported was Agfa HealthCare Corporation, which had two facilities that were subjected to the review. The first facility is located in Carlstadt, New Jersey, which eliminated two of its five underutilizations reported last year. The two underutilizations were for Minorities in Professionals Job group 3 and Service Job Group 1. The three underutilizations of females were in Professionals Job Group 3, females in Professionals Job Group 4, and females in Service Job Group 1 remains. The second facility is located in Greenville, South Carolina which eliminated two of its four female underutilizations in Sales Job Group 2 and Service Job Group 1 while it retained the other two underutilizations of females in Managers Job group 4 and

Professionals job group 3 and gained three additional underutilizations, minorities in Sales job group 1 and females and minorities in Technicians Job group 1.

Finance Committee – January 15, 2013

As reported by Mr. Bernard Rosen

Senior Vice President's Report

Ms. Marlene Zurack informed the Committee that her report would be brief in order to allow adequate time for questions from the Committee relative to the action items on the agenda.

Ms. Zurack stated that as of January 7, 2013, there were forty one days of cash on hand (COH) which is an improvement over last month, at 23 days of COH. The increase is due to the receipt of \$44 million in Medicaid Meaningful use funding; \$94 million in DSH funding was accelerated; \$44 million in outpatient that was also accelerated and \$9 million in a facility medical home grant which accelerated some the receipt of cash for HHC. Absent any assistance from the federal government or state in the revenue loss as a result of the disaster, it is projected that by June 30, 2013 and HHC pays all of its bills to the City and pension, HHC would go negative by \$140 million. Therefore, cash is a major issue this year. As previously mentioned one of the action items relate to consultants for disaster recovery and given the amount of dollar in FEMA funding that are at stake, it is important for the Committee to have a full understanding of the impact of the disaster and the magnitude of the project. HHC is also doing a new plan of finance in as effort to bring in more cash as reflected in the second resolution on the agenda.

Mr. Rosen asked Ms. Zurack for clarification of her statement regarding a plan of finance. Ms. Zurack stated that as part of the bond refinancing as stated in the resolution, the Corporation will be doing a plan of finance for bond refinancing that will bring cash to HHC doing these difficult times.

Key Indicators & Cash Receipts & Disbursements Reports

Mr. Covino stated that based on data through November 2012, acute discharges are down by 4.7% or 3,700 discharges, excluding Coney Island and Bellevue for the month the decrease is reduced to less than a ½ % or 369 discharges. The D&TC visits are down by 13% of which 40% is related to the construction at Gouverneur. Nursing home days are down by 12.6% due to the transition at Coler/Goldwater Specialty Hospital/Nursing Facility. All of the facilities with the exception of Lincoln, Metropolitan, Coney Island, Bellevue and Elmhurst are within 1/3 day of the corporate average. Elmhurst and Bellevue are 4/10 greater than the average; Lincoln is 7/10 less and Metropolitan is ½ day less than the average. The CMI corporate-wide is up by ¼% compared to last year for the same period. A comparison of the budget to actual, FTEs are down by 530.5 compared to last year's base of 6/12/12 and against the YTD budget of 251 FTEs, the reduction is 280 FTEs greater than the targeted reduction. Receipts are down by \$106 million compared to disbursements of \$40 million better than budget that resulted in a net negative variance of \$65 million.

Ms. Youssef asked if the FTE reduction was greater of better than the plan. Mr. Covino stated that is the budgeted plan that includes a lower reduction than the actual reduction for the quarter.

Ms. Zurack added that the Corporation has achieved the target for the year-to-date period but not the annual target.

Committee Member Emily Youssef asked if the majority of the reduction has been through attrition. Mr. Covino stated that all of the reduction has been through attrition. Page 3, a comparison of receipts and disbursement to prior year actual for the same period, through November 2012, receipts were \$159 million worse than last year due to timing of DSH and UPL payments totaling \$97.7 million of which corporate wide there is a reduction of 6,200 or \$72 million in paid cases compared to last year for the same period and down by 20,000 psych days valued at \$8-\$10 million. Expenses are better than last year by \$281.9 million primarily due to the timing of pension payments to the City of \$149 million and additional city payments totaling \$94 million were also held in addition to the FICA refund for residents totaling \$423 million.

Mr. Rosen noted that the pension payments will be more than last year and is just a question of timing. Mr. Covino agreed. Page 4 a comparison of actual versus budget, inpatient receipts are down by \$68 million due primarily to the reduction in Medicaid fee-for-service down by \$66.5 million YTD and \$46 million for the month due to a reduction in paid cases totaling \$43 million and a reduction in psych days of 20,000 totaling \$8-\$10 million. Outpatient receipts are down by \$28.7 million due to a reduction in other payments totaling \$8.5 million of which \$3 million is due to FHP; \$2.6 million for commercial managed care; commercial fee-for-service by \$2 million and \$1 million in CHP. All other receipts are down by \$9 million primarily in grants. Appeals and settlements and miscellaneous receipts are down due to timing. PS expenses are \$2.2 million better than budget due largely to the reduction in FTEs, 280 FTEs better than the target. Fringes are \$23 million better due to the FICA recovery for residents that were not budgeted. OTPS expenses are \$15.6 million better than budget due to a reduction in utilities and fixed assets expenses.

Dr. Michael Stocker, Board Chairman asked if it would be a fair assumption to say that if the impact of Sandy was neutralized and the construction at Gouverneur, overall, days and visits are down.

Mr. Covino stated that it would be an accurate assumption given that there were two days that were affected by the storm which was not a major impact and prior to the storm the visits at the D&TCs were down by 10% compared to the prior year.

Ms. Youssouf asked if there is an estimate of how much the pension payment for HHC will be.

Mr. Rosen asked if the question was what will be the actual for this year compared to last year.

Mr. Covino stated that there is a slight increase but not a major change compared to last year. There was a large increase last year that occurred at the end of the fiscal year of \$60 million which has been a continual trend throughout the year.

Ms. Youssouf confirming that there has been a significant increase that has been trending throughout the year.

Mr. Rosen asked if Mr. Covino was including the post-employment benefit other than pension as part of that increase to which Mr. Covino responded that it only included the pension payments.

Action Items:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

Ms. Zurack stated that Base Tactical was initially hired as an emergency procurement and selected through the Request for Proposals (RFP) as the contractor to assist HHC in this process. Representing Base Tactical was John Levy, President.

Ms. Zurack acknowledging the Corporate staff that was a part of the process for selecting the contractor, asked Roslyn Weinstein, Senior Assistant Vice President, Operations and Joe Quinones to come forward. The presentation would cover HHC's status of the Disaster Recovery and to some extent the status of the FEMA claims. Reiterating the purpose of the presentation, Ms. Zurack stated that the presentation would provide the Committee with an overview of the status of the events that happened over the past several months that Base Tactical has been an integral part in terms of the project management, strategic planning and claiming in addition to some architectural and engineering work. Base Tactical has been extremely helpful to HHC during the exigent period as part of the emergency procurement for the storm. Given the level of capital work that is currently being addressed it is import to keep the Board informed of the status and all relevant and pertinent information.

Ms. Youssouf noted that the responses to the RFP ranged from \$2 million to \$30 million and further asked what the \$30 million proposal included. Mr. Covino stated that it included primarily a very large number of hours that were well beyond anything that was reasonable as part of the proposal. Ms. Zurack stated that Mr. Covino was on the selection committee.

Ms. Youssouf added that it is a huge difference in the proposals.

Mr. Levy, President Base Tactical (BT) stated that he currently resides in Michigan and is a member of the Board of Director for Detroit Medical Center, the safety net hospital system for the City of Detroit and is a \$2.2 billion system with eleven different hospitals. As part of that governance structure, there is a complete understanding of HHC's structure and funding requirement relative to DSH and cash on hand. The presentation will focus mostly on the status of the three hospitals that were more severely impacted by the storm. It is not unusual for Base Tactical to have an understanding of the impact of a storm like Sandy and to be called in regularly after a major storm to resolve these conditions. In the case of HHC, BT has done and does work for the same type of clients some are without insurance. After the President declares a disaster, FEMA is able to go in and help those particular clients; public and private sector resolve their claims. Essentially, FEMA would act as the insurance company in this particular event. FEMA's rules and regulations are significantly different than an insurance company. In this particular declaration for FEMA, there are three important categories that should be understood. Category B is the area that BT has been in days before, during and after the storm and has remained in that area. It allows BT to bring the hospitals back at some level, generally at a temporary level in order to get them operational again which will be discussed in more detail as part of the emergency stabilization period. There are some nuisances as part of the category B work. Some of which when the declaration came out was to be funded a 100% of the cost. Most of it however, was to be funded at 75% of the cost, the federal share. Typically in NY when there is a 75% federal share, FEMA claim an additional 12.5% from the State of NY who receives funds from FEMA to distribute to HHC. If the disaster remains in Washington as a 75% federal share, HHC will get an 87.5% recovery of every dollar spent. At the moment it is being debated based on the cost of the damage of the storm throughout the entire eastern seaboard against its population to determine if FEMA will be able to declare this a 90% federal share. If in fact that occurs, HHC will receive 90% of the claims from the Federal government with a matching 10% from the State and HHC would then be able to recover 100% on a dollar. With the Category B there are some things that are already at 100% and the rest at 75%. While doing the emergency stabilization, BT designed for that permanent reconstruction and where to put all of the mechanical gear that resided in the basements of the three major facilities. Many of HHC's facilities were not directly impacted by the storm. However, in those damaged facilities, the basements based on the age of the facilities and the

construction design at that time was fairly loaded with asbestos. Once salt water or toxic water from a flood hits the asbestos piping or any asbestos material, when it dries it pulverizes and at that stage is unsafe and becomes airborne. Before it gets wet it is safe. During the emergency stabilization period, BT has some very large national and local contractors that are large enough to do this work in the basements of these hospitals that would be abating billions of dollars of asbestos. This is one of the benefits of this disaster; those basements will be free of that hazardous material. As part of the permanent reconstruction, BT will help engineering firms design the solution and create a repair estimate for submittal to FEMA. FEMA if left on their own would do their estimates that are typically a small fraction of the actual cost. For example, the New Orleans disaster, Katrina was at 25% on the dollar which were the FEMA estimates and ultimately New Orleans had to create their own estimates due to FEMA entrenched position. In Cedar Rapids, Iowa which was a \$6 billion claim which BT represented, FEMA estimates were close at 50% of the estimates whereas BT succeeds at getting its estimates as the acceptable outcome. The same applied also in Nashville, Tennessee and the State of Vermont which BT worked with last year.

Ms. Youssouf asked for clarification of the 90% reimbursement and whether it was contingent on the vote that would be taking place in Washington that day or a separate issue.

Ms. Zurack stated that it is dependent on both the size of the claim. HHC has been informed by OMB that when the claim for NYC exceeds \$2.5 billion which it will, it will automatically go up to 90% for the entire disaster.

Mr. Levy stated that it is a complicated formula that is used by FEMA. The value of the damages will be in HHC's favor and it will also get divided by the population. The concern is that it is not an automatic 90% given the massive population. FEMA will do a calculation based on losses, by individuals. Therefore, by dividing HHC population by its losses it will probably be a smaller component that is somewhere else. Iowa was 90% and New Orleans, Katrina was 90%. Given the finances in Washington the damages/losses would have to be major in order for it to go to 90% and HHC is right on the cusp and it is anticipated that HHC will get the 90%. As part of the permanent reconstruction design in any facility where the damages occurred, the most logical solution would be to move those elements from where they resided to another area. In an insurance claim, insurance companies do not necessarily pay for the relocation of those elements; however, in a FEMA claim, there is recognition that as part of the investment of FEMA funds allowing for the relocation of that essential gear out of the basement to higher levels would be protecting HHC facilities and FEMA from any future events. The third item relates to hazard mitigation which is hardening of a facility such as moving the electrical gear up to the first floor and to install flood gates on the outside to prevent water from entering the facility. The expenses would be the impact of putting flood walls up at the river and assessing the emergency department (ED) to review the impact of raising them higher in order to avoid flooding in that area. The hazard mitigation component is a very integral part of a FEMA claim and is one of the reasons, clients such HHC seek the assistance of outside consultants who are familiar with the FEMA process and maximization of reimbursement from FEMA as part of the hazard mitigation opportunities.

Mr. Levy moving into the various options developed by BT stated that Option I is not the one HHC should consider. There are some clients, cities, or municipalities who decide just to fix the things that were damaged and FEMA would prefer to see that occur given that it would represent the smallest dollars for them to pay. So the repair solution would not be the one recommended by BT. Option II, relates to replacement. BT uses expert engineers to explain to FEMA why critical equipment, gear, etc. that can be moved should be replaced as permanent. FEMA does not automatically accept claims without the appropriate documentation from the experts. BT has taken this position with FEMA upfront that HHC would need to replace all of its gear. Option II is also not to HHC's advantage. As indicated on the slide, the water came up to a level that affects switch gear and pumps as well as some of the hospital first level services. The third option which is the primary focus from the onset that would include moving everything possible outside of the water level and bring it above the basement and in some instances above the first floor. There are standards and base flood elevations that FEMA has as minimum requirements as well as advisory requirements that are being taken into accounts as solutions are being made and designed. These solutions are more long term. Today, BT's goal is to get HHC facilities back to full function in a short period of time that will allow the facilities to operate while the long term solutions are being developed and executed. Through the process of designing those solutions; getting FEMA's approval and taking them through the procurement process will take six months to a year before some of those solutions will occur. One of the goals as part of the emergency phase is to bring the hospitals back on line as part of the first step and step two of that is to identify the "low hanging fruit" that can be improved quickly given that hurricane season starts June 1, 2013. The patterns that have been developing from those storms have impacted the eastern seaboard and have impacted HHC facilities. BT is working to do as much as possible before the summer 2013 so that some of the hospitals assets are protected with the goal of not having to evacuate.

Ms. Youssouf asked if the 100% potential and the 90% reimbursement include the proposed Option III.

Mr. Levy stated that it would be for everything such as moving the electrical system from the basements at an estimated cost of \$10 - \$23 million to a higher level and there are multiple areas in the hospitals that would need to happen. FEMA would pay to replace the gear that would be the first step and the next step would address any city or state code requirements that have not been met, and FEMA will pay for codes and standards compliance costs. The third step is to move that gear from the basement to another level which could be the first floor or another higher level. FEMA would pay for those cost as part of hazard mitigation. Those are the three areas that HHC can tap into for reimbursement. If HHC get the 90% federal share, there will be 100% on a dollar for all three areas.

Ms. Youssouf asked what the deadline is for filing the claims.

Mr. Levy stated that it is a phase process. The deadline is February 4, 2013 to disclose all of the damaged facilities. Typically those dates are extended by one to two months. There are dates that FEMA uses that are based on the Stafford Act which is a governmental act approved by Congress that have specific dates and all of those dates that were established in the early 90's are not realistic and usually get extended. Given that hospitals are critical services and HHC's goal is to bring them back up as quickly as possible and to find a long term solution as quickly as possible, HHC is ahead in that area. There are other facilities across the eastern seaboard that would be FEMA claims that will not be started for six months to a year. However, for HHC those hospitals affected will be re-opening soon.

Mr. Rosen asked who will do the changes that BT as part of the contract will be advising the engineering changes and attempting to secure funding on behalf of HHC for those changes.

Ms. Zurack in response to Mr. Rosen stated that HHC had multiple strategies that resulted in the award of two contractors that were approved by the Board. Those two contractors, Crothall and JCI have been able to sub-contract some of the work that has already occurred. For the work that was done during the emergency period, HHC used its major contractors to do the subcontracting work to get the projects moving quickly in order to get the hospitals reopened. As of today, the hospitals are undergoing various competitive bidding processes for discrete projects within the program. The consultants are assisting in strategic planning and project management. The actual construction work is being done by outside contractors secured by those two major contractors, Crothall and JCI. There was an electrical project at Coler that was done through a competitive bid process from a qualified list.

Committee Member Commissioner Robert Doar asked if it is the responsibility of BT inclusive of buys, estimates, directions and claim submission and whether there is a false claim act exposure for the hospitals as part of the claim processes.

Mr. Levy stated that there is no false claim exposure in terms of the claim submission. FEMA is required under the Stafford Act to actually write the claim. Therefore, BT will gather the data put it in a format for submission to FEMA who will prepare the claim.

Commissioner Doar added that the actual claim will be prepared by FEMA to FEMA. Mr. Levy responded in the affirmative.

Ms. Zurack stated that the process is defined as project worksheets which has its own process that is not exactly a grant but somewhat similar to an insurance company. The data is provided to FEMA and FEMA completes the project worksheets. When those worksheets are obligated, invoices are then submitted which are audited.

Commissioner Doar asked if FEMA would make payments to the vendors directly.

Mr. Levy stated that FEMA would not make those payments but rather HHC would pay those vendors and get reimbursed. The project worksheets are sent to Washington for approval. The funds will flow to the State who has the responsibility of handling any disaster that's declared and manages the funds. The funds will go to Albany and HHC's project worksheets would be included and the State will disperse the funds to the applicant which in this instance is NYC OMB. HHC is a subset of OMB and BT is working with OMB on the process and cash flow.

Ms. Zurack stated that a review unit has been established under Jay Weinman, Comptroller with assistance from internal audits to review all invoices prior to submission to FEMA. Based on instructions from BT, HHC is reviewing and checking the level of details for each of those invoices which is an extensive process.

Commissioner Doar asked if the submission would go from the State to FEMA and whether HHC is reliant solely on them.

Mr. Levy stated that they will go from the State to Washington and from Washington to the State which has an extensive role in this process. The weekly meeting with FEMA, HHC and the facilities are attended by the representative from the State. FEMA will as soon as needed begin to filter out the process and the State would review the construction and assess the conditions and control the funds. FEMA is a small unit that often uses outside contractors. The State of New York does the same and has had multiple contracts over the years with consultants similar to BT. The Deputy Director for BT who is assigned to the contract was the State Director for three different disasters historically and one of his trainees is the current representative to HHC. Therefore, BT is very confident that the positive dialogue that has taken place with FEMA will continue in addition to the positive feedback and support from NYS.

Committee Member Josephine Bolus, RN asked if there is any major code requirements that HHC must make in order to be compliant as part of the recovery process.

Ms. Zurack stated that in terms of the replacement, there are some codes issues that HHC will need to address.

Mr. Levy added that there are some situations; however, some of those repairs can only be made where there have been damages such as the basement issues as they relate to codes.

Ms. Youssouf asked if some of the money would come to HHC and the balance to the State and whether those funds would be earmarked for HHC.

Ms. Levy pointed out that his earlier comments related to the way the 100% gets funded. FEMA pays 75% to 90% which would go to State with HHC's name on it.

Ms. Zurack added that the State's 10% share is split between the State and City at 5% each.

Mr. Levy moving into the portion of the presentation that related to the three major hospitals affected by the storm, Bellevue, Coler and Coney Island. Bellevue and its relationship to the river, Coler on Roosevelt Island and Coney Island a combination of the two and are cornered by three different directions. At Coler there are four large buildings currently the hospital is being supplied by steam via the steam tunnel from the generators plant which was the beginning of the asbestos problem. The steam tunnel was filled with water and the asbestos got wet that resulted in a shutdown of all the incoming steam. Temporary boilers have been used to provide the heat to Coler. There was a short term program in place that BT did oversee, to abate the steam tunnel and complete by 12/25. The insulation around the pipes had to be removed and is now being reinstalled. The steam tunnel is currently operational and is ahead of schedule and the cost came in on budget although there were some change orders from the contractors. BT using its trained environmental experts in asbestos to ensure that the project remained within budget and rejected any change orders by the contractors. The steam is not flowing currently due to the four boxes that represent areas for abatement and two of the four are complete within Coler; however, the steam is creating some conflict with the abatement practice. Therefore, the temporary boilers are being used but the steam tunnel is operational. The four red boxes also represent where the electrical system was in the basement at Coler that was wiped-out by the salt water and have both been functional since that day of the storm. Currently, the hospital has multiple generators with back-up generators. This is a risk for the facility with patients. BT is making an effort to escalate the permanent solutions quickly as possible through the bidding process for permanent switch gear. As previously mentioned, the steam tunnel, the electrical system, BT is working closely with FEMA who has vacillated due to the base flood elevation issue that relates to FEMA requirements on how high equipment can be moved in order to get them to safe distance away from future disasters. BT had gotten a directive from FEMA and identified the electrical systems that are going back in on the first floor at Coler; however, FEMA is reviewing the data to ensure its accuracy that resulted in a short-term solution of putting the electrical system back on the first floor which would keep the facility safe through a modest event if it occurs this summer. On a long range basis, BT is recommending that the power box be moved to the second floor. Those costs for moving to the first floor and later to another are recoverable by FEMA. All of the efforts are being monitored to ensure that all the costs are within the FEMA guidelines. There is a lot of asbestos throughout the building; however, when this process is completed, the facility will be much cleaner. Long range there is an opportunity to review some of the offices on the first floor including the auditorium that were impacted by water and whether there should be any changes made to that floor.

Dr. Stocker stated that in previous discussions there was some confusion regarding the FEMA standards and the hundred year flood level.

Mr. Levy stated that FEMA's minimum standard is the five hundred year flood level for any entity that request hazard mitigation funding; therefore, if HHC moves equipment as part of the hazard mitigation the five year flood line would be the minimum.

Dr. Stocker stated that HHC appears to be at the hundred-year is there a way to size the difference between the two, hundred and five hundred years.

Mr. Levy stated that there is a way that changes by location and where it relates to the land. It is always fee over sea level and typically the five hundred year is 2-4 feet higher than the hundred-year. The five hundred-year is the baseline that HHC is required to follow in order to get FEMA funding. However, FEMA is creating what is called "advisory levels" substantially higher than the 500- year for anticipation of a larger disaster. Based on feedback from representatives from Washington that have surveyed the areas, a design plan for a category 3 or 4 hurricane is needed. Those advisory levels are at least another 4 feet over the 500- year level. Some of it would be achievable and some would not be at this time which would the recommendation from BT to other experts at HHC in terms of evaluating and determining solutions in the immediate and the long range.

Ms. Youssouf asked if hazard mitigation funding is for five hundred-year. Ms. Levy stated that the hardening mitigation funding must be at the five hundred feet level. As part of the hazard mitigation in everything that is done is based on a cost benefit analysis such as moving a pump from the basement to the 2nd floor at a cost of \$1,000 but there is only \$100 per foot and FEMA will not reimburse for something that is ten times the cost. If HHC is moving \$30 million of its electrical systems up to the first floor and the cost will be an additional \$3 million that would be a rational approach. Not everything that HHC might want to do will be reimbursed by FEMA. As shown on the presentation, a ground level shot of Coney Island showed the old emergency department and an inked circle of the new ED. However, the facility will be impacted by a significant water flood each time there is a major storm. There is an environmental impact. In the basement there is asbestos that is being abated at this time and is approximately 50% completed but that type of abatement work will take months to complete. The electrical system on the southern end of the facility was fully compromised and the north end of the hospital electrical system has been borrowed and moved over to the south end to provide power throughout the facility at a limited capacity but enough to operate the facility which is on the verge of re-opening. For the moment what has been done on the first floor that was damaged on the southern-end, a temporary corridor has been created to move patients from the emergency department though the main building up to the north tower. This is how the facility will operate for the next few months while a determination

regarding the imaging and other critical services on the first floor necessary given that the ED is there but whether those services should be moved to a higher level. Based on BT first analysis both the CT scanner and MRI were compromised as part of the flood and would need to be replaced and moved to other areas. The permanent solution for the south-end electrical system that was damaged is in fact to move it higher under hazard mitigation to be paid by FEMA. However, it is important to note that the power on the north-end of the facility, the power that is being shared came within inches of being damaged by the storm. Therefore, in terms of a longer term solution, HHC should seek capital funding to move the switch gear on that end to a higher level. Otherwise in the event of another major storm that power could be damaged. Additionally the potential evacuation of the hospital is a goal HHC wants to avoid having to do.

Mr. Aviles stated that as a point of clarification the switch gear that was not impacted by the storm flood waters would not be FEMA eligible.

Mr. Levy stated that it would not. The switch gear on the north-end of the hospital and the generator that came within inches of being flooded and was shut down in anticipation that it would be but was not. However, that generator needs to be raised to a higher level but this would not qualify for FEMA funding as previously stated. As indicated by Ms. Zurack, hazard mitigation 404 which is somewhat confusing in comparison to 406. The hazard mitigation referenced throughout the presentation relates to hazard mitigation 406 which relates specifically to the damages at the facilities. There is another component of mitigation whereby FEMA will ultimately after completing the total value of the entire loss from Sandy take a portion of that cost and make it available to all the states impacted by the storm which is called hazard mitigation 404. It is a grant program that allows any public entity to request grant money from that funding pool and would be available to each and every municipal entity in all of those states not just those affected by the flood. Therefore the chances of getting 404 funding are very scarce.

Ms. Youssouf asked if part of the long term solution would include building a new facility. Mr. Levy stated that BT is currently struggling with that issue. Clearly that would be the long term solution for Coney Island in addition to getting the ED its imaging services and any other related necessary services on the first floor out of harm's way. The long term solution is some variation of a new hospital and convincing FEMA in this disaster that may be a new building can be built in the parking lot that someday may be a hospital would only be the basis for the beginning. The facility would be high above ground with parking underneath so if the water came through it would just run through. It would possibly house the ED at that level or get a component of that. The electrical services would be moved over to that building. The recommendation would be that it be designed in a way that the foundation is sitting on the ground and can house a multi-level hospital that someday could be executed. It's a stretch under FEMA and the Stafford Act to find the funding to get what has been described but it's not impossible and should be tracked and pursued through all available options relative to this disaster recovery. At Bellevue, the ambulatory care services were opened soon after the event in late November 2012. The ED opened in December 2012 with only critical care services, definitely not at a level one trauma center. There are a number of things that will be ongoing over the next two to three weeks. The hospital inpatient services are scheduled to open at nearly its full capacity in February 2013. The electrical systems in the basement are also being designed to be moved to a higher level, the first floor. The issue of hazard mitigation and elevations and whether those moves would be high enough is the issue. BT has designed the electrical gear in the ED on casters so if there is a need to move them to higher levels it can be done and that process will continue over the next several months. Additionally at Bellevue there are a number of other pumps and motors that will continue to reside in the basement. Those are being designed to function more like submarine type equipment that can be submerged and stand up to flood waters given that the only solution is to protect them from future events. Besides electrical which is the number one component of the damages to Bellevue, the second major factor is the vertical transportation. The elevators are bottom-out in the basement in pits and as long as that occurs whereby there is water in the basement, the facility will lose its elevators and ultimately result in an evacuation position. One of the long term solutions is to use some elevators that will not be used immediately leave them damaged and ultimately get new elevators replaced by FEMA and have them terminate on the first follow. This would allow some transportation available to the facility as the process move forward.

Ms. Youssouf asked if the first floor at Bellevue was flooded. Mr. Levy stated that it did not. The ambulatory services and the ED which is somewhat similar to the Coney Island discussion, the current layout on the first floor leave it exposed. A bigger storm could severely damage the ED which a big factor.

Dr. Stocker asked if it is possible to waterproof the elevators in the basement. Mr. Levy stated that elevators can be designed so that the elevator rooms are at the top as opposed to the bottom. However, it is not likely that FEMA would consider funding that type of change for elevators. BT recommendation would be as previously stated to have the elevators terminate on the first floor.

Ms. Youssouf asked if in the five hundred year flood plan the 1st floor would be flooded. Mr. Levy stated that BT is not in a position to answer that question at this time. BT would need to review those elevations. However, if there were architectural plans for those hospitals they were wiped out as part of all of the basements. Therefore it is difficult to make certain determinations without the materials to work with. BT is recommending new elevations at this time to move electrical gear out of harm's way for the 500 year or plan for more.

Dr. Stocker asked Mr. Levy if he was aware of discussions regarding the Alexander building that is next to Bellevue and did not get flooded. Given that it is newer building could that have been a major factor.

Mr. Levy stated that BT is unable to respond to that question at this time; however, it could be that it was designed higher than Bellevue or NYU on the other side. BT and HHC are scheduled to meet with NYU next week to discuss plans on what can be done jointly to better protect those hospitals.

Mr. Rosen asked who would be coordinating the reimbursement as part of the City's role in the process. Ms. Zurack stated that HHC's claim coordination is being handled by her office. There are weekly meetings and there is a workgroup comprised of operations, the office of facilities development, and a representative from OMB. Within OMB, John Grathwol, Deputy Director and Jeff Garofalo, Assistant Director of Federal & State Revenue Monitoring are coordinating for the City. However, the City has also hired a consulting firm and has requested a meeting with HHC Finance and BT to coordinate the process.

Mr. Rosen asked if the total cost of the storm will be made available. The \$60 billion has been identified but that may not be the actual cost.

Mr. Levy stated that there are two ways to know. The US Congress keeps track of all those numbers in order to fund FEMA so there will be continual data over the next five years for Sandy relative to the overall impact. Secondly, the State of NY will do a very tight accounting of the funding received and paid out. So there will be ways to track the total outcome. However, \$60 billion may be very small to what the outcome will ultimately be.

Ms. Youssouf added that it would total cost not reimbursement. Mr. Levy replied in the affirmative.

Mr. Rosen asked Mr. Levy if he had worked for FEMA. Mr. Levy stated that he has never worked for FEMA that initially he worked in the motion picture industry and later into the insurance business where he became an insurance expert for hotels, casinos and hospitals for insurance claims. After attending the University of Miami he did some auditing for IRS and was exposed to the FEMA regulations as part of the IRS legal course and became knowledgeable on the FEMA regulations that later became an advantage in that there are only a few firms in the country that do what BT does and understands it.

Mr. Rosen stated that the most popular firm is the Wick because he was a FEMA Director. Mr. Levy stated that Mr. Wick was an excellent director and is very highly regarded by many.

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

Authorizing and approving the adoption of the resolution entitled "Health System Bonds, 2013 Series Resolution" providing for the issuance of a series of Health System Bonds (the "2013 Series Bonds") in a principal amount not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

The resolution is needed in order to do the refinancing on the 2003 and 2008 Series bonds and to achieve savings that will be a positive benefit to the Corporation. Ms. Linda Dehart, Assistant Vice President, Corporate Reimbursement Services/ Debt Financing will do the presentation. Ms. Dehart and staff have been working very diligently with Citibank, and other underwriters and PFM, HHC financial advisors on this issue. The presentation will cover the plan of finance and the plan is to go to market March 18, 2013 and this is the intended structure that will be used.

Ms. Dehart brought to the attention of the Committee that the presentation included in the package had been revised to reflect a more conservative plan of finance than the original one based on discussions with the finance team and the City. Introducing the representatives in attendance, Ms. Dehart stated that Michael Irwin, Managing Director (Citi) and Tracey Keys, Managing Director (PFM).

Ms. Zurack informed the Committee that Ms. Youssouf had provide input that was very helpful and resulted in some of the revisions in the presentation.

Ms. Dehart stated that HHC is proposing to refund a portion of its outstanding debt in order to take advantage of the historic low interest rates and the opportunities it presents on the refunding of the 2003 Series A bonds of \$112 million and a portion of the 2008 Series A bonds at \$29.6 million. After a review of all of the outstanding debt, it was determined that these two Series were the only items that presented opportunity for savings. There is a total of approximately \$1 billion in outstanding debt. The refunding bonds currently are expected to be issued as tax exempt fixed rate premium bonds. As HHC has done in its most recent deals, the structuring of the new bonds will be done so that HHC gets the bulk of the savings in the early years. HHC anticipate pricing the week of March 19, 2013. The history of the interest rates and looking over twenty year period HHC is at or near historical level in addition to a variety of index interest rates. A summary of projected savings from the proposed preliminary plan of finance shows that the majority of the savings will be in the first two years with slight savings in the out years. HHC achieved over the life of the bonds a net present value saving of \$19.6 million in the first years including funds that will be freed up through a reduction in the amount required to maintain in the capital reserve fund and will have cash flow savings of \$19.6 million and \$13.2 million in 2015.

Dr. Stocker asked if there is a cost to HHC for achieving the savings in the first two years.

Ms. Dehart stated that there is a very minimal cost associated with spreading the savings. In making that decision various options were reviewed on how much savings could be front loaded over the life of the bonds and found that it was nearly identical. The details of the preliminary plan based on where interest rates are currently as of 12/20/12 based on market conditions at the time HHC goes to price the bonds, there might be a

slight change subject to the approval of NYC. There will be approximately \$19.6 million in savings over the life of the bonds. The savings average in the years thereafter to \$148,000. The total amount of the refunding is \$141.5 million in premium bonds which means that the buyers will pay a bonus to achieve the interest rate on the purchased bonds. The actual amount of the bond issued is \$110 million that will reduce the debt overall that will reduce the amount of the overall debt that HHC will pay in debt service.

Ms. Youssouf asked if the release of the debt service reserve funds of \$13 million is in addition to. Ms. Dehart stated that it is in addition to net present value savings but it is included in the cash flow annual savings.

Ms. Youssouf in an effort to understand the savings commented that \$19.6 million in year one; \$13.2 million in year two and then another \$13.2 million released from the debt service reserve funds would total more. Ms. Dehart stated that the \$13.2 million is included in the \$19.6 million.

Ms. Youssouf stated that the debt service payment was originally going to be \$100 million going down to \$79 million and asked if that accounted for the \$19.6 million.

Ms. Zurack stated that the \$13.2 million from the reserve fund is part of the par amount which is lower than the original par amount and reduced the principal that impacts the debt service. The lower pricing is driving the reduction in the debt service.

Ms. Youssouf stated that it was much clearer.

Information Item:

Ms. Zurack stated that Mr. Weinman was scheduled to present the 1st quarter financial statement; however, the meeting has gone past the allotted time and the item would be postponed until the next meeting.

Mr. Rosen stated that it can be done in six months as opposed to quarterly. Ms. Zurack stated that the change in the reporting would be made.

Medical & Professional Affairs / Information Technology Committee **January 24, 2013 – As reported by Dr. Michael Stocker**

Chief Medical Officer Report:

The Chief Medical Officer's report was read into the record by John Morley, MD, Deputy Chief Medical Officer. The following initiatives were reported:

- Super Storm Sandy

HHC is currently involved in many activities to debrief after the storm. In addition to developing internal recommendations, we are active in debriefing at City Hall and also testifying at a City Council hearing today on the same topic. This hearing has precluded Mr. Aviles and Dr. Wilson from attending today's Committee meeting.

- Improving Access to Primary Care

A contract is being completed with the successful outside vendor to improve access to primary care services at HHC. This is a vital project to increase capacity and improve access; both essential to manage in an increasingly managed care or ACO environment. The Committee will receive further reports as the work progresses.

- Centralized Credentialing System

The Division of Information Technology will be making a presentation to the Contract Review Committee (CRC) for an HHC Centralized Credentialing System on February 11th. After the field was surveyed and products demonstrated it is clear that there are many products far superior to the vendor that closed in May of last year. The committee that viewed the demonstration has come out with a clear leader and as it happens that this vendor is part of a GPO in which HHC participates. Cost will be approximately \$1 M for centralized credentialing, privileging, application and OPPE/FPPE.

- Post Sandy Stress Management

The Office of Behavioral Health continues to organize post Sandy Stress Management and Support Groups, These groups have been offered to all facilities and central office staff and are run by licensed mental health professionals trained in crisis debriefing and stress management. The groups will continue to run as requests are received. Primary focus is for staff returning to facilities after being deployed or relocated.

- NYS Hospital Medical Home Demonstration Award

The New York State Department of Health (NYS DOH) has approved the work-plans submitted from all 11 HHC hospitals for the NYS Hospital Medical Home Demonstration Award. This two year award provides HHC with \$38 million in the first year to support enterprise-wide initiatives and targets for PCMH transformation and primary care resident continuity; behavioral health and primary care integration; primary and specialty care access; and hospital quality improvement and safety. Initial award disbursements have been received by HHC and will support priority non-recurrent investments in training, systems and infrastructure needed to meet demonstration objectives. There is a possibility for funding for a second year.

- Flu: Public Health Emergency declaration

HHC has seen a large increase in emergency room visits and admissions for adults and children with influenza-like illness. In addition there have been increased number of cases amongst residents at Sea View Hospital Rehabilitation Center & Home and Coler-Goldwater Specialty Hospital and Nursing Facility. There will be a presentation later in the meeting which will address this issue, but we continue to be concerned by a low employee vaccination rate. Preparations are being made to move in the same direction as many NYC hospitals, which is to require employees who have refused vaccination, to wear a mask for the duration of the flu season.

Chief Information Officer Report

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

- ICIS Electronic Medical Record (EMR) Program Update

HHC signed a contract with EPIC for a new Electronic Medical Record system. Getting this program planned, designed, built, tested and deployed over the course of the next five (5) years will consume every Enterprise IT Services (EITS) resource going forward. However, I am very confident that every staff member is up to this critical challenge.

Activities will now transition from the selection process to intensive implementation planning. As we move forward, one of the critical success factors will be the involvement of our clinicians and staff across all HHC facilities. The program team is working to identify the specific resource skill and time commitment that will be needed to perform the preparation activities and design of the ICIS application. Within the next few weeks we will be contacting each facility for representatives. This will be an application for our clinicians that is designed by our clinicians. The continued support by the Board of this important project over the coming months of planning, designing, building, testing and training is extremely important and will ensure our successful implementation of a robust clinical application that will support our patients and clinicians.

- Kings County Hospital Failover Test Results

Earlier this month, EITS concluded another successful disaster recovery test of our Electronic Medical Records Systems. This routine test, performed on the Kings County Hospital Center database, is part of on-going disaster preparedness activities throughout the Corporation. New York City's recent experiences with natural disasters and utility disruptions underscore the importance of on-going readiness through drills such as this one. Mr. Robles congratulated the teams at Kings County and Central Office for their continued focus on these important activities.

- Care Coordination Program Update:

To support the needs of the New York State (NYS) Health Homes program and the larger Patient Centered Medical Home (PCMH), HHC has acquired a Care Plan Management System (CPMS) from Microsoft.

This web based platform will facilitate the creation and documentation of patient care plans and greatly improve the information exchange and access for all care team providers, including both HHC and non-HHC providers.

CPMS will provide a vehicle for capturing patients care needs and self-management goals, as well as the care teams activities and interventions supporting the patient's ability to meet those goals. In addition the system will support patient tracking and reporting, consent management and trigger automatic alerts and flags to notify providers regarding key events. CPMS provides critical linkage of information that is often not well documented in the medical record and goes beyond the typical care management of a clinical provider, encompassing non-clinical aspects of care such as social services and housing. This will provide the care team with a much more integrated view of the care coordination activities for the patient.

To date we have successfully installed the software components of the system and setup a number of the key interfaces needed to send patient demographics and select clinical information (allergies, meds, labs) to the CPMS database. The first phase of the project focuses on the setup and

deployment of the administrative components needed to manage patient enrollment, care team assignment and reporting as well as the provider portal that will be used by the care team members to access and manage a patient's care plan. The second phase will expand upon the care plan system and deploy the patient portal (personal health record).

The care plan templates are under development and we expect to have a working version of the CPMS demonstrated to us by the end of November. However given the recent events of Hurricane Sandy, we are re-evaluating our work plan and timelines. We anticipate some delays due to staffing relocations and disruptions in our planned testing and training plans. Phase 1 was anticipated to go-live Feb 2013 and Phase 2 in May 2013. We will try our best to maintain these timelines.

Mr. Robles also informed the Committee that recently Microsoft has entered into a joint venture with GE to form a new company (Caradigm) which now owns and supports the CPMS product. Microsoft and GE are each 50% owners of the new company. However, this development should have little or no impact on our program.

MetroPlus Health Plan, Inc.

Dr. Van Dunn, Medical Director, MetroPlus Health Plan, Inc. presented to the Committee. Dr. Dunn informed the Committee that the total plan enrollment as of December 31, 2012 was 438,543. Breakdown of plan enrollment by line of business is as follows:

Medicaid	372,942
Child Health Plus	14,486
Family Health Plus	36,110
MetroPlus Gold	3,099
Partnership in Care (HIV/SNP)	5,712
Medicare	6,194

This month, MetroPlus lost 1,964 members. This loss is due to a catch-up of retroactive disenrollments that the State had delayed processing due to Hurricane Sandy. Preliminary numbers for the month of January show a recovery growth in membership of approximately 4,000 members. MetroPlus experienced a modest gain in Medicare, gaining 56 enrollees.

Dr. Dunn provided the Committee with reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans.

Dr. Dunn informed the Committee that MetroPlus' membership losses to HealthFirst and Fidelis continue to decline. This month shows that the combined losses are down to 1,200 from 2,100 per month this summer.

MetroPlus' recovery post Hurricane Sandy is going very well. Their main offices at 160 Water Street are inaccessible due to flooding and damage, and 160 Water Street building operations are now estimating that MetroPlus will be unable to return to the building until at least April 2013. Currently, almost all of MetroPlus operations are located at our offices at 40 Wall Street and 33 Maiden Lane. Our Claims and HIV SNP staff continue to function at our SunGard Long Island City location. These off-site team members are fully productive and communications with our Manhattan locations are seamless.

This month, MetroPlus underwent a centers for Medicaid and Medicare (CMS) financial audit. This audit was also delayed because of Hurricane Sandy but despite their displacement, they were able to successfully complete the audit. The preliminary results from this audit were extremely positive. MetroPlus was told of minor observations for issues out of their control, such as two members that had not signed for their prescriptions upon pickup in the retail pharmacy setting. Overall, CMS remarked that MetroPlus had excellent performance on this audit.

MetroPlus continues to prepare to submit their bids for the NYS Health Benefit Exchange. The NYS Health Benefit Exchange will go live in the Fall of 2013. Insurers seeking to offer Qualified Health Plans (QHP) will be asked to submit plan designs in March 2013. QHPs are classified into 4 types of product levels, Platinum, Gold, Silver, and Bronze; with progressively increased copayments and deductibles. Within the Silver plan there are three additional levels of coverage based on a member's income as compared to the federal poverty level. Given these requirements, MetroPlus must offer a minimum of 8 products in the NYS Health Benefit Exchange, which will also include a Catastrophic Plan. Because of the changes as part of the Exchange, Family Health Plus will probably be discontinued when the Exchange products go live. Family Health Plus represents about 8% of MetroPlus' current membership. MetroPlus is striving to offer products that these members can afford and will enroll in, to minimize a loss in membership. MetroPlus' target population for the Exchange will be the Silver Plan with the four different levels based on income for individuals and Small Business Health Options (SHOPs). At the core of these product offerings will be their HHC facilities and the existing MetroPlus networks.

The State Department of Health has recently implemented more stringent processes to block enrollment of individuals with comprehensive third party health insurance (TPHI) into Medicaid managed care. The Department is undertaking a process to disenroll individuals that have TPHI and will provide plans with a file of identified enrollees 60 days prior to disenrollment. Plans may provide evidence of non-coverage to DOH on any

identified members within the 60 day window for removal from the disenrollment file. MetroPlus has received their list of members and approximately 6,200 of our members are shown to carry third party health insurance. MetroPlus has begun a full scale outreach plan to gather evidence of non-coverage in an effort to retain this segment of our Medicaid membership.

Effective January 1, 2013, the Affordable Care Act requires that Medicaid payments to primary care physicians must be at least the level of the 2013 Medicare rate. CMS finalized regulations implementing the payment requirements in November, and DOH has begun to develop a methodology for calculating the necessary payment increases for both fee-for-service and managed care. Plans are required to ensure payments to qualifying providers are at the minimum required levels, though it remains unclear how sub-capitation payment arrangements with providers will be evaluated. Providers are required to attest to their eligibility for the payment enhancements. DOH must submit a calculation methodology to CMS by March 31, 2013, and CMS must review the methodology within 90 days. After approval by CMS, retroactive adjustments will be made to provider payments back to the January 1 effective date. MetroPlus is in the process of updating our fee schedules to comply with this change.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to execute a Sole Source contract with Sedgwick Claims Management (Sedgwick) to provide specialized claims and risk management services to the Corporation in connection with medical malpractice claims, and to manage subcontracts for risk reduction education, and insurance consulting and management for a term of four years with an option to renew for one additional two year term, solely exercisable by the Corporation, for an amount not to exceed \$34,434,496.00.

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

Information Item:

Flu Update at HHC

Presenting to the Committee was John Morley, MD, Deputy Chief Medical Officer. The presentation began with a map that demonstrated the distribution of influenza as created by the Centers for Disease and Control (CDC) for the week ending January 12, 2013. This slide basically shows that the influenza is widespread throughout the United States, but does not measure the severity of the influenza activity. Other data shown by the CDC included: influenza positive tests reported to the CDC; pneumonia and influenza mortality; laboratory-confirmed influenza hospitalizations; and percentage of visits for influenza-like illness (ILI) reported by the U.S. Outpatient ILI Surveillance Network.

Dr. Morley then provided the Committee with a copy of the executive order issued on January 12, 2013 by Governor Cuomo which declared a State public health emergency in response to severe flu season. The executive order primarily permits pharmacists to expand their vaccination practice to administer flu vaccinations to patients between the age of six months and 18 years of age. Additionally, Governor Cuomo's announcements indicated that as of January 5, 2013, the New York State Department of Health (NYSDOH) received reports of 2,884 patients hospitalized with laboratory-confirmed influenza, a significant increase compared to 1,169 total hospitalized in 2011. HHC flu visits and admissions per day for both adults and pediatrics were provided to the Committee for the period of January 9 through January 22, 2013.

Dr. Morley concluded with highlighting the following current steps for HHC: The season's flu vaccination rates to-date are inadequate (37% for employees) thus HHC is further promoting vaccination; we are working on a policy that vaccination become a condition of employment for new hires; and collaborating with the NYSDOH, Greater New York Hospital Association, and HANYS on instituting a policy in which if a health care worker does not get vaccinated they will be required to wear a mask during the entire flu season while delivering patient care; Promoting use of Tamiflu and testing according to CDC; Promoting vaccination, hand hygiene, cover your cough and stay home if you are sick; and Providing overflow capacity for emergency rooms.

Strategic Planning Committee – January 15, 2013
As reported by Josephine Bolus, RN

Senior Vice President Remarks

Ms. Brown greeted and informed the Committee that her remarks would include brief updates on federal, state and city issues.

FEDERAL UPATE

Hurricane Sandy Supplemental Funding

Ms. Brown reported that, on December 28, 2012, the Senate had passed a \$60.4 billion Hurricane Sandy emergency supplemental relief bill. The House, however, failed to take a vote, which resulted in the demise of that legislation in the 112th Congress. The New York Congressional Delegation, on a bipartisan basis, vociferously objected to this inaction. As the 113th Congress was gavelled into existence on January 3, 2013,

the House leadership promised votes on Hurricane Sandy supplemental funding, which would take place in several stages. To date, a \$9.7 billion flood insurance extension has passed. Ms. Brown reported that there were two scheduled votes today (January 15th). One vote will be on a \$19 billion proposal and the other on a \$33 billion increase of that first proposal. If these proposals are adopted by the House, the entire Senate funding will have been adopted by the House. The Senate will then have to vote again to approve these funds.

Ms. Brown informed the Committee that HHC had hosted several Congressional tours of both Bellevue and Coney Hospitals to illustrate the damages caused by Hurricane Sandy. She reported that:

- Senator Charles Schumer (D-NY) visited Coney Island Hospital on January 8, 2013;
- Representative Michael Grimm (R-NY) toured on January 9, 2013; and
- Some staff from the Senate Appropriations Committee toured on January 11 and other staff will tour today (January 15th).

She added that, in December, tours had been provided to FEMA Administrator, W. Craig Fugate and House Energy and Commerce Committee Health Subcommittee Vice Chair Michael Burgess (R-TX).

Fiscal Cliff and Sequester

Ms. Brown reported that the recently enacted fiscal cliff legislation, named H.R. 8 or The American Taxpayer Relief Act, included two provisions that will reduce payments to hospitals and negatively impact HHC. These reductions, totaling \$14.7 billion, are being used to help pay for a one year Medicare "Doc Fix," which has assured that Medicare physician payment rates did not decline by 26% as of January 1, 2013. First, the legislation imposed a "documentation and coding (DCI)" adjustment, which will phase in the recoupment of past "overpayments" to hospitals. These overpayments were made as a result of the transition to Medicare Severity Diagnosis Related Groups (MS-DRGs). At the national level, this shift has resulted in a \$10.5 billion Medicare funding cut to hospitals. According to HANYS, this would result in a loss of \$34 million for HHC in FFY 2014 -2017.

Ms. Brown stated that the second provision of The American Taxpayer Relief Act would rebase Medicaid Disproportionate Share Hospital (DSH) payments by extending the Affordable Care Act's (ACA) Medicaid DSH reductions by an additional year. This would result in a \$4.2 billion national cut and an estimated loss to HHC of \$471 million (federal and local shares) in FFY 2022.

Ms. Brown explained that, although the fiscal cliff had been avoided, the situation in Washington is not favorable. While the Sequester has been delayed for two months, the debt ceiling must be also raised in approximately two months. Republicans are expected to use both of these levers to demand that no new revenue be included in any bill to address the deficit.

Ms. Brown informed the Committee of several Medicare and Medicaid proposals that are of importance to HHC that would likely be considered this year. Among these proposals are:

- Another extension of the Medicaid DSH cut to FFY 2023;
- Reductions in payments for Hospital Outpatient Evaluation and Management services to align reimbursements to visits occurring in physician offices, which would result in a cut to HHC of \$187 million in FFY 2013 - 2022;
- A reduction in the Indirect Medical Education (IME) adjustment from 5.5% to 2.2%, which would result in a cut to HHC of \$626 million in FFY 2013 - 2022;
- A cap on Graduate Medical Education (GME) payments, which would reduce HHC payments by \$215 million in FFY 2013 - 2022; and
- A cut in Medicare bad debt support that would cut HHC funding by \$26 million in FFY 2013 - 2022.

STATE UPDATE

Cuomo Delivers State of the State Address

Ms. Brown reported that last week, Governor Cuomo had kicked off the 2013 State Legislative Session when he delivered his annual State of the State address. While his verbal remarks did not include any specific healthcare related initiatives, the accompanying 312 page report, NY Rising, included several initiatives of interest to HHC.

Ms. Brown stated that, citing the death of Rory Staunton, Governor Cuomo had announced that the State Department of Health (SDOH) will issue new regulations requiring hospitals to adopt SDOH-approved sepsis recognition and treatment protocols. The protocols must incorporate best practices for the early identification and treatment of sepsis, and will vary for adults and children. They will include use of a patient screening process, a "countdown" clock for possible sepsis patients and clear, time-based treatment guidelines. Hospitals will also be required to submit data to SDOH, which will then be publicly reported.

The Governor's report also indicates that the State plans a major overhaul of Article 6 of the Public Health Law (the means by which localities fund public health initiatives) and that the Certificate of Need (CON) process will be revised to require facilities to address the risks resulting from being in a vulnerable location in order to ensure resiliency.

Ms. Brown stated that Governor Cuomo had also announced that he would undertake the "largest housing program in at least 15 years." While very few details will be made available before the release of his Executive Budget on January 22, 2013, he did indicate that this initiative will make better use of existing resources and would re-direct \$1 billion to preserve and create more than 14,000 quality affordable housing units, including the rehabilitation and updating of 8,700 Mitchell-Lama units and an additional 5,600 housing units. He also revealed that at least a portion of those units will be created through new affordable housing programs.

New Mental Health Provisions in Gun Control Legislation

Ms. Brown reported that, on January 14, 2013, Governor Cuomo and Legislative Leaders had reached agreement on reforming the State's Gun Control laws. The Senate passed the legislation (sponsored by Senator Klein) late last night and the Assembly is expected to pass it today.

Ms. Brown explained that there are several provisions of interest to HHC. First, the bill extends "Kendra's Law" until 2017. It also makes changes to allow the initial order for Assisted Outpatient Treatment (AOT) to remain in place for up to one year (previously six months), to require the Director of an AOT program to evaluate the continued need for an order prior to its expiration and to petition the courts for an extension of the order if the patient refuses to cooperate.

The legislation also includes a new requirement for physicians, psychologists, registered nurses and licensed clinical social workers to report to the Office of Mental Health when they determine that a patient is likely to engage in conduct that would result in serious harm to themselves or others. An exception can be made if the mental health professional determines that making the report would create a risk to them or increase the danger to potential victims. They would not be subject to criminal or civil liability as long as their decision whether to report is reasonable and made in good faith.

CITY UPDATE

City Council to Hold Hearings on Storm Preparedness and Disaster Management

Ms. Brown reported that, beginning on January 16, 2013, the City Council would be holding a series of hearings on the many different aspects of the City's overall preparedness for storms and disaster management during Hurricane Sandy. HHC was asked to have a representative in attendance in case questions come up at the hearing. She also reported that, on January 24, 2013, the Council will hold a specific hearing on the emergency preparedness and disaster management activities of healthcare facilities in New York City. HHC will be presenting testimony at this hearing. Additionally, the Council will hold a hearing in February on management and operations of the storm shelters that were set-up around the City. This will include a review of health services at these shelters. HHC will be invited to this hearing to review its role at the special needs or medical shelters.

Information Item

MetroPlus Health Plan's Focus and Direction for 2013

Arnold Saperstein, M.D., Executive Director, MetroPlus Health Plan

The following is a summary of Dr. Saperstein's presentation to the Strategic Planning Committee on MetroPlus Health Plan's Focus and Direction for 2013.

MetroPlus Health Plan Overview

- Licensed in 1985 in New York State as a Managed Care Organization
- In 2001, the Plan converted from an HMO to a Prepaid Health Services Plan (PHSP)
- Wholly owned subsidiary corporation of the New York City Health and Hospitals Corporation (HHC)
- Lines of business include Medicaid Managed Care, Family Health Plus, Child Health Plus, Medicare plans, two Special Needs Plans (SNP) for the care of HIV+ members in Medicaid and Medicare, Managed Long Term Care and MetroPlus Gold

MetroPlus Health Plan's Mission

The MetroPlus Mission is to provide our members with access to the highest quality, cost-effective health care including a comprehensive program of care management, health education and customer service. This is accomplished by partnering with the New York City Health and Hospitals Corporation (HHC) and our dedicated providers.

MetroPlus Health Plan's Vision

The MetroPlus Vision is to provide access to the highest quality, cost-effective health care for our members, to achieve superior provider, member and employee satisfaction, and to be a fiscally responsible, ongoing financial asset to HHC. MetroPlus will strive to be the only managed health care partner that HHC will ever need. This will be accomplished by our fully engaged, highly motivated MetroPlus staff.

MetroPlus Health Plan's Values

- **Performance excellence** - hold ourselves and our providers to the highest standards to ensure that our members receive quality care
- **Fiscal responsibility** - assure that the revenues we receive are used effectively
- **Regulatory compliance** - with all City, State and Federal laws, regulations and contracts
- **Team work** - everyone at MetroPlus will work together internally and with our providers to deliver the highest quality care and service to our members
- **Accountability** - to each other, our members and providers
- **Respectfulness** - in the way that we treat everyone we encounter

MetroPlus Health Plan's Relationship with HHC

- Close collaboration with HHC at all levels of the clinical and administrative spectrum
 - Forward-thinking environment
 - Mutual population served: low-income, inner city communities, many racial minorities with higher health risk profiles
 - Mutual achievements
- The continued growth of MetroPlus and our expansion into new lines of business will allow for the capture of new populations
 - Assist HHC in maintaining their patient and revenue base

MetroPlus Health Plan's Membership

- Membership at 438,643 as of December 31, 2012
 - Medicaid: 372,942
 - Family Health Plus: 35,938
 - Child Health Plus: 14486
 - Medicaid HIV SNP: 5,741
 - Medicare: 6,194
 - MetroPlus Gold: 3,097
- Growth in the last year: MetroPlus gained approximately \$15,700 members in the past year

MetroPlus Health Plan's Focus and Direction for 2013

- Managed Long Term Care (MLTC)
- Behavioral Health SNP
- Health Care Exchanges
- Target enrollment of Medicare/dual eligible population
- Retention of current membership

Managed Long Term Care (MLTC) Plan

- MetroPlus was granted a license for operating an MLTC plan in fall 2012
- MetroPlus will offer full services for enrolled members in January 2013
- Managed long-term care (MLTC) offers assistance to people who are chronically ill or have disabilities and who need health and long-term care services, such as home care or adult day care. The goal of the MLTC plan is to allow these individuals to stay in their homes and communities as long as possible. The MetroPlus MLTC plan arranges and pays for a large selection of health and social services, and provides choice and flexibility in obtaining needed services from one place.

Managed Long Term Care (MLTC) Plan Eligibility

- Enrollee must be at least 21 years of age
- Enrollee must be eligible for Medicaid
- Enrollee must be capable of remaining in their home and community without jeopardy to their health and safety
- Enrollee must be in need of community-based long-term services for at least 120 days from the effective date of enrollment

Managed Long Term Care (MLTC) Covered Services:

- Care Management
 - Home delivered or Congregate Meals
 - Social Day Care
 - Social & Environment Supports
- Nursing Home Care
- Home Care
 - Nursing
 - Home Health Aide
 - Physical Therapy (PT)
 - Occupational Therapy (OT)
 - Speech Pathology (SP)
 - Medical Social Services
- Adult Day Health Care
- Personal Care
- DME
- Medical/Surgical Supplies
- Enteral and Parenteral Formula
- Hearing Aid Batteries
- Prosthetics, Orthotics & Orthopedic Footwear
- Personal Emergency Response System
- Non-emergent Transportation
- Podiatry
- Dentistry
- Optometry / Eyeglasses
- PT, OT, SP or other therapies provided in a setting other than a home, limited to 20 visits of each therapy type per calendar year, except the developmentally disabled, MLTC may authorize additional visits
- Audiology / Hearing Aids including batteries
- Respiratory Therapy
- Nutrition
- Private Duty Nursing

Managed Long Term Care (MLTC) Non-Covered Services (covered by patient's primary insurance plan):

- Inpatient Hospital Services
- Outpatient Hospital Services
- Physician Services including services provided in an office setting, a clinic, a facility or in the home
- Laboratory Services
- Radiology & Radioisotope Services
- Emergency Transportation
- Rural Health Clinic Services
- Chronic Renal Dialysis
- Mental Health Services
- Alcohol & Substance Abuse Services
- OMRDD Services
- Family Planning Services
- Prescription & Non-Prescription Drugs, Compounded Prescriptions
- Assisted Living Program
- Hospice

Managed Long Term Care (MLTC) Plan Advantages:

- Care manager arranges individualized long term care services through a Plan of Care
- One call connects the member to all of the services of the program
- Member can keep their own PCP
- Greater coordination and flexibility
- Access to community based services

Managed Long Term Care (MLTC) Plan of Care (POC)

- Care manager and member together with PCP develop plan of care. Case is referred to vendors for skilled care and personal care along with POC result in an individualized plan of care.

Role of the Managed Long Term Care (MLTC) Care Management Team

- Call and visit the member and family or other individuals who may be assisting the member on a regular basis to assure that member is satisfied with the care and services
- Work with the primary care doctor to obtain the medical orders needed for covered services in the member's Plan of Care
- Authorize covered services for the member based on medical necessity and the Plan of Care
- Speak with the primary care doctor about changes or updates to the member's Plan of Care
- Arrange and coordinate services that are covered by MetroPlus

Managed Long Term Care (MLTC) Enrollment Process

- An Enrollment Nurse will arrange to visit the potential member to discuss the MLTC, to assist the individual with the details of applying for enrollment, and to gather and ask information about their health and long term care needs.
- During this visit, the Enrollment Nurse will complete a comprehensive clinical assessment using New York State (NYS) approved forms, and will discuss an initial Plan of Care.
- The Enrollment Nurse will also review the member's Medicaid and Medicare information, if applicable, and will discuss and provide information about Advance Directives, how to access covered and non-covered services, and rights as a MetroPlus member.
- The Enrollment Nurse will provide a copy of the Member Handbook and Provider Directory, and will explain the forms required for enrollment including:
 - enrollment agreement/attestation form
 - authorization for release of medical information
 - notice of HIPAA privacy practices
- The enrollment agreement, once signed, is submitted to HRA for review and eligibility verification.
- If an enrollment agreement is received by Medicaid Choice/Maximus by the 20th day of the month, membership will typically begin on the first day of the next month.

Behavioral Health Special Needs Plan (SNP)

- Phase I: In January 2012, New York State contracted with behavioral health organizations (BHOs) to monitor and manage fee-for-service mental health and substance abuse services with the goal of improving its fragmented and uncoordinated behavioral healthcare system
 - OptumHealth in New York City
- Phase II: The State anticipates this initiative will pave the way to fully-managed behavioral health entities
- Phase II will complete the transition to fully-managed behavioral healthcare.
- The State envisions that risk bearing Medicaid managed care entities will manage, coordinate, and pay for both behavioral and physical health services for enrollees with serious mental health issues or substance use disorders.
- The statute requires the State to launch Phase II by April 1, 2013, though this is expected to be delayed until late 2013.
- The State Behavioral Health Work Group developed a list of principles intended to apply to Phase II BHOs, which may vary in form across the different regions of the State and include:
 - Special Needs Plans (SNPs). Specialty managed care networks that manage physical and behavioral health services for a defined behavioral health population
 - Integrated Delivery Systems (IDS). Provider-operated risk-bearing entities that manage the physical and behavioral health services for a defined behavioral health population
 - Carve-out BHOs. Risk-bearing managed care entities with a specialization in behavioral health that would only manage behavioral health services.
- The state has yet to decide on a final methodology for this initiative.

New York Health Benefit Exchange

- The New York State (NYS) Exchange will go live in the fall 2013.
- Insurers seeking to offer Qualified Health Plans (QHPs) will be asked to submit plan designs in March 2013.
- QHPs are classified into four types of product levels
 - Platinum, Gold, Silver, Bronze with progressively increased co-payments and deductibles.
 - Medicaid and Child Health Plus will not be offered by the NYS Exchange until late 2013/early 2014.

- MetroPlus will develop a minimum of eight products to be offered in the NYS Exchange (Platinum, Gold, Silver, Bronze, Catastrophic, and three additional Silver plans with actuarial bands based on a member's income as compared to the federal poverty level).
- Facilitated enrollment could be eliminated as early as 2014, or as late as 2016.
- Family Health Plus (FHP) will probably be discontinued when the NYS Exchange goes live.
- FHP represents about 8% of current MetroPlus membership.
- Eligibility into government programs as well as federal subsidies to individuals will be determined based on Modified Adjusted Gross Income (MAGI).
- MetroPlus' biggest opportunity/risk is that as individuals lose their eligibility, MetroPlus must offer products that they can afford and will enroll in, to minimize membership loss.
- MetroPlus' target will be the Silver Plan with the four different levels based on income for individuals and SHOPs or Small Business Health Options.

New York Health Benefit Exchange: Product Strategy

- MetroPlus will offer products at all levels.
- Marketing focus will be on the Silver Plan with the actuarial bands based on the member's income.
- Low cost/high quality products
- HHC facilities and existing MetroPlus networks will be the core of these products.
- For other products, HHC plus an enhanced network will be the delivery network.

Summary

- MetroPlus Health Plan has many growth opportunities in 2013, all of which are essential to MetroPlus' continued success. MetroPlus looks forward to working with HHC and sharing its progress.

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

**ALAN D. AVILES
HHC PRESIDENT AND CHIEF EXECUTIVE
REPORT TO THE BOARD OF DIRECTORS
JANUARY 31, 2013**

HHC CONTINUES RECOVERY WORK AFTER HURRICANE SANDY

In recent testimony before the City Council, HHC estimated the cost of Hurricane Sandy to be more than \$900 million. The estimate covers cost of storm preparation and response, protective measures, revenue losses and the current anticipated cost of reconstruction, including hazard mitigation costs to prevent future damage. The majority of the costs will involve repair and restoration to electrical, water, heating, air handling, and communications systems, as well as patient care areas, at Bellevue Hospital, Coney Island Hospital and Coler-Goldwater Specialty Hospital and Nursing Facility.

Earlier this month, Senator Charles Schumer visited Coney Island Hospital, toured parts of the storm-damaged first floor Emergency Room and basement, and vowed his support for securing the required federal aid for the HHC recovery, restoration and mitigation efforts. Soon afterward, on January 17, Senator Schumer visited Bellevue Hospital to announce that HHC will receive \$103 million in federal aid from FEMA, the first funds released to the state for the benefit of our city's public hospitals and a down payment on the aid needed.

The two hospitals evacuated during the storm have been providing many outpatient services and limited emergency or urgent care services, but have not yet resumed full inpatient services.

The Bellevue Hospital Center Emergency Department is fully staffed and began receiving ambulances again for the treatment of non-traumatic and non-critical injuries on December 24. Bellevue has also now opened nearly all of its specialty clinics and ancillary services -- including radiology, nuclear medicine, and mammography services -- in addition to the primary care and urgent care services that it has been operating since November 19. It is anticipated that Bellevue will reopen virtually all inpatient services and resume its role as a Level 1 Trauma Center by mid-February.

Coney Island Hospital restored full inpatient behavioral health services with the opening of the last 32 of its 64 inpatient psychiatric beds on January 14. Four days after the storm, the hospital opened a 24/7 urgent care center and began providing primary care services; it has been steadily opening additional outpatient primary care and specialty services and has now restored all of those ambulatory services. The hospital is phasing in the balance of its inpatient services over the course of the next two weeks, but it will continue to operate with an Emergency Department that is only one-third of its former size. The rebuilding of the balance of the Emergency Department will not be completed until mid-March.

As you know, the dedication to our patients that was demonstrated by many HHC staff during the storm was truly exemplary. The Office of Special Projects has compiled a collection of profiles of several HHC staff members whose performance during the storm

was nothing short of heroic. The collection is called Rising to the Occasion and it has been printed for distribution today for the Board members. Some will also be sent to the facilities. The profiles are also on display along the 5th floor hallway; I hope you have a chance to read some of these remarkable stories.

FEDERAL UPDATE

The Hurricane Sandy Emergency Supplemental bill was passed on January 15 by the House of Representatives and on January 28 by the Senate. It was signed by President Obama on January 29. The bill totals \$50.7 billion, which, when added to the \$9.7 billion in flood insurance funding enacted the week before, brought Sandy funding to \$60 billion.

The final bill includes \$5.4 billion for the Federal Emergency Management Agency, which can reimburse state and local governments, non-profits, private entities and individuals for certain losses from Hurricane Sandy. Many of HHC's expenses related to repair, restoration and mitigation should be eligible for FEMA reimbursement. The bill also includes \$16 billion for the Community Development Block Grant Fund (CDBG), which can be used by states to support critical and immediate community needs. This funding can also be used to reimburse hospitals for payroll expenses that otherwise would have been covered by storm-related lost revenues.

New York Senators Charles Schumer and Kirsten Gillibrand were instrumental leaders in moving the legislation through the Senate. New York Representatives Peter King and Nita Lowey led the bipartisan team which moved the bill through the House. Every Member of the New York City delegation played a very active role in securing passage of this bill. Governor Cuomo and Mayor Bloomberg also took strong leadership roles.

By late February, the President is expected to release his budget. On March 1, the previously enacted sequester is scheduled to begin cutting most spending by 8%, but with Medicare provider payments cut by 2% and no cuts to Medicaid. On March 27, the Continuing Resolution that funds the federal government expires, therefore, if it is not extended, government funding will cease. April 15 is the deadline for a Budget Resolution in both houses of Congress. On May 18, the Debt Ceiling is re-imposed although, through some manipulation, Treasury may be able to extend hitting the debt ceiling into June or July.

The recently enacted Fiscal Cliff legislation, the American Taxpayer Relief Act, included two provisions that reduced payments to hospitals and would negatively impact HHC. First, the legislation imposed a Documentation and Coding (DCI) adjustment, which will phase in the recoupment of past "overpayments" to hospitals made as a result of the transition to Medicare Severity Diagnosis Related Groups (MS-DRGs). This is a loss of \$34 million to HHC in FFY 2014 - 2017, according to HANYS. The second provision would rebase Medicaid Disproportionate Share Hospital (DSH) payments by extending the Affordable Care Act (ACA) Medicaid DSH reductions for an additional year, resulting in a loss to HHC in FFY 2022 that could be as much as \$471 million.

Several Medicare and Medicaid provisions of importance to HHC will likely be considered for significant cuts this year. Among these are: another extension of the Medicaid DSH cut to FFY 2023; reductions in payments for Hospital Outpatient Evaluation and Management services to align reimbursements with those received for visits occurring in physician offices, which would effectively cut HHC's reimbursement for such services by \$187 million in FFY 2013 - 2022; a reduction in the Indirect Medical Education (IME) adjustment from 5.5% to 2.2% that would cut HHC by \$626 million in FFY 2013 - 2022; a cap on Graduate Medical Education (GME) payments that would reduce HHC payments by \$215 million in FFY 2013 - 2022; and a cut in Medicare bad debt support that would cut HHC by \$26 million in FFY 2013 - 2022. In the aggregate, these cuts, if all are enacted, would reduce HHC's revenue by more than \$1 billion over a ten year period beginning in October 2013.

STATE HEALTH AGENDA

The 2013 State Legislative Session got underway earlier this month when Governor Cuomo presented his annual State of the State address on January 9th. The following week the Legislature passed one of the key initiatives the Governor discussed, the New York SAFE Act. While the SAFE Act enacts new gun control measures, it also modifies "Kendra's Law," which allows court-ordered Assisted Outpatient Treatment (AOT) for mental health services and imposes new requirements for health care providers to report when patients are likely to engage in conduct that would result in harm to themselves or others.

Other State of the State priorities the Governor incorporated in his proposed State Budget for 2013-14 include new requirements for hospitals to adopt sepsis recognition and treatment protocols, an overhaul of Article 6 of the Public Health Law -- the means by which localities fund public health initiatives -- and reforms to the Certificate of Need (CON) process for health care facilities. Governor Cuomo also proposed changes to the way the State spends resources for affordable housing. As part of that effort, the Governor would add \$12.5 million for Medicaid Redesign Team (MRT) supportive housing initiatives, bringing total annual spending to \$87.5 million, and allocate an additional \$3.85 million generated from the closure of hospital and nursing home beds for new supportive housing initiatives.

In addition to the announced State of the State priorities, the Governor's budget proposal contains numerous, far-reaching reforms to the New York's healthcare system. While staff is still analyzing the details, several key issues have emerged. Although the proposed budget does not appear to include new cuts for healthcare providers, it would extend MRT actions that were only agreed to as time-limited measures. This includes making permanent the Medicaid Global Spending Cap and extending until 2015 the corresponding "superpowers" of the State Health Commissioner to make cuts to keep spending within the Cap. The proposed budget would also extend a two percent across-the-board cut to Medicaid provider rates and permanently eliminate the Trend Factor adjustment for cost increases due to inflation, both of which would result in an estimated \$47 million loss to HHC,

The proposed budget also would implement MRT-recommended reform of the State's system for distributing the Indigent Care Pool (ICP) funding to reimburse hospitals for

providing Charity Care. HHC supports reforming the system to comply with federal Affordable Care Act (ACA) requirements to better target Medicaid Disproportionate Share Hospital (DSH) funding to hospitals providing care for uninsured and underinsured patients, as well as for losses incurred serving Medicaid patients. However, HHC is strongly advocating for a change to the way the proposed budget funds \$25 million in transition payments for voluntary hospitals to offset losses under the new system. We are urging that the proposal be revised to utilize the Voluntary Inpatient Hospital Upper Payment Limit (UPL) instead of the supplemental Medicaid DSH/UPL that would otherwise make that \$25 million available to augment HHC's revenue (50 percent provided by City and 50 percent by the federal government).

The proposed budget also includes new initiatives to allow for the State Health Commissioner to develop two pilot projects to allow private capital to be invested to assist in restructuring health care systems (one in Brooklyn and one in another location) and to allow publicly traded "convenient care" clinics. It also revises the Excess Medical Malpractice Pool to prioritize access for the highest risk specialties in the highest risk areas. Staff is still determining the impact on HHC physicians. Finally, the proposed budget makes eligibility and benefit changes to New York's public health insurance programs as part of its implementation of the Health Benefit Exchange under the ACA. Key among these changes is the repeal of the Family Health Plus program as most of those eligible for the current program are transitioned under the Medicaid expansion and exchange creation. As with all of the budget proposals, staff will provide updates on the effect of this proposal as more information becomes available.

HHC TESTIFIES AT CITY COUNCIL HEARING ON PUBLIC HEALTH RESPONSE TO HURRICANE EMERGENCY

The City Council has held a series of hearings this month on the many different aspects of the City's overall preparedness for storms and disaster management during Hurricane Sandy. On January 24th, the Council held a specific hearing on the emergency preparedness and disaster management activities of healthcare facilities in New York City. HHC presented testimony at this hearing along with our colleagues at the City Health Department and Senior Health Advisor Andrea Cohen from Deputy Mayor Gibbs' office. Next week, the Council will hold a hearing on the management and operations of the emergency storm shelters that were set up around the City. This will include a review of health services at the eight special medical needs shelters. HHC has been invited to this hearing to review our role in providing staffing and clinical supervision at these specialized shelters.

HHC RECEIVES DESIGNATION AS ACCOUNTABLE CARE ORGANIZATION

On January 10, the Centers for Medicare and Medicaid Services (CMS) announced that HHC ACO was designated as an Accountable Care Organization and will participate in the Medicare Shared Savings Program to improve the health of Medicare beneficiaries through coordinated, high quality care, while also reducing costs. Mayor Michael R. Bloomberg

praised HHC's designation in a statement, saying, "We are proud that our Health and Hospitals Corporation has been selected as one of 106 new Accountable Care Organizations, which allows HHC to participate in an innovative new payment model that incentivizes quality care while also reducing costs. The selection reflects how HHC is on the leading edge of healthcare innovation, and it is a credit to HHC President Al Aviles and his team."

ALL HHC EMERGENCY DEPARTMENTS ADOPT NEW CITY-WIDE GUIDELINES FOR TREATMENT USING OPIOID PAINKILLER MEDICATION

Also on January 10, Mayor Bloomberg released the initial report of the Mayor's Task Force on Prescription Painkiller Abuse, which includes new voluntary emergency room guidelines for the prescription of opioid painkillers to prevent abuse. The guidelines, which will be followed in all HHC hospitals, suggest that the emergency departments not prescribe long-acting opioid painkillers; recommend prescribing no more than a three-day supply of opioids; and suggest not refilling lost, stolen or destroyed prescriptions. The guidelines are designed to encourage judicious prescribing, patient education and referral to primary care and treatment for substance abuse when needed. These new guidelines effectively balance our mission to relieve patients' pain against concerns about drug abuse, dependency, a national steep rise in deaths from prescription opioid overdose and the illicit diversion of opioid medications. The Mayor made the announcement at Elmhurst Hospital in Queens, where he was joined by several public officials, including HHC Chief Medical Officer Ross Wilson, Senior Health Advisor Andrea Cohen, and Dr. Stuart Kessler, head of the Elmhurst Hospital Emergency Department.

HHC SIGNS CONTRACT WITH EPIC FOR DEVELOPMENT OF ELECTRONIC MEDICAL RECORD

On January 16, HHC announced signing a \$302 million contract with Epic Systems Corporation for a new, state-of-the-art electronic medical record (EMR) system to span all of HHC's patient care facilities. This Board approved the contract with Epic at the September meeting, after a multi-year comprehensive, competitive process to evaluate qualified vendors. We anticipate the system will be in full operation by 2017 for our 22,000 users and will replace our current EMR system, which is more than 20 years old.

The 15-year contract includes software and database licenses, professional services, testing and technical training, software maintenance, and database support and upgrades. The cost of the new system will be partially offset by funding that HHC has begun under the federal "meaningful use" legislation.

HHC was a pioneer of electronic medical records in the 1980's and became one of the first large hospital systems in the country to implement an EMR. While we have leveraged that system as much as we can and worked to improve it over the years, the current generation of EMR systems are highly advanced and offer robust decision support functionality, far

better data mining and interoperability, and greater capacity to advance quality initiatives, care coordination, and efficiency.

The achievement of "meaningful use" of an EMR system by hospitals is required by the end of 2015 in order to avoid Medicare reimbursement penalties. It is also a requirement to meet and sustain Patient Centered Medical Home certification, which brings with it incentive payments based upon more robust primary and preventive healthcare, as well as more effective care coordination.

PAY FOR PERFORMANCE AGREEMENT WITH HHC PROFESSIONAL AFFILIATES

On January 12, HHC announced the new pay-for-performance program that was included in our most recent professional affiliation contracts with NYU School of Medicine, Mt. Sinai School of Medicine and the Physician Affiliate Group of New York (PAGNY). The program will reward doctors with up to \$59 million in incentive payments over the next three years for meeting our goals to improve patient care, efficiency, and patient satisfaction and to otherwise align with the new demands of healthcare reform. Under the new contracts, physicians at our facilities will receive bonuses if they lower readmission rates, deliver more coordinated primary and preventive health services, improve communication with patients, decrease emergency room wait times, and help run more efficient operating rooms. The performance incentive payments also are tied to benchmarks that, if achieved, will help maintain or secure future reimbursement income to HHC. The new program represents a policy shift away from the cost of living wage increases or RVU-based (i.e., volume and intensity of services) compensation incentives that have traditionally been part of our physician contract agreements.

The performance improvement targets included in these HHC physician affiliation contracts are based on meeting or exceeding benchmarks set by national healthcare and quality improvement agencies including the Centers for Medicare and Medicaid Services (CMS), the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), and the National Committee for Quality Assurance (NCQA).

PURCHASE OF CRITICAL ELECTRIC EQUIPMENT FOR COLER-GOLDWATER AFTER STORM DAMAGE

I want to inform the Board of a significant expedited procurement that will be completed shortly. This is an emergency solicitation; it departs from the routine process provided by Operating Procedure 100-05 in that it is not being presented to the Board for approval. This purchase is authorized under an existing Declaration of Emergency reported at the November meeting, in connection with recovery from the impact of Hurricane Sandy. Because of the large expenditure that this project will entail (\$15.6 m), I am advising the Board of the award of the contract and its justification.

Because an existing electrical infrastructure and switch gear at Coler Hospital was destroyed by flood water, the hospital has been functioning without this gear by using

temporary power from diesel generators, expensive to maintain and insufficient to meet higher energy demands required during cooling season. It is essential that this equipment be purchased and installed before May 31. To meet that deadline, an expedited solicitation was conducted. Liquidated damages will be included in the contract to ensure that deadline is met. An award to EJ Electric is scheduled to be executed on or about February 4th.

CONEY ISLAND WORK TO BE FEATURED IN NATIONAL DIVERSITY CONFERENCE

Coney Island Hospital's cultural competency partnership work with the Jewish Community Relations Council of New York (JCRC) and the Jerusalem Inter Cultural Center that began in 2008 will be highlighted in a workshop being delivered at the Eighth National Conference on Cultural Competency in Health Care in Oakland, California on March 11th. The presentation is one of only four round table sessions presented on the first evening of the conference. The Coney Island Hospital team's presentation is titled "Role of International Partnerships in Advancing Health Care Cultural Competency: Lessons from the Trenches of Jerusalem and New York City."

HHC GLOBAL AMBASSADOR VISITS KINGS COUNTY HOSPITAL

HHC Global Ambassador Kasseem "Swizz Beatz" Dean paid a visit to Kings County Hospital Center on January 18 to meet with the facility's leadership, physicians, patients, and other staff members and learn about the hospital's service offerings. He also participated in a discussion about the Kings Against Violence Initiative (KAVI), a hospital and school-based youth violence intervention program, and exchanged views with the doctors leading the initiative -- Dr. Robert Gore, Dr. Reinaldo Austin, and Dr. Eric Legome.

During the visit, Mr. Dean toured the hospital's Wellness Center, Diabetes Resource Center, and Cancer Center, accompanied by clinicians in charge of those areas.

He also observed a session of the Recording Studio Project, a component of Kings' Behavioral Health Therapeutic Recreation program. The grant-funded Recording Studio Project is designed to provide psychiatric inpatients with the opportunity to experience the enriching process of creating their own music, to use technology to produce a finished product, and to discover the psycho-social benefits of working with others as a team. In addition, Mr. Dean toured the adolescent behavioral health unit, signing autographs and shaking hands with excited patients and staff.

Mr. Dean was also featured in a video published on HHC's YouTube channel on January 18 in celebration of Dr. Martin Luther King, Jr. Day. Dr. King was saved in 1958 from a knife attack through the efforts of a surgical team at Harlem Hospital, including Dr. John WV Cordice, who was honored at the Harlem Hospital gala opening this fall. You can view this inspiring video at <http://youtube.com/hhcnyc> .

SEA VIEW HOSPITAL LAUNCHES MUSIC & MEMORY PROGRAM

Earlier this month, Sea View Hospital Rehabilitation Center and Home launched HHC's pilot Music & Memory program, bringing iPods loaded with personalized music selections to patients with Alzheimer's disease or dementia. In line with reported results from other recently launched Memory and Music programs, this practice has reengaged remote and unresponsive patients suffering from cognitive loss. Facilities with established Music & Memory programs report positive outcomes, including increased patient engagement, attention and cooperation, minimized agitation, and improved sleep and restfulness. The Fund for HHC has been providing assistance to help launch this program at Sea View, and is also sponsoring an iPod donation drive in which HHC staff can help support the program by donating iPods.

The 15 residents participating in the program at Sea View were selected from two units in which individuals with dementia are often reluctant to participate in recreational activities. Staff interviewed families about the patients' musical preferences and created playlists specific to each participant. Sea View employees report that residents are enlivened by the music, tapping their fingers and feet to the songs of their youth and that the positive effects are sustained. Activity therapists find that after a Music & Memory listening period, residents are relaxed, calmer, and less likely to be disruptive, and that meal times are more cheerful and peaceful.

These anecdotal beginnings are quite promising, and are similar to reports from many other facilities where Music & Memory programs exist. Sea View will soon gather data -- tracking information such as changes in behaviors and medication doses -- to quantify the program's outcomes. The facility is also hoping to expand Music & Memory to other residents and eventually standardize the practice to use as a simple, friendly, and calming intervention when needed.

In 2012, Coler-Goldwater Specialty Hospital and Nursing Facility launched a pilot of a program called Well-Tuned, a collaborative initiative between Music & Memory and the Institute for Music and Neurologic Function. The hospital's staff reports similar positive and notable differences in attitude and behavior among the eight dementia patients who are participating in the pilot.

The Fund for HHC plans to help spread Music & Memory for the benefit of patients at other HHC facilities.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

One On 1 Profile: HHC President Alan Aviles Nurses The City Back To Health After Hurricane Sandy, NY1, 01/14/13

HHC Program Pays Doctors For Meeting Service Benchmarks, Alan Aviles, HHC, NY1, 01/12/13

Lincoln Hospital Adds Extra Service for Flu Season, Dr. Fernando Jara, Lincoln Hospital, NY1, 01/15/13

Farley: 'Severe' Strain Of Flu Reaches Epidemic Proportions In New York City, Dr. Stuart Kessler, Elmhurst Hospital, WCBS/WINS Radio, 01/10/13

Local Hospitals Filled With Flu Victims, Dr. William Bateman, Gouverneur, WNBC, 01/10/13

Flu Vaccines, Dr. Melissa Schori, Lincoln Hospital, News 12 Bronx, 01/17/13

Bellevue Hospital Receiving Ambulances, NY1, 12/26/12

New Year's baby arrives at Lincoln Hospital, News 12 Bronx, 01/02/13

2 New York hospitals claiming first births of 2013, WABC, 01/01/13

Getting flu vaccine without having to travel, Dr. Shashikala Pillai, Coney Island Hospital, WABC, 01/16/13

Trauma Doctor Pleased By Obama's Gun Violence Proposal, Dr. Sheldon Teperman, Jacobi Hospital, NY1, 01/16/13

Vogue Magazine Photo Shoot, Bellevue Hospital, WNBC, 01/16/13

Schumer Tours Damage At Coney Island Hospital, NY1, 01/08/13

100 Million FEMA Funds for HHC, NY1, 01/17/13

Schumer Announces \$103 Million In Sandy Aid For Hospitals, WCBS/WINS Radio, 01/17/13

Schumer Surveys Storm Damage at Coney Island Hospital, News 12 Brooklyn, 01/0/13

Bronx Doctor To Share Lessons Learned From Sandy, Dr. Sheldon Teperman, Jacobi Hospital, NY1, 01/25/13

Flu Season Strikes Again...and Again, Dr. Fernando Jara, Lincoln Hospital, The New York Times (VIDEO)
01/17/13

Print

New York City Ties Doctors' Income to Quality of Care, Alan Aviles, HHC, The New York Times, 01/11/13 (Also covered in Modern Healthcare, The Chief, Becker's Hospital Review, Fierce Healthcare IT)

Paying Doctors for Performance, Editorial, HHC, The New York Times, 01/27/13

A Performance Pay Model for Doctors, Letters to the Editor, HHC, The New York Times, 01/18/13

New York City to Restrict Prescription Painkillers in Public Hospitals' Emergency Rooms, HHC, Dr. Wilson, Elmhurst Hospital The New York Times, 01/10/13(Also covered in NY Daily News, NY Post, DNAinfo.com, El Diario, Bloomberg News, Metro, The Epoch Times, Brooklyn News)+

HHC's ACO Gets Nod, Crain's Health Pulse 01/11/13

NYC system pegs Sandy costs at \$810 million, HHC, Modern Healthcare, 01/08/13
(Also covered by WNYC, Crain's, Becker's Review, The Hill Blog, The Chief, Sheepsheadbites.com)

Schumer: \$103 million in Sandy aid for hospitals, Coney and Bellevue hospitals, The Wall Street Journal, 01/18/13 (Also covered in Healthcare Design Magazine, Crain's Health Pulse)

Bellevue Hospital E.R. Reopens to Patients with Non-Critical Injuries, DNAinfo.com, 12/27/12
(Also covered in Reuters, NY Times, Daily News)

New Lessons for Bellevue in Post-Sandy Return, Dr. Rajneesh Gulati, Bellevue Hospital, WNYC, 01/24/13

Coney Island Health Clinic Damaged By Sandy Still Closed, Dr. John Maese, Coney Island, Bellevue, WNYC, 01/22/13

A double dose of help for future New York doctors, HHC, New York Daily News, 01/07/13
(Also covered in Staten Island Advance, Metro.com, Washingtonexaminer.com, Fpsnewswire.com)

Jacobi's chief trauma doctor to take his expertise and plea for tougher gun laws to fellow physicians Wednesday, New York Daily News, 01/09/13

Many hospitals serving needy Scroogish with charity care, HHC, The New York World, 12/23/12

Expeditious triage improves outcomes, Woodhull Hospital, Nurse.com, 01/14/13

Lincoln Medical Center unveils networking Teen Van, Bronx Times, 12/20/12
(Also covered in the Bronx Free Press)

New York's first baby of the new year, Elmhurst Hospital, New York Daily News. 01/01/13
(Also covered in El Diario, The Queens Courier)

Teen moms-to-be at Jacobi get to write own lullabies with Carnegie Hall musicians through special program, Jacobi Medical Center, NY Daily News, 01/27/13

Que la diabetes no te robe la maternidad, Dr. Ray Mercado, Dr. Gunter Gomez, Lincoln Hospital, El Diario, 01/14/13

RESOLUTION

Resolution acknowledging Ms. Judy Wessler, Director of the Commission on the Public's Health System (CPHS), for her unabiding commitment to social justice and longstanding advocacy for quality, accessible health care for all New Yorkers.

WHEREAS, Ms. Wessler is one of the original coalition members who founded the Commission on the Public's Health System (CPHS) in 1991;

WHEREAS, Ms. Wessler will be retiring as Director of CPHS in February after 16 years as Director;

WHEREAS, Ms. Wessler has kept a watchful eye on the public's health system, particularly the New York City Health and Hospitals Corporation (HHC), and has forcefully spoken out at all levels of government reminding everyone of the essentiality of a viable, patient-centered and accountable health care system for all New Yorkers;

WHEREAS, Ms. Wessler has worked tirelessly to effectively engage consumers and community members so that they have a voice in policy discussions and decisions that affect them;

WHEREAS, as a critical leader in the City's health advocacy community, for more than 41 years, Ms. Wessler has been engaged in numerous campaigns to ensure that the City's most vulnerable residents have access to health care, which, among many changes, most notably led to the passage of Manny's Law which requires hospitals to provide discounted medical services on a sliding scale for uninsured and underinsured patients through a financial assistance program; and

WHEREAS, Ms. Wessler has been a stalwart advocate to ensure that indigent care funds in the State budget for services to uninsured patients are distributed to the providers that serve uninsured patients, and her unwavering efforts have resulted in proposed legislation to be taken up by the State Legislature in the 2013 Legislative Session;

NOW THEREFORE, be it

RESOLVED, that the President and members of the Board of Directors of the New York City Health and Hospitals Corporation hereby declare that Ms. Wessler has made outstanding contributions to the improved health and well-being of residents in New York City's most vulnerable communities and to the preservation of the mission of HHC.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

WHEREAS, on October 29, 2012 hurricane Sandy caused substantial damage to numerous HHC facilities, which required the evacuation of all patients and staff from Bellevue Hospital Center and Coney Island Hospital and an emergency supply of generators at Coler/Goldwater Specialty Facility; and

WHEREAS, the President of HHC issued a Declaration of Emergency and directed that repairs and replacement of facility assets necessary to have the facilities resume providing medical care to their respective communities be carried out immediately; and

WHEREAS, a Request for Proposals was issued on November 23, 2012 in accordance with the Corporation's operating procedures; and

WHEREAS, the submitted proposals were evaluated by a selection committee and rated using criteria specified in the RFP, and the Committee determined that Base Tactical was the highest rated of all proposers in meeting the Corporation's requirements; and

WHEREAS, the overall monitoring of the contract shall be the responsibility of the Senior Vice President/Chief Financial 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 negotiate and execute a contract with Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management and assisting HHC with filing claims for reimbursement from the Federal Emergency Management Agency (FEMA) for expenses incurred by the Corporation in connection with damages caused by hurricane Sandy to some HHC facilities. The contract shall be for a period of eighteen months in an amount not to exceed \$4,422,700.

RESOLUTION

Authorizing and approving the adoption of the resolution entitled “Health System Bonds, 2013 Series Resolution” providing for the issuance of a series of Health System Bonds (the “2013 Series Bonds”) in a principal amount not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

WHEREAS, in accordance with the New York City Health and Hospitals Corporation Act, New York Unconsolidated Law Section 7381 *et seq.*, and pursuant to the resolution entitled “Health System Bonds General Resolution” adopted by the Corporation on November 19, 1992, as amended by resolution adopted on December 19, 1996 (hereinafter referred to as the “General Resolution”), which authorizes the issuance from time to time of Health System Bonds and notes of the Corporation in one or more series pursuant to a series resolution authorizing such series; and

WHEREAS, on June 15, 1993, the Corporation issued its Health System Bonds, 1993 Series A in the aggregate principal amount of \$550,000,000 (the “1993 Series Bonds”), which were refunded entirely with the issuance on March 18, 1999 of its Health System Bonds, 1999 Series A in the aggregate principal amount of \$235,700,000 (the “1999 Series Bonds”) and the issuance of on January 15, 2003 of its Health System Bonds, 2003 Series A in the aggregate principal amount of \$245,180,000 (the “2003 Series Bonds”); and

WHEREAS, on April 10, 1997, the Corporation issued its Health System Bonds, 1997 Series in the aggregate principal amount of \$320,000,000 (the “1997 Series Bonds”), which were refunded entirely with the issuance on July 25, 2002 of its Health System Bonds, 2002 Series A-H in the aggregate principal amount of \$590,500,000 (the “2002 Series Bonds”) that both refunded the 1997 Series Bonds and provided new money funds to finance certain capital projects; and

WHEREAS, on August 21, 2008, the Corporation issued its Health System Bonds, 2008 Series A in the aggregate principal amount of \$268,915,000 (the “2008 Series A Bonds”) and on September 4, 2008, the Corporation issued its Health System Bonds, 2008 Series B, C, D, and E in the aggregate principal amount of \$189,000,000 (the “2008 Series B, C, D, and E Bonds”, and, together with the 2008 Series A Bonds, the “2008 Series Bonds”) that the 2008 Series Bonds refunded the remaining \$346,025,000 of the 2002 Series B, C, D, E, F, G, and H Bonds and provided new money funds to finance certain capital projects; and

WHEREAS, on October 26, 2010, the Corporation issued its Health System Bonds, 2010 Series A in the aggregate principal amount of \$510,460,000 (the “2010 Series Bonds”). The 2010 Series Bonds refunded the remaining \$199,715,000 of the 1999 Series A Bonds, and refunded \$142,315,000 of the 2002 Series A Bonds (with \$11,905,000 of the 2002 Series A

Bonds with maturity in 2011, 2012, and 2013 remained un-refunded); and provided new money funds to finance certain capital projects; and

WHEREAS, the General Resolution permits the issuance by the Corporation of Additional Bonds constituting Parity Indebtedness, as those terms are defined in the General Resolution, on a parity with the 1993 Series Bonds, the 1997 Series Bonds, the 1999 Series Bonds, the 2002 Series Bonds, the 2003 Series Bonds, the 2008 Series Bonds, and the 2010 Bonds; and

WHEREAS, the Board of Directors of the Corporation has determined that it is necessary and desirable to authorize and issue pursuant to the General Resolution a series of bonds, as Additional Bonds constituting Parity Indebtedness under the General Resolution, on a parity with the Health System Bonds to provide funds to carry out the purpose set forth in the General Resolution; and

WHEREAS, the overall management of the financing and refinancing of the Health System Bonds will be under the direction of the Senior Vice President, Finance and Assistant Vice President, Debt Finance/Corporate Reimbursement Services.

NOW THEREFORE, be it

RESOLVED, that the Board of Directors of the Corporation hereby authorizes the adoption of the resolution entitled "Health System Bonds, 2013 Series Resolution" providing for the issuance of a series of Health System Bonds in a principal amount not exceeding \$175 million for the refunding of all or a portion of the 2003 Series Bonds and the 2008 Series Bonds.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a Sole Source contract with Sedgwick Claims Management (Sedgwick) to provide specialized claims and risk management services to the Corporation in connection with medical malpractice claims, and to manage subcontracts for risk reduction education, and insurance consulting and management for a term of four years with an option to renew for one additional two year term, solely exercisable by the Corporation, for an amount not to exceed \$34,434,496.00.

WHEREAS, the Corporation wishes to maintain a claims and risk management infrastructure at the Corporation's facilities which supports the medical malpractice risk reduction; and

WHEREAS, the Corporation requires the assistance of a firm specializing in medical malpractice claims investigation and management and which can support the requirements of a captive insurance program as required by the New York State Department of Financial Services; and

WHEREAS, since 2002 Sedgwick has been providing the services necessary for the Corporation to successfully implement its medical malpractice reduction initiative, establish an early settlement program, improve the defense of medical malpractice cases and establish best practices for the Corporation's captive insurance program; and

WHEREAS, the Corporation has realized significant savings in its medical malpractice costs since Sedgwick began providing services to the Corporation; and

WHEREAS, the result of the medical malpractice claims reduction initiative has resulted in a saving to the Corporation of \$30 to \$40 million dollars a year since 2006; and

WHEREAS, the Corporation will continue to benefit from the provision of these services by Sedgwick; and

WHEREAS, the responsibility for monitoring this contract shall be vested in the General Counsel of the Corporation.

NOW, THEREFORE, BE IT

RESOLVED, THAT THE President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to execute a Sole Source management contract with Sedgwick to provide specialized claims and risk management services to the Corporation in connection with its medical malpractice claims, and to

manage sub-contracts for risk reduction education and insurance consulting and management for a term of four years with an option to re-new for one additional two year term, solely exercisable by the Corporation, for an amount not to exceed \$34,434,496.00.

RESOLUTION

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

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

WHEREAS, in June 2012 the Board of Directors authorized the President to enter into a six (6) month license agreement with the Licensee and the Corporation desires to execute a new six (6) month agreement for its services at the Facility; and

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

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

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

NOW, THEREFORE, be it

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

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

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

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

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

WHEREAS, the conditions of the "T" Building are deteriorating and require major capital investment if Queens Hospital Center's clinical and non-clinical programs remain in the "T" Building; and

WHEREAS, it is in the best interests of the New York City Health Hospitals Corporation (the "Corporation") to vacate the building within the next eight months; and

WHEREAS, the current estimate for the project is \$12 million, with \$3.6 million of in kind support from Queens Hospital Center's capital plan; and

WHEREAS, the revision to Operating Procedure 100-5 now requires that construction projects with budgets of \$3 million or more receive approval of the Board of Directors not just the approval of work orders through the Capital Committee as had previously been the case; and

WHEREAS, the proposed expansion to the total project budget will exceed \$3 million.

NOW THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

EXECUTIVE SUMMARY
PROJECT APPROVAL
"T" Building Relocation Project
QUEENS HOSPITAL CENTER

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to approve the budget for relocation of the "T" Building at Queens Hospital Center, estimated to be \$8.4 million.

The total cost of the project is estimated to be \$12m, with existing HEAL funds being utilized as in kind contribution to pay for the majority of in kind contributions of \$3.6m, thus bringing the funding request for HHC to \$8.4m

The proposed budget shall provide for services to relocate approximately 35,000 square-feet of space from the "T" Building to various other new and existing locations to both on-campus and off-campus locations. The components of the relocation are outlined below.

NEW YORK CITY HEALTH & HOSPITALS CORPORATION CAPITAL COMMITTEE

Date: February 14, 2013

Facility: Queens Hospital Center

Title: T Building Program Relocation

Scope: Provide funding to relocate administrative and clinical services from approximately 35,000 square feet of space in the "T" Building to various other new and existing locations. The components of the relocation are outlined below:

Need: The "T" Building is in a deteriorating condition, with major work required to repair roofing (approximately 30,000 square foot area), exterior façade, balconies, windows, etc. Local Law 11 inspections reveal significant work required to the building's exterior "skin" estimated at a cost of \$5m.

If QHC programs/departments are not relocated out of the "T" Building we estimate that it will cost an additional \$35m to upgrade the systems and bring the interior up to code, including Fire Alarm System upgrades, window replacement, mechanical system upgrades, elevator upgrades, asbestos abatement, etc..

The 250,000 square ft. "T" Building is also much more space than what we need, and we estimate that we spend \$2 million a year in utility, systems maintenance and other services to maintain the "T" Building.

Estimate of Cost of T-Bldg relocation project: \$12m for the program / \$3.6m of in kind support from QHC HEAL Programs; thereby resulting in capital funding for this project of \$8.4m.

Location	Est. Cost	In Kind Support (specific location may change)
Modular Structures	\$6,500,000	\$2,900,000
CPEP - 1	\$1,300,000	
Pavilion Ground Floor	\$2,600,000	\$250,000
Verizon Build-Out	\$400,000	
Parsons Trailer	\$350,000	\$350,000
Other Areas (N, Pav. 1, Parsons Clinic)	\$200,000	
CM / DASNY review	\$685,000	\$135,000
Total Cost	\$12,035,000	\$3,635,000
Total Cost less In Kind Support	\$8,400,000	

NARRATIVE DESCRIPTION

The "T" Building, formerly known as Triboro Hospital, was built in 1938 and was designed for the then state of the art treatment for Tuberculosis, which was to provide quarantined patients airy space, wide corridors, gang style bathrooms, balconies, terraces, large windows, etc. The building is large, ten stories and 250,000 square feet. The last upgrade made to the "T" Building was in 1994, when \$10m of capital funds renovated the 3rd floor of the building to accommodate a Psychiatric Patient Care Unit and Psychiatry administrative space. The Fire Alarm system was installed two years earlier. Replacing roofs, terraces, windows, façade, critical life safety systems (sprinklers, fire alarm system), etc. required a large amount of capital, which was not available and was not necessary since we did not need most of the space in the building. For over two decades, QHC had issues complying with Life Safety and other Joint Commission standards in the building. (dead end corridors, patient privacy, four or more bedded patient rooms, lack of wall oxygen, lack of centralized HVAC, lack of appropriate negative/positive pressure rooms, lack of adequate utility and life safety systems, etc.).

In 2003, EDC, in collaboration with QHC and HHC attempted to sell or lease the "T" Building. In fact, a Ninety-Nine (99) year lease was signed with the Margaret Tietz Organization for senior housing, known as Skyline Commons. During the next six years, there was no effort on QHC's part to acquire capital dollars to upgrade the "T" Building as the leasee was responsible to renovate the building and to bring the building up to code. During this time, QHC started the plan to move all services out of the "T" Building.

The Skyline Commons project came to an abrupt end in late 2008 / early 2009 as the economy went south and the Skyline Commons Project was unable to attract enough owners/renters for their project to go forward.

In 2010/11, two Life Safety walkthroughs, one by a Life Safe Code expert and the other by a Life Safety Joint Commission Surveyor indicated multiple issues with the building. This past summer a local law inspection found multiple issues to the exterior of the building.

We hired architects to review the space needs of the programs and possible locations; DASNY did a review of our plan in the fall of 2012 and we made some adjustments based on DASNY recommendations.

As the building continued to deteriorate (roof leaks, balcony leaks, etc.), Queens Hospital moved as many services out of the Building into available space as possible. Inpatient Chemical Dependency program was discontinued in 2010, outpatient chemical dependency program and the Psychiatric Consult Service were moved to the Pavilion in 2012; some administrative programs (Infection Control, Hospital Police) were moved in 2011. QHC continued to maintain the inside of the building, however, upgrading the outside required capital resources that we didn't have and, as stated above, the building is much larger than what we need.

There are two main reasons why we chose the proposed locations for the remaining programs from the "T" Building:

Availability of Space: There was existing shell space in our Pavilion Ground Floor, and on the

second floor of our CPEP attachment. We also identified vacant space in our "N" Building, our Pavilion, a vacant trailer on Parsons Boulevard, and in our off-site Parsons Clinic.

Cost: Queens Hospital Center received funding as part of a HEAL XI grant for a pre-fabricated (modular) structure. This structure has foundations and is a permanent structure that will be completed in the next three months on our campus. We are using this grant money to relocate four programs from T-Building. Our plan calls for a second modular structure closer to our main street (164th Street) but along the same line as the first modular structure. We do not anticipate anything other than administrative CON for the large projects as we are not moving services that require CON (ACT teams require PARR approval by OMH). But all fees are including in our cost estimate.

Below is a side by side look at the programs and their destination:

T BLDG RELOCATION PLAN				
Floor	Program	Required Sq Ft	Relocate To:	Comments
10	Storage	0		
9	Vacant	0		
8	Closed Visit Unit	500	N Bldg Basement	
	Budget / Grants	550	Mod 2	
	Reimb & Stats & Analytics	4000	"Verizon"	
	EAP	150	Parsons Trailer	
	Collage	750	Mod 2	
7	Compliance	200	Parsons Trailer	
	Conference space	500	CPEP 1	
	QHN Training Center	2000	CPEP 1	
	Aux / CAB	500	Pav. Ground	
6	H.R.	2300	MOD 1	HEAL XI
	Pastoral Care	1200	Pav. Ground	Includes conf. rm.
	Pathology Admin	750	MOD 1	HEAL XI
	Computer Training	1000	CPEP 1	
5	I.T.	400	N Bldg Basement	
	ACT I & II	2000	Mod 2	
	Mobile Crisis	500	Mod 2	
	Blended Case	750	So Queens	In existing space (NHP)
	QHN Training Center	4000	"Verizon"	
	O.H.S.	1350	MOD 1	HEAL XI
	Union Offices	600	Pav. Ground	
	Circulation	2270	Pav. Ground	
	Healthy Lifestyles	800	Pav. Ground	
	MSS Finance	700	Parsons Trailer	
	External Affairs/Volunteers	1050	Parsons Trailer	
	Managed Care	600	MOD 1	HEAL XI
3	EIP	500	Pavilion 1st Floor	Consolidates with Peds clinic
2	Harm Reduction	750	Parsons Clinic	
	M.V.O.'s	600	Mod 2	
1	Safety Mgmt.	500	Mod 2	

	Library	1200	Pav. Ground	
	DOH RN-Family Partnership	0	N/A	Move scheduled for March 2013.
Bsmt	Storage	1000	Shed	Funded -SCA
	Telecom.	0		
	Total QHC Program Sq. Ft.*	33970		
* Does not include circulation space for Mod 2, Parsons Clinic, Parsons Trailer,				

Programs affected by the relocation and their destination:

- 1. Destination: Modular 1 (HEAL XI FUNDED)**
 - a. Description: 5,000 Square ft. pre-fabricated building to relocate the following services from "T" Building:**
 - i. Program affected OHS / HR / Pathology Admin. / Managed Care**

- 2. Destination: Modular 2**
- 3. Description Build pre-fabricated structure for the following services:**
 - a. Programs affected: Clinical**
 - i. ACT Teams / Collage / Mobile Crisis**
 - b. Administrative**
 - i. Safety Mgmt / Budget / Grants / MVO operations**

- 4. Destination: Build out shell space on top of, soon to be occupied, CPEP:**
- 5. Program affected:**
 - a. Computer based training for Unity / Sorian; Conference space**

- 6. Destination: Build out shell space on Pavilion Ground Floor:**
- 7. Programs affected:**
 - a. Medical Library / Healthy Lifestyles program (Childhood obesity); Union Offices, Auxiliary / CAB IT Finance (System changes for Unity, etc.)**

- 8. Destination: Verizon Build out**
- 9. Program affected:**
 - a. Move QHN Training to off site location / back office Finance functions**

- 10. Destination:**

Parsons Trailer – Legalize and build out 2,000 s.f. trailer

Program affected

 - a. External Affairs / Volunteers / M.S.S. Finance (billing for M.D. services) / EAP**

- 11. Destination: Other minor work (N bldg. basement, Pave 1, Parsons Clinic**
- 12. Programs affected:**
 - a. Clinical:**
 - i. Early Intervention Program / Harm Reduction**
 - b. Non-Clinical:**

Closed Visit Unit / I.T. Offices and Computer Storage

MOD 1**FUNDED IN ENTIRETY THROUGH HEAL XI****Project Cost \$2,900,000****MOD 2**

1	CONSTRUCTION COSTS		\$2,100,000
2	General Conditions	12%	\$252,000
3	Escalation	3%	\$67,200
	Construction Cost		\$2,419,200
4	Construction Contingency	10%	\$241,920
5	Total Construction + Contingency		\$2,661,120
8	Design / Bid	5%	\$133,056
9	Design Contingency	10%	\$266,112
10	FFE	20%	\$420,000
11	Moving Costs	3%	\$63,000
12	Cabling Costs	6%	\$126,000
	TOTAL		\$3,669,288
	Rounded to:		\$3,600,000

CPEP - 1

1	CONSTRUCTION COSTS		\$800,000
2	General Conditions	10%	\$80,000
3	Design / Bid	5%	\$40,000
4	Overhead & Profit	15%	\$120,000
5	Design Contingency	5%	\$40,000
6	FFE	20%	\$160,000
7	Moving Costs	3%	\$24,000
8	Cabling Costs	5%	\$32,000
	TOTAL		\$1,296,000
	TOTAL ESTIMATE		\$1,296,000
	Rounded to:		\$1,300,000

PAVILION GROUND FLOOR

1	CONSTRUCTION COSTS		\$1,400,000
2	General Conditions	15%	\$210,000
3	Design / Bid	5%	\$70,000
4	Overhead & Profit	15%	\$210,000
5	Design Contingency	10%	\$140,000
6	FFE	20%	\$280,000
7	Moving Costs	3%	\$42,000
8	Cabling Costs	6%	\$84,000
10	TOTAL		\$2,436,000
	Project Contingency	5%	\$121,800
	TOTAL ESTIMATE		\$2,557,800
	Rounded up to:		\$2,600,000

Verizon

1	CONSTRUCTION COSTS		\$250,000
2	General Conditions	15%	\$37,500
3	Design / Bid	5%	\$12,500
4	Overhead & Profit	15%	\$37,500
5	Design Contingency	5%	\$12,500
6	FFE	4%	\$10,000
7	Moving Costs	3%	\$7,500
8	Cabling Costs	4%	\$10,000
	TOTAL		\$377,500
	TOTAL ESTIMATE		\$377,500
	Rounded to:		\$400,000

Miscellaneous moves (minor, minor work)

1	CONSTRUCTION COSTS		\$100,000
	(estimate)		
2	General Conditions	15%	\$15,000
3	Design / Bid	5%	\$5,000
4	Overhead & Profit	15%	\$15,000
5	Design Contingency	5%	\$5,000
6	FFE	4%	\$4,000
7	Moving Costs	3%	\$3,000
8	Cabling Costs	4%	\$4,000
	TOTAL		\$151,000
	Expedited End Time	25%	\$37,750
	TOTAL ESTIMATE		\$188,750
	Rounded up to:		\$200,000