AGENDA

FINANCE COMMITTEE

MEETING DATE: NOVEMBER 12, 2013
TIME: 9:00 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER — **BERNARD ROSEN**

ADOPTION OF THE OCTOBER 15, 2013 MINUTES

SENIOR VICE PRESIDENT'S REPORT — **MARLENE ZURACK**

KEY INDICATORS & CASH RECEIPTS/DISBURSEMENTS REPORTS — **FRED COVINO, KRISTA OLSON**

ACTION ITEM — **SAL RUSSO/BARBARA KELLER**

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

INFORMATION ITEMS

1.	PERSONAL SERVICES KEY INDICATORS QUARTERLY REPORT – 1ST QTR	FRED COVINO
2.	PAYOR MIX REPORTS	KRISTA OLSON
3.	MEDICAID ELIGIBILITY REPORTS	MAXINE KATZ
4.	CAPITAL LEASE UPDATE	LINDA DEHART

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT — **BERNARD ROSEN**

MINUTES

MEETING DATE: OCTOBER 15, 2013

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on October 15, 2013 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Alan D. Aviles, Esq
Michael A. Stocker, MD
Josephine Bolus, RN
Emily A. Youssouf
Andrea Cohen, (representing Deputy Mayor Linda Gibbs in a voting capacity)

OTHER ATTENDEES

F. Aiello, Senior Vice President, LVI Demolition Services, Inc
John Boni, General Manager, NCO Financial Systems, Inc.
G. Director of Business Development, Crothall Healthcare Services, Inc
S. Carpenter, President, Crothall Healthcare Services, Inc.
M.Chavez, Division Manager,NCO Financial Systems, Inc.
B.Cockrell, Northeast Regional Manager, Crothall Healthcare Services
D.Colucci, President, MCS Claim Services Inc.
J. DeGeorge, Analyst, Office of the State Comptroller
P. Demeropoulos, Vice President, LVI Demolition Services, Inc.
M. Dolan, Senior Assistant Director, DC 37
C. Ekbom, Vice President, Betz Mitchell Associates, Inc.
C. Fiorentini, Analyst, NYC Independent Budget Office (IBO)
B. Kutteh, Chief Executive Officer, Crothall Healthcare, Inc.
J. Leonard, Chief Operating Office, LVI Demotion Services, Inc.
J. Levy, President, Base Tactical Consulting

J. Leonard, Chief Operating Office, LVI Demotion Services, Inc.
J. Levy, President, Base Tactical Consulting
B. Rothgery, Northeast Regional Vice President, Crothall Healthcare Services, Inc.
R. McIntrye, Account Executive, Siemens
M. Meagher, Unit Head, Office of Management & Budget (OMB)
D. Salerno, Vice President, MBI Associates, Inc.
Eric Salmeron President, Betz Mitchell Associates, Inc
F. Sharer Regional Vice President, Crothall Healthcare Services, Inc.
J. Sulllivan, President, Jzanus, LTD
J. Wessler

HHC STAFF

V. Bekker, Chief Financial Officer (CFO), Generations+ Northern Manhattan Health Network
L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
T. Carlisle, Associate Executive Director, Corporate Planning Services
D. Cates, Chief of Staff, Board Affairs
D. Collington, Assistant Director, Coney Island Hospital
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, CFO, MetroPlus Health Plan, Inc
Y. Cummings, Senior Director, Revenue Management
R. Fischer, Associate Executive Director, Bellevue Hospital Center
L. Free, Senior Director, Corporate Managed Care
K. Garramone, Chief Financial Officer, North Bronx Healthcare Network
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
C. Jacobs, Senior Vice President, Patient Safety, Accreditation & Regulatory Services
J. John, Chief Financial Officer, Central Brooklyn Family Health Network
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Director, Debt Finance/Corporate Reimbursement Services
A. Marengo, Senior Vice President, Communications/Marketing
A. Mariani, Director, Corporate Contracting
T. Mammo, Chief of Staff, Office of the President
K. McGrath, Senior Director, Corporate Communications/Marketing
D. Moskos, Director, Facilities Development
K. Olson, Assistant Vice President, Corporate Budget
P. Pandolfini, Chief Financial Officer, Southern Brooklyn/Staten Island Health Network
J. Quinones, Senior Assistant Vice President, Corporate Contracting Services
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
B. Stacey, Chief Information Officer, Queens Health Network
L. Tullouch, CFO, Acting, Harlem Hospital Center
J. Wale, Senior Assistant Vice President, Office of Behavioral Health
J. Weinman, Corporate Comptroller, Corporate Comptroller's Office
M. Williams, Assistant Vice President, Affirmative Action/EEO
R. Wilson, Senior Vice President/ Chief Medical Officer, Medical & Professional Affairs
M. Zurack, Senior Vice President, Corporate Finance/Managed Care

CALL TO ORDER **BERNARD ROSEN**

Due to the late arrival of Mr. Rosen, Chair, the meeting was briefly chaired by Ms. Youssouf. The adoption of the minutes was tabled until Mr. Rosen arrived. The meeting of the Finance Committee was called to order at 9:09 a.m. The minutes of the September 17, 2013 Finance Committee meeting were adopted as submitted.

CHAIR'S REPORT **BERNARD ROSEN**

SENIOR VICE PRESIDENT'S REPORT **MARLENE ZURACK**

Ms. Zurack stated that her report would be brief given the lengthy agenda and that it would only include an update of the Corporation's cash balance. As of September 27, 2013, the cash balance was $357 million or 22 days of cash on hand (COH) which is a major improvement over last month which was at nine days of COH. The increase is due to the receipt of $183 million in Community Development Block Grant (CDBG) funding and the receipt of additional DSH maximization payments. Corporate Finance is currently in the process of revising the cash flow projections. The status of some expected cash items has improved while other payments may require an adjustment in the cash flow that would move those items to next FY 15. Consequently, there is no final year-end cash projection.

Ms. Youssouf asked if the $183 million was the total amount requested by HHC.

Ms. Zurack stated that based on the process, HHC was asked to apply based on the City's inclusion of HHC in its plan and HHC was asked to apply for reimbursement of expenses that were incurred to ensure that the two closed facilities, Bellevue and Coney Island could be reopened. Based on the total cost of those expenses, HHC was able to claim $183 million. The initial claim was for $230 million for expenses and in order to claim the difference between those two numbers, $47 million, HHC would need more room in the City's allocation which the City is considering for the next submission.

KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS **FRED COVINO/KRISTA OLSON**

Mr. Covino stated that the reports would be presented by him and Krista Olson, Assistant Vice President, Budget. The reports are based on data through August 2013. Additionally, also included is a supplemental budget report which is the allocation of the FY 14 budget by facility with the various revenue and expense categories. Ms. Olson would present the utilization data but that it was important to note that given the size of the data, there may be some very large variance that are very common at the beginning of the year.

Ms. Olson stated that the report had been changed to include outpatient visits for the acute hospitals. Overall, the visits are posted as reimbursable visits as opposed to the date of service and include all

clinics, emergency room and ambulatory surgery visits for the acute care facilities. Overall visits have declined by 1.5% acute visits are up by 4.4% due largely to an increase at Harlem Hospital as a result of the posting of mental health day treatment visits from several years prior. Excluding Harlem, visits are down slightly.

Ms. Youssouf asked if the visits at Harlem were based on cumulative data for a number of years. Ms. Olson stated that the visits were posted this FY 14 but the visits are for several years prior.

Ms. Youssouf asked what caused the problem. Ms. Olson deferred to Ms. Katz who in response stated that Harlem's day treatment program was moved from one location to another that resulted in delays in getting information on the State files. Therefore, in order to allow the facility to bill for those visits once the problem is resolved, those visits were held open pending the resolution of the issues that included getting a waiver which is still being addressed in addition to resolving incorrect addresses on the files.

Dr. Stocker commented that this is based on what is billed. Ms. Youssouf asked if the problem has been resolved. Ms. Katz stated that her office, revenue management has been working with the Office of Mental Health Services as well as HHC's internal behavior health to resolve the issues.

Ms. Zurack stated that the "glitch" was resolved but due to that issue the visits are late to the State. The State was aware of the problem and was a part of the problem. HHC is working with the State on getting this payment issue resolved.

Ms. Olson continuing with the reporting stated that the D&TC visits are down by 2.5%. Acute discharges are down by 4.1% or 1,310 discharges excluding Coney Island that has a few units closed, the decline is 1.85%. Nursing home days are down by 15% due to the transition underway at Coler/Goldwater and construction at Gouverneur. Two facilities are above the corporate average for the expected LOS, Kings was at 9/10 and Queens at .5 day above. Three facilities were below, NCB at .5 less; Lincoln and Metropolitan were at 7/10 day less. Corporate wide the CMI is up by 1.1% compared to last year at .9677.

Mr. Rosen asked if reimbursement is based on discharges as opposed to visits. Ms. Zurack stated that it is both.

Mr. Rosen stated that given the reporting has been on discharges, visits are not usually presented. However, a few footnotes should be added to explain the data.

Ms. Zurack stated that the footnotes would be added.

Ms. Youssouf asked if the decline in discharges is also reflective of a decrease in the number of patients.

Ms. Zurack stated that it is not always the case. It could be that the patient population is the same but the utilization is down. In a healthcare reform environment this is usually what should happen, given that there are some assumptions that there is an over utilization of services and patients are being admitted and re-admitted.

Ms. Youssouf stated that the question was raised to get a better understanding of the purpose of the discharges.

Ms. Zurack, apologizing to the Committee for not briefing them before distributing the data stated that the discharges in terms of the Key Indicators report, essentially, there are elements that are included in HHC's monthly payments from 3rd Party payors. The payments are based on discharges, visits and the CMI. Expenses are a function of the LOS. Those are the reasons for tracking that data in addition to the actual receipts and disbursements.

Mr. Rosen added that the inclusion of the visits is an important component of the reporting.

Ms. Zurack stated that as part of the process, corporate finance is looking to simplify the payor mix reports that have gotten very busy over the years. The intent was to include more fresh data monthly on the outpatient side. Since the payor mix reports provided that data there are declines in the visits at the D&TCs which has been reported monthly and to have that compared to the acute care facilities. A number of the corporate strategic initiatives are designed to improve access to outpatient services in general and particularly to primary care. By providing the outpatient data the Committee would have a sense of the progress in that area.

Ms. Youssouf asked the status of the utilization comparison to other healthcare facilities. Ms. Zurack stated that corporate finance is working on the data. Ms. Youssouf stated that it is a big project and the status is important.

Mr. Covino stated that page 2 of the Key Indicators report; FTEs are up by 75 compared to last year for the same period. The increase is due to an increase of 55 residents and 50 nursing positions and the remainder is offset by a reduction in clericals and aides and orderlies.

Ms. Youssouf asked if the increase in FTEs is consistent with the plan. Mr. Covino stated that it is in that an increase in FTEs was anticipated this years as Patient Centered Medical Home (PCMH) positions are added and some key positions are backfilled. Through August 2013 receipts are $59 million worse than budget while disbursements were $23 million worse than budget for a net deficit of $82 million. Page 3, a comparison of cash receipts against prior year actuals, receipts were $60 million better than last year due to the timing of the MetroPlus risk pool payment of $100 million which is reflected on the outpatient side under Medicaid managed care. Expenses were $18.3 million better than last FY 13 due to a PS collective bargaining settlement of $20 million that occurred in FY 13 on behalf of laborers. Those savings were also offset by an increase in spending of $22 million compared to last year due to

$10 million in expenses for clean-up related to the storm and an additional $7 million in increased spending in IT.

Ms. Youssouf asked if the data on pages 2 and 3 was for the same period. Mr. Covino stated that it was not and that the reports are based on different factors.

Ms. Zurack interjected that the data is for the same period. One is a comparison to budget and the other is a comparison to the prior year for the same reporting period.

Mr. Covino added that it is a different comparison. Continuing with the reporting, page 4, inpatient receipts were down by $45 million primarily due to Medicaid fee-for-service that is down 416 paid cases as well as 12,000 SNF days. Outpatient receipts are down by $16 million and all other receipts are up by $1.9 million. Expenses are on budget with the exception of OTPS which is up due to the previous stated reason relative to the clean-up at Bellevue and Coney Island due to the storm. Additionally there is a $14 million OTPS gap at Coler due to the transition.

Ms. Youssouf asked if those facilities are still incurring costs due to the storm. Mr. Covino stated that there were expenses at those facilities that were not recognized pending a final review of those expenses.

Ms. Zurack explained that as part of the FEMA process, Mr. Weinman has established a group that reviews all of the expenses related to the storm and the process entails a very detailed review of those expenses by vendors and invoices that must be supported with the appropriate documentation requirements. Some of those vendors have been late in submitting the required documentation which delayed the payments for last year.

Ms. Youssouf asked for clarification of the services at Coney Island that are not yet restored.

Mr. Pandolfini, Chief Financial Officer, Coney Island Hospital stated that the services that are yet to be restored included, rehab, detox, 26-bed medical surgical unit, and pediatrics services. Although those units are closed the beds are being utilized by adult medical surgical patients but are not restored on the inpatient side.

Mr. Covino stated that the report following the Key Indicators/Cash Receipts & Disbursements (CR&DR) reports was a four page report that showed the breakdown of the budget allocation by facility for FY 14 and the detail of that budget is reflected in the reporting on pages 3 and 4 of the CR&DR.

Mr. Rosen, moving ahead to the report asked how did the FY 14 DSH funding of $1.104 billion compared to the FY 13 DSH funding.

Mr. Covino stated that it is similar in that there was a large catch-up last year. Mr. Rosen added that there is no catch-up in the FY 14 funding. Mr. Covino stated that the FY 14 is at higher baseline and does not include a catch-up.

Ms. Youssouf asked if the reason for the operating deficits at the facilities was due to the DSH payment for FY 14 that has not been allocated to the facilities. Mr. Covino stated that a large portion of those funds go into a reserve so that HHC can maintain a positive fiscal balance by year-end.

Ms. Youssouf asked if those funds were allocated to the facilities would the variances have reflected a different outcome and whether there is a report that can be shared with the Committee that would show the actual status of the facilities with the inclusion of the allocation of the DSH funding by facility.

Ms. Zurack stated that due to the nature of how the supplemental Medicaid payments are made, it would reflect a number of adjustments and explanations. Therefore, a tremendous amount of HHC's DSH funding goes to two facilities, Coney Island and Coler which is one of the problems with the methodology which automatically distorts the data. An artificial adjustment can be made for that but that would not be accurate.

Ms. Youssouf asked if the request was clear.

Ms. Zurack stated that it is very clear in that the request is to see which of the facilities, bottom-line are actually losing of making money. The way the budget is established is to ensure that HHC comes in on budget and by achieving that it would preserve its cash per the financial plan. As a corporate-wide initiative there is no risk of running out of cash by having that reserve. If the request is the comparison of one facility against another it is much more complicated than that. However, the issue will be discussed with the CFOs at the next scheduled meeting to determine whether there is a proxy to provide the Committee with the requested data as a bottom-line status. The reserves if taken out would be even. The central office reserves have an $850 million positive which is required in order for HHC to make its financial plan and to ensure that HHC does not run out of cash. The negative variances are related to each facility's performances. A report could be generated based on some assumptions and what the impact would be if the reserve was reduced to a certain amount, from $850 million to $200 million which would not be the correct approach; however, in applying that assumption how would the facilities variance change. A report can be done to reflect the Committee's request.

Ms. Youssouf stated that it is important to see that information given that some of the facilities have significant variances and there has not been a corresponding uptick to know exactly what the actual status of each of the facilities has been over the years.

Mr. Rosen returning to the budget report asked if the difference between the overall receipts and disbursements of $248 million would be the expected year-end cash balance.

Ms. Zurack stated that it would be. Mr. Rosen asked if the $248 million included a rollover from FY 13 or is it only FY 14 based on the projected receipts and disbursements, etc.

Ms. Zurack stated that the FY 13 cash balance was rolled into FY 14 so it does include the FY 13 cash that was rolled into FY 14.

Mr. Rosen asked for confirmation that the $248 million would be the expected year-end cash balance for FY 14, to which Mr. Covino stated that compared to FY 13 the cash balance is expected to decrease. Ms. Zurack interjected that the opening cash balance was $323 million for FY 14.

Ms. Youssouf asked if the $375 million Ms. Zurack referenced earlier in her report included the $248 million.

Ms. Zurack stated that the $248 million is a budget projection that is not reflected in the actual balance. The report is based on today's snapshot of the budget reality.

Mr. Rosen added that the decrease in the cash balance from FY 13 to FY 14 of $63 million is a major decline.

The reporting was concluded.

ACTION ITEM **MAXINE KATZ/YVONNE CUMMINGS**

Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute contracts on behalf of HHC facilities with Betz Mitchell Associates, Inc., Jzanus LTD., MBI Associates Inc., MCS Claim Services, Inc., and NCO Financial Systems, Inc. for the collection of delinquent inpatient accounts. These contracts are for a period of three years with an option to extend for two additional one-year periods solely exercisable by the Corporation.

Ms. Katz introduced Yvonne Cummings, Senior Director, Revenue Management who was directly involved in the solicitation process. Ms. Katz stated that HHC has utilized the services of collections agencies for inpatient accounts since 1974 and this is a continuation of the referrals for inpatient bad debt accounts. In FY 12 inpatient collection agencies collected $26.2 million with commission fees totaling $4.7 million resulting in a net benefit to HHC of $21.5 million. Of the five agencies selected, three were included in the prior contract. There is one new agency and another has done work for HHC under previous contracts. These agencies are paid on a contingency fee and only get paid if actual collections are made. The agencies are required to adhere to HHC policies and procedures and must follow HHC's Options policy. Although an account is referred to bad debt the patient will be given the option of having the bill reduced as part of HHC Options.

Ms. Zurack stated that out of the $26 million 92% was from Medicaid and other insurers with very little from patients directly.

Ms. Katz stated that the agencies also complete Medicaid applications on behalf of HHC that are obtained through the letters sent out to 3rd party coverage.

Mrs. Bolus asked why the number of agencies increased from three to five. Ms. Katz stated that HHC has always contracted with five agencies and that three of the five agencies selected for this contract were also included in the prior year contract. The agencies were selected through a Request for Proposals (RFP) process and a selection committee.

Ms. Youssouf asked what was the total amount of the referrals that resulted in the collection of $26.2 million in FY 12 by the agencies.

Ms. Katz stated that the total amount of the referrals was not readily available. Mr. Weinman stated that the amount of the write off to bad debt is approximately $85 million.

Ms. Youssouf asked if out of the $85 million, $26.2 million was collected. Ms. Katz stated that the $85 million would have been the balance on the account, whereas the $26.2 million is largely from 3rd party coverage.

Ms. Youssouf pointed out that the question was in relation to the total amount referred to the net amount collected by the agencies.

Ms. Zurack stated that approximately $85 million is in the bad debt file and as Ms. Katz pointed out it is priced at charges or a mark-up. The $26.2 million is at the contract rate or Medicaid rate.

Ms. Youssouf asked what the contingency fees for the agencies are. Ms. Zurack stated that the fees range from 12 – 19 percent.

Ms. Youssouf asked why HHC did not go with a standard fee of 12%. Ms. Zurack stated that the 12% was the new firm's fee compared to the remainder of the agencies at 18 to 19%. HHC wanted to see if the new firm can perform at the 12% and if over a period of time, the 12% agency performs well, more of the business will go to that agency.

Ms. Katz stated that each agency gets initially 20% of the referred accounts. However, through close monitoring of performance, HHC has the right to shift the referrals up or down from one agency to another.

Ms. Youssouf added that as an incentive, the agency with the 12% fee has a lot to gain if it performs well.

Ms. Zurack stated that there is a value to keeping a few of the experienced agencies and there is a value for doing it in-house which has been trending at some of the hospitals that have used agencies less over time than in the past.

Ms. Katz added that the inpatient referrals have been declining over the years to avoid the fees.

Ms. Cohen asked how the Affordable Care Act (ACA) would affect the process in terms of the retroactive MAGI.

Ms. Katz stated that included in the contract is language regarding the requirement of the agencies to have knowledge of the healthcare exchanges. However the effect of the ACA is yet to be determined.

Ms. Cohen stated that the rules are not substantially changing so that individuals who become eligible for Medicaid in any of the new options/plans can also get retroactivity. Ms. Zurack agreed that would apply to the hospital stay.

Mr. Rosen asked if the bad debt in the 2013 financial would become the base from which the agencies can collect.

Mr. Weinman stated that the bad debt is an expense and is not the actual write-offs but is a provision for the write-offs in 2013 that included an adjustment which would make it difficult to equate one against the other but the $85 million has been consistent throughout the years.

Ms. Zurack stated that in the financial statement the write off is booked net of collections.

Mr. Aviles added that going forward as HHC begins to see enrollment on the Exchanges there will be a more significant challenge around bad debt. Even though patients are subsidized there will be some significant co-pays. HHC deals monthly with Medicaid and the Medicare dual eligible population; there has not been a lot of bad debt going against the individual as opposed to trying to get them coverage.

Ms. Youssouf asked if HHC has ever received any complaints about the agencies practices.

Ms. Katz stated that HHC has not. Ms. Zurack added that some complaints were made on behalf of the patients from various community groups/organizations.

Ms. Youssouf asked what the nature of the complaints was.

Ms. Zurack stated that several years ago HHC had to strictly enforce with the agencies the adherence to HHC Options. That was a major issue. If a patient was self-pay the agencies would go after the charges; however, agencies must work with HHC's patient population. That was a major concern of a number of the consumer advocates.

Ms. Cohen asked if HHC Option would be with or without the patient's cooperation. Ms. Zurack stated that it would be with their cooperation and must provide the required documentation in order for the HHC Options process to move forward. HHC is unique in that the charity care offered is not based on a time limit compared to other hospitals.

Ms. Youssouf asked if HHC has ever reached a point where it has given up on a case. Ms. Katz stated that HHC has done so.

Ms. Cummings added that within the contract it is nine months if there is no activity on the case, it is returned to HHC.

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

ACTION ITEM **JOSEPH QUINONES/JOHN LEVY**

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with LVI Demolition Services, Inc., to provide Emergency Response Services designed to support HHC in the event of an emergency or catastrophic occurrence that causes damage to the Corporation's facilities. The Emergency Preparedness and Recovery Contract will be for a term of three years with an option to renew for an additional two year period solely exercisable by the Corporation. Cost incurred due to an emergency responded to by this vendor shall be reported to the Board of Directors subsequent to the emergency preparedness and restoration.

Mr. Quinones informed the Committee that there were three representatives from LVI Demolition Services, Inc., John Leonard, Chief Operating Officer, Frank Aiello, Senior Vice President, and Peter Demeropoulos, Vice President. Mr. Quinones stated that in determining the need for these services, the question of why an emergency preparedness contract is need was addressed throughout the process. First, LVI will do an assessment of all HHC facilities that will entail what each facility would need in the event of a major occurrence, hurricane, windstorm, flood, power surge, etc. A rate card has been established for the cost of the equipment and labor that would be fixed in the contract. It is basically a playbook that would be put in place for any emergency that may arise that could be anticipated. HHC would be able to track these events a week in advance in conjunction with LVI where possible so that HHC is as prepared as possible for any event that is anticipated. The most important piece is that if all of HHC preparedness fails and the facilities are damaged, LVI would restore the facilities as soon as possible. Based on the most recent experience with Hurricane Sandy, HHC has seen the outcome of delays.

Ms. Youssouf pointed out that there is no dollar amount included in the resolution.

Mr. Quinones stated that there were numerous discussions regarding that issue and it was concluded that it would be extremely difficult to quantify those emergencies. The way the contract would be triggered would be through an emergency declared by the President of the Corporation that would be presented to the Board. However with this contract there would be an anticipated cost.

Ms. Youssouf asked if a dollar range could be included in the resolution that would state that if the cost goes above that amount, the President would seek the Board's approval before moving forward. The concern is that without having an amount, the Committee would be approving a blank check that could total hundreds of millions of dollars.

Mr. Aviles stated that it is possible for HHC to anticipate some of the costs based on recent experience with the latest storm, Sandy. Although through a declaration of an emergency and providing a deviation so that whatever work would be required could begin immediately and reported to Board so that the Board could receive ongoing reports on the extent of the work that would be done in the context of whatever emergency HHC would be facing. This is largely to take the experience from Sandy in what HHC had to do which was after the declaration of the emergency through deviations that authorize the expenditures for a large sum of monies to address the immediate aftermath in a context that HHC did not have a process for competitive bid proposals. Whereas with this contract, HHC could go to FEMA for funding without any hesitation that it would be fully reimbursable. Given the circumstances, HHC is facing with FEMA which is not uncommon given a disaster scenario for that to occur. This contract would give HHC the opportunity to scope out vendors/contractors that have the capability to provide those services at any time in the future. HHC can substitute other contractors for this work once the immediate emergency has been addressed.

Ms. Zurack added that the intent of the contract was to lock-in a price for rates that would not put HHC in a position of being competitively disadvantaged due to an emergency. The Corporation will still have the opportunity to set the limit. This contract is essentially creating an emergency process that delegates it to the President which is in essence the current process as part of the emergency procurement rules. Therefore, the main purpose for this contract is to get the initial assessment and lock-in rates that would not be driven by an emergency that HHC would be facing.

Ms. Youssouf stated that the resolution would be locking in rates for services defined as oppose to the way the resolution is currently structured which is not very clear.

Dr. Stocker stated that this is a new concept which raises some concerns in that while HHC knows the difficulty in projecting the nature of the disaster and each being different but the demand for services will be and if LVI will have enough resources to meet all of its clients' needs without compromising its obligation to each one who would be demanding services during a disaster. Based on the list of LVI clients which include Sears, AIG, and there is one healthcare facility, Robert Wood Johnson Hospital Center. Given that the nature of the event is unpredictable, will there be a time whereby the resources of LVI might be exhausted due to the number of clients demanding services and the number of clients could increase. The value of having this contract is to avoiding having to search for services in the event of a disaster; therefore, how can HHC know that LVI will be able to meet HHC's needs during an emergency or disaster.

Mr. Levy stated that was a factor that the Committee took into account as part of the selection process. This is a framework contract that would be in place in the event of an emergency or disaster that provides HHC with a go-to plan. HHC was extremely fortunate a year ago that through its contract with Crothall, the contractor was able to find Signal Restorations to perform the work that was needed which included stabilizing the hospitals within a ninety to hundred day period. Without those services HHC might have gone a few months before finding a restoration firm that was big enough to complete the work. The second issue is that whatever the disaster maybe it could be potentially reimbursable again under the federal guidelines and HHC would be through this contract properly procuring these

services through a contract that does as per Mr. Aviles noted make it incrementally easier to get reimbursement which has been a major problem with FEMA.

Ms. Youssouf stated that on that point if FEMA changes its rules and regulations, who would be responsible for monitoring this issue to ensure that those new guidelines are adhered to by the contractor so as not to jeopardize reimbursement.

Mr. Levy stated that in terms of FEMA there may be some policy changes that might occur due to the disaster but essentially the baseline is the Stafford Act and it has not changed since its formation. Base Tactical is planning to report back to the Committee an update on how this will affect HHC going forward. FEMA has a requirement under the federal guidelines that every dollar received HHC would be required to purchase flood insurance.

Mr. Rosen interjected that it is a requirement for the City of NY.

Mr. Levy continued stating that any entity that receives funding from FEMA for flood damages must obtain flood insurance. The cost of those premiums for the flood insurance could be extremely costly. There are relief positions that can be resolved with the insurance Commissioner of NYS with support from the federal government. Those actions are currently in place as part of the process. An example of what would be required is that if Bellevue had a $50 million loss and FEMA reimbursed the facility for that loss, HHC would be required to ensure itself for the 1st $50 million. If there was another loss of $100 million, HHC would have $50 million for the first insurance and FEMA would cover anything over the $50 million. The purpose of putting this contract in place is whether HHC can save on buying the first $50 million. It is important whether FEMA would be in for the first or second $50 million. In the example given, HHC would have a firm that would stand behind the procurement process. If there is another major disaster there should be a procured contract in place and this contract would be the availability that would be guaranteed to show up.

Dr. Stocker asked for a representative from LVI to address the firm's commitment on having the available resources for HHC in the event of disaster or emergency.

Mr. Leonard stated that in response to questions from the Committee, LVI has been working in NY for over twenty five years and that he has worked with the firm for twenty six years out of the NY office and is now currently overseeing all operations. In terms of resources, LVI is the largest company in terms of labor in NYC. LVI employs over 500 staff per day in NYC and worked 5 million man-hours annually across the country. If there was an event in NY, the reason LVI believes it will not fail and guarantee that LVI will provide the services to HHC is due primarily to LVI resources throughout the country from every union, form every open shop to bring the appropriate staff in where and when needed. Additionally, LVI has a strategic alliance with United Rentals, the largest provider of pumps, generators and other major equipment. United Rentals only provides equipment to LVI in the restoration field. As part of the preplanning, LVI will survey each facility to identify key elements of exposure such as the location for various key equipment, elevators, elevators rooms, mechanical rooms, etc.

Dr. Stocker asked if when LVI adds a new account if additional resources are added and how that process works.

Mr. Leonard stated that LVI currently has a process for expediting resources. LVI has 500 FTEs, salaried managers, 150 part time project managers and superintendents. These employees are deployed throughout the country on an hourly basis and 1,000 hours each baseline workers, and general construction. LVI has renovated Madison Square Garden (MSG), and demolished 130 Liberty in NY.

Dr. Stocker asked how LVI addresses capacity when a new client is added.

Mr. Leonard stated that the supervision ratio is about 10 to 20 workers per supervisors depending upon what is in the field and the staff that is under contract and base on the those resources, LVI would make a determination on whether there are enough resources management or project management during a disaster to meet the needs of its clients.

Ms. Youssouf asked LVI for clarification of the 500 managers whether regional or nation-wide.

Mr. Leonard stated that those 500 managers are nation-wide.

Ms. Youssouf as follow-up to Dr. Stocker's question regarding LVI's capacity asked if LVI would make a decision to not add additional clients due to a capacity issue.

Mr. Leonard stated that it is not likely that day will ever come. LVI increases its planned MSAs which is what LVI bided on as part of the RFP process. If there is a need for additional resources based on the nature of the emergency or disaster, LVI would do so which would mostly be equipment and labor. There are three pieces involved in addressing an event, management and labor to get the job done and the required equipment. LVI has the resources to fulfill its commitment to its clients.

Mr. Aviles asked how LVI mobilizes and deploys labor in that the 500 managers are a sizable staffing component and whether staff is redeployed during a disaster given that each event would present a different staffing need in terms of labor which could be more intense on the ground.

Mr. Leonard stated that LVI employ approximately 2,500 workers per day across the country. During the recent storm, Sandy, labor was not that large. However, during Hurricane Katrina, LVI went from 2,500 workers to over 10,000 workers in the filed in a span of seven days. That process included 25 office of labor and supervision of the core group given that LVI employed 3,000 workers per day and brought in over 2,000 workers, labor unions, whereby LVI has an environmental partner agreement with the international unions that oversees all of the local labor unions of North America. LVI was able to obtain 7,000 workers thorough that resource pool and in addition to other resources and communication, LVI went out and obtained workers. After obtaining the resources those workers went through a workforce orientation and medical surveillance program which is not done by other companies when additional workers are contracted. Without having that process in place, it could

expose clients on the 3rd party liability side for workers who are exposed to various infectious diseases, mold and asbestos.

Mr. Quinones stated that one of the things that the selection Committee took into account was the financial depth of LVI. LVI services gross revenues totaled $400 million per year. LVI Demolition Services annual revenues totaled $50 million. That particular financial depth provided the Committee with a level of comfort that LVI would be able to mobilize the resources as needed.

Mr. Levy stated that although LVI is located locally with warehouses in New Jersey, all of the remediation firms are usually located outside of the eastern seaboard. Most companies deploy when there is a major storm, disaster or emergency. The key question asked by Dr. Stocker was at what point LVI would stop signing east coast clients so that it knows what their maximum level is or should be. It is important to note that LVI is different from other companies in that their work is with MSA standing contracts. Additionally, HHC has requested two primary field people to be assigned to this contract. One is out of the west coast and the other is out of South Carolina. These individuals would be deployed in advance typically seven days before an event to assist HHC in identifying its needs such as labor in order to put the required equipment together.

Ms. Youssouf asked if an event should occur, whether HHC would have the resources for the installation of any equipment such as flood walls, etc.

Mr. Levy stated that currently HHC has a standby contract with Signal Restoration that was approved by the Board pending the execution of the LVI contract. HHC has coverage through December 31, 2013 should an event occur to deploy the entire workforce needed.

Mr. Aviles stated that Signal Restoration did compete for the contract but HHC got a better deal from LVI.

Mr. Rosen stated that there is an important element in that even if everything was perfect and the weather was fine, LVI would still be out there inspecting HHC facilities. However, this contract would formulate the basis for when an event occurs.

Mr. Levy stated that LVI has agreed to do an assessment of all of the facilities without a cost in order to get a handle on the status of each hospital in order to prepare to meet HHC needs in the event of an occurrence.

Mrs. Bolus asked if HHC would pay before an emergency occurred.

Mr. Leonard stated that there is no fee for the assessments. LVI's intent is to get an inventory of each of the facilities major equipment such as generators, boiler rooms and mechanical rooms, etc. LVI stands by its reputation and if something can be mitigated by putting up tiger walls to avoid a major problem and if there is a major disaster LVI would be prepared to restore the facilities and bring them back up and running as quickly as possible. LVI's reputation is based on the way to expedite whatever

is needed and the way to ensure that happens it is important to get to know as much as possible about each facility through the assessment.

Ms. Cohen asked what company is contracted for HHC's centralized maintenance services.

Ms. Zurack stated that it is JCI. Mr. Levy added that Crothall does the supervision environmentally and JCI does the mechanical.

Ms. Cohen stated that at some point LVI would need to interact with those two contractors and asked whether LVI has other engagements that involve those two contractors.

Mr. Covino stated that LVI subcontracted during Sandy for some of the work done at the facilities through those two contractors.

Mr. Leonard stated that LVI was there 24/7 and is the largest asbestos company in the country and has done millions of asbestos removal. LVI workforce is trained for demolition and hazardous material, lead, mold, etc. LVI's medical surveillance oversees all of those areas. The labor is cross trained to ensure that the workers do not expose the public or themselves that could result in a 3rd party liability.

Ms. Youssouf asked if HHC has other companies that are doing all of those assessments and what is the different between this contract and those that were previously approved by the Board.

Mr. Levy stated that the other companies doing assessments are the engineering firms that are reviewing the two damaged facilities and perhaps a few other facilities to determine what can be done to protect those facilities from future flooding. Two of the firms, Arcadis and Parsons Brinckerhoff both are engineering and architectural firms. The purpose of those two firms is to secure additional funding from FEMA under the 406 or 404 mitigation programs. While the solutions are being identified walls and barriers and potentially new buildings are being completed and once completed will remain in place at those sites. The assessments are being done on how to protect the facilities. The LVI contract would cover all of the facilities in protecting the facilities in the event of a major event/emergency. Basically, LVI will identify vulnerability at the facilities. Coney Island is in a very vulnerable position regardless of what steps are taken.

Mr. Quinones added that the purpose of the LVI contract is to have HHC as prepared in conjunction with all of the contractors, JCI and Crothall, OEM and HHC's emergency preparedness plan. Layers of preparedness that will be coordinated to give HHC the opportunity to ensure that HHC's vulnerabilities are at least exposed as much as possible. If all fails and HHC needs to restore its facilities, HHC would have the resources through LVI to do so.

Mr. Leonard stated that the rates were competitively bided and the equipment rates are competitive in a non-catastrophic situation which would be an important factor for the hospitals to lock-in.

Ms. Youssouf stated that the resolution was not clear in terms of what the Committee would be asked to approval and asked if the wording could be changed to clarify that concern.

Mr. Aviles stated that the executive summary is a part of the resolution so to the extent the details of what the contract entails are included there that should be sufficient as opposed to adding language in the resolution.

After extensive discussions by the Committee regarding the amendment to the resolution to resolve the Committee's concerns regarding clarity in what the Committee would be asked to approve for submission to the full Board, Ms. Youssouf asked if the resolution could reflect language that would specifically state the purpose of the contract in that it would be authorizing a "framework" contract.

Dr. Stocker asked if there is language in the contract that address LVI's assurance in having adequate capacity in address HHC's need in the event of a disaster or emergency.

Mr. Quinones stated that there are no penalties in the contract if the vendor fails to show up during an emergency or disaster. The reputation of LVI is HHC's guarantee in addition to the depth of LVI's financial capacity to meet HHC's needs and that LVI will protect its reputation.

Dr. Stocker stated that the rationale is understandable but asked if LVI would agree to notify HHC if new clients are added to which Mr. Leonard agreed.

Dr. Stocker asked if that language could be added to the resolution. Mr. Aviles stated that HHC would agree to include it in the contract.

Mr. Russo in summarizing the requested changes to the resolution and in the contract stated that the resolution would be revised to include that the President would be authorized to negotiate and execute a "framework contract" and that the contract would include language that would state that LVI will notify HHC on a quarterly basis of any new clients.

Ms. Youssouf asked if after the assessment is completed, the Board could get a copy of that master listing.

Mr. Leonard stated that HHC would own the document and that a copy would be provided to the Board.

Mrs. Bolus asked if HHC has a fall back plan in the event LVI does not show up.

Mr. Levy stated that there is no exclusivity with this contract. HHC will do what it did during the recent storm employ the resources necessary to meet HHC needs during a major event.

Mr. Leonard added that LVI stands by its reputation and that this contract provides HHC with fixed rates and a playbook that would go into effect in the event of an occurrence.

Ms. Cohen asked if LVI has any contracts with penalties for not showing up and whether LVI has ever not shown up to which Mr. Leonard responded that there are no contracts with penalties and LVI has never failed to show up.

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

ACTION ITEM **JOSEPH QUINONES**

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a management contract with Crothall Healthcare, Inc. ("Crothall"). Crothall will manage the Corporation's biomedical equipment services operations for each facility. The contract will be for a term of nine (9) years. The contract shall be for an amount not to exceed $252,884,799 over the nine (9) year term of the contract.

Representatives from Crothall included: Bobby Kutteh, Chief Executive Officer, Steve Carpenter, President, Bill Rothgery, Northeast Regional Vice President, CES, Bobby Cockrell, Northeast Regional Manager, CES, Frank Sharer Regional Vice President
Gene Bettencourt, Director of Business Development.

Mr. Quinones stated that the reasons for HHC's need for a vendor to manage biomedical equipment were determined by the following: HHC's restructuring leadership committee identified biomedical equipment as one of the thirty-nine projects to achieve corporate savings objectives. A management contract is needed to standardize repair and maintenance services of medical equipment and lower costs throughout the Corporation. HHC is currently experiencing a lack of effective management of equipment inventory. HHC is currently experiencing a lack of effective technology to track equipment within the facilities. If HHC does not control rising costs by deploying the skills and experience of a vendor, HHC will need to allocate limited resources from patient care to cover increased costs for the repair and maintenance of medical equipment. The vendor selection process included the issuance of a request for proposals (RFP) in accordance with HHC operating procedures. The RFP selection committee chose Crothall Facilities Management, Inc. as the highest rated proposer for both cost and quality. HHC's proposed contract with Crothall will include a savings guarantee of $168.5 million over the nine year term of the contract. HHC currently contracts with Crothall Healthcare, Inc. for environmental services management. The contract is in its second year. Crothall provides biomedical equipment services to other 200 healthcare clients, including: CHRISTUS Health, a contract for four years, a 27 facility account in Texas and Louisiana; Louisiana State University Health Sciences Center, contract for seven years, a 650 bed facility. Crothall has been providing biomedical equipment services for over thirty years. Crothall's contractual responsibilities include overseeing HHC's biomedical services. Crothall will hire qualified HHC manager to oversee the biomedical services staff. Crothall

will provide specialized diagnostic imaging staff; train staff to improve performance; oversee repair and maintenance of over 66,000 HHC assets; deploy best methods across the Corporation to improve cost effectiveness in the repair and maintenance of medical equipment; control personnel services costs and overtime costs; Crothall's staffing plan will include sixteen managers and fifty-two HHC staff. The biomedical cumulative savings and costs over the term of the contract, nine years include savings totaling $168.5 million with a reduction of the projected current cost of $466.61 million to $298.11 million. The total contract costs as reflected in the resolution total $252,844,799. The costs that will remain with HHC include Group 12 PS costs, benefits, overtime and salaries totaling $45,223,251. The annual savings targets include: $12.5 million in Year 1; $14.36 million in Year 2; Year 3, $16.18 million; Year 4, $17.66 million; Year 5, $18.86 million; Year 6, $20.31 million; Year 7, $21.55 million; Year 8, $22.86 million; Year 9, $24.22 million, for a grand total of $168.50 million. These savings will be tracked yearly.

Mr. Quinones stated that there are additional benefits to HHC above the savings guarantee of $168.5 million. Those additional benefits include inventory monitoring that would include real time monitoring and control over inventory and the utilization; identifying the number of assets HHC has and determining if all of those assets are needed. Through utilization analysis, determine if some of those assets can be taken out of the system. Those savings are not included in the projected guaranteed savings. No union employees will be terminated as a result of outsourcing biomedical equipment services and management. Current management employees shall have the opportunity to become employees of Crothall Facilities Managements, Inc. Inventory will be monitored by Crothall and assessments made by facility as to utilization of equipment and review downsizing and right sizing of HHC assets.

Mrs. Bolus commented that this would represent another outsourcing and asked how many outsourcing management contracts does HHC have and what the remaining services under consideration are.

Mr. Aviles stated that the services that have been outsourced included: dietary, plant maintenance, environmental, laundry, and dialysis. HHC has tried to be very thoughtful in where it targeted outsourcing on those areas where the analysis demonstrates that there are substantial savings to be achieved while still providing a level of service. As required, HHC started to downsize the scope and capacity of services across the system in order to save an equivalent amount of money. This is not something HHC would be returning to in the absence of fiscal pressures that are still being addressed and even with this as previously reported HHC has a structural deficit that must be addressed.

Ms. Youssouf asked for clarification of the assets and whether it means that HHC does not know where those assets are located and how they are being used.

Mr. Quinones stated that the assets include all of HHC diagnostic equipment and biomedical equipment. HHC currently does not have data on many of those assets.

Mr. Rosen asked how biomedical is defined. Mr. Quinones stated that it is based on a line item analysis that includes beds, biomedical equipment, monitors, and biomedical diagnostic imagining equipment.

Mr. Carpenter stated that it would include infusion devices, pumps, dialysis equipment, basically any equipment that touches the patient.

Ms. Youssouf asked if that would include scalpels. Mr. Carpenter stated that it does not include instruments but rather all equipment used in diagnosing the patient.

Ms. Youssouf stated that it is of concern that HHC does not know how many or whether the equipment is being used which is a lack of inventory control.

Mr. Aviles stated that a system as large as HHC with 66,000 piece of equipment there are issues relative to the replacement of equipment over time. Such as infusion pumps and how many are needed; the level of inventory needed for pieces of equipment. A decision that may have been made at some point but based on experience that number is three times the number needed for reserve. This would represent the first analysis of all that equipment and determining what HHC really needs in the aggregate for all of those categories of assets. To the extent HHC can eliminate some of those assets there are maintenance contracts associated with keeping those assets in the inventory.

Dr. Stocker stated that this is central to getting control over the procurement of all of the things purchased by HHC. There are equipment changes in critical care areas that require changes, updates and modernization. Being able to control this and determine what is needed will go a long way in moving back and forth from one hospital to another.

Ms. Youssouf asked where will the central database be located and who will be responsible for the overall management of the data.

Mr. Quinones stated that the inventory is core to this contract in terms of the cost for HHC to repair and maintain. It is expected that HHC will be able to diminish assets after the first year. After that it will be a value analysis that will take place through the clinicians of the Corporation and the services that are needed for HHC's patients' population and that will be determined. What is procured is totally different from this contract. This contract is only for the repair and maintenance of what the clinicians

and value analysis committee decide should be procured and an inventory of those assets, a baseline of those assets that will go up and down.

Ms. Youssouf asked who would be responsible for tracking the inventory of those assets. Ms. Quinones stated that it would be under the contract.

Ms. Youssouf added that the problem has been that HHC has been working on addressing inventory ordering and purchasing controls. The concern is that when HHC outsources that piece if it doesn't interface with HHC's system it will be a problem.

Mr. Quinones stated that there is a clear answer in that this contract has nothing to do with the purchasing of equipment. Ms. Youssouf stated that it does involve the inventory.

Ms. Zurack stated that there is information on HHC's inventory control system that could be presented to the Committee in the future or at the Audit Committee meeting. HHC's internal controls of fixed assets which include the tagging of equipment and the audited equipment can be present by Mr. Weinman at that committee. This contract is for the maintenance and monitoring of biomedical equipment and evaluating HHC's equipment needs and strategies but is not replacing HHC's responsibility to track and tag all equipment.

Mr. Carpenter stated that when Mr. Quinones mentioned the inventory control the reference is to multiple systems keeping track of the inventory with multiple levels of data involved on the equipment as it relates to maintenance and utilization. Crothall will be seeking to standardize that process and improve that level so that better information can be provided for purchasing decisions and to keep better track of the inventory.

Ms. Zurack stated that in HHC's fixed asset system the level of detail that will be maintained by Crothall is not available. Crothall's system would provide some type of diagnostic tool for repairing and replacing equipment.

Crothall Representative stated that most of the equipment is moveable and who purchased it but not necessarily where it is located.

Ms. Zurack stated that the hospitals are required to track and update the fixed asset system.

Mr. Kutteh stated that typically a piece of nursing equipment may move from a nursing unit to another which Crothall would track as part of its preventive maintenance.

Mrs. Bolus stated that all of the companies that have been outsourced have all committed to do certain things that are being tracked by those contractors so where is the overlap.

Ms. Zurack stated that some of those contracts are different in that the equipment does not belong to HHC.

Mrs. Bolus added that it is anything that touches the patient.

Ms. Zurack stated that in the dialysis contract the services are no longer HHC services. In the surgical solutions contract, the contractors own the equipment and HHC is only using that equipment. This contract would provide assistance to HHC in maintaining and monitoring the biomedical equipment. The data will be more detailed than HHC is currently tracking.

Mr. Rosen asked who was involved in identifying the savings of $168.5 million. Mr. Quinones stated that it was done in conjunction with Finance. Mr. Covino and Ms. Olson reviewed the data and agreed to the numbers.

Ms. Cohen stated that to address Mrs. Bolus' concern this approach of outsourcing management is a really thoughtful approach and far superior in terms of other actions HHC might need to take. However, it is important for the Committee to get a report from Mr. Martin on how the contracts are working; what are the challenges and whether HHC is learning from each of these outsourcing initiatives given that each contract is different. It is an important piece and would be helpful for the Board to hear.

Mr. Martin agreeing that it is an important piece and that a presentation was done at the Strategic Planning Committee on all of the various outsourcing initiatives, the performances of each of those contracts and the savings. The same type of presentation can be done for the full Board as opposed to the Finance Committee. The Committee agreed that Mr. Martin should do the presentation at the full Board.

Ms. Youssouf asked for the company's background. Mr. Kutteh stated that Crothall is a Philadelphia based company. The company started in 1990 and is a $3 billion division of a $27 billion company. The $3 billion company employees 45,000 employees across the country. This is one of five services offered by the company. This service is offered in approximately over 200 hospitals in the US.

Ms. Youssouf asked who the parent company is. Mr. Kutteh stated that it is the Compass Group.

Dr. Stocker stated that HHC has had a contract with Crothall for two years for the environmental services and based on what has been reported by Mr. Martin, the company has done a good job.

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

INFORMATION ITEM **JAY WEINMAN**

Mr. Rosen informed the Committee that the Year-End Statement of Revenues and Expenses as of 6/30/2013 and 2012 would be rescheduled due to the overrun of the meeting but that it was important to note that this was the first time the financials were completed on time.

ADJOURNMENT **BERNARD ROSEN**

There being no further business to discuss, the meeting was adjourned at 10:55 a.m.

KEY INDICATORS
CASH RECEIPTS & DISBURSEMENTS REPORTS

KEY INDICATORS
FISCAL YEAR 2014 UTILIZATION

Year to Date
September 2013

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS						
	FY 14	FY 13	VAR %	FY 14	FY 13	VAR %	ACTUAL	EXPECTED	FY 14	FY 13
North Bronx										
Jacobi	103,529	111,065	-6.8%	5,049	4,759	6.1%	5.9	6.1	1.0516	1.1655
North Central Bronx	49,940	56,469	-11.6%	1,410	1,974	-28.6%	5.0	5.4	0.8635	0.7303
Generations +										
Harlem	91,333	72,251	26.4%	2,829	2,808	0.7%	5.6	5.9	0.9771	0.9625
Lincoln	137,677	134,817	2.1%	6,019	5,716	5.3%	4.6	5.3	0.8541	0.9159
Belvis DTC	13,911	15,118	-8.0%							
Morrisania DTC	20,374	20,384	0.0%							
Renaissance	11,877	14,374	-17.4%							
South Manhattan										
Bellevue	139,168	147,043	-5.4%	5,879	5,980	-1.7%	6.3	6.3	1.1542	1.0895
Metropolitan	97,491	101,440	-3.9%	2,927	2,851	2.7%	4.6	5.2	0.7872	0.7970
Coler				67,430	62,528	7.8%				
Goldwater				36,272	71,496	-49.3%				
Gouverneur - NF				11,228	13,067	-14.1%				
Gouverneur - DTC	67,105	63,128	6.3%							
HJ Carter										
North Central Brooklyn										
Kings County	172,460	180,401	-4.4%	5,759	6,193	-7.0%	6.8	6.2	1.0624	0.9761
Woodhull	121,366	118,198	2.7%	3,297	3,373	-2.3%	5.0	4.9	0.8108	0.8275
McKinney				28,915	28,542	1.3%				
Cumberland DTC	21,029	23,238	-9.5%							
East New York	18,069	19,817	-8.8%							
Southern Brooklyn / S I										
Coney Island	83,706	85,062	-1.6%	3,337	4,337	-23.1%	6.5	6.2	1.0333	1.0437
Seaview				27,516	27,275	0.9%				
Queens										
Elmhurst	157,678	166,540	-5.3%	5,713	6,118	-6.6%	5.5	5.3	0.8957	0.9261
Queens	102,279	102,144	0.1%	3,207	3,199	0.3%	5.6	5.3	0.8864	0.9010
Discharges/CMI-- All Acutes				45,426	47,308	-4.0%			0.9618	0.9611
Visits-- All D&TCs & Acutes	1,408,992	1,431,489	-1.6%							
Days-- All SNFs				171,361	202,908	-15.5%				

Notes:

Utilization

Acute: discharges excl. psych and rehab; reimbursable visits include clinics, emergency department and ambulatory surgery
D&TC: reimbursable visits
LTC: SNF and Acute days

Average Length of Stay

Actual: discharges divided by days; excludes one day stays
Expected: weighted average of DRG specific corporate average length of stay using APR-DRGs

All Payor CMI

Acute discharges are grouped using the 2012 New York State APR-DRGs

FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of September 2013, all services at Coney Island have not been fully restored.

KEY INDICATORS

FISCAL YEAR 2014 BUDGET PERFORMANCE ($s in 000s)

Year to Date
September 2013

NETWORKS	FTE's VS 6/15/13	RECEIPTS actual	RECEIPTS better / (worse)	DISBURSEMENTS actual	DISBURSEMENTS better / (worse)	BUDGET VARIANCE better / (worse)	
North Bronx							
Jacobi	31.5	$ 128,587	$ (5,620)	$ 128,293	$ (3,546)	$ (9,166)	-3.5%
North Central Bronx	(2.5)	44,055	(3,934)	41,372	6,709	2,775	2.9%
	29.0	$ 172,643	$ (9,554)	$ 169,665	$ 3,163	$ (6,391)	-1.8%
Generations +							
Harlem	(41.0)	$ 76,693	$ (5,192)	$ 76,796	$ (1,104)	$ (6,297)	-4.0%
Lincoln	(18.0)	121,190	(1,488)	108,061	(613)	(2,102)	-0.9%
Belvis DTC	0.0	6,095	(288)	3,538	492	204	2.0%
Morrisania DTC	(2.0)	7,047	(144)	5,904	757	613	4.4%
Renaissance	(2.0)	2,803	(629)	4,864	(30)	(659)	-8.0%
	(63.0)	$ 213,828	$ (7,741)	$ 199,162	$ (499)	$ (8,240)	-2.0%
South Manhattan							
Bellevue	42.5	$ 156,653	$ (11,373)	$ 176,863	$ (12,527)	$ (23,900)	-7.2%
Metropolitan	14.5	70,514	(5,163)	67,896	4,713	(451)	-0.3%
Coler	(18.0)	13,650	(3,390)	32,413	(6,403)	(9,794)	-22.7%
Goldwater	(84.5)	17,999	(7,800)	38,318	(14,117)	(21,917)	-43.8%
Gouverneur	(17.5)	18,920	(545)	20,559	38	(507)	-1.3%
HJ Carter	0.0	0	0	0	0	0	0.0%
	(63.0)	$ 277,736	$ (28,271)	$ 336,050	$ (28,296)	$ (56,567)	-9.2%
North Central Brooklyn							
Kings County	49.5	$ 167,714	$ (2,837)	$ 157,764	$ 5,879	$ 3,042	0.9%
Woodhull	41.5	86,726	(9,072)	92,870	(2,461)	(11,533)	-6.2%
McKinney	1.5	8,257	267	10,451	(121)	145	0.8%
Cumberland DTC	(1.0)	5,037	(1,061)	7,024	916	(146)	-1.0%
East New York	4.0	5,340	(886)	5,462	(93)	(979)	-8.4%
	95.5	$ 273,074	$ (13,590)	$ 273,571	$ 4,119	$ (9,470)	-1.7%
Southern Brooklyn/SI							
Coney Island	18.5	$ 73,055	$ (4,902)	$ 81,488	$ 512	$ (4,390)	-2.7%
Seaview	(7.0)	10,090	2,136	12,200	(520)	1,616	8.2%
	11.5	$ 83,146	$ (2,766)	$ 93,689	$ (8)	$ (2,774)	-1.5%
Queens							
Elmhurst	1.5	$ 141,874	$ (433)	$ 124,309	$ 5,457	$ 5,023	1.8%
Queens	0.0	87,543	(4,611)	83,085	(1,578)	(6,189)	-3.6%
	1.5	$ 229,417	$ (5,045)	$ 207,393	$ 3,879	$ (1,166)	-0.3%
NETWORKS TOTAL	**11.5**	**$ 1,249,844**	**$ (66,966)**	**$ 1,279,530**	**$ (17,641)**	**$ (84,608)**	**-3.3%**
Central Office	45.0	6,970	568	70,599	(646)	(77)	-0.1%
HHC Health & Home Care	5.0	3,514	(3,701)	8,839	(1,753)	(5,454)	-38.1%
Enterprise IT	18.0	1,450	(50)	55,081	258	208	0.4%
GRAND TOTAL	**79.5**	**$ 1,261,778**	**$ (70,149)**	**$ 1,414,049**	**$ (19,782)**	**$ (89,931)**	**-3.3%**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of September 2013, all services at Coney Island have not been fully restored.

Residents and Grants are included in the reported FTEs. Reported FTEs are compared to 6/15/13.

New York City Health & Hospitals Corporation
Cash Receipts and Disbursements (CRD)
Fiscal Year 2014 vs Fiscal Year 2013 (in 000's)
TOTAL CORPORATION

	Month of September 2013			Fiscal Year To Date September 2013		
	actual 2014	actual 2013	better / (worse)	actual 2014	actual 2013	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 63,837	$ 70,513	$ (6,676)	$ 210,655	$ 235,229	$ (24,574)
Medicaid Managed Care	45,294	51,146	(5,852)	152,956	166,185	(13,229)
Medicare	35,929	36,572	(643)	130,094	139,265	(9,171)
Medicare Managed Care	33,434	19,255	14,179	70,369	58,304	12,065
Other	18,354	15,766	2,587	57,111	56,031	1,080
Total Inpatient	$ 196,848	$ 193,252	$ 3,596	$ 621,185	$ 655,015	$ (33,830)
Outpatient						
Medicaid Fee for Service	$ 11,618	$ 13,401	$ (1,783)	$ 38,658	$ 46,851	$ (8,193)
Medicaid Managed Care	42,502	28,366	14,135	189,404	90,035	99,369
Medicare	3,429	4,508	(1,079)	11,978	15,172	(3,194)
Medicare Managed Care	9,255	8,329	926	24,890	22,654	2,237
Other	11,249	11,279	(30)	51,450	36,048	15,402
Total Outpatient	$ 78,052	$ 65,883	$ 12,169	$ 316,380	$ 210,759	$ 105,621
All Other						
Pools	$ 5,966	$ 6,220	$ (254)	$ 107,214	$ 107,520	$ (306)
DSH / UPL	152,000	624,100	(472,100)	152,000	624,100	(472,100)
Grants, Intracity, Tax Levy	8,053	35,819	(27,766)	52,340	80,713	(28,373)
Appeals & Settlements	(2,146)	(1,432)	(714)	(2,122)	(5,748)	3,626
Misc / Capital Reimb	4,848	12,965	(8,117)	14,781	22,304	(7,523)
Total All Other	$ 168,721	$ 677,672	$ (508,951)	$ 324,214	$ 828,890	$ (504,677)
Total Cash Receipts	**$ 443,621**	**$ 936,807**	**$ (493,186)**	**$ 1,261,778**	**$ 1,694,664**	**$ (432,886)**
Cash Disbursements						
PS	$ 186,802	$ 185,105	$ (1,697)	$ 642,061	$ 662,780	$ 20,719
Fringe Benefits	93,887	52,983	(40,904)	219,639	180,638	(39,001)
OTPS	90,547	91,418	872	314,116	292,196	(21,919)
City Payments	-	127,467	127,467	-	141,363	141,363
Affiliation	66,435	74,994	8,559	219,881	227,241	7,361
HHC Bonds Debt	6,213	6,895	682	18,352	23,104	4,752
Total Cash Disbursements	**$ 443,884**	**$ 538,862**	**$ 94,979**	**$ 1,414,049**	**$ 1,527,323**	**$ 113,274**
Receipts over/(under) Disbursements	**$ (263)**	**$ 397,945**	**$ (398,208)**	**$ (152,271)**	**$ 167,341**	**$ (319,612)**

Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

As of September 2013, all services at Coney Island have not been fully restored.

New York City Health & Hospitals Corporation
Actual vs. Budget Report
Fiscal Year 2014 (in 000's)
TOTAL CORPORATION

	Month of September 2013			Fiscal Year To Date September 2013		
	actual 2014	budget 2014	better / (worse)	actual 2014	budget 2014	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 63,837	$ 73,850	$ (10,013)	$ 210,655	$ 235,603	$ (24,948)
Medicaid Managed Care	45,294	53,930	(8,636)	152,956	177,550	(24,594)
Medicare	35,929	40,657	(4,728)	130,094	138,314	(8,220)
Medicare Managed Care	33,434	19,395	14,039	70,369	64,293	6,076
Other	18,354	18,027	327	57,111	58,933	(1,822)
Total Inpatient	$ 196,848	$ 205,860	$ (9,012)	$ 621,185	$ 674,693	$ (53,508)
Outpatient						
Medicaid Fee for Service	$ 11,618	$ 15,138	$ (3,520)	$ 38,658	$ 48,880	$ (10,222)
Medicaid Managed Care	42,502	32,803	9,699	189,404	183,613	5,791
Medicare	3,429	5,874	(2,445)	11,978	19,807	(7,829)
Medicare Managed Care	9,255	11,411	(2,156)	24,890	25,738	(848)
Other	11,249	11,867	(619)	51,450	53,338	(1,888)
Total Outpatient	$ 78,052	$ 77,094	$ 959	$ 316,380	$ 331,375	$ (14,996)
All Other						
Pools	$ 5,966	$ 6,436	$ (470)	$ 107,214	$ 108,067	$ (853)
DSH / UPL	152,000	152,000	(0)	152,000	152,000	(0)
Grants, Intracity, Tax Levy	8,053	10,648	(2,595)	52,340	51,218	1,122
Appeals & Settlements	(2,146)	(1,889)	(257)	(2,122)	(1,975)	(147)
Misc / Capital Reimb	4,848	5,092	(244)	14,781	16,549	(1,768)
Total All Other	$ 168,721	$ 172,287	$ (3,566)	$ 324,214	$ 325,859	$ (1,645)
Total Cash Receipts	**$ 443,621**	**$ 455,240**	**$ (11,619)**	**$ 1,261,778**	**$ 1,331,927**	**$ (70,149)**
Cash Disbursements						
PS	$ 186,802	$ 183,732	$ (3,070)	$ 642,061	$ 639,077	$ (2,984)
Fringe Benefits	93,887	95,454	1,567	219,639	222,595	2,956
OTPS	90,547	94,376	3,829	314,116	292,318	(21,798)
City Payments	-	-	0	-	-	0
Affiliation	66,435	67,745	1,310	219,881	221,395	1,514
HHC Bonds Debt	6,213	6,211	(2)	18,352	18,882	530
Total Cash Disbursements	**$ 443,884**	**$ 447,517**	**$ 3,634**	**$ 1,414,049**	**$ 1,394,267**	**$ (19,782)**
Receipts over/(under) Disbursements	**$ (263)**	**$ 7,723**	**$ (7,986)**	**$ (152,271)**	**$ (62,340)**	**$ (89,931)**

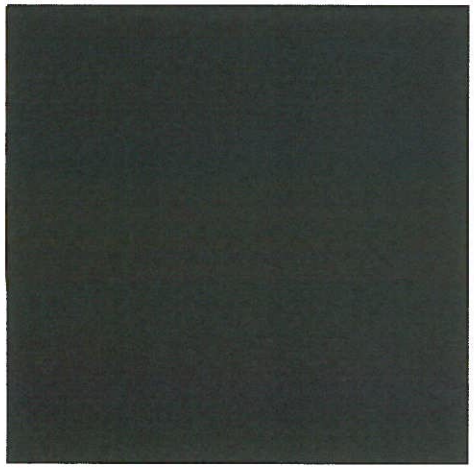
Notes:
FY 13 reflects the impact of the temporary closures and suspension of operations at Bellevue and Coney Island hospitals as a result of Hurricane Sandy (Oct 2012)

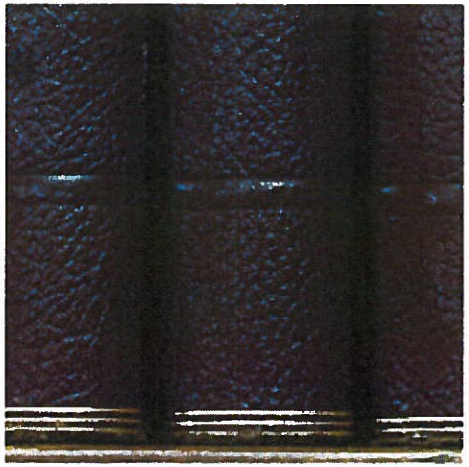
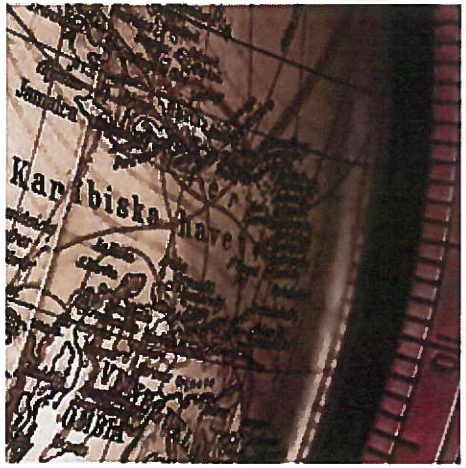
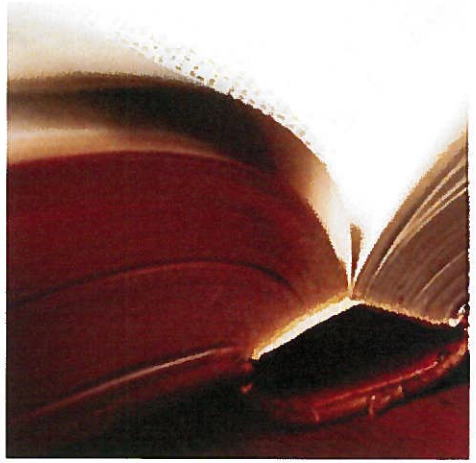
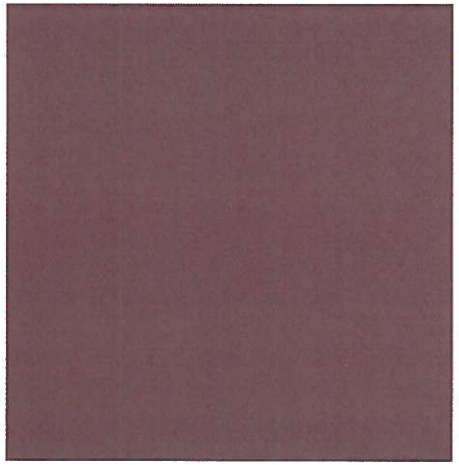
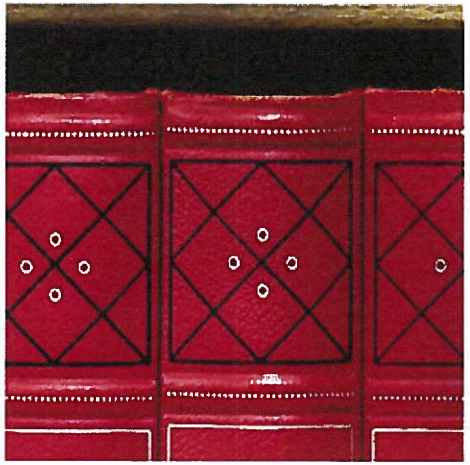
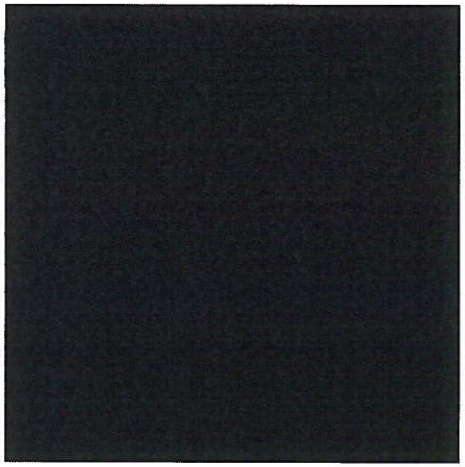
As of September 2013, all services at Coney Island have not been fully restored.

ACTION ITEM

RESOLUTION

LEGAL SERVICES



RESOLUTION

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

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

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

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

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

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

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

NOW, THEREFORE, be it

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

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

EXECUTIVE SUMMARY
Proposed Legal Retainers with Katten Muchin Rosenman LLP;
Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP;
and Epstein Becker & Green, P.C.

The objective of the proposed retainer agreements with Katten Muchin Rosenman LLP; Moses & Singer, LLP; Garfunkel Wild, P.C.; Nixon Peabody LLP; and Epstein Becker & Green, P.C. is to provide the Corporation with access to expert knowledge, advice and representation in specialized areas of the law, including third-party reimbursement, corporate restructuring efforts, new corporate business ventures, new physician compensation arrangements, health care regulatory matters, affiliation contract negotiation and compliance and other matters including corporate, tax, labor, ERISA, real estate and antitrust issues. These firms have extensive expertise in these areas.

The legal issues relevant to the operation of the Corporation are vast, ever-growing and highly specialized and access to specialized legal services is required by the Corporation on an on-going basis. Previous contracts have been awarded to the law firms of Katten Muchin Rosenman LLP and Moses & Singer, LLP. This year, as the existing retainers were set to expire, the General Counsel has determined that having retainer agreements with additional firms will best serve the interests of the Corporation.

The five firms selected are extremely well-regarded in the health care community. They have reputations for high quality work and long-standing relationships with a variety of federal and state regulatory agencies with jurisdiction over Medicaid and Medicare programs as well as other statewide and federal health initiatives. They have experience in a broad range of regulatory and transactional issues faced by healthcare entities in New York and in structuring arrangements so as to comply with the Anti-Kickback statute and Stark Law. Their attorneys speak and publish nationally on many healthcare topics, including clinical research, healthcare compliance, health information and information exchange, particularly with respect to federal, state and local privacy and security laws. They have significant expertise in a wide variety of research issues and a thorough understanding of the laws that govern such research. They will be able to assist HHC in developing internal policies and negotiating legal documents pertaining to human subject research, and to advise on relevant transactional and regulatory matters and compliance with applicable laws and regulations.

Having five firms on retainer will ensure that we have access to the legal resources that we need in all relevant areas and at all times. We will be able to look to the strengths of a particular firm or attorney to suit our needs in a particular legal matter, and will be able to assign work in a manner that will ensure the most efficient and expert result.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Specialized Legal Services

Project Title & Number: DCN 2121

Project Location: HHC Central Office

Requesting Dept.: Office of Legal Affairs

Successful Respondents: Katten Muchin Rosenman; Moses & Singer; Epstein Becker & Green; Nixon Peabody; and Garfunkel Wild

Contract Amounts: Up to $465 per hour for partners; $245 to $415 per hour for associates (depending on experience); and $160 per hour for paraprofessionals, with 5% increase each option year.

Contract Terrms: Three years with 2 1-year options to renew exercisable solely by HHC.

Number of Respondents: 13
(If Sole Source, explain in Background section)

Range of Proposals:

	PARTNERS	6+ YEARS EXP	3-6 YRS EXP	<3 YRS EXP	PARALEGALS
RANGE	$200/hr – $465/hr	$175/hr – $415/hr	$175/hr – $390/hr	$175/hr - $245/hr	$85/hr – $160/hr

Minority Business Enterprise Invited: Yes

Funding Source: General Care

Method of Payment: Time and Rate

EEO Analysis: Pending

Compliance with HHC's McBride Principles? Certifications to be provided

Vendex Clearance Pending

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

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

The objective of the proposed retainer agreements is to provide the Corporation with continued access to expert knowledge, advice and representation in certain specialized areas of the law, including third-party reimbursement, corporate restructuring efforts, new corporate business ventures, new physician compensation arrangements, health care regulatory matters, affiliation contract negotiation and compliance and other matters including corporate, tax, labor, ERISA, real estate and antitrust issues.

The Board of Directors initially agreed to retain KMR (then known as Rosenman & Colin) in 1976 to monitor a class action brought by voluntary hospitals against the State and Federal governments challenging insufficient Medicaid reimbursement. While those hospitals eventiually agreed to a settlement of the action, HHC, on the advice of KMR, continued the litigation alone. Had HHC accepted the class settlement, it would have received approximately $1.7 million. Instead, KMR, by negotiating separately with the State, obtained, in September 1980, a settlement of $110 million, plus an additional $7 million "trend factor" adjustment. The Board subsequently authorized KMR to continue representing HHC with respect to obtaining its lawful reimbursement.

HHC has continued to benefit from representation by KMR. HHC has recovered or saved in excess of $1 billion over the years from administrative appeals and reimbursement litigations involving complex billing, coverage, eligibility and payment issues, and by defending HHC from a variety of threatened reimbursement recoupments and penalties. In addition, KMR's extensive experience in the general reimbursement and affiliation contracting arenas has resulted in millions of dollars in savings for HHC.

The legal issues relevant to the operation of the Corporation are vast, ever-growing and highly specialized and access to specialized legal services is required by the Corporation on an on-going basis. In 2008 the Corporation issued an RFP for these services and contract with Katten Muchin Rosenman as well and Moses & Singer. Moses and Singer had particular expertise in HIPAA and the legal matters related to clinical research. This year we conducted a new RFP and were pleased to receive proposals from several well-regarded health care firms. We have decided to contract with five firms so that have access to the legal resources that we need in all relevant areas and at all times.

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

The Contract Review Committee (CRC) reviewed and approved the issuance of a Request for Proposal (RFP) on its July 17, 2013 meeting.

The Contract is being presented for approval on October 23, 2013, 2013.

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

No.

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

Selection Committee Members:

1. Barbara Keller, Deputy Counsel, OLA, Chair
2. Salvatore J. Russo, SVP and General Counsel
3. Nancy Doyle, AVP, Workforce Planning and Development
4. Nelson Conde, Senior Director, Professional Services and Affiliations
5. Nini Mar, Director, Corporate Reimbursement
6. Maxine Katz, Senior AVP, Revenue Management
7. Kathy Garramone, CFO, North Bronx Healthcare Network

List of firms responding to RFP:

1. Katten Muchin Rosenman
2. Moses & Singer
3. Garfunkel Wild
4. Nixon Peabody
5. Epstein Becker and Greene
6. Phillips Lytle
7. Harris Beach
8. Dilworth Paxson
9. Hodgson Russ
10. Catherine Patsos
11. Sokoloff Stern
12, Pillsbury Winthrop
13. LeClair Ryan

All of the firms were considered except for Pillsbury Winthrop and Harris Beach as these firms submitted cost proposals in excess of the amount specifically allowed by the RFP. The selection committee considered the reputation and references of the firms; the firms' organization, resources and experience in a number of health law related areas important to HHC; and the staffing and cost efficiency reflected in the firms' proposals. Using these criteria, the firms were scored by the members of the selection committee who met twice to discuss their evaluations. The firms selected were the five highest rated.

Scope of work and timetable:

The firms will provide specialized legal counsel on an as-needed basis throughout the terms of the agreements.

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

The total amount of the work performed by the firms will be based upon use, with hours rates not exceeding $465 per hour for partners; $245 to $415 per hour for associates (depending on experience); and $160 per hour for paraprofessionals. The expertise of these firms make them excellent choices for providing cost-effective services and we anticipate that the services will result in savings for the Corporation. The rates are significantly lower than the rates charged by the firms to their private sector clients.

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

Katten Muchin Rosenman
FY11: $6,780,580 FY12: $7,197,877 FY13: $7,262,402

Moses & Singer
FY11: $880,478 FY12: $836,322 FY13: $1,256,628

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

Although internal Corporation staff from the Office of Legal Affairs (as well as Operations, Finance, and other divisions within HHC) work closely with outside counsel, the Corporation staff lacks the personnel, experience and the requisite highly specialized expertise, particularly in the areas of hospital finance and reimbursement. There are often situations in which HHC staff is prevented by potential conflicts of interest in addressing legal matters encountered by the Corporation. To the extent that HHC staff are capable of doing so, they perform all related factual, technical and legal work.

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

No.

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

Salvatore J. Russo, Senior Vice President and General Counsel

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

Received By E.E.O. _____
Date

*Analysis Completed By E.E.O.*_____
Date

_____
Name

INFORMATION ITEM # 1

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

nyc.gov/hhc

Review of Personal Services Key Indicators (FY 2014 1st Quarter)

PS Disbursements – Actual vs. Budget

Network/Facility	Actual PS thru September 2013 ($ in 000's)	Budgeted PS thru September 2013 ($ in 000's)	Budget Variance thru September 2013 ($ in 000's)
North Bronx			
Jacobi	59,577	59,740	163
NCB	19,420	19,602	182
Subtotal	**78,997**	**79,342**	**345**
Generations +			
Harlem	35,003	34,414	(589)
Lincoln	49,595	50,206	611
Morrisania	3,306	3,265	(41)
Renaissance	2,331	2,302	(29)
S.R. Belvis	2,165	2,034	(131)
Subtotal	**92,400**	**92,221**	**(179)**
South Manhattan			
Bellevue	74,923	75,051	128
Metropolitan	33,169	32,939	(230)
Coler	15,435	16,686	1,251
Goldwater	18,555	13,887	(4,668)
Gouverneur	11,123	11,370	247
HJ Carter	0	0	0
Subtotal	**153,205**	**149,933**	**(3,272)**
North Central Brooklyn			
Kings County	93,645	94,071	426
Woodhull	39,633	39,695	62
McKinney	5,443	5,170	(273)
Cumberland	3,539	3,678	139
ENY	3,548	3,544	(4)
Subtotal	**145,808**	**146,158**	**350**
S Brooklyn / Staten Is.			
Coney Island	40,177	40,227	50
Seaview	7,032	6,720	(312)
Subtotal	**47,209**	**46,947**	**(262)**
Queens			
Elmhurst	56,102	55,926	(176)
Queens	34,380	33,979	(401)
Subtotal	**90,482**	**89,905**	**(577)**
Facilities Total	**608,101**	**604,506**	**(3,595)**
Central Office	15,607	15,220	(387)
Certified Home Health	3,716	3,702	(14)
Enterprise IT	14,638	15,650	1,012
Grand Total	**642,062**	**639,078**	(2,984)

FTE Variance 06/15/13 - 9/21/13

Network/Facility	FTEs as of 6/15/13	FTEs as of 9/21/13	Increase (Decrease) in FTEs thru 9/21 /13
North Bronx			
Jacobi	3,296.5	3,328.0	31.5
NCB	1,088.0	1,085.5	(2.5)
Subtotal	**4,384.5**	**4,413.5**	**29.0**
Generations +			
Harlem	2,016.0	1,975.0	(41.0)
Lincoln	2,717.0	2,699.0	(18.0)
Morrisania	188.5	186.5	(2.0)
Renaissance	143.5	141.5	(2.0)
S.R. Belvis	104.5	104.5	-
Subtotal	**5,169.5**	**5,106.5**	**(63.0)**
South Manhattan			
Bellevue	4,149.5	4,192.0	42.5
Metropolitan	1,947.0	1,961.5	14.5
Coler	996.0	978.0	(18.0)
Goldwater	1,086.0	1,001.5	(84.5)
Gouverneur	597.0	579.5	(17.5)
HJ Carter	-	-	-
Subtotal	**8,775.5**	**8,712.5**	**(63.0)**
North Central Brooklyn			
Kings County	4,636.0	4,685.5	49.5
Woodhull	2,228.0	2,269.5	41.5
McKinney	318.0	319.5	1.5
Cumberland	221.0	220.0	(1.0)
ENY	191.5	195.5	4.0
Subtotal	**7,594.5**	**7,690.0**	**95.5**
S Brooklyn / Staten Is.			
Coney Island	2,322.5	2,341.0	18.5
Seaview	349.5	342.5	(7.0)
Subtotal	**2,672.0**	**2,683.5**	**11.5**
Queens			
Elmhurst	3,157.0	3,158.5	1.5
Queens	1,819.5	1,819.5	-
Subtotal	**4,976.5**	**4,978.0**	**1.5**
Facilities Total	**33,572.5**	**33,584.0**	**11.5**
Central Office	605.0	**650.0**	45.0
Certified Home Health	170.5	**175.5**	5.0
Enterprise IT	**658.0**	**676.0**	**18.0**
Grand Total	**35,006.0**	**35,085.5**	**79.5**

Note: RESIDENT HEADCOUNT FOR FISCAL YEAR END 2013 UTILIZES JUNE 1, 2013.

Corporate-wide FTE Variance by Category

Staffing Change June 2013 vs. September 2013	FTEs
Nurses*	61.5
Residents	50.0
Managers	40.5
Tech/Spec	17.0
Physicians	8.5
Clerical	(54.5)
Aides/Ord	(31.5)
Environmental/Hotel	(12.0)
Total	**79.5**
**Nurses include LPNs RNs & Nurse Practitioners*	

FY 2014 Overtime Actual vs. Budget

Network/Facility	Actual OT thru September 2013	OT Budget thru September 2013	Variance
North Bronx			
Jacobi	4727856	4582476	145,380
NCB	1,872,324	1,886,902	(14,578)
Subtotal	6,600,180	6,469,378	**$130,802**
Generations +			
Harlem	2,318,842	1,886,902	431,940
Lincoln	3,393,786	2,965,131	428,655
Morrisania	61,456	53,911	7,545
Renaissance	18,522	47,173	(28,651)
S.R. Belvis	23,865	20,217	3,648
Subtotal	5,816,471	4,973,334	**$843,137**
South Manhattan			
Bellevue	4,589,936	4,043,361	546,575
Metropolitan	1,657,325	1,482,566	174,759
Coler	1,325,913	792,815	533,098
Goldwater	2,217,283	1,551,491	665,792
Gouverneur	73,551	97,041	(23,490)
HJ Carter	-	-	-
Subtotal	9,864,008	**$7,967,274**	**1,896,734**
North Central Brooklyn			
Kings County	4,908,404	4,852,033	56,371
Woodhull	1,913,108	2,021,680	(108,572)
McKinney	634,738	539,115	95,623
Cumberland	137,224	134,779	2,445
ENY	44,130	44,477	(347)
Subtotal	7,637,604	7,592,084	**$45,520**
S Brooklyn / Staten Is.			
Coney Island	871,537	889,539	(18,002)
Seaview	329,839	229,124	100,715
Subtotal	1,201,376	1,118,663	**$82,713**
Queens			
Elmhurst	3,699,186	3,126,866	572,320
Queens	2,045,334	1,886,902	158,432
Subtotal	5,744,520	5,013,768	**$730,752**
Facilities Total	**$36,864,159**	**$33,134,501**	**$3,729,658**
Central Office	92,483	148,257	**($55,774)**
Certified Home Health	**$46,805**	**$33,695**	**$13,110**
Enterprise IT	217,981	229,124	**11,143**
Grand Total	**$37,221,428**	**$33,545,577**	**$3,675,851**

Overtime by Major Category FY 2014 vs. FY 2013

FYTD SEPTEMBER 2012 vs. FYTD SETEMBER 2013

GROUP	FYTD SEPTEMBER 2012	FYTD SEPTEMBER 2013	Inc./(Dec.) $	Inc./(Dec.) %
NURSING	10,423,429	11,185,300	761,871	7.3%
PLANT MAINT	7,179,617	9,794,332	2,614,715	36.4%
ALL OTHERS	15,259,603	16,241,796	982,193	6.4%
TOTAL	32,862,649	37,221,428	4,358,779	13.3%

Nurse Registry FY 2014 vs. FY 2013

Network/Facility	Nurse Registry thru September 2012	Nurse Registry thru September 2013	Variance
North Bronx			
Jacobi	$2,858,393	$1,974,669	(883,724)
NCB	$461,518	$334,217	(127,302)
Subtotal	**$3,319,911**	**$2,308,886**	**($1,011,026)**
Generations +			
Harlem	$1,886,543	$3,222,669	1,336,126
Lincoln	$2,645,611	$4,248,796	1,603,184
Morrisania	$37,720	$45,161	7,440
Renaissance	$8,178	$13,419	5,241
S.R. Belvis	$7,495	$47,446	39,951
Subtotal	**$4,585,547**	**$7,577,490**	**$2,991,942**
South Manhattan			
Bellevue	$3,293,180	$717,902	(2,575,278)
Metropolitan	$945,195	$930,133	(15,062)
Coler	$32,563	$6,941	(25,622)
Goldwater	$300,774	$188,536	(112,238)
Gouverneur	$78,932	$0	(78,932)
HJ Carter	$0	$0	-
Subtotal	**$4,650,643**	**$1,843,512**	**(2,807,131)**
North Central Brooklyn			
Kings County	$1,358,284	$2,388,271	1,029,987
Woodhull	$376,223	$581,106	204,883
McKinney	$632,632	$634,306	1,674
Cumberland	$0	$0	-
ENY	$17,884	$22,133	4,249
Subtotal	**$2,385,023**	**$3,625,817**	**$1,240,793**
S Brooklyn / Staten Is.			
Coney Island	$0	$0	-
Seaview	$0	$0	-
Subtotal	**$0**	**$0**	**$0**
Queens			
Elmhurst	$1,051,417	$971,350	(80,066)
Queens	$1,999,850	$2,155,192	155,342
Subtotal	**$3,051,267**	**$3,126,543**	**$75,276**
Facilities Total	**$17,992,392**	**$18,482,246**	**$489,855**
Central Office	$0	$21,550	21,550
Certified Home Health	$742,464	$765,421	**$22,957**
Grand Total	**$18,734,856**	**$19,269,217**	**$534,362**

Allowances FY 2014 vs. FY 2013

Network/Facility	Allowances thru September 2012	Allowances thru September 2013	Variance
North Bronx			
Jacobi	$111,345	$141,569	30,224
NCB	$54,309	$60,508	6,199
Subtotal	**$165,654**	**$202,077**	**$36,423**
Generations +			
Harlem	$707,890	$947,425	239,535
Lincoln	$1,567,289	$1,866,289	299,000
Morrisania	$23,479	$36,042	12,563
Renaissance	$15,632	$29,344	13,712
S.R. Belvis	$50,633	$63,494	12,861
Subtotal	**$2,364,923**	**$2,942,594**	**$577,671**
South Manhattan			
Bellevue	$1,171,263	$1,235,091	63,828
Metropolitan	$1,023,461	$949,765	(73,696)
Coler	$424,493	$390,218	(34,275)
Goldwater	$545,561	$453,063	(92,498)
Gouverneur	$950,025	$914,061	(35,964)
HJ Carter	$0	$0	-
Subtotal	**$4,114,803**	**$3,942,198**	**($172,605)**
North Central Brooklyn			
Kings County	$3,007,870	$3,167,860	159,990
Woodhull	$639,927	$761,059	121,132
McKinney	$266,126	$290,560	24,434
Cumberland	$44,792	$33,201	(11,591)
ENY	$54,614	$44,588	(10,026)
Subtotal	**$4,013,329**	**$4,297,268**	**$283,939**
S Brooklyn / Staten Is.			
Coney Island	$2,075,002	$1,737,219	(337,783)
Seaview	$1,549,494	$1,572,908	23,414
Subtotal	**$3,624,496**	**$3,310,127**	**($314,369)**
Queens			
Elmhurst	$389,526	$612,417	222,891
Queens	$946,283	$1,602,308	656,025
Subtotal	**$1,335,809**	**$2,214,725**	**$878,916**
Facilities Total	**$15,619,014**	**$16,908,989**	**$1,289,975**
Central Office	**$165,874**	**$187,217**	**$21,343**
Certified Home Health	**$391,499**	**$385,212**	**($6,287)**
Enterprise IT	**$51,742**	**$47,010**	**($4,732)**
Grand Total	**$16,228,129**	**$17,528,428**	**$1,300,299**

INFORMATION ITEM # 2

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
INPATIENT PAYOR MIX
Fiscal Year 2014 Quarter 1 Report

INPATIENT: Percentage of Total Discharges For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Corporate Total
Medicaid Total												
2014	**49.2**	**47.7**	**58.6**	**61.4**	**60.4**	**60.1**	**64.2**	**66.2**	**62.7**	**60.7**	**71.0**	**59.4**
2013	**49.7**	**50.2**	**59.0**	**61.4**	**59.2**	**62.6**	**66.5**	**67.8**	**69.0**	**62.0**	**70.6**	**60.4**
Medicaid												
2014	20.6	20.6	17.3	20.2	19.9	25.3	17.3	24.9	21.0	23.5	25.2	**21.1**
2013	20.7	19.8	17.8	22.1	19.2	27.0	19.6	26.2	19.9	24.0	25.3	**21.8**
Medicaid Plans												
2014	28.5	27.1	41.3	41.2	40.4	34.7	47.0	41.3	41.7	37.2	45.8	**38.3**
2013	29.0	30.4	41.1	39.3	40.0	35.6	46.9	41.6	49.2	38.0	45.4	**38.6**
Medicare Total												
2014	**18.5**	**39.6**	**19.2**	**20.9**	**20.8**	**19.9**	**22.1**	**19.8**	**22.5**	**21.8**	**15.2**	**21.2**
2013	**17.0**	**35.4**	**19.2**	**21.1**	**20.0**	**18.0**	**20.3**	**20.1**	**17.5**	**22.4**	**17.0**	**20.5**
Medicare												
2014	11.3	29.5	10.9	10.7	12.5	10.0	8.7	9.9	12.7	12.6	8.1	**11.9**
2013	10.7	26.1	11.3	11.0	12.8	9.8	9.1	10.3	10.9	13.0	9.8	**12.1**
Medicare Plans												
2014	7.2	10.1	8.3	10.2	8.3	9.9	13.4	9.9	9.8	9.1	7.1	**9.3**
2013	6.3	9.3	7.9	10.1	7.2	8.2	11.2	9.9	6.6	9.4	7.2	**8.4**
Commercial												
2014	**10.2**	**6.9**	**8.3**	**7.5**	**10.3**	**11.4**	**7.3**	**5.6**	**5.9**	**8.1**	**5.9**	**8.5**
2013	**9.4**	**7.5**	**7.9**	**9.0**	**11.8**	**10.9**	**6.8**	**4.6**	**6.5**	**6.9**	**5.5**	**8.3**
Other												
2014	**8.3**	**0.2**	**2.1**	**0.2**	**0.2**	**0.2**	**0.5**	**0.2**	**0.4**	**0.4**	**0.1**	**1.6**
2013	**7.9**	**0.2**	**2.1**	**0.2**	**0.6**	**0.2**	**0.7**	**0.1**	**0.4**	**0.7**	**0.1**	**1.6**
Uninsured												
2014	**13.8**	**5.7**	**11.8**	**10.0**	**8.2**	**8.4**	**5.9**	**8.2**	**8.6**	**9.0**	**7.8**	**9.2**
2013	**16.0**	**6.7**	**11.8**	**8.4**	**8.4**	**8.3**	**5.6**	**7.4**	**6.6**	**7.9**	**6.7**	**9.1**
HHC Options												
2014	2.2	2.2	3.7	1.5	0.9	0.9	0.7	2.1	1.6	3.0	2.4	**1.9**
2013	1.3	2.5	2.8	1.7	1.0	1.0	1.2	1.6	1.2	2.2	4.0	**1.8**
Self Pay												
2014	11.6	3.5	8.2	8.5	7.3	7.5	5.2	6.2	7.0	5.9	5.4	**7.3**
2013	14.7	4.2	9.0	6.7	7.4	7.4	4.4	5.8	5.4	5.7	2.7	**7.3**

FY14 (July 2013 - September 2013) run on 10/29/13
FY13 (July 2012 - September 2012) run on 11/9/12

Note: All numbers are percentages.

Medicaid Plans: Medicaid Managed Care and Family Health Plus Plans
Medicare Plans: Medicare Advantage Plans
Commercial Plans: Commercial Insurance, Managed Care Plans, Child Health Plus No-Fault, Worker's Comp and Blue Cross
Other: Federal, State, City agencies, Uniformed Services and Prisoners

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
OUTPATIENT ADULT PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2014 Quarter 1 Report

OUTPATIENT ADULT: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2014	**36.8**	**34.9**	**39.4**	**46.5**	**48.7**	**45.8**	**45.4**	**47.6**	**54.6**	**40.1**	**42.7**	**52.0**	**47.9**	**49.0**	**34.9**	**52.6**	**40.3**	**42.9**
2013	**38.9**	**37.7**	**41.0**	**46.5**	**48.2**	**47.8**	**43.8**	**47.4**	**56.3**	**41.0**	**44.9**	**52.5**	**50.0**	**51.1**	**36.1**	**52.6**	**39.2**	**44.1**
Medicaid																		
2014	8.4	7.0	8.5	9.5	9.8	10.6	8.5	14.1	9.2	8.9	8.2	4.6	10.3	3.7	6.9	4.7	2.8	**9.0**
2013	12.7	7.4	8.8	10.2	10.0	11.9	8.3	13.0	10.9	9.4	9.2	4.4	9.3	4.4	3.7	5.2	3.9	**9.7**
Medicaid Plans																		
2014	28.3	27.9	30.8	36.9	38.9	35.1	36.8	33.5	45.4	31.1	34.4	47.4	37.7	45.4	28.0	47.9	37.5	**33.9**
2013	26.2	30.3	32.2	36.3	38.2	35.9	35.4	34.4	45.3	31.6	35.7	48.1	40.8	46.7	32.4	47.4	35.4	**34.4**
Medicare Total																		
2014	**18.0**	**19.6**	**14.2**	**21.2**	**19.3**	**14.4**	**19.6**	**19.3**	**14.6**	**18.6**	**18.1**	**14.2**	**13.3**	**16.2**	**24.2**	**13.7**	**15.5**	**17.9**
2013	**17.4**	**19.8**	**14.0**	**21.1**	**18.0**	**13.0**	**20.8**	**20.3**	**13.6**	**18.3**	**18.7**	**13.6**	**12.0**	**15.4**	**25.0**	**12.7**	**15.4**	**17.6**
Medicare																		
2014	8.7	11.5	6.6	10.2	9.6	7.7	7.0	8.6	7.2	8.6	7.3	4.5	6.3	6.2	9.9	4.7	5.5	**8.2**
2013	9.1	11.8	6.8	10.4	9.6	7.0	8.2	9.2	7.0	8.8	7.4	4.6	5.3	6.6	10.4	5.2	5.2	**8.4**
Medicare Plans																		
2014	9.3	8.1	7.7	11.1	9.7	6.7	12.5	10.7	7.4	10.0	10.8	9.7	7.0	10.0	14.3	8.9	10.0	**9.7**
2013	8.2	8.0	7.2	10.8	8.5	6.0	12.7	11.1	6.6	9.5	11.3	9.0	6.7	8.8	14.6	7.6	10.3	**9.2**
Commercial																		
2014	**8.1**	**6.4**	**7.4**	**6.8**	**10.2**	**7.7**	**11.6**	**5.4**	**9.1**	**5.5**	**4.9**	**6.5**	**7.5**	**4.8**	**5.7**	**8.4**	**7.1**	**7.4**
2013	**8.6**	**6.5**	**7.8**	**6.9**	**10.6**	**7.6**	**13.3**	**5.8**	**7.9**	**5.5**	**5.4**	**5.9**	**8.5**	**4.4**	**7.3**	**8.3**	**5.5**	**7.8**
Other																		
2014	**3.1**	**0.5**	**0.9**	**0.4**	**1.5**	**0.4**	**1.1**	**0.2**	**0.2**	**0.5**	**0.5**	**0.1**	**0.3**	**0.0**	**1.2**	**0.0**	**0.0**	**0.9**
2013	**2.7**	**0.8**	**0.9**	**0.4**	**2.0**	**0.4**	**1.0**	**0.2**	**0.3**	**0.5**	**0.6**	**0.0**	**0.2**	**0.0**	**0.9**	**0.0**	**0.0**	**0.9**
Uninsured Total																		
2014	**34.0**	**38.7**	**38.1**	**25.1**	**20.3**	**31.7**	**22.4**	**27.5**	**21.5**	**35.4**	**33.8**	**27.2**	**31.0**	**29.9**	**33.9**	**25.3**	**37.1**	**30.9**
2013	**32.4**	**35.1**	**36.3**	**25.0**	**21.2**	**31.3**	**21.1**	**26.3**	**22.0**	**34.7**	**30.4**	**28.1**	**29.3**	**29.2**	**30.7**	**26.4**	**39.9**	**29.6**
HHC-Options																		
2014	22.3	23.0	29.9	13.5	11.8	24.1	9.0	20.0	14.9	24.8	27.2	16.2	27.6	23.0	27.7	22.5	22.9	**21.5**
2013	22.0	22.3	29.4	12.9	11.1	23.3	10.0	18.7	15.2	23.1	24.8	19.5	25.2	23.3	25.4	22.9	22.8	**20.7**
Self Pay																		
2014	11.8	15.7	8.2	11.7	8.5	7.6	13.3	7.5	6.6	10.6	6.6	11.0	3.4	6.9	6.3	2.8	14.2	**9.4**
2013	10.4	12.8	6.9	12.2	10.1	8.0	11.0	7.7	6.8	11.6	5.6	8.5	4.1	5.9	5.4	3.5	17.1	**8.9**

FY14 (July 2013 - September 2013) run on 10/29/13
FY13 (July 2012 - September 2012) run on 11/9/12

Note: All numbers are percentages.

Medicaid Plans: Medicaid Managed Care and Family Health Plus Plans
Medicare Plans: Medicare Advantage Plans
Commercial Plans: Commercial Insurance, Managed Care Plans, No-Fault, Worker's Comp and Blue Cross
Other: Federal, State, City agencies, Uniformed Services and Prisoners

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
OUTPATIENT PEDIATRIC PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2014 Quarter 1 Report

OUTPATIENT PEDIATRIC: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2014	**81.6**	**77.7**	**83.7**	**83.1**	**81.6**	**70.9**	**79.8**	**86.7**	**83.5**	**74.3**	**80.7**	**86.3**	**76.2**	**79.1**	**81.8**	**86.8**	**75.0**	**80.5**
2013	**83.2**	**78.8**	**83.2**	**82.6**	**79.6**	**70.2**	**77.1**	**87.3**	**81.7**	**72.8**	**81.2**	**84.1**	**77.9**	**76.8**	**80.8**	**87.3**	**72.7**	**79.8**
Medicaid																		
2014	6.5	7.2	4.5	8.8	6.0	6.0	7.5	7.9	4.1	6.0	7.4	3.3	5.5	4.0	5.2	5.1	5.2	**6.1**
2013	8.5	7.3	5.5	9.1	7.5	9.0	7.4	8.9	5.3	7.2	9.0	4.5	6.9	5.9	6.3	5.5	5.8	**7.3**
Medicaid Plans																		
2014	75.1	70.5	79.2	74.3	75.7	64.9	72.3	78.8	79.4	68.3	73.4	83.0	70.8	75.1	76.6	81.7	69.8	**74.4**
2013	74.6	71.5	77.7	73.4	72.1	61.2	69.8	78.4	76.5	65.7	72.3	79.6	71.0	70.9	74.5	81.9	66.8	**72.5**
Commercial Total																		
2014	**8.6**	**9.5**	**9.1**	**10.4**	**11.3**	**14.2**	**11.1**	**7.6**	**8.8**	**15.2**	**9.5**	**7.5**	**10.1**	**10.6**	**10.3**	**6.2**	**13.5**	**10.4**
2013	**8.5**	**10.4**	**9.9**	**10.5**	**12.2**	**14.8**	**13.1**	**7.9**	**10.5**	**15.8**	**9.3**	**8.6**	**10.6**	**12.8**	**11.9**	**6.4**	**15.2**	**11.1**
Child Health Plus																		
2014	3.6	4.2	6.0	3.0	3.9	4.4	3.3	4.5	3.9	6.3	3.9	3.3	4.3	4.8	4.7	2.9	4.7	**4.3**
2013	4.2	4.6	6.8	3.5	5.1	5.0	4.0	4.4	5.7	7.8	5.0	4.6	4.9	6.1	5.4	3.0	5.7	**5.1**
Non-CHP Plans																		
2014	5.0	5.4	3.0	7.4	7.5	9.8	7.7	3.1	4.9	8.8	5.5	4.2	5.8	5.8	5.7	3.3	8.8	**6.0**
2013	4.3	5.8	3.1	7.0	7.1	9.8	9.1	3.5	4.8	8.1	4.2	4.0	5.7	6.7	6.5	3.4	9.5	**6.0**
Other																		
2014	**0.2**	**0.2**	**0.2**	**0.0**	**0.5**	**0.4**	**1.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.3**
2013	**0.3**	**0.2**	**0.2**	**0.4**	**0.5**	**0.5**	**0.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**
Uninsured Total																		
2014	**9.6**	**12.6**	**7.0**	**6.5**	**6.5**	**14.5**	**8.0**	**5.7**	**7.7**	**10.5**	**9.8**	**6.2**	**13.7**	**10.2**	**7.9**	**6.9**	**11.5**	**8.9**
2013	**8.1**	**10.6**	**6.6**	**6.6**	**7.7**	**14.5**	**8.9**	**4.8**	**7.7**	**11.3**	**9.4**	**7.3**	**11.4**	**10.4**	**7.3**	**6.2**	**12.1**	**8.8**
HHC-Options																		
2014	2.0	0.9	0.7	0.4	0.8	8.6	0.4	0.8	1.6	1.0	3.1	1.3	4.0	5.7	1.1	4.3	0.3	**2.2**
2013	1.8	1.0	0.9	0.4	0.9	8.0	0.7	0.6	1.7	0.9	2.9	2.6	3.0	5.2	1.5	3.3	0.4	**2.1**
Self Pay																		
2014	7.6	11.7	6.3	6.1	5.7	5.9	7.6	4.9	6.1	9.6	6.6	5.0	9.7	4.6	6.8	2.6	11.2	**6.8**
2013	6.3	9.6	5.7	6.3	6.8	6.6	8.2	4.3	6.0	10.4	6.6	4.8	8.5	5.2	5.8	2.9	11.8	**6.7**

FY14 (July 2013 - September 2013) run on 10/29/13
FY13 (July 2012 - September 2012) run on 11/9/12

Note: All numbers are percentages.

Medicaid Plans: Medicaid Managed Care and Family Health Plus Plans
Medicare Plans: Medicare Advantage Plans
Commercial Plans: Commercial Insurance, Managed Care Plans, Child Health Plus No-Fault, Worker's Comp and Blue Cross
Other: Federal, State, City agencies, Uniformed Services and Prisoners

INFORMATION ITEM # 3

New York City Health and Hospitals Corporation
Monthly Medicaid Inpatient Processing Report
FY'2014-2013

	Fiscal Year To Date As of SEPTEMBER 2013						
FACILITY	Medicaid Applications Submitted	Medicaid Eligible Decisions*	Percent of Decisions to Submitted	Ineligible Decisions	Addt'l Info Requested	PCAP Applications Submitted	Perinatal Care Assistance Program (PCAP) Eligible
BELLEVUE	1,267	1,032	81.5%	130	111	269	234
CONEY ISLAND	492	364	74.0%	46	30	121	98
ELMHURST	921	921	100.0%	36	45	657	593
HARLEM	454	389	85.7%	27	31	154	105
JACOBI	814	596	73.2%	108	66	304	277
KINGS	1,047	1,007	96.2%	26	32	315	248
LINCOLN	653	706	108.1%	8	19	312	267
METROPOLITAN	416	347	83.4%	31	24	224	204
NCB	273	196	71.8%	41	43	193	178
QUEENS	548	518	94.5%	8	29	250	257
WOODHULL	577	558	96.7%	10	11	289	273
TOTAL	7,462	6,634	88.9%	471	441	3,088	2,734

	Fiscal Year To Date As of SEPTEMBER 2012						
FACILITY	Medicaid Applications Submitted	Medicaid Eligible Decisions*	Percent of Decisions to Submitted	Ineligible Decisions	Addt'l Info Requested	PCAP Applications Submitted	Perinatal Care Assistance Program (PCAP) Eligible
BELLEVUE	1,219	882	72.4%	137	122	140	172
CONEY ISLAND	722	571	79.1%	69	47	192	181
ELMHURST	964	1,006	104.4%	34	31	689	678
HARLEM	393	325	82.7%	13	30	131	128
JACOBI	720	655	91.0%	100	39	297	271
KINGS	1,123	1,105	98.4%	46	59	414	429
LINCOLN	670	637	95.1%	13	22	336	307
METROPOLITAN	447	436	97.5%	22	13	236	244
NCB	288	243	84.4%	24	35	243	237
QUEENS	673	617	91.7%	21	26	251	269
WOODHULL	511	526	102.9%	42	17	308	312
TOTAL	7,730	7,003	90.6%	521	441	3,237	3,228

*** The number of eligible decisions does not directly relate to the number of applications submitted.**

New York City Health and Hospitals Corporation
Monthly Medicaid Inpatient Application Submissions

Quarter To Date As of September 2013

FACILITY	Medicaid Applications Submitted YTD	First Quarter FY13	Second Quarter FY13	Third Quarter FY13	Fourth Quarter FY13
BELLEVUE	1,267	1,267			
CONEY ISLAND	492	492			
ELMHURST	921	921			
HARLEM	454	454			
JACOBI	814	814			
KINGS	1,047	1,047			
LINCOLN	653	653			
METROPOLITAN	416	416			
NCB	273	273			
QUEENS	548	548			
WOODHULL	577	577			
TOTAL	7,462	7,462			

Quarter To Date As of September 2012

FACILITY	Medicaid Applications Submitted YTD	First Quarter FY12	Second Quarter FY12	Third Quarter FY12	Fourth Quarter FY12
BELLEVUE	1,219	1,219			
CONEY ISLAND	722	722			
ELMHURST	964	964			
HARLEM	393	393			
JACOBI	720	720			
KINGS	1,123	1,123			
LINCOLN	670	670			
METROPOLITAN	447	447			
NCB	288	288			
QUEENS	673	673			
WOODHULL	511	511			
TOTAL	7,730	7,730			

*** The number of eligible decisions does not directly relate to the number of applications submitted.**

INFORMATION ITEM # 4

Potential Capital Lease Bidders

Bank:	Bank of America	BB&T Equipment Finance	Chase Equipment / JP Morgan[1,2]	PNC	RBS Citizens	TD Bank[2]	U.S. Bank, N.A	Wells Fargo
Program Size:	2nd Largest US Bank	Regional bank based in Southeast	Largest US Bank	Mid Atlantic Regional Bank	Large British Bank	Canadian/ Northeast Regional Bank	Mid-Sized Bank	4th Largest US Bank
Credit Rating:	A3/A/A	A2/A-/A+	Aa3/A+/A+	A2/A/A+	A3/A/A-	Aa3/AA-/AA-	A1/A+/AA-	A2/A+/AA-

1. Long Term/Senior Debt Ratings as of November 1st
2. Serves as Letter of Credit Provider for the Corporation's variable rate demand bonds.

Bid Evaluation Framework

Summary of Lease Bids	Bank of America	BB&T Equipment Finance	Chase Equipment / JP Morgan[1,2]	PNC	RBS Citizens	TD Bank[2]	U.S. Bank, N.A.	Wells Fargo
Program Size:	2nd Largest US Bank	Regional bank based in Southeast	Largest US Bank	Mid Atlantic Regional Bank	Large British Bank	Canadian/ Northeast Regional Bank	Mid-Sized Bank	4th Largest US Bank
Credit Rating:	A3/A/A	A2/A-/A+	Aa3/A+/A+	A2/A/A+	A3/A/A-	Aa3/AA-/AA-	A1/A+/AA-	A2/A+/AA-
Commitment Amount:								
Expiration Date:								
Structure:								
Security:								
Lease Term:								
Annual Interest Rate:								
Semiannual Payment:								
Prepayment Premium:								
Expenses								

1. Long Term/Senior Debt Ratings as of November 1st
2. Serves as Letter of Credit Provider for the Corporation's variable rate demand bonds.

Anticipated Financing – Timeline

Week	Task	Responsible Party
Week 1	• Distribute RFP including draft financing agreement and anticipated equipment list	• ALL
Week 2-3	• Conference Call with Lenders to discuss questions and follow with lenders to determine whether additional information is required	• HHC, PFM
Week 4	• Receive Responses and Prepare Executive Summary of Responses • Select Lender / Negotiate Key Terms	• PFM, HHC
Week 5	• Circulate Documents / Conference Call to Discuss Documentation	• ALL
Week 6	• Circulate Revised Documentation / Closing Transaction	• Bond Counsel

Key

- HHC – New York City Health and Hospitals Corporation
- FA – Financial Advisor (PFM)
- Bond Counsel (Hawkins)