

<p><u>CALL TO ORDER - 4 PM</u></p>	<p>Dr. Barrios-Paoli</p>
<p>Call for a Motion to Convene in Executive Session</p>	
<p><u>Executive Session / Facility Governing Body Report</u></p>	
<p>➤Lincoln Medical &amp; Mental Health Center      ➤Gouverneur Health Services</p>	
<p><u>Semi-Annual Governing Body Report (Written Submission Only)</u></p>	
<p>➤Queens Hospital Center</p>	
<p><u>OPEN SESSION – 5 PM</u></p>	<p>Dr. Barrios-Paoli</p>
<p>1. Adoption of Minutes: January 28, 2016</p>	
<p><u>Chair’s Report</u></p>	<p>Dr. Barrios-Paoli</p>
<p><u>President’s Report</u></p>	<p>Dr. Raju</p>
<p>➤<b>Information Item:</b> *Correctional Health Services Transition Update –</p>	
<p>Presenter: Patricia Yang, Dr.PH, Senior Vice President, Correctional Health Services</p>	
<p>&gt;&gt;Action Items&lt;&lt;</p>	
<p>2. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute an <b>amendment</b> of the December 24, 2014 <b>sublease with Draper Homes Housing Development Fund</b> as nominee for <b>Draper Hall Apartments LLC</b> (“Tenant I”) to provide for the return to NYC Health + Hospitals of approximately 15,150 square feet included in such lease (the “Draper II Site”) on the campus of Metropolitan Hospital Center and to <b>simultaneously execute a sublease with Draper Family Housing Development Fund Corporation</b> or such other housing development fund company as shall be approved by both NYC Health + Hospitals and the New York City Department of Housing Preservation and Development (“HPD”) (the “HDFC”) as nominee for Gilbert on First LLC (in such capacities being referred to together with the HDFC as “Tenant II”) of the Draper II Site for a term of 99 years, inclusive of Tenant II options for the development of a 14 story structure on the Draper II Site with approximately 131 apartments for low and moderate income individuals and families at a rent payable to NYC Health + Hospitals of not less than \$75,000 per year. (Capital Committee – 02/11/2016)</p>	<p>Ms. Youssouf</p>
<p>3. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”), or his delegate, to enter into an <b>enterprise-wide agreement</b> with <b>Microsoft Corporation</b> for renewal of software licenses and maintenance and support agreements in an amount not to exceed \$38,439,048 (which includes a 10% contingency of \$3,494,459) for a three-year period. (Information Technology Committee – 02/11/2016) <i>EEO: Conditional / VENDEX: Pending</i></p>	<p>Dr. Barrios-Paoli</p>
<p><u>Committee Reports</u></p>	
<p>➤Audit</p>	<p>Ms. Youssouf</p>
<p>➤Capital</p>	<p>Ms. Youssouf</p>
<p>➤Community Relations</p>	<p>Mrs. Bolus</p>
<p>➤Finance</p>	<p>Mr. Rosen</p>
<p>➤Information Technology</p>	<p>Dr. Barrios-Paoli</p>
<p>➤Medical &amp; Professional Affairs</p>	<p>Dr. Calamia</p>
<p>&gt;&gt;Old Business&lt;&lt;</p>	
<p>&gt;&gt;New Business&lt;&lt;</p>	
<p>Adjournment</p>	<p>Dr. Barrios-Paoli</p>

## NYC HEALTH + HOSPITALS

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 28th day of January 2016 at 4:00 P.M. pursuant to a notice which was sent to all of the Directors of the NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

Dr. Lilliam Barrios-Paoli  
Dr. Ramanathan Raju  
Mrs. Josephine Bolus  
Dr. Jo Ivey Boufford  
Dr. Vincent Calamia  
Ms. Anna Kril  
Ms. Barbara A. Lowe  
Mr. Robert Nolan  
Mr. Mark Page  
Dr. Herminia Palacio  
Mr. Bernard Rosen

Jennifer Yeaw was in attendance representing Commissioner Steven Banks in a voting capacity. Dr. Barrios-Paoli chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

Dr. Barrios-Paoli introduced and welcomed Dr. Herminia Palacio, Deputy Mayor for Health and Human Services for the City of New York.

Dr. Barrios-Paoli received the Board's approval to convene an Executive Session to discuss matters of quality assurance.

**FACILITY GOVERNING BODY/EXECUTIVE SESSION**

The Board convened in Executive Session. When it reconvened in open session, Dr. Barrios-Paoli reported that, 1) the Board of Directors, as the governing body of NYC Health + Hospitals/Kings County, received an oral report and written governing body submission and reviewed, discussed and adopted the facility's report presented; (2) as governing body of NYC Health + Hospitals/McKinney, the Board reviewed, discussed and adopted the facility's report presented; and (3) as governing body of NYC Health + Hospitals/Elmhurst, the Board reviewed and approved its semi-annual written report.

**ADOPTION OF MINUTES**

The minutes of the meeting of the Board of Directors held on December 27, 2015 were presented to the Board. Then on motion made by Dr. Barrios-Paoli and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on December 27, 2015, copies of which have been presented to this meeting, be and hereby are adopted.

**CHAIRPERSON'S REPORT**

Dr. Barrios-Paoli thanked the Board members for their participation in the public hearings held on January 5<sup>th</sup> at NYC Health + Hospitals/Metropolitan and January 7<sup>th</sup> at NYC Health + Hospitals/Woodhull.



Dr. Barrios-Paoli reminded the Board about the 2016 Joint Commission Board orientation session on February 22, 2016.

Dr. Barrios-Paoli updated the Board on approved and pending Vendex.

#### PRESIDENT'S REPORT

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

Dr. Raju welcomed Deputy Mayor Dr. Herminia Palacio to the NYC Health + Hospitals Board of Directors.

#### ACTION ITEMS

##### RESOLUTION

2. Authorizing the President of the NYC Health + Hospitals to enter into a contract with **Lightower Fiber Networks** to build, deploy and support an enterprise-wide area Network and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency, for the initial five-year term.

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

##### RESOLUTION

3. Authorizing the President of NYC Health + Hospitals to execute a 99 year **sublease** (including tenant renewal options) with **Comunilife, Inc.** or an affiliate formed for the transaction, of a parcel of approximately 13,000 square feet within the parking lot of **Woodhull** Medical and Mental Health Center to be used for the development of a six story building with 89 studio apartments including 36 for low income individuals and 53 for low income individuals living with mental

illness who are appropriate for independent living in the community at an annual rent of \$75,000.

Mr. Russo informed the Board of an amendment to the resolution changing the low income individual units to 35 and the low income individuals living with mental illness to 54 units.

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

#### RESOLUTION

4. Authorizing the President of NYC Health + Hospitals to execute a **Customer Installation Commitment** with the **New York City Department of Citywide Administrative Services and the New York Power Authority** for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project at **NYC Health + Hospitals/Kings County**.

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

#### RESOLUTION

5. Authorizing the President of the NYC Health + Hospitals to execute **Job Order Contracts (JOC)** with two (2) firms: **MSR Electric** and **Arcadia Electrical Company** that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.

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



**RESOLUTION**

6. Authorizing the President of the NYC Health + Hospitals to execute **Job Order Contracts (JOC)** with two (2) firms: **Startec Mechanical, LLC** and **Volmar Construction, Inc.** that were prequalified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 million.

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

**RESOLUTION**

7. Authorizing the Executive Director of **MetroPlus Health Plan, Inc.** to negotiate and execute a contract with **Milton Samuels Advertising & Public Relations**, to provide media buying and advertising services for a term of three years with two 1-year to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year.

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

**INFORMATION ITEM**

Randall Mark, Chief of Staff, updated the Board on the Executive search process in connection with NYC Health + Hospitals 2020 goals.

**SUBSIDIARY AND BOARD COMMITTEE REPORTS**

Attached hereto is a compilation of reports of the NYC Health + Hospitals Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by Dr. Barrios-Paoli at

the Board meeting.

**ADJOURNMENT**

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:07 P.M.

A handwritten signature in cursive script, appearing to read "Salvatore J. Russo". The signature is written in dark ink and is positioned above the printed name.

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

# COMMITTEE REPORTS

## Capital Committee – January 14, 2016

### As reported by Ms. Emily Youssouf

#### Senior Assistant Vice President's Report

Roslyn Weinstein, Senior Assistant Vice President, Operations, provided an overview of the meeting agenda. She advised that there would be two action items seeking authorization to enter into Job Order Contracts (JOCs) for mechanical and electrical services to be used system-wide, and those contracts would be the same as those previously presented as Indefinite Quantity Construction Contracts (IQCCs). She explained that JOC was a more commonly used acronym, City wide, and a more recognizable terminology with contractors, and therefore the term JOCs would be used from this point forward. Ms. Weinstein noted that a resolution for a sublease with Comunilife was on the agenda, for which a public hearing had taken place on January 7, 2016. She explained that the final two items to be presented would be related to an energy project at NYC Health + Hospitals / Kings County Hospital Center, and leased space for the Assertive Care Treatment (ACT) Team operated by NYC Health + Hospitals / East New York Diagnostic & Treatment Center.

In conclusion, Ms. Weinstein advised that she would provide an update on a lease at 875 Manhattan Avenue, at the February Capital Committee meeting.

That concluded Ms. Weinstein's report.

Ms. Youssouf advised that the action items would begin with the last item on the agenda, the resolution seeking authorization to execute a sublease agreement with Comunilife, Inc.

#### Action Items:

*Authorizing the President of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a 99 year sublease (including tenant renewal options) with Comunilife, Inc. or an affiliate formed for the transaction (the "Tenant"), of a parcel of approximately 13,000 square feet within the parking lot of Woodhull Medical and Mental Health Center (the "Facility") to be used for the development of a six story building with 89 studio apartments including 36 for low income individuals and 53 for low income individuals living with mental illness who are appropriate for independent living in the community at an annual rent of \$75,000.*

LaRay Brown, Senior Vice President, Corporate Planning and Community Outreach, read the resolution into the record. Ms. Brown was joined by Rosa Gill, President and Chief Executive Officer, Comunilife, Inc., and Emily Lehman, Director, New York City Department of Housing Preservation and Development (HPD).

Ms. Brown noted that the 53 apartments for low income individuals would be for patients from NYC Health + Hospitals / Woodhull Medical and Mental Health Center.

Ms. Youssouf asked for an overview of the project. Ms. Brown explained that Community engagement surrounding this project had been thorough, with numerous meetings having taken place with the Community Board, their land-use and community services groups, and local individuals. There was extensive outreach to local public housing developments, as Health + Hospitals wanted to be sure they understood the project and had a chance to discuss their concerns. She said she and colleagues had also met with local school representatives. She concluded that every effort was made to make everybody comfortable and fully informed. She then asked Ms. Gill to provide more detail on the project itself.

Ms. Gill expressed excitement in moving forward, and explained that the changing healthcare environment in the City, throughout the State and across the Country, made these projects very important. This project, she said, will have 88 units, 53 for psychiatry inpatients from Woodhull. The individuals will be deemed prepared for discharge and capable of living independently, through assessments completed by Department of Psychology staff at NYC Health + Hospitals / Woodhull and by Comunilife staff. The patients will continue to receive services at NYC Health + Hospitals / Woodhull. She noted that continuous care was very important for these individuals and it was expected that this living arrangement would help manage and monitor that. A host of services would be available, including, case management, 24 hour security, and vocational rehabilitation. A laundry facility, community space, bicycles, landscaping and an outdoor/patio space were also part of the project.

Ms. Brown asked Ms. Lehman to review the project cost and funding.



Ms. Lehman thanked Health + Hospitals for their continued partnership and support. She explained that funding for the project included a Capital Subsidy loan from HPD for approximately \$7.8 million, Federal Low Income Tax Credits applied for by New York State Homes and Community Renewal (HCR), a \$3 million Capital loan from the State through its Medicaid Redesign Team (MRT) program and an approximately \$3.2 million commercial bank loan through a private lender. The project would also secure social service funding for the supportive housing units in the building.

Ms. Youssouf noted that funding was not entirely in place at present and asked what would happen if the resolution were approved but funding did not line up as planned. Are we protected, she asked.

Mr. Berman explained that authorization from the Capital Committee and subsequently the full Board of Directors would allow for proceeding with the transaction but did not require it. The transaction would culminate at a closing and a closing would only occur were the financing and loans in place. The contract and lease would not close and the project would not move forward if said funding were not in place. He stated that the resolution would have to come back before the Committee and full Board were it not as proposed and approved. Ms. Lehman added that HPD was prepared to issue tax credits through their next cycle if they did not come through the State. Ms. Youssouf asked if it were the same for the vouchers. Ms. Lehman said yes.

Ms. Youssouf asked if the development project would be effected as a result of recent fair housing legal disagreements. Ms. Lehman said that she was unsure of any recent developments but HPD was continuing to operate with their current policies in place.

Mark Page, asked how the \$75,000 annual lease payment was determined. Ms. Lehman said that it was determined based on financing for the project and how much of a payment the project could support and still have a positive cash flow through year 30, which was when the bank loan would mature.

Josephine Bolus, RN, asked whether the housing was permanent. Ms. Gill said yes, the tenants sign a lease and remain as long as they can be maintained within the apartment, receiving services.

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

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

*Authorizing the President of New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five-year lease extension agreement with Charrua Realty LLC (the "Landlord") for approximately 2,240 square feet of ground floor space at 2619 Atlantic Avenue, Borough of Brooklyn to house the Assertive Care Treatment Team ("ACT") program operated by NYC Health + Hospitals/East New York with Gotham Health FQHC, Inc. (the "Facility") at a rate of \$18.75 per square foot, or \$42,000 per year to be escalated by 3% per year for a total rental amount over the five year term of \$222,983.64.*

Sheldon McLeod, Chief Operating Officer, NYC Health + Hospitals / Kings County Hospital Center, read the resolution into the record. Mr. McLeod was joined by Lennox DeBarros, Senior Associate Director, NYC Health + Hospitals / East New York Diagnostic & Treatment Center.

Ms. Youssouf asked for a description of the program. Mr. DeBarros explained that the program, designed by the Office of Mental Health and the Department of Health, was established to address the needs of the seriously mentally ill. These are clients that do not access care in the traditional manner, meaning going to appointments. They frequent emergency rooms and don't participate as needed in programs. This program takes care to the clients, visiting them in their homes.

Ms. Youssouf asked about utilization. Mr. DeBarros advised that there were two versions of this program. One for 48 individuals, and one that has a capacity for 68. This program, he noted, services 68 patients.

Dr. Lilliam Barrios-Paoli, Board Chair, explained that this program was extremely beneficial as it seeks to stabilize individuals that could otherwise be a danger to themselves or within the community. This program services individuals who may otherwise fall through the cracks. Mr. DeBarros added that the patients can be chronically ill, violently mentally ill, or self-destructive.

Mr. Page asked how patients become part of the program. Mr. DeBarros explained that there was one point of access that received applications, and if approved the individual was assigned to a team. He noted that there were approximately 12 ACT teams within Health + Hospitals.

Mr. Page asked if patients visited the site. Mr. DeBarros said yes, group sessions were held on site, approximately 10-12 individuals visit the site weekly. He added that the program had recently received additional funding to expand group services.

Mr. Page asked if the off-site space was needed to hold those meetings. Mr. McLeod said yes but the program also provides care locally, by visiting patients. Mr. DeBarros explained that the Office of Health and Mental Hygiene had approved space so that there was appropriate room for meetings, administrative work, etc. He advised that staff met daily to review each of the 68 patients' status.

Ms. Paoli explained that individuals were assigned to sites based on geographic location. Mr. DeBarros advised that was not necessarily the case at present, as the program had reached such high demand that it had become necessary to assign patients to any available program.

Ms. Youssouf said it sounded as though services could be provided on site at NYC Health + Hospitals / Kings County Hospital Center and asked why that was not being done. Mr. McLeod said that was a possibility but at present there was not a space that was ready to accommodate it. Ms. Youssouf said she understood but would like the idea to be discussed further to see if it could be done. She also asked that it be determined where else within the organization space was being leased for these ACT teams.

Mr. Page agreed, saying there was \$200,000 being spent on the space but if there were space available elsewhere that would be beneficial.

Mr. Berman said it would be investigated. He said authority to execute the lease would be requested, with the understanding that the Committee would be advised as to whether there was space identified within Health + Hospitals facilities. Ms. Youssouf asked that the Committee be informed as to where other ACT programs are located. Ms. Weinstein and Mr. Berman said they believed that all other programs were located in facilities. Ms. Youssouf asked for confirmation.

Mrs. Bolus asked when the lease expired. Mr. Berman said it expired at the end of February, but that date would not provide a problem. He said the landlord has agreed to give Health + Hospitals time to determine how they would move forward.

Mr. Page stated that less acute hospital care was important but public space in communities was of value and should be vetted for best use. He asked that thought be kept in mind.

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

Mrs. Bolus asked for clarification on what was being voted on. Mr. Berman said the suggestion was to approve the lease, as proposed, with the promise that before a lease was signed all other options would be investigated. Mr. Page added that authorization would allow for the full parameters of the timing and compensation proposed, but the Committee was asking that it be investigated as to whether other, less costly options are available.

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

*Authorizing the President of NYC Health + Hospitals to execute a Customer Installation Commitment ("CIC") with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project (the "Project") at NYC Health + Hospitals / Kings County (the "Facility").*

Sheldon McLeod, Chief Operating Officer, NYC Health + Hospitals / Kings County Hospital Center, read the resolution into the record. Mr. McLeod was joined by Cyril Toussaint, Director, Office of Facilities Development.

Mr. Toussaint explained that when the 2012 Comprehensive Energy Audit was performed it identified a number of energy conservation measures that could be implemented at the facility. The proposed project was fully designed and completely bid under the New York Power Authority (NYPA). The total project cost was \$14.9 million. \$10 million was funded by a grant through the (ACE) program and the remaining, approximately \$4.9 million, was General Obligation Bonds. The estimated annual savings was \$1.6 million, amounting to an under 10 year payback.

Mr. Toussaint explained that the CO2 emission reduction would amount to nearly 6,800 tons or the removal of 1,300 cars from the streets. The project was expected to be complete by the end of next fiscal year.

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

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

*Authorizing the President of the NYC Health + Hospitals (the "Health Care System") to execute Job Order Contracts (JOC) with two (2) firms: MSR Electric; and, Arcadia Electrical Company; (the "Contractors"), that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.*

*Authorizing the President of NYC Health + Hospitals (the "Health Care System") to execute Job Order Contracts (JOC) with two (2) firms: Startec Mechanical, LLC.; and Volmar Construction, Inc.; (the "Contractors"), that were pre-qualified through the Health care system's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.*

Denise Lyman, Director, Office of Facilities Development, read the resolutions into the record.

Ms. Youssouf asked if the contractors had worked with Health + Hospitals previously. Ms. Lyman said one contractor, Volmar Construction, had experience with Health + Hospitals.

Mrs. Bolus asked if the firms were Minority and/or Women owned businesses.

Mr. Iglhaut advised that all firms had received Equal Employment Opportunity (EEO) approval and the letters were included in the package.

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

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

#### **Equal Employment Opportunity Committee – January 12, 2016**

**As reported by Mrs. Anna Kril**

#### **Senior Directors' Report**

Gail S. Proto, Senior Director, Affirmative Action/EEO briefed the Committee on the December 10<sup>th</sup> Seminar given by Stephen Young on Micro-Inequities at Woodhull hospital; the NYS M/WBE Forum EEO attended in Albany; the Empire State Purchase Services Committee Work Group and EEO membership on the Annual Competitive Edge Conference Committee.

#### **2015 Conditionally Approved Contractors Update**

Sharon Foxx, Assistant Director, Affirmative Action/EEO reported on five conditionally approved contractors, the first was Arcadis U.S., Inc. Their Colorado facility eliminated one of their 2014 Professional minority underutilizations and they would eliminate the other if they hire one additional minority. Their New York facility added 459 employees which resulted in 10 additional minority job group underutilizations. Hunter Roberts Construction Group, LLC maintained the two minority underutilizations in Managers Job Groups 11 and 12 as last year, but only need two additional minority employees to eliminate the underutilization in Managers Job Group 12. 3M Company located in St. Paul, MN eliminated the two underutilizations it had in 2014, but this year had three new underutilizations, one for females in Professionals Job Group 201, one for minorities in Sales Job Group 400 and one for minorities in Managers Job Group 105. They will eliminate each underutilization if they hire one additional minority in the Sales and Managers Job Groups and one additional female employee in the Professionals Job Group. New York Blood Center located in New York, NY, did not have underutilizations this year. Gilbane Building Company located in New York, NY added one additional minority underutilization for Managers Job Group 1.2B in addition to last years' Managers Job Group 1.2A. One additional minority employee would eliminate the underutilization in each job group.



## 2015 Corporate Affiliate Affirmative Action Plan Update

Gail Proto reported on the Equal Employment Opportunity status of the four affiliates. The report showed that the four affiliates: State University of New York (SUNY), New York School of Medicine (NYU), Physician Affiliate Group of New York, P.C. (PAGNY) and Mount Sinai School of Medicine, had no underutilized job groups in 2015.

### Finance Committee – January 12, 2016

#### As reported by Mr. Bernard Rosen

#### Senior Vice President's Report

Mr. Anantharam informed the Committee that the reporting would include the status of Health + Hospitals' cash balance as of December 31, 2015 and that Julian John, Corporate Comptroller would report on that status. Since last month, H+H has received an update from the State. Dr. Raju has been involved in getting the State and Federal governments to address the approval of H+H's UPL and DSH payments. Ms. Dehart will update the Committee on the status of the DSH/UPL payments. The utilization reports have been changed to reflect better comparison of the actual data and would be reported by Ms. Olson. Mr. Covino would update the Committee on the November Plan and some positive news regarding the shift in FTEs.

#### Cash Update

Mr. John reported that through December 2015, H+H cash balance was \$203.5 million or 15 days of cash on hand and assuming that all the actions reflected in the current cash flow occur as projected, the year-end cash balance is projected at \$104.3 million or 6.5 days of cash on hand. DSH payments totaling \$531 million are expected to-date and \$401 million in UPS payments are expected in February 2016. In January 2016, \$172 million in UPL payment scheduled for receipt in December 2015 but was deferred to January 2016.

Mr. Anantharam added that all of the pending payments put H+H in a better cash position.

#### State/Federal Update

Ms. Dehart stated that as reported by Mr. John and Mr. Anantharam H+H continues to make progress with the UPL calculations with the State and CMS. \$172 million is expected during the month of January 2016 and has been fully approved to be processed for payment to H+H within the week. An additional \$401 million is expected in February 2016 and in total for the remainder of the first quarter, \$564 million is expected in UPL payments that includes an additional \$73 million for prior year outpatient funds; \$250 million of 2015 inpatient; \$63 million 2015 nursing home; \$32 million for three prior year D&TCs UPL and \$146 million for 2015 outpatient payment is expected in March 2016.

Mr. Page asked if the 2015 was FY or calendar year. Ms. Dehart stated that it is calendar year. Mr. Page asked how fast H+H could reapply for a period. Ms. Dehart stated that H+H expects to use that calculation and to apply trending on some volume adjustments for 2016. Theoretically the intent was to catch-up; in that 2015 would have been completed by January 2016 and H+H would have received some prospective payments for 2016 in the plan and cash flow which H+H has been extremely cautious and assumed that the "spend up" will not occur but it remains a possibility. The DSH of \$531 million is expected to-date with an additional \$2 million immediately following; \$291 million schedule for year-end. As previously reported there are some risks relative to the receipt of those DSH funds in terms of both the magnitude and the timing. The source of that risk has to do with two factors. One being an over estimate in the State's prior year UPL payments to the voluntaries which was a swop of DSH for the voluntaries that created room for payment to H+H. A reduction of \$51 million in DSH has been received with an additional \$187 million being at risk and is currently being discussed with the State regarding the timing and ways of mitigating the takeback of those funds.

Committee member Emily Youssef asked for clarification of the risk to H+H. Ms. Dehart explained that due to the cash cap on the amount of DSH payments that can be made in a federal year; in order for the State to make those additional payments to the voluntaries cut off funds to make available for H+H. By law the State is required to make those adjustments; therefore, the state will need to address this issue in some fashion by spreading that adjustment over multiple federal years. There are some suggestions on how that takeback can be done that would minimize the impact to HHC which is a very high risk at this point.

Committee member Mark Page asked what drives the timing of when the State makes the payment to the voluntaries. Ms. Dehart stated that it is in part negotiations with those hospitals with cash flow issues and the trade associations have been involved and their awareness of H + H cash flow issues and balancing all that with the federal cash caps.

Mr. Rosen asked what the funding sources are for the UPS and DSH. Ms. Dehart stated that in terms of the share it is 50/50, 50% Federal and 50% City. There are no State funds. The bulk of the DSH is the same with some minor pools such as the indigent care pool which the State pays the local match and H+H received approximately \$100 million from that pool and the remainder of the DSH funding which is in excess of \$1 billion.

Ms. Youssouf asked what the size of the pool from which H+H receives the \$100 million is. Ms. Dehart stated that the pool is split and there is a voluntary portion of that and public hospitals' portion which is \$139 million of which H+H receives \$100 million. The voluntary portion is approximately \$35 million.

Ms. Youssouf asked if that was statewide to which Ms. Dehart replied in the affirmative.

Mr. Anantharam added that there is a historical basis for the formulation of those pools in the 80's. There was a certain amount of pool for the bad debt and charity care (BDCC) funding and if available would be distributed on a formula basis some for the public and the remainder for the voluntaries hospitals. Those funds were distributed based on the City, State and Federal. As H+H has tried to maximize the amount of DSH or BDCC that is received from the federal government, the City has stepped up indicating that there is a lot more room to collect federal DSH funding and the State has been reluctant to put in dollars for that basis. All of funds that H+H received beyond the \$100 million pool is all City and Federal shares.

Ms. Youssouf asked how the split between the voluntary and public was determined and whether it can be changed. Ms. Dehart stated that it is NYS statutory. In the last Governor's budget there was a proposal to give the State Health Commissioner the authority to adjust that split in the event that the ACA DSH cuts were enacted. The State legislature did not address that issue at the time given that the cuts were not eminent.

Dr. Raju added that H+H has advocated for this change on an ongoing basis that included a trip to Albany to suggest a different methodology given that in the out years H+H will lose a significant amount of DSH if the change was not considered.

Mr. Rosen asked if the DSH was extended. Dr. Raju stated that the charity care law was extended for three years with the same methodology; however, H+H is requesting that there be another review of this issue.

Ms. Youssouf commented that to get a higher share is essential for H+H financial stability. Dr. Raju stated that this has been a major part of H+H's advocacy with its labor partners in support of this issue.

### **Financial Plan**

Ms. Fred Covino stated that the November 2015 Plan included the City's transfer of collective bargaining (CB) funds for carpenters, sheet metal workers of \$3.9 million beginning in 2016 growing to \$5 million by 2020. There was a significant transfer of CB for pensions for all of the prior settlements of approximately \$43.9 million for FY 16 growing to \$97.5 million in 2020. During the adoption phase the City transferred \$28 million on behalf of FY 15.

Mr. Page asked if there is a commitment from the City to continue to cover those expenses for H+H as part of the incremental cost of the CB.

Mr. Anantharam stated that in as much as it is included in the City's financial plan.

Mr. Covino stated that in addition to the CB funding the City transferred \$1 million for City Council funded items that included colonoscopy screening funding of \$650,000; \$3,000,000 for immigrant health and FY 16 restored intracity of \$1.2 million that included, cure the violence plan for \$5 million and ACS detention center programs of \$1.5 million.

Ms. Youssouf asked what the total amount for those adjustments was to which Mr. Covino stated that the total was \$60 million increasing to \$102 million by 2020.

Mr. Rosen asked if H+H finance was working on a new January Financial Plan. Mr. Covino responded in the affirmative adding that it is scheduled for release shortly.

Mr. Rosen asked when the City's financial plan is scheduled for release to which Mr. Anantharam replied that it is scheduled to be release in the next ten days.

### **Key Indicators/Cash Receipts & Disbursements Reports**

Ms. Krista Olson stated that the FY 16 utilization thru November 2015 as previously noted by Mr. Anantharam a methodological change was made to the outpatient utilization that included a switch in posted visits to date of service and with the current month reports, open visits were added to both the baseline and the current year in order to normalize the data between the two years that provides a clearer picture of workload than previously documented.

Ms. Youssouf asked for clarification of open visits. Ms. Olson stated that they are visits that have occurred during that month but were not closed or billed during that month.

Ms. Katz added that a patient came in for service that was not properly coded in addition to the clinical documentation are all required in order to close the visit in order for it to be properly billed.

Ms. Youssef asked what percent of the utilization does open visits represent. Ms. Olson stated that information was not readily available but would report back to the Committee on that data. Ms. Katz added that it is usually not a large percentage; however, due to recent change in behavioral health regulations and substance abuse, there are issues associated with that. In addition to the conversion to ICD-10 there were some code changes that increased the volume of the open visits. There has always been a certain amount but usually within three days from the date of service those visits are closed.

Ms. Youssef asked what percentage of H+H visits the open visits represents. Ms. Olson stated that it varies by facility and facilities improved with the adjustment compared to last month with some hospitals improving significantly more than others.

Ms. Youssef added that based on the responses it would appear that it is yet to be determined whether this is a major problem or not.

Dr. Raju stated that it is monitored on a daily basis by Ms. Katz's office and a report is issued on all of the open visits to ensure that visits are properly closed. There are a number of factors that contribute to the open visits issue one being, pending lab results that would allow the physician to make a final diagnosis. On the ambulatory care side the physicians are the providers and also code the cases as opposed to the inpatient side and in some instances it is difficult to find the appropriate codes which delays the process of closing the visits.

Ms. Katz added that another factor is that the services provided by the residents requires the sign-off of the attending physician.

Ms. Olson continuing with the reporting stated that corporate wide there has been a 1% improvement in the non-outpatient utilization. Acute visits are up by 1.5%; D&TCs were down by 3.1%. Discharges were down by 3.2%; nursing home days were down by 1.1%. The ALOS comparison, Coney Island remained above the corporate average by 7/10% greater than the average. The CMI was up by 3% over last year.

Ms. Youssef asked what the issue with the decline at Jacobi was. Ms. Olson explained that the decline related to the increase in discharges at NCB due to the reopening of their labor and delivery unit and that shift offset the other.

Mr. Covino further explained that the services were transferred to Jacobi and subsequently moved over to NCB. When that service was closed at NCB services were shifted to Jacobi. Last year Jacobi was up by a very similar amount and the comparison net between the two facilities cancels out. Continuing with the reporting as part of the cash receipts and disbursements, Mr. Covino reported that the global FTEs base period as of FY 15 as 48,406 compared to 49,409 as of November 2015, a net increase of 1,003. The increase is predominately in full time staffing in the following categories tech/specs 286; housekeepers/environmental hotel 179; 149 aides and orderlies/pcts; 157 in RNs; 105 clericals; 122 managers; 59 residents; and 11 physicians. FTEs are up across the system but there has been a decrease in the FTE count as of December 2015 compared to the increase through November 2015 of 2,103 above the target for June 13, 2016. This is a considerable reduction that must be achieved by June 30, 2016.

Mr. Page asked what the attrition rate for H+H is. Mr. Covino stated that it is about 6% annually which is the standard.

Mr. Rosen asked if the hospitals failed to achieve their FTE target but achieved the dollar target reduction would that be acceptable. Mr. Covino stated that there are reductions in other areas such as allowances.

Ms. Youssef added that the conversion of overtime expenses was already included in the global target and asked whether staff currently being hired is being done to reduce overtime. Mr. Covino explained that it is included but what Mr. Rosen was referring to was the revenue as an offset to make-up the saving to have some savings in those areas. There are some OTPS savings that are expected as well. In terms of the hiring to reduce overtime, it not clear whether that is being done across the system for that purpose; however, there has been a shift to reduce hourly and temporary employees but even with those efforts, the global FTE has increased substantially during the year. There have been discussions with the Networks regarding their plans for achieving the targets and each Network will present their plan status to the Committee.

Ms. Youssef stated that the bottom-line is that full time staff is more productive than the hourly and whether that will that be sufficient to achieve the target. Mr. Covino stated that it will be extremely difficult to achieve the target by 6/30/16. Moving back to the reporting, receipts were \$23 million under collected compared to disbursements of \$81 million over budget. Cash receipts and disbursements against the prior fiscal year for the same period, receipts were up by \$446 million from last year; inpatient services were up by \$21.2 million due to an increase in Medicaid and Medicaid managed care. Outpatient receipts were \$18 million above the target due to Medicaid managed care as a result of the distribution of the MetroPlus risk pools. All other was up by \$406 million primarily due to an increase in DSH and UPL payments up by \$176 million.

Ms. Youssef asked if those numbers were included in the budget and had those payment come in as expected would the numbers would look much differently. Mr. Covino responded in the affirmative.

Mr. Page noted that since the FTE global target will not be achieved by the end of the fiscal year what steps are being take to address the issue.



Mr. Anantharam agreeing with Mr. Page stated that it was concluded last month which as part of the next step action, Dr. Raju and Mr. Martin met with all of the hospitals' executive directors to strategize on minimizing hiring while maintaining quality and services. The FTEs are being monitored on a biweekly basis and a review of the details of all replacements and separations to determine where those hires are occurring so that the appropriate discussions with those hospitals can be done regarding those changes.

Dr. Raju stated that there are some things that have occurred that have changed the dynamics of achieving the FTE target. For example, DSRIP requires the creation of more community initiatives; extra clinics to achieve that requirement along with other initiatives as well. The hospitals must be more cognitive of their hires. The targets as of now appear to be unattainable by year end; however, the goal was to get the hospitals to focus on changing the prior practices. There will always be initiative that will require certain staffing levels.

Mr. Page added that all initiatives should be address with an understanding that they should be cost free.

Dr. Raju stated that every effort is being made to review these initiatives but there are some operational realities that must be taken into account while maintaining quality care and meeting the requirements of the regulatory agencies.

Ms. Youssouf added that when H+H does get the money the deficit would be larger.

Mr. Covino stated that corporate finance has been addressing this issue with the City and trying to adjust the cash balances accordingly but not very easily achievable.

Dr. Raju stated that the operational cost and how much is being collected, the net would always show a gap due to the uninsured. The question has been how H+H compensates for that loss and whether there is a way to do that. Currently it is partially offset by the DSH/UPL but that is being done against an increasing demand for services for the indigent population. H+H patients are complex and in addition to their medical needs there are social needs that must be addressed in the emergency department, by ensuring that those patient get their medications.

Mr. Covino reported that expenses were \$3.2 million over last year due to an increase in FTEs that was offset by a large retro payment that was paid last year for collective bargaining for DC 37, NYSNA and 1199. Fringe benefits were up by \$13 million due to an increase in health insurances and welfare fund benefits. OTPS expenses were up by \$28 million due to an increase in the number of days in accounts payable. Going forward those payments will be staggered to be more consistent with the prior year number from 53 days to 72-80 days. City payments were up by \$309 million due to payments made on behalf of FY 14 for medical malpractice; debt services, health insurances payments and OTPS reimbursements. Affiliation expenses were up by \$34.4 million based on collective bargaining for physicians and the new contracts that were initiated last year. A comparison of actual to the budget, receipts were basically unchanged, \$1 million worse than budget compared to October 2015. YTD receipts were down by \$24 million on the inpatient side; \$27 million outpatient all other was up by \$28 million. Expenses, PS and FB were up by \$21.9 million and \$3.5 million respectively due to an increase in FTEs. OTPS expense were \$54 million over budget due to a reduction in the number of days in accounts payable in addition to an increase in spending in medical surgical supplies, up by \$17 million, pharmaceuticals up by \$16 million; other professional services up by \$9.6 million. City payment and bond debt were on budget and affiliation expenses were over budget by \$1.9 million due to a prior year payment to PAGNY for the recruitment of physicians. The reporting was concluded.

#### **Information Items:**

##### ***Global FTEs Network Status***

Mr. Steven Alexander, Executive Director, Bellevue Hospital Center introduced the team representing the Network that included, Anthony Rajkumar, Executive Director, Metropolitan Hospital, Martha Sullivan, Executive Director, Gouverneur Healthcare Services, Floyd Long, Acting Executive Director, Coler/Carter Long Term Care/Chronic Care Services, and Jay Weinman, CFO, Bellevue Hospital Center. Mr. Alexander informed the Committee that the presentation would be presented by Mr. Weinman and that the Network plan would show the work that has been done consistently across the Network and each facility. The discussion by the Committee regarding the fiscal reality in which the hospital are attempting to operate. The strategic decision that was made to address the global target is of great concern and important to the hospitals in the sense of how the hospitals work together as acute care hospital, ambulatory care and long term care facilities. The type of work that has been done in the Network has been collaborative and has continued in different ways going forward. The targets were based on historical trends and performances that have changed in the past eighteen months that will be address by Mr. Weinman in the presentation relative to the actions that have been taken and continued in order to remain within the allocated resources.

Mr. Weinman stated that the presentation would show the Network's status against the global FTE target; what has contributed to the increase in FTEs and the plan to meet the target. The information shown reflected the data from the Key Indicators report as of November 2016. The Network's FTEs reduction of 220 or 2.7% over the targeted global FTEs and increased by 1.9% since June

2015. The utilization data showed that actual discharges were 185 above last year for the Network. The variances for patient days and visits were less than .5% variance from last year. One of the factors contributing to the Network's challenge relates to the average daily census that increased by 3.5%. Based on the discharges and the CMI adjusted discharges are up by 4.5%. This is due to a change in medical surgical and newborns due to more complex cases in neonatal ICU and psych. The CMI also increased at Coler/Carter. The inpatient psych census increased and the Article 28 survey at Coler/Carter that required an increase in resources in preparation for that survey. Coler/Carter has also been challenged with the demand for meeting the needs of the respiratory therapy coverage due to an increase in ventilator patients. The overall physical plants are aged and represent a challenge and upkeep and maintenance due to the aging of the overall plants. There are some technical issues that are being addressed with corporate finance.

Mr. Page asked what the increase in ventilator patients was attributable to. Mr. Long stated that at Coler/Carter LTC, the Carter campus there are primarily ventilator patients in the LTC and a ventilator unit was opened in the nursing facility. There are an additional 20 certified beds that opened and is reflected in the CMI.

Mr. Page asked why the use of those services has increased.

Dr. Raju stated that those services have ranked very highly in terms of being one of the best in this area. These are patient who are on respirators that are eventually weaned off of the use of those respirators which is a unique service. These patient come from other H+H hospitals. It is considered to be one of the best service and it frees up beds at the acute care hospitals which from a revenue perspective is a major factor.

Mr. Page added that this is a great success and recognized service that is better for patients.

Mr. Alexander explained that the reason it was described as a challenge is because it is a needed service that has grown significantly and developed into a major function for the hospital while at the same time trying to stay within a limit and a headcount.

Mr. Weinman continued stating that besides those increases there are other improvements that are being addressed having to do with the expanded services in the outpatient clinics, Metropolitan, Bellevue and Gouverneur as part of improving access across the Network. The LGBT at Gouverneur services were expanded. There are revenue cycle committees at each hospital to address denials, and accounts receivable issues. Inpatient clinical documentation improvement at Bellevue, there was an increase in the CMI both from the clinical and patient mix those improvements were achieved. The MetroPlus collaboration at Gouverneur has opened some channels with the community relative to maintaining and improving MetroPlus retention which is extremely important so as not to lose business. Ongoing discussions with the affiliates on productivity standards and monitoring for controlling the FTEs. The rates at the LTC have improved at Coler/Carter as a way of increasing revenues. The Network process for managing the FTEs that include weekly meeting to review staffing needs relative to the needs and that the appropriate justification documents that are needed. Revenue generating positions are also reviewed in terms of return on investment and the alignment with the 20/20 vision.

Ms. Youssef asked how the Network determines or reviews the ROI. Mr. Weinman in response stated that as an example, an increase in the neonatal unit, the census is reviewed closely as it relates to any significant change to the standard. In every investment that is made an analysis is done to ensure that there is a return on investment and whether it is sustainable.

Ms. Youssef asked what type of ROI is being targeted and whether it is relative to a positive or a break even. Mr. Weinman stated that the focus was primarily a break even that would cover the cost. Additionally, the Network has standardized overtime to curtail the usage; biweekly JOC meetings with the affiliates are held; FTE monitoring reports are reviewed and those areas where there are overages are targeted for reductions. THE NASH analytics are under review to take advantage of reducing nursing premium costs and where those opportunities exist.

Ms. Youssef asked what NASH is. Dr. Raju asked Loren Johnston, Corporate Chief Nursing Officer to respond. Ms. Johnston stated that NASH is the firm that H+H contracted to review the utilization of the nursing staff to ensure that the appropriate utilization of staff based on those needs.

### **Centralized Purchasing**

Before beginning the presentation, Mr. Covino informed the Committee that as part of the financial plan there are gap closing initiatives to general approximately \$309 million in savings and included in those initiative is the centralized purchasing, supply chain group that will update the Committee on the status of that initiative.

Mr. Paul Albertson, Senior Assistant Vice President, Corporate Supply Chain Services introduced the team that would be participating in the presentation, Jun Amora, Director, Supply Chain Strategy and Joe Wilson, Senior Director, Strategic Sourcing. The presentation would cover the status of the realized value for the Health + Hospitals. In 2013, at the request of Mr. Martin, the goal was to consolidate the eight local H+H purchasing office into a single supply chain office to take advantage of the quality savings and standardization benefits that many organizations such as H+H have realized across the country. Consequently, all of the eight local purchasing offices were centralized into a single purchasing team and all of the technology was also centralized into a single standard approach so as to simplify the selection of standard items that were contracted. Approximately 110,000 purchase orders are processed annually of which half are now selected from the item master that gets processed with 24 hours. The traditional work of the purchasing offices has been processing purchasing order (PO). The interest as an integrated delivery Network is moving to the next step which is to have a supply chain occur across the system in driving that automated standardization and move into strategic sourcing which the opportunity for being able to work with the vendor partners and stakeholder to able to select the right product of good and services and equipment that is standardized across the system in order to get the best pricing. As routine transactions are automated, the ability to drive the healthcare transformation that provide a better quality in services and savings. The savings are being focused on in six natural groupings, med/surgical, pharmacy, radiology, labs, perioperative and business office related activities. In the five months of the current FY 16 the value that was realized in those categories has added up to \$33 million which is related to the value of the contracts, rebates, cost avoidance, revenue that becomes additional across the period. There are a number of active projects that are being worked on to-date that are expected to generate additional savings by the end of FY 16.

Ms. Youssouf asked for clarification of cost avoidance. Mr. Wilson in response stated that would fall into the world of capital purchases whereby the end users are reaching out taking a piece of capital equipment in conjunction with the H+H procurement team would intervene using national bench marketing companies, negotiate and take the prices that would have been submitted and pay and better that, the difference would be the cost avoidance.

Mr. Rosen asked if the first item as part of cost avoidance, med surgical contract amount of \$6.1 million, cost avoidance and revenue would add to the total savings.

Mr. Martin asked the group to explain the three categories, contract, COA, and revenue.

Mr. Wilson stated that as it pertains to med surgical contracting is a different element the contract is renegotiated or if the contract is expiring there will be a bid and that would be an apple to apple comparison in the pricing. The cost avoidance in the same area as it relates to the capital or in the event the supply chair is able to negotiate an enhancement for them to write off a cost, take away a charge such as freight charges, and revenues are the rebates and these are contracts that were written for keeping a certain market share that would be refunded to H+H in the form of a check or a rebate.

Mr. Rosen asked if the revenues were considered a discount. Mr. Wilson stated that it is somewhat of a reward for them keeping their market share with that category in the form of a check.

Mr. Page questioned the footing for the revenue columns that did not add properly in the. Mr. Albertson in response stated that it was an error and that the \$7 million should have been included. A correction would be made to reflect that change but that it had been excluded per Mr. Covino. Ms. Olson added that there was a \$7 million loss.

Mr. Rosen asked if the labs included the new restructuring in that area whereby H+H has a joint venture with North Shore/LIJ.

Mr. Amora stated that particular dollar amount, \$780,000 projected savings in the labs accounted for some of the routine supplies used internal within H+H. There are future savings that will close in the next sixty days that relate to some of the large negotiations with NSLIJ.

Mr. Rosen asked if the total savings of \$33 million were representative of actual savings.

Mr. Albertson stated that the savings included all of the contracts that were renegotiated, all of the rebates, and the \$7 million is largely comprised of funds that were received from the contracted pharmacies. All of the documentation is tracked in conjunction with Mr. Covino and Ms. Olson and reviewed so that it is appropriately documented as part of the savings. There is documentation for each of those numbers identified that are developed and validated with finance, Mr. Covino and Ms. Olson.

Ms. Youssouf asked if the \$33 million in savings were reflected of a cost had those actions not been described were not effectuated.



Mr. Wilson stated that some of those savings are but would have been an expense had those things not happened.

Mr. Albertson stated that two areas would be highlighted, pharmacy and the elements that make up those dollars, Mr. Wilson would address and Mr. Amora would expand more on the labs and future state.

Mr. Wilson stated that the \$7.3 million reimbursement comes from the 400 pharmacies contracted with H+H for providing medications/drugs. Those savings are reflective of the reimbursement earned during the first five months of the FY 16 with an additional \$16 million in reimbursement by the end of the FY 16. One of the primary distributors for pharmaceuticals for H+H is Cardinal and there was an opportunity to renegotiate the contract that allowed for a move from a single cost minus structure to a bifurcated cost minus structure, one for the GO account and one for the 340B that resulted in a 2.15% increase for the cost minus GPO, 2.4% for the 340B account. This resulted in a saving of \$5.4 million within that number, a \$1.6 million credit was negotiated for the forgiveness of all late charges. The supply chair is partnering with medical and professional affairs regarding the corporate formulary process that includes providing support for analytics, contracting to work in partnership to make better decisions around economies of scales having centralized contracts decision making. The corporate procurement office has hired a pharm D and a foreign pharmacy graduate to do the analytics to provide the backup to Dr. Victor Cohen and Dr. Michele Allen as part of that Committee.

Mr. Amora stated that in terms of the lab value analyses team, the focus is to look at the replacement of certain equipment throughout the hospitals. Also some of the agreements are being renegotiated. The \$780,000 savings relate primarily to the routine reagents and the renegotiation of the Seamen's agreements for services reductions of 35% over the life of three years for the remaining equipment. The supply chain has closed out an agreement for the cost whole blood with the NY Blood Center in partnership with Norwell. Soon to close will be large projects with NorthWell around chemistry, hematology and tests sent out. In chemistry a 45% reduction is expected at the cost per test.

Mr. Rosen asked whether the savings for the joint venture with NSLIJ were included. Mr. Amora stated that the savings did not reflect the work that has been done with North Shore. However, in a future update those savings will be included. The joint lab with North Shore is not yet completed; however, some of H+H lab tests are being sent to the North Short care lab. There will be a separate presentation on the lab project that will include the Cerner conversion and the paid response lab model.

Ms. Youssouf asked how the Surgical Solution contract fit into the procurement process relative to savings.

Mr. Amora stated that the Surgical Solutions is a contract that is managed by Joe Quinones, Chief Contracting Officer and that team is working on building relationships with the perioperative counsel and Dr. Wilson for standardizing and savings.

Mr. Martin added that it is expected to be incorporated into the supply chain counsel in the future. However, based on feedback from the hospitals, Surgical Solutions is working very well and the metrics are being achieved. At a later date Mr. Quinones can update the Committee on the status of that contract.

Mr. Albertson stated that a list of all of the projects that are being undertaken and scheduled for completion by fiscal year end. The diversity supplier's relative to the vision that has been established by Dr. Raju in concert with NYS requires a lot of work going forward. One of the challenges is the definition for minority women business enterprise and where they are contracted within H+H. To address this issue a diversity supplier manager was hired to reach out to the larger vendors to look at the subcontracts that are used by the primary vendors. Information on those subcontractors that used by the primary vendor is not readily available to H+H. This is a major requirement as part of a NYS reporting requirement. Engaging finance and IT to rollout the enterprise resource planning from a supply chair perspective.

Mr. Amora stated that in terms of the transformation with H+H system the strategic planning efforts through the development of a centralized technology and strategic sourcing team to allow for the negotiation of prices which represents half of the process. Controlling and managing how supplies are used and distributed are all key to the overall management process relative to utilization. By lowering the price and managing the utilization the cost can be controlled. As part of this effort and ERP system enterprise resource planning, would be used which will allow for transparency across H+H for inventories patterns, ordering and stock outs. Using barcoding to order off of par levels based on demand. Finally to charge back those costs to the cost centers to determine and pinpoint usage and efficiencies.

Ms. Youssouf complemented the team on the work done as part of the transformation of that process which for H+H is a major accomplishment.

Mr. Page asked if H+H has any leverage in the generic drug pricing given its volume.

Dr. Ross Wilson in response stated that H+H does not have any leverage. The provider system is in the hands of the suppliers in this area and driving the pricing.

Mr. Page asked if H+H is allowed to buy drugs outside of the US to which the response was no.

Mr. Martin added that in addition to the current saving of \$33 million there is a total commitment for \$75 million for the year.

Mrs. Bolus asked if IT was involved in the process given that oftentimes, the implementation of new initiatives has had some issues. Mr. Martin stated that with the ERP IT has been involved in ensuring that the appropriate training for the users is done and has been working very closely with procurement and finance to ensure that there is coordination. The presentation was concluded.

### ***Quarterly Reporting Short Term Leases***

Ms. Linda Dehart stated that this is a new quarterly presentation on the status of H+H short term capital financing program. The Board authorized H+H's CFO to borrow up to \$120 million to meet H+H equipment and short term financing needs. A secondary lien on our healthcare revenues that has facilitated the closing of two loans under the program. The first loan was with JP Morgan for \$60 million which was in July 2015 and the second \$60 million with Citibank closing in October 2015. This is a reminder for the Committee of the terms for those two loans. The JP Morgan is a twelve month drawdown period which expires in July 2016 at that point it would convert to a six year fixed rate. It is a variable rate for the drawdown period. The current rate on the drawdown as of December 2015 was .9681%. The fixed loan rate as of January 2016 would be 1.7608%. Citibank is a revolving loan with a variable rate and a three year maturity. It is currently at 0.76% interest rate. The plan spending for the two loans under the JP Morgan loan is primarily for equipment and the Citibank loan is for IT and some infrastructure work which was additional flexibility that was not available on the JP Morgan loan. The current activity under each of the loans, there was an initial drawdowns of \$10 million on each loan. As of December 2016 JP Morgan, \$7.2 million was vouched as well as issuance cost of \$187,000 with an unspent balance under the JP Morgan loan of \$2.6 million outstanding encumbrances against this loan for \$14.4 million and the Office of Facilities Development has an additional \$15 million for requests from the hospitals that is currently under review. Citibank, \$150,000 has been vouched against the loan cost of issuance of \$250,000; \$9.6 million unspent balance.

Ms. Youssouf asked why the cost of issuance is greater for Citibank that is greater than what has been drawn and whether that is a one-time cost.

Ms. Dehart stated that is a one-time cost. Ms. Youssouf asked if there will be any additional issuance costs when it converts. Ms. Dehart stated that there should not be any additional cost related to the conversion.

Ms. Youssouf asked that it be verified that there will not be any additional cost.

Ms. Dehart stated that she would confirm that understanding. Finalizing the presentation, for the Citibank loan the outstanding encumbrances are over \$300,000 with additional requests totaling \$5 million. The reporting was concluded.

### **Governance Committee – December 17, 2016**

#### **As reported by Mr. Gordon Campbell**

#### **Action Item**

*Amending the Bylaws of the New York City Health and Hospitals Corporation (NYC Health + Hospitals) with respect to certain standing Committees to better enable NYC Health + Hospitals to conduct its business.*

Mr. Salvatore Russo, Senior Vice President & General Counsel informed the Committee that the recommendations for amendment to the Bylaws reflect the following changes:

- Governance Committee - from a special committee into a standing committee;
- Medical & Professional Affairs / IT Committee – to be separated into two distinct Committees;
- Strategic Planning Committee (SPC) - duties and responsibilities amended to address its new role -- to share and monitor the metrics established for measuring goals and initiatives for the NYC Health + Hospitals 2020 vision; to report on relevant legislative and political developments that affect the health care delivery environment and specifically our health system;

- Community Relations Committee (CRC) – newly defined role to discuss advocacy on relevant legislative and political developments that affect the health care delivery environment and specifically our health system; and
- Facility change – remove all references to Goldwater Specialty Hospital and Nursing Facility to be replaced by Henry J. Carter Specialty Hospital and Nursing Facility.

He then asked for a motion by the Committee to discuss the recommendations, which was duly seconded.

Mr. Campbell re-capped the changes outlined in the resolution and after a focused discussion by the Committee members, Dr. Raju clarified the roles of the Strategic Planning and the Community Relations in the area of legislative and political developments wherein the SPC will report on the political developments and our legislative priorities in the federal, state and local areas and the CRC will discuss the legislative and other advocacy efforts needed as a result of political developments and impending legislative decisions that impact the healthcare environment and that specifically impact our mission and 2020 vision goals.

Mr. Campbell called for the Committee's vote on the action item, which was seconded and approved for consideration by the full Board.

Mr. Campbell also informed that Committee that the Board will be considering the annual committee assignments for approval at the full Board as well as the item just adopted.

### Information Technology Committee – January 14, 2016

#### As reported by Dr. Lilliam Barrios-Paoli

#### **Chief Information Officer Report**

Sal Guido, Interim Chief Information Officer, thanked the committee members for creating this committee. The following initiatives were reported on:

#### ***Meaningful Use***

NYC Health + Hospitals is currently in Meaningful Use Stage 2. For the Eligible Hospital (EH) Electronic Medical Record (EMR) Incentive Program in the reporting period of 2015, NYC Health + Hospitals will receive approximately \$16.4 million (October 1, 2014 through December 31, 2015). A similar amount of incentive payment is expected for 2016.

For the Eligible Professional (EP) Incentive Program, NYC Health + Hospitals, in calendar year 2015, received \$18.8 million for the 2014 AIU (Adopt-Implement-Upgrade) providers. In calendar year 2016, \$7,505,500 is expected to be received for the attesting 2014 providers. In calendar year of 2016, \$49,130,000 is expected to be received for the 2015 AIU providers.

Enterprise IT Services is on track and working very closely with the M&PA Committee and Finance to attain our goals.

#### ***EPIC EMR GO LIVE Update***

Weekly meetings are being held to prepare for the April 1<sup>st</sup> Epic roll-out and support. The project remains on time and within budget.

The 90 Day Go-Live Readiness Assessment (GLRA) Event was held at Queens Hospital Center on January 13, 2016.

The project remains in Yellow status, however, tremendous progress is being made and continues to be on time.

Dr. Raju asked to please explain to the board how the project will go live even though it is Yellow? Mr. Guido responded that with IT projects of this size, there will always be issues. He stated that the project remains Yellow so there is full transparency in the program and so moving forward all changes that need to be done can be reported on.

Mr. Martin asked for an explanation of how the project's governance structure was established. Mr. Guido responded that the governance structure for GO as well as all EITS projects is a three-tiered structure: weekly workgroups; monthly Strategic Group (Executive Directors and Mr. Martin's Leadership Group); and the Executive Epic Committee chaired by Dr. Raju.

Dr. Raju asked if there is a concern that overall Epic status is depicted as yellow. He wanted to know if this was an indication to expect some trouble with the Epic installation. Mr. Guido responded no, the project team understands where the deficiencies are in the program and are placing resources where needed.

Dr. Raju asked if this is common practice across the country (not just at NYC Health + Hospitals) to go live at Yellow. Mr. Guido replied yes. He stated that other organizations much larger and more complicated than NYC Health+ Hospitals have implemented



global programs and have gone live at Yellow. Mr. Guido has had discussions with the CIOs of NYU, Mt. Sinai, and another in Boston as well, and they all have said the same. This is not uncommon.

End User Training started on January 4, 2016 at Metropolitan Hospital Center (Base Camp) and will continue until March 2016. The facility has 16 classrooms and is state-of-the-art. Training takes place around the clock and on weekends. Everyone was invited to visit the facility.

### ***Enterprise Resource Planning (ERP)***

PeopleSoft Financials ERP Contract was approved by the NYC Health + Hospitals Board of Directors on December 17<sup>th</sup>, 2015. The team is working to finalize the contract with Mythics/Oracle for execution. Work is also underway with the first draft of the Implementation solicitation. It has been completed and is being reviewed internally with a goal to send out by February. It will have the same governance that is in place for Epic: Workgroup, Strategic Group, and the IT Executive Group. The first meeting will be at the end of January.

### ***Radiology Consolidation***

M&PA and IT sponsored an RFP in late summer 2015 for a solution that would transform radiology operations so that users can share images across NYC Health + Hospitals. It is moving ahead rapidly and the first four sites have been selected for the next quarter: Metropolitan, Lincoln, Jacobi, and North Central Bronx Hospitals. All are on track and on target for go live.

Ms. Lowe asked how many end-users are affected in the next go-live. Mr. Guido replied that for Queens and Elmhurst, it will be around 10,000 users.

Ms. Lowe also wanted to know if there will be people helping “looking over shoulders.” Mr. Guido responded that there will be an “army” at Queens and Elmhurst. A call center has also been contracted. Also, “elbow support” will be available for critical spots like the Emergency Department and Operating Rooms. Mr. Guido also stated that there will be additional technical and security resources. All will be controlled in a control center (located in a trailer) at each facility.

Ms. Lowe also asked that for sustainability reasons, have we identified experts within our ranks. Mr. Guido responded absolutely. QuadraMed resources are being trained on Epic to help on a day-to-day basis.

Dr. Raju asked what about Super Users? Mr. Guido replied that Super Users have been identified and are mostly nurses. There are around 700 internal people to support nursing staff. Provider support has also been identified. These are physicians who are highly trained to help their colleagues as well. There will be 24/7 monitoring of everything. Mr. Guido stated that the first go-live will teach us a lot. We will have Resources available to address things that are missed.

### **Action Item:**

*Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) or his delegate to enter into an agreement with Lightower Fiber Networks (“Lightower”) to build, deploy and support an enterprise-wide area Network (“Network”) and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency, for the initial five-year term.*

Dr. Calamia asked a question regarding the fiscal year 2016 maintenance. He stated that keeping it neutral is amazing. But going forward, over the next five year period, the 20% contingency is real. Could there be potential budgetary effects? Mr. Guido replied that if we increase very much it will have to be brought back to Board. He also mentioned that when we start connecting our DSRIP partners to the network, there will be more costs. The 20% should cover it. If not, it will come back to the committee so that the members are made aware of increases.

Approved for consideration by the full board.

### **Information Item:**

IT Committee meeting presentation on EITS Solutions Management and Governance.

### **Medical & Professional Affairs Committee – January 14, 2016**

#### **As reported by Dr. Vincent Calamia**

Ross Wilson MD, Senior Vice President/Corporate Chief Medical Officer, reported on the following initiatives.

**K2*****Updated K2 reporting through 1/1/16 from NYC H+H emergency services.***

Continued significant decreases overall, with a 60% system-wide decrease since the end of November and a greater than 70% decrease from early October. Woodhull continues to play a significant role in our overall count, with a dramatic drop off, to almost no cases, in the most recent week reported.

***Behavioral Health***

The Office of Behavioral Health is focusing on readiness for managed care and the start of HARP services as of January 1, 2016. The transformation efforts are focused on the following: Increasing ambulatory access in behavioral health, analyzation of high utilizer data to design interventions to reduce acute care utilization, readiness and implementation of HCBS services for HARP eligible patients, and integration of behavioral health and primary care services. These efforts are being coordinated with One City Health and DSRIP objectives. Transformation includes the work and involvement of Health Home and Ambulatory Care transformation.

The Office of Behavioral Health with Ambulatory Care, Women's Health and Pediatrics is developing the ability to screen for depression in pregnant women from prenatal through the postpartum aspects of delivery. This is part of the Mayor's Office city-wide initiative. NYC Health + Hospitals is one of the pilot systems to develop and implement the practice that will be spread across all city agencies.

The Office of Behavioral Health is coordinating a work group related to the management of violence. This will involve the Councils of Emergency Medicine and Psychiatry as well as other identified staff from facilities. The goal is to review the current state of resources, assessment and management of violence, review other best practices, and establish additional tools and interventions for the management of violence in HHC. A significant aspect of this work is the reduction in staff injuries. The OBH has initiated a "real-time" tracking mechanism to capture all staff injuries related to patient care in Behavioral Health. Information is reported to the Chief Medical Officer.

***ACO***

In December 2015 the ACO distributed \$1.3 Million in 2014 shared savings payments to primary care physicians. Under a new incentive formula, 75% was awarded to PCPs according to their participation (FTE), with the remaining 25% based on patient satisfaction and hypertension control quality performance.

NYC Health + Hospitals has also dedicated nearly \$300,000 of its shared savings to an ACO Team Fund that rewards the multidisciplinary teams that manage ACO patients. Under the stewardship of each local ACO Lead, funds will be dedicated to engagement, training, and/or workplace enhancements, as agreed upon by the team members.

The NYC Health + Hospitals' Board of Directors, sitting as the sole Member of the ACO, convened in January to elect ACO Directors for 2016. Community Healthcare Network, a large FQHC partner, has joined the ACO effective January 1st.

The Q4 2015 performance improvement project focused on reducing avoidable ED visits and inpatient admissions for a panel of 200 high-risk patients per hospital. Now that the performance period has concluded, the ACO is working with hospital teams to collect, analyze, and evaluate process and outcome data, and prepare for presentations to the NYC Health + Hospitals QA Committee.

The ACO partnered with Coney Island and Cumberland to host in-person focus groups with high-risk patients in December. The groups provided candid feedback about their experience at NYC Health + Hospitals and common barriers to care, which is being fed back to local leadership and the Office of Patient Centered Care. The ACO seeks to conduct additional focus groups at with remaining sites in 2016.

***Flu***

The flu season has not yet been declared by the state Health Commissioner, but ED visits with influenza like symptoms is starting to increase according to the DOHMH surveillance. There is a continuing campaign to increase vaccination rates for H+H staff, with currently more than 28,000 people having been vaccinated. Queens Hospital, Gouverneur, Cumberland, Seaview and Renaissance all have rates over 90%. Non-vaccinated will have to wear a mask as soon as the flu season is declared, consistent with the NY state regulation.

***MetroPlus Health Plan, Inc.***

Arnold Saperstein, MD Executive Director, MetroPlus Health Plan Inc. Presented to the Committee. Dr. Saperstein informed the Committee that the total plan enrollment as of December 1, 2015 was 476,002. Breakdown of plan enrollment by line of business is as follows:

Medicaid	415,059
Child Health Plus	12,385
MetroPlus Gold	3,734
Partnership in Care (HIV/SNP)	4,534
Medicare	8,458
MLTC	938
QHP	22,265
SHOP	753
FIDA	179
HARP	7,697

The State's system currently has as its default choice that individuals not be automatically re-enrolled; they have to enter the State of Health system and make a selection for the new year. As a result, as of the date of this report, there is not sufficient information to determine the exact membership for January 1, 2016. Further, many individuals could be re-enrolled but because of some change in their income, unless they log into their account and verify their current income, they risk losing all their Advanced Payment Tax Credits which will raise their premiums substantially. As of the day of this writing, there are over 18,000 applicants who are currently in pending status due to the default set by the State; they will need to re-verify and then pay their premiums before being activated.

In addition to our work for open enrollment, which continues through the end of January, we have conducted several efforts to retain our existing QHP members. We have done outreach through e-mail blasts, live phone calls and letters to both groups of individuals. Initial reports, through calls from our customer service line and people clicking from our e mail message to the State of Health web site, lead us to be hopeful that it has been a successful effort.

I would also like to provide an update on several efforts we are starting or will shortly start in the new year. I am happy to report that we have received approval from the New York State Department of Health to market our Exchange (QHP) and Essential Plan (EP) products on Staten Island. We have already hired and trained a team of marketing staff who are working on the Island. Ads in the ferry terminal and on the ferry will start on January 4th and we will be placing ads in the Staten Island Advance around that date.

Next, as you may know, Governor Cuomo recently signed legislation to allow women who become pregnant to purchase insurance through the Exchange after the open enrollment period closes. Individuals who lose their job or move or have a baby are among those who have always been allowed to purchase insurance and now women who are pregnant have the same opportunity. We will be modifying our materials and training our marketing staff on this change.

We have begun marketing our products on Riker's Island to visitors to the Island. Currently every Friday marketing staff works with visitors who are interested in learning about health insurance options. We will be adjusting our presence over the next months based on our success.

In order to ensure better access to healthcare for our members assigned to NYC Health + Hospitals, we have been working closely with the division of Medical and Professional Affairs to redefine the auto-assignment algorithm. We are now able to obtain data listing providers with available panel capacity for each facility. This means that we are now able to avoid assigning new members to providers who are over-subscribed. This pilot has only been applied to Adult Medicine so far. We plan on expanding the new assignment algorithm to Pediatrics and Virology in the very near future.

#### **Information Item:**

Nick Cagliuso, Assistant Vice President of Emergency management presented to the committee on the After Ebola: Three Ways We're Growing our Mission. NYC Health + Hospitals System-wide Special Pathogens\* Program, Serving our patients; Region 2 Ebola and Special Pathogen Treatment Center; Serving our region; National Ebola Training and Education Center (NETEC); Serving our country; (\*Highly infectious diseases).

# SUBSIDIARY REPORT

## HHC Accountable Care Organization – HHC ACO, Inc. – December 17, 2015

### As reported by Dr. Ram Raju

The NYC Health + Hospitals Board of Directors, sitting as the sole Member of its subsidiary nonprofit accountable care organization, HHC ACO, Inc. (hereinafter the “ACO”), convened on December 17, 2015, to discuss recent activities and governance matters.

Dr. Wilson briefly summarized the ACO’s role as a ‘learning laboratory’ for population health models. In its first two years of operation, the ACO was among only 15% of all ACOs nationally to meet quality targets and generate a shared savings payment. Savings are distributed in the form of incentives to primary care physicians and through an ACO Team Fund to support the training and recognition of multi-disciplinary team members.

The Centers for Medicare & Medicaid Services (“CMS”) recently re-approved the ACO to participate in the Medicare Shared Savings Program for another three year term, 2016-2018. The ACO is now expanding its network of primary care providers to improve access for NYC Health + Hospitals patients, starting in 2016 with Community Healthcare Network.

NYC Health + Hospitals reserves certain specific rights with respect to the governance of its subsidiary organizations, including the authority to add or remove Directors. The Member approved two resolutions:

- Increasing the number of Directors to allow an additional seat on the ACO’s Board of Directors for the collective representation of non-affiliated participants.
- Approving the following Directors for 2016: Ramanathan Raju, M.D.; Antonio D. Martin; Salvatore J. Russo; Ross M. Wilson, M.D.; Plachikkat V. Anantharam; Jeromane Berger-Gaskin, a Medicare beneficiary Director; a Director who shall be the Chief Executive Officer of Physician Affiliate Group of New York, P.C.; a Director to be named by NYC Health + Hospitals to represent physicians employed by New York University School of Medicine and providing services in NYC Health + Hospitals facilities; a Director to be named by the Icahn School of Medicine at Mount Sinai, doing business as Mt Sinai Elmhurst Faculty Practice; a Director to be named pursuant to a designation by a majority in number of the Presidents of Coney Island Medical Practice Plan, P.C., Downtown Bronx Medical Associates, P.C., Harlem Medical Associates, P.C., and Metropolitan Medical Practice Plan, P.C.; and a Director to be named pursuant to a designation by a majority in number of the members of the ACO Advisory Committee.

The resolutions were approved with the common understanding that the Member would revisit the composition of the ACO Board of Directors at a meeting in February 2016.

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



**RAMANATHAN RAJU, MD**  
**HHC PRESIDENT AND CHIEF EXECUTIVE OFFICER**  
**REPORT TO THE BOARD OF DIRECTORS**  
**January 28, 2016**

Good afternoon. As is customary, I will highlight just a few items from my report to the board. The full version is available to all here and will be posted on our website.

**WELCOME TO DR. PALACIO**

We welcome New York City's new Deputy Mayor for Health and Human Services, Dr. Herminia Palacio. Dr. Palacio is a person with a deeply impressive background in the universe of issues that confront safety net hospitals and public health systems.

We are delighted you are joining us, and we are looking forward to having the benefit of your continued guidance and advice.

**STAFF DEDICATION DEMONSTRATED DURING BLIZZARD**

Now that the snow has mostly melted, I must take a moment to thank our employees for the amazing effort they made to keep our essential health system up and running during last weekend's record breaking blizzard.

Let's take a moment now to watch a quick slide show featuring some images from the weekend.

**"BUILDING OUR FUTURE" MESSAGE TO EMPLOYEES**

On January 11th we shared with our employees an update on our Vision 2020 plan for growth. Our message highlighted three issues:

First, accomplishing our goals by the year 2020 is not an arbitrary timeline.

It's a deadline, driven by real changes to the environment in which we operate. Changes like the shrinking of federal revenue streams, and the end of DSRIP incentive payments.

Second, the 16 different major initiatives we have embarked on----everything from ---

the Patient Experience Action Plan, to EPIC Implementation, to our Accountable Care Organization (ACO) ---all are components of the same Vision 2020 strategy.

All are about growing our system by bringing excellence to patient experience, expanding access to our services and reforming our organization.

Third, we cannot expect success overnight. Achieving our goals will take time.

Vision 2020 is a five year plan. We should expect that it will take the full balance of those five years to see the transformation we are working towards.

Let's watch a brief video clip from New York 1's coverage about our message:

**FAREWELL TO STEVE ALEXANDER**

I'd like to take a moment to note the impending departure of an esteemed leader of our system: Tonight marks the final board meeting that Steven R. Alexander, Executive Director of NYC Health and Hospitals/Bellevue will be with us.

He is retiring at the end of this month after 27 years of exemplary and distinguished service. Steven has dedicated his professional life to improving the public hospital system, and to safeguarding the health of our patients. He will be greatly missed.

**MENTORING FUTURE HEALTH CARE LEADERS**

One of the most important social obligations of public health is eliminating disparities that cause illness in so many of our patients. And we at NYC Health and Hospitals are doing our part.

Not only are we working effectively to expand access to primary care across the city, but we are also partnering with others to develop a more diverse workforce and healthcare leadership.

That's why we are proud to participate in a mentorship program sponsored by the Association of Hispanic Health Care Executives (AHHE) to ensure that more Latinos and other young people of color enter policy-making, patient care and leadership positions in healthcare. Senior members of our staff have already begun taking these talented young people under our wing. We are helping them become knowledgeable about healthcare, establish lasting relationships in the field, and position themselves for success.

Several students have joined us here today. Welcome to:

1. Emmanuel Ofori
2. Heber Chamorro
3. Mickael Demean

### **METROPLUS GOLD – NOW AVAILABLE TO STATEN ISLAND RESIDENTS**

On January 4 we announced that MetroPlus Health insurance is now available for the first time to Staten Island residents. Staten Island residents can enroll immediately in MetroPlus plans, including the new “Essential Plans” with premiums from \$0 to \$20 per month.

We are very proud to now offer Staten Islanders a health insurance option for quality care which is accessible and affordable in every neighborhood.

### **NEW LINEAR ACCELERATOR AT KINGS**

In December, NYC Health and Hospitals/Kings County held a ribbon cutting for its new Varian Trilogy Linear Accelerator (“Linac”). The equipment will improve radiation oncology service for cancer patients by enabling our clinical team to better diagnose conditions and evaluate a patient’s response to treatment more quickly and efficiently. With two linear accelerators now located at Kings County we can improve the patient experience, expand access to care, and reduce patient wait times.

The Linac will enable us to expand the scope of services by offering Image Guide Radiation Therapy (IGRT), Stereotactic Body Radiation Therapy (SBRT) and Stereotactic Radiosurgery (SRS). The hospital’s Radiation Oncology Department will also have the capability to treat over 200 additional patients per year.

NYC Health and Hospitals is grateful to Council Member Mathieu Eugene for securing over \$2.6 million in funding from the New York City Council for the new equipment and its installation, which will expand the scope of services offered to patients and reduce wait times for treatment.

### **SEA VIEW SCORES IN THE FIRST QUINTILE RANK OVERALL**

Nursing Home Quality Initiative Results for December awarded NYC Health and Hospitals/Sea View with five star ratings in staffing, influenza vaccinations for staff, percent of long stay residents (high risk) with pressure ulcers, and percent of long stay residents who have depressive symptoms, among other ranking components. The Center for Medicare Services rates Sea View as “Much above Average” in its 5 Star ranking system. Sea View has consistently maintained its 5 Star rating since 2008.

### **LINCOLN MURAL UNVEILED**

Installation of a tremendous new mural, two and a half stories tall, has been completed at NYC Health and Hospitals/Lincoln. An unveiling ceremony took place on December 18, 2015 with a distinguished group of 100 in attendance. The mural’s theme encourages patients, visitors and employees to use the stairs, rather than the elevator. Research has long indicated that exercise is a step towards prevention for many common ailments and can improve overall health.

Artist / Muralist Katie Yamasaki created the mural after meeting with Lincoln patients, staff, and community groups from the Bronx, to find out what would best motivate them to use the stairs. The mural includes healthy eating tips, street scenes, fantasy journeys and exercising options in a colorful voyage up the stairwell. A special thanks goes to The Fund for HHC and to Joe Schick, its Executive Director, for making this project possible.

### **LIFTING CONGRESSIONAL BAN ON STUDY OF GUN VIOLENCE**

NYC Health and Hospitals/ Lincoln’s Child Advocacy Clinic Director, Dr. Nina Agrawal participated in a December effort spearheaded by Doctors for America to advocate for the lifting of a Congressional ban on federal Centers for Disease Control (CDC) and National Institutes of Health (NIH) research of gun violence as a health issue.

Covering this important public health issue were CNN, the Washington Post, Newsweek, NPR, CBS and other local media. Eight physician organizations and five members of Congress joined Doctors for America on December 12, 2015 at the U.S. Capitol to deliver petitions. Allies from Doctors Council, American Medical Women’s Association, National Physicians Alliance, American College of Preventive Medicine, Committee of Interns and Residents, Physicians for the Prevention of Gun Violence, American Academy of Pediatrics and the American Medical Student Association stood together to speak out for thousands of physicians.

### **ONECITY HEALTH UPDATE**

On January 21, Dr. Christina Jenkins presented an update on OneCity Health planning and implementation to the Public Authority Oversight Panel (PAOP), which oversees the NYS Department of Health for the DSRIP program. Information was provided on network configuration, primary care strategy, behavioral health integration, funds flow approach, and engagement and funding of Community Based Organizations (CBOs). These PAOP-identified themes will continue to be areas of focus as DSRIP implementation progresses.

We expect to begin distributing funds beginning in February and continue to keep our partners informed on timing. Our first partners to receive funds will be those CBOs participating in Project 11. There are no DOH-defined deadlines or penalties associated with timing of funds flow. We are linking partner funds flow directly to resource needs and process milestones associated with a phased project rollout.

We are continuing site-level planning and implementation for DSRIP clinical projects across the entire OneCity Health network: For Project 11, asthma home-based self-management, and integration of palliative care into the Patient Centered Medical Home (PCMH), local implementation is well underway across pilot sites including a subset of NYC Health and Hospitals and community provider organizations.

Our strategy includes an important foundational requirement to achieve PCMH Level III status under NCQA 2014 standards, as well as achieving certain core competencies within the primary care setting, including the ability to function operationally as a high-performing care team. We have developed a contracting framework for our community partners to achieve goals and expect to execute contracts beginning in February. We are proud that our sites are currently at PCMH Level III status and their primary care planning will continue under leadership of the Division of Medical and Professional Affairs with DSRIP funding as appropriate. Planning continues for all other clinical projects, including those related to care management and care transitions, and we expect to formally initiate those projects in February and March.

We are continuing the process of executing the Master Services Agreements (MSAs) for all partners and the payment schedules for each project in which a partner will participate. To date, roughly 80 percent of our Master Services Agreements have been executed.

Our community-based organizations within the OneCity Health partners will be the first to receive DSRIP funding for the important work they are undertaking in Project 11, which requires us to engage our uninsured patients, administer the PAM® survey as required by NYS DOH to assess their ability to self-manage their health, and to link them to insurance and primary care.

With the endorsement of NYC Health and Hospitals and OneCity Health Executive Committee, the OneCity Health Stakeholders Committee structure will be modified to provide more focus on the issue of workforce planning and training and to allow for greater inclusion of our labor partners in our efforts to transform into a more tightly integrated, health and wellness focused delivery system.

#### **FEDERAL UPDATE**

The James L. Zadroga 9/11 Health and Compensation Act was passed by Congress and signed into law on December, 18, 2015. The bill extends the Zadroga medical program, which includes NYC Health and Hospitals' World Trade Center Environmental Health Center program, for 75 years. The bill extends the companion Victims Compensation Fund for five years. Thank you to all of those who worked so hard for passage. The World Trade Center Health Program is a priority of NYC Health and Hospitals. We are proud to continue rendering essential 9/11-related care and services for decades to come.

#### **STATE UPDATE**

Governor Andrew Cuomo has released the State Executive Budget for 2016-2017. Our legislative team is currently analyzing the proposal for its impact to NYC Health and Hospitals. During the legislative session we will work with state legislators and our union partners to advocate for our vital access provider funding and to preserve our indigent care funding levels.

#### **CITY UPDATE**

Mayor Bill de Blasio's preliminary budget was released on January 21, 2016.

It includes a provision to assist NYC Health and Hospitals with ongoing financial challenges.

\$337 million will be directed to our system as an offset to federal and state charity care funding reductions that we have absorbed. We appreciate the City's bridge assistance as we transform our essential system to achieve financial stability.

#### **PROGRAM OF THE MONTH: CITYDOCTORS SCHOLARSHIP PROGRAM**

As we all know, the shortage of skilled primary care physicians grows more acute every day, as fewer medical school graduates choose a career path in family medicine.

But we are in the position to do something about this. Because we provide the training opportunities that medical schools need. We should use this leverage to create a pipeline of doctors to work in the public hospital system. Medicine is treated differently than other professions by the federal government, because medical residency programs are supported with tax dollars. But taxpayers should have the right to expect a return on their investment. They should receive the health care services that they need, rather than a glut of specialists that they don't. And Medicine should honor an ethical obligation to give back to the society that supports it. Instead, we have passively stood by, while newly-minted physicians shun primary care in favor of more lucrative specialty fields.

I am proud that NYC Health and Hospitals is working hard to change this dynamic.

We have partnered with St. George's University Medical School to create the CityDoctors scholarship program. It's a program that I am glad to recognize today as NYC Health and Hospital's Program of the Month.

Earlier this month we held a beautiful ceremony at NYC Health and Hospitals/Harlem Hospital to award scholarships to 17 very deserving young New Yorkers representing all five boroughs.

In return, these students have committed to serving as primary care physicians in the public system after their education and training concludes.

Our CityDoctors program is a great start. But the program should be scaled up, to include partnerships between NYC Health and Hospitals and all the medical academic institutions in New York City.

We should develop a pipeline of physicians that the City can truly depend on. Physicians who grew up in diverse communities all across this city. Physicians whose deep cultural and linguistic connections will enable us to deliver more effectively on our mission of providing comprehensive, personalized health care to all New Yorkers.

All of the CityDoctors scholarship winners announced early this month have already begun their studies at St. George's University, and so could not be with us tonight.

But I think we can give them---and the CityDoctors program a round of applause anyway.

### **TEAM OF THE MONTH NYC HEALTH AND HOSPITALS EBOLA PLANNING TEAM**

As we know, 2014 marked the deadliest worldwide Ebola outbreak on record.

It killed more than 11,300 people and infected more than 28,500 others.

We all remember the alarm and fear here in New York...

...fear that was calmed only after we discharged Dr. Craig Spencer from Bellevue with a clean bill of health. The crisis demonstrated something very clearly:

New Yorkers depend on us to shoulder the responsibility of managing public health emergencies like Ebola.

The City, State and Federal governments depend on us. Our competition, the other health care systems in New York depend on us. And we came through for them. We delivered. We kept the city safe.

Last week, the World Health Organization finally declared an end to the 2014 outbreak. This is extremely welcome news.

But we have not, and will not, withdraw from our intensive engagement with Ebola and other highly infectious diseases.

On the contrary, we are growing our mission. We are taking a leadership role in preparing our system, our region, and our country for the next outbreak.

Which is why today we honor our Ebola specialists as January's Team of the Month.

These colleagues are doing great work on three different levels simultaneously:

- Within our own health care system.
- Regionally, in our capacity as one of only 9 federally designated referral treatment centers for patients with Ebola or other severe, highly infectious diseases.
- And nationally, as one of three medical research institutions to co-lead a new National Ebola Training and Education Center in partnership with Emory University and the University of Nebraska.

They have implemented a system-wide plan to recognize, evaluate, and treat patients who have contracted special pathogens.

They have secured \$10 million in competitive grant funding from the U.S. Department of Health and Human Services to help ensure that the logistics, planning and training we do now, will result in an effective and prepared response in the future.

As a result of our effort, NYC Health and Hospitals is among only a handful of institutions across the nation fully trained and equipped to handle the most advanced and complex infectious disease scenarios.

So, tonight in the aftermath of the World Health Organization announcement, we offer our appreciation and congratulations for work well done to our Ebola team--- represented here this evening by:

Dr. Ross Wilson, Chief Medical Officer

Dr. Nicholas Cagliuso, Assistant Vice President for Emergency Management

Dr. Laura Evans, Medical Director for Critical Care at NYC Health and Hospitals/Bellevue

Patricia Ann Tennill, RN, Assistant Director of Nursing at NYC Health and Hospitals/Bellevue



**RESOLUTION**

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) or his delegate to enter into an agreement with Lightower Fiber Networks (“Lightower”) to build, deploy and support an enterprise-wide area Network (“Network”) and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency, for the initial five-year term.

WHEREAS, NYC Health + Hospitals currently uses Verizon as its provider for enterprise wide voice and data circuits pursuant to a contract that is expiring; and

WHEREAS, a solicitation was conducted to ensure that a vendor would be in place to continue to provide these critical telecommunications services upon the expiration of the current contract; and

WHEREAS, Lightower will build, deploy and support a new Network at no cost to NYC Health + Hospitals to consist of (3) separate and completely isolated and independent network infrastructures that will allow for the overall expansion of the infrastructure to additional Clinics and Rikers Island and provide the speed, bandwidth, security and stability to support traffic consuming applications such as telemedicine, telehealth, video and imaging; and

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

NOW, THEREFORE, BE IT:

RESOLVED, that the President of New York City Health and Hospitals Corporation or his delegate be and hereby is authorized to enter into an agreement with Lightower Fiber Networks (“Lightower”) to build, deploy and support a NYC Health + Hospitals Area Network and to provide voice and data services over such Network for a term of five (5) years with two (2) one-year options to renew, solely exercisable by NYC Health + Hospitals, for an amount not to exceed \$51,259,674, which includes a 20% contingency for the initial five-year term.

## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a 99 year sublease (including tenant renewal options) with Comunilife, Inc. or an affiliate formed for the transaction (the “Tenant”), of a parcel of approximately 13,000 square feet within the parking lot of Woodhull Medical and Mental Health Center (the “Facility”) to be used for the development of a six story building with 89 studio apartments including 35 for low income individuals and 54 for low income individuals living with mental illness who are appropriate for independent living in the community at an annual rent of \$75,000.

**WHEREAS**, pursuant to a New York State Office of Mental Health (“NYSOMH”) Request-for-Proposals, the Tenant shall develop housing for adults living with mental illness; and

**WHEREAS**, NYSOMH has identified the Facility’s patients as a priority population for this type of program; and

**WHEREAS**, the Tenant is a leader in the provision of supportive housing, community-based and multicultural mental health services, and rehabilitation social services; and

**WHEREAS**, NYC Health + Hospitals and the Tenant shall, consistent with NYSOMH regulatory restrictions, establish protocols allowing for the referral to the Tenant of the Corporation’s patients who qualify for the Tenant’s programs; and

**WHEREAS**, the individuals with mental illness who are to live in the building shall be screened to ensure that they are suitable for independent living in the community; and

**WHEREAS**, a Public Hearing was held on January 7, 2016, in accordance with the requirements of the Corporation’s Enabling Act; and

**WHEREAS**, prior to lease execution, the proposed sublease is subject to the approval of the City Council and the Office of the Mayor.

### **NOW, THEREFORE, be it**

**RESOLVED**, that the President of New York City Health and Hospitals Corporation be and he hereby is authorized to execute a 99 year sublease (including tenant renewal options) with Comunilife, Inc. or an affiliate formed for the transaction of a parcel of approximately 13,000 square feet within the parking lot of Woodhull Medical and Mental Health Center to be used for the development of a six story building with 89 studio apartments including 35 for low income individuals and 54 for low income individuals living with mental illness who are appropriate for independent living in the community at an annual rent of \$75,000.

## RESOLUTION

Authorizing the President of NYC Health + Hospitals to execute a Customer Installation Commitment ("CIC") with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project (the "Project") at NYC Health + Hospitals / Kings County (the "Facility").

**WHEREAS**, in March 2005, NYC Health + Hospitals, the City University of New York, the New York City Board of Education, and the City of New York, through the Department of Citywide Administrative Services (collectively, the "Customers"), entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA; and

**WHEREAS**, in September 2014, the City mandated a 80% reduction in greenhouse gas emissions in City-owned properties by 2050, managed by Division of Energy Management within Department of Citywide Administrative Services ("DCAS"); and

**WHEREAS**, in December 2009, as part of PlaNYC 2030, the City passed major legislation known as the "Greener, Greater Buildings Plan" that included more stringent code requirements; required installation of lighting upgrades and tenant meters in non-residential spaces; and required all buildings over 50,000 square feet to undertake benchmarking and audits; and implement retro-commissioning measures. Local Law 87 mandated Comprehensive Energy Audits be completed within a 10 year time frame (2013 – 2023); and

**WHEREAS**, the City, through DCAS, has allocated funding under the Accelerated Conservation and Efficiency ("ACE") program for improvements and upgrades to increase energy efficiency and energy cost savings at City-owned facilities in line with the PlaNYC initiative to reduce energy and greenhouse gas emissions of municipal operations 80% by 2050; and

**WHEREAS**, NYC Health + Hospitals has determined that it is necessary to address the proposed energy conservation measures at the Facility by undertaking the project at a not-to-exceed cost of \$14,905,587 (see Exhibit A – Executive Project Summary), to enhance the reliability of its systems, as well as increase the comfort and safety of the building occupants; and

**WHEREAS**, DCAS has deemed this ACE project to be eligible under the PlaNYC initiative and has allocated \$10,000,000 in the PlaNYC capital budget; and

**WHEREAS**, NYPA demonstrates that the project will produce total annual cost savings to the Facility estimated at \$1,553,633; and

**WHEREAS**, the overall management of the construction contract will be under the direction of the Assistant Vice President - Facilities Development.

**NOW THEREFORE, be it**

**Page Two – Resolution  
Customer Installation Commitment**

**RESOLVED**, the President of the NYC Health + Hospitals to execute a Customer Installation Commitment (“CIC”) with the New York City Department of Citywide Administrative Services (“DCAS”) and the New York Power Authority (“NYPA”) for an amount not-to-exceed \$14,905,587 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the Energy Conservation Measures upgrade project (the “Project”) at NYC Health + Hospitals / Kings County (the “Facility”).



## RESOLUTION

Authorizing the President of the NYC Health + Hospitals (the "Health Care System") to execute Job Order Contracts (JOC) with two (2) firms: MSR Electric; and Arcadia Electrical Company; (the Contractors"), that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.

**WHEREAS**, the facilities of the Health Care System may require professional construction services, such as, Electrical Contracting services; and

**WHEREAS**, the Health Care System has determined that such needs can best be met by utilizing outside firms, on an as-needed basis, through a requirements contracts; and

**WHEREAS**, the Health Care System's Operating Procedure No. 100-5 requires approval by the Board of Directors contracts of \$3,000,000 and above; and

**WHEREAS**, the Health Care System published a request for bids for professional GC services, bids received were publicly opened on September 16, 2015 and September 15, 2015, and the Health Care System determined that the selected Contractors are the lowest responsible bidders for these contracts; and

**WHEREAS**, the Contractors have met all, legal, business and technical requirements and are qualified to perform the services as required in the contract documents.

**NOW, THEREFORE**, be it

**RESOLVED**, the President of the NYC Health + Hospitals be and hereby is authorized to execute Job Order Contract (JOC) with two firms; MSR Electric; and ARCADIA Electrical Company, that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized to be spent under these contracts is \$12 Million.

## RESOLUTION

Authorizing the President of NYC Health + Hospitals (the "Health Care System") to execute Job Order Contracts (JOC) with two (2) firms: Startec Mechanical, LLC.; and Volmar Construction, Inc.; (the Contractors"), that were pre-qualified through the Health care system's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized value of these contracts is \$12 Million.

**WHEREAS**, the facilities of the Health Care System may require professional construction services, such as, HVAC Contracting services; and

**WHEREAS**, the Health Care System has determined that such needs can best be met by utilizing outside firms, on an as-needed basis, through a requirements contracts; and

**WHEREAS**, the Health Care System's Operating Procedure No. 100-5 requires approval by the Board of Directors contracts of \$3,000,000 and above; and

**WHEREAS**, the Health Care System published a request for bids for professional GC services, bids received were publicly opened on September 16, 2015 and September 15, 2015, and the NYC Health + Hospitals determined that the Contractors are the lowest responsible bidders for these contracts; and

**WHEREAS**, the Contractors have met all, legal, business and technical requirements and are qualified to perform the services as required in the contract documents.

**NOW, THEREFORE**, be it

**RESOLVED**, the President of the NYC Health + Hospitals be and hereby is authorized to execute Job Order Contract (JOC) with two firms; Startec Mechanical, LLC., and Volmar Construction, Inc. that were pre-qualified through the Health Care System's public bid process, to provide construction services on an as-needed basis at various facilities throughout the Health Care System. Each individual contract shall be for a term of two (2) years, for an amount not to exceed \$6,000,000. The total authorized to be spent under these contracts is \$12 Million.

**RESOLUTION**

*Authorizing the Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus”) to negotiate and execute a contract with Milton Samuels Advertising & Public Relations (“MSA”), to provide media buying and advertising services for a term of three years with two 1-year to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year.*

**WHEREAS**, MetroPlus, a wholly-owned subsidiary corporation of the NYC Health + Hospitals, is a Managed Care Organization and Prepaid Health Services Plan, certified under Article 44 of the Public Health Law of the State of New York, and;

**WHEREAS**, the Certificate of Incorporation of MetroPlus reserves to NYC Health + Hospitals the sole power with respect to MetroPlus entering into contracts, other than with NYC Health + Hospitals or a health care service provider, with an annual value in excess of \$3,000,000; and

**WHEREAS**, MetroPlus is authorized to enroll members to receive health care services in the boroughs of Manhattan, Brooklyn, the Bronx and Queens (Staten Island pending); and

**WHEREAS**, MetroPlus places a special emphasis on insuring those who have traditionally been uninsured, and needs marketing and advertising services in order to effectively support that goal; and

**WHEREAS**, MetroPlus seeks strategic media planning and buying services, social media and marketing services, public relations assistance as well as the ability, if required, to create broadcast and television commercials and/or revise existing commercials; and

**WHEREAS**, MetroPlus seeks to also produce materials for a range of print and broadcast media including, but not limited to, brochures, print, transit, and other out-of-home advertising; and

**WHEREAS**, an RFP for media buying and advertising services was pursued in compliance with MetroPlus’ contracting policies and procedures; and

**WHEREAS**, MSA has been selected as the vendor with the demonstrated ability to provide these services; and

**WHEREAS**, the Board of Directors of MetroPlus has duly considered and approved the proposed contract between MetroPlus and MSA.

**NOW THEREFORE**, be it

**RESOLVED**, *that the Executive Director of MetroPlus is hereby authorized to negotiate and execute a contract with MSA to provide media buying and advertising services for a term of three years with two 1-year options to renew, each solely exercisable by MetroPlus, for an amount not to exceed \$3,500,000 per year.*

# Correctional Health Services Transition Update

Patsy Yang, DrPH  
Senior Vice President for  
Correctional Health Services

Board of Directors Meeting  
February 25, 2016





## Creation of CHS Infrastructure in H+H

- Establish CHS, a \$237 million program with 1700 FTEs and 24/7 jail operation, with no lapses in coverage or service disruption to patients
- Close collaboration with City Hall, OMB, OLR, Law, DOC and DOHMH in order to:
  - clarify governance;
  - resolve legal liabilities;
  - account for preexisting agreements and commitments;
  - transfer core program and staff;
  - ensure budget neutrality to H+H.



## Disengaging from Corizon

- Reviewed personnel files, conducted background checks, and interviewed over 1,200 Corizon staff
- Hired ~85% of staff who were on Corizon payroll when vetting process began
- Negotiated collective bargaining; protected salaries, leave balances, pensions and health benefits
- Integrated ~50 subcontracts into Supply Chain with no disruption in service delivery



## Transformation of CHS Model

- Established direct affiliations for medical (PAGNY) and dental (CDA) providers
- Created unified H+H management team
- Built new infrastructure for administration and operations in the jails, including scheduling, staff safety, support operations and patient production



## Improvements Underway

- We have begun to leverage H+H programs to improve quality and continuity of care
  - MetroPlus
  - Health Home
  - Gotham Health
  - Bellevue & Elmhurst Hospitals
- We are examining and changing existing processes ranging from sick call to inventory management to increase accountability and productivity



# Q&A





## RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an amendment of the December 24, 2014 sublease with Draper Homes Housing Development Fund as nominee for Draper Hall Apartments LLC ("Tenant I") to provide for the return to NYC Health + Hospitals of approximately 15,150 square feet included in such lease (the "Draper II Site") on the campus of Metropolitan Hospital Center and to simultaneously execute a sublease with Draper Family Housing Development Fund Corporation or such other housing development fund company as shall be approved by both NYC Health + Hospitals and the New York City Department of Housing Preservation and Development ("HPD") (the "HDFC") as nominee for Gilbert on First LLC (in such capacities being referred to together with the HDFC as "Tenant II") of the Draper II Site for a term of 99 years, inclusive of Tenant II options for the development of a 14 story structure on the Draper II Site with approximately 131 apartments for low and moderate income individuals and families at a rent payable to NYC Health + Hospitals of not less than \$75,000 per year.

**WHEREAS**, there is an acute shortage of housing for low income residents in the City of New York; and

**WHEREAS**, pursuant to NYC Health + Hospitals' Board of Directors resolution adopted September 25, 2014 and subsequently approved by the New York City Council, NYC Health + Hospitals entered into a sublease dated December 24, 2014 with Tenant I to develop the existing Draper Hall and its surrounding grounds on the Facility's campus as housing for low income elderly and/or disabled individuals, with the review and approval of HPD; and

**WHEREAS**, the alterations of Draper Hall will be completed in 2017; and

**WHEREAS**, the Draper II Site is adjacent to Draper Hall, is currently undeveloped vacant land and will accommodate an additional structure but the terms of the December 24, 2014 lease do not permit such additional construction; and

**WHEREAS**, Tenant I wishes to release to NYC Health + Hospitals the Draper II Site; and

**WHEREAS**, Tenant II wishes to lease the Draper II Site from NYC Health + Hospitals to construct thereupon an additional structure consisting of approximately 15,150 square feet to hold approximately 131 apartments for low and moderate income individuals and families also under the review and approval of HPD; and

**WHEREAS**, the Corporation leases its real estate properties from the City of New York under the 1970 Operating Agreement between the Corporation and the City of New York thereby technically making any further lease of such properties by the Corporation to a third party a sublease; and

**WHEREAS**, a Public Hearing was held January 5, 2016, in accordance with the requirements of the Corporation's Enabling Act, and prior to execution, the sublease will be subject to approval of the City Council and the Office of the Mayor.

Page Two – Resolution  
Sublease – Draper II

NOW, THEREFORE, be it

**RESOLVED**, that the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) is authorized to execute an amendment of the December 24, 2014 sublease with Draper Homes Housing Development Fund as nominee for Draper Hall Apartments LLC (“Tenant I”) to provide for the return to NYC Health + Hospitals of approximately 15,150 square feet included in such lease (the “Draper II Site”) on the campus of Metropolitan Hospital and to simultaneously execute a sublease with Draper Family Housing Development Fund Corporation or such other housing development fund company as shall be approved by both NYC Health + Hospitals and the New York City Department of Housing Preservation and Development (the “HDFC”) as nominee for Gilbert on First LLC (in such capacities being referred to together with the HDFC as “Tenant II”) of the Draper II Site for a term of 99 years, inclusive of Tenant II options for the development of a 14 story structure on the Draper II Site with approximately 131 apartments for low and moderate income individuals and families at a rent payable to NYC Health + Hospitals of not less than \$75,000 per year.

**EXECUTIVE SUMMARY**  
**SUBLEASE AGREEMENT**  
**METROPOLITAN HOSPITAL CENTER**  
**DRAPER FAMILY HOUSING DEVELOPMENT FUND CORPORATION**  
**FOR THE BENEFIT OF**  
**GILBERT ON FIRST LLC**

**OVERVIEW:**

The President seeks authorization from the Board of Directors to amend the December 24, 2014 sublease with Draper Homes Housing Development Fund Corporation for the benefit of Draper Hall Apartments LLC ("Tenant I") for the development on the campus of Metropolitan Hospital Center of housing for low income elderly and/or disabled individuals. The project involved the renovation of Metropolitan Hospital's Draper Hall which will be completed during 2017. The lease covered Draper Hall itself and some land around the building. It is possible to erect on the remaining land leased to Tenant I another structure that could be connected to Draper Hall, however, the original lease did not permit such additional construction. It is proposed that NYC Health + Hospitals amend the December 24, 2014 lease whereby Tenant I will release to NYC Health + Hospitals approximately 15,150 square feet (the "Draper II Site"). Simultaneously NYC Health + Hospitals will enter into a new sublease with Draper Family Housing Development Fund Corporation or such other housing development fund company as shall be approved by both NYC Health + Hospitals and the New York City Department of Housing Preservation and Development ("HPD") (the "HDFC") as nominee for Gilbert on First LLC (in such capacities being referred to together with the HDFC as "Tenant II"). For reasons of financing, it is necessary that a new structure be formed and used for the Draper II Site but Tenant I and Tenant II are related and the two buildings will be under common management.

**NEED/  
PROGRAM:**

It is a priority of the City of New York to address the acute shortage of housing for low income individuals and families. The construction of the project will directly address the need for such housing. Draper II will be a 14 story structure with approximately 131 apartments for low and moderate income individuals and families. The project will be financed, in part, through the "Mix and Match Program" which is a joint financing program for the creation of mixed income housing of New York State Housing Development Corporation and HPD. In keeping with Mix and Match requirements 50% of the units in the new project will be affordable to households that qualify the project to receive Federal Low Income Housing Tax Credits. In Draper II, 25% of the units will be set aside for families earning less than 50% of Area Median Income and another 25% of the units will be set aside for families earning between 50% and 60% of AMI. Mix and Match requires that the remaining 50% of the units be set aside for moderate and middle income families with maximum rents set to be affordable to households earning 130% of AMI. As a result, in Draper II, 10% of the units will have rents affordable by families earning 80% of AMI, 20% by families earning 100% of AMI and 20% by families earning 130% of AMI.

Page Two – Executive Summary  
Sublease – Draper II

**TENANT:**

The principals of the managing member of the LLC are principals of SKA Marin. SKA Marin is an experienced developer of low income housing for seniors and disabled tenants. SKA is the principal in the development of Draper Hall. SKA was also the principal in Metro East 99th Street, a 176 unit building expecting TCO this month, across from Metropolitan Hospital Center. Metro East 99<sup>th</sup> is the first Medicaid Redesign Project in New York State and serves elderly and non-elderly tenants who can live independently but have previously been patients in NYC Health + Hospitals long-term care or who are under care at NYC Health + Hospitals facilities for chronic conditions. SKA Marin has also been a principal in the successful development of Kings County Senior Residence on the Kings County Hospital Center campus pursuant to a sublease with the Corporation approximately ten years ago

The Draper II project will be financed with low income tax credits, a loan made by the Housing Development Corporation in conjunction with additional funding by the New York City Department of Housing Preservation and Development (“NYCHPD”) NYS HCR State tax credits and the City Council. Section 8 vouchers will NOT be issued for this project.

Because of the HPD loan requirements, the lease will be made in the name of the HDFC but the LLC will have all of the rights of the Tenant to enforce the lease terms, to perform the Tenant’s obligations and to be recognized as the “beneficial tenant.” The LLC will be responsible for the performance of the Tenant’s obligations.

**TERMS:**

NYC Health + Hospitals will enter into a sublease with Tenant II with a term of ninety-nine years, inclusive of Tenant II options. The term of the sublease shall commence upon sublease execution.

Tenant II will be responsible for all costs associated with the development and operation of its housing program. Upon sublease execution construction shall commence. All plans and specifications of the project shall be subject to the prior approval of HPD and NYC Health + Hospitals which approval shall not be unreasonably withheld.

Any further subletting by Tenant II of space within the new building will be subject to the consent of NYC Health + Hospitals.

The cost for all utilities provided to the project will be the responsibility of the Tenant provided Tenant may pass the cost of utilities to the building residents. Tenant II will also be responsible for all structural and nonstructural interior and exterior, maintenance of, and repairs to, the property.

Tenant II will indemnify NYC Health + Hospitals and the City of New York and will provide adequate insurance against all liability arising from its use and occupancy of the property, naming the Corporation and the City of New York as additional insured parties.

<b>Draper Hall Phase II (HDC 25-25-10-20-20 with 2016 Rents)</b>	<b>1/16/2016</b>
<b>1918 First Avenue</b>	
<b>Manhattan, NY</b>	<b>Units: 132</b>
<b>SOURCES AND USES</b>	

<b>CONSTRUCTION SOURCES</b>		<b>% of total</b>	<b>per DU</b>
Bond First Mortgage	23,000,000	43.39%	174,242
HDC Second Mortgage	8,028,372	15.14%	60,821
HPD Third Mortgage	8,028,372	15.14%	60,821
HPD Third Mortgage Accrued Interest	188,165	0.35%	1,425
Reso A	3,000,000	5.66%	
Developer Equity	500,000	0.94%	3,788
LIHTC Equity	2,296,186	4.33%	17,395
State Tax Credit	1,287,000	2.43%	
Deferred Operating and Replacement Reserve	932,000	1.76%	7,061
Deferred Developer's Fee	5,750,000	10.85%	43,561
<b>TOTAL CONSTRUCTION SOURCES</b>	<b>\$ 53,010,095</b>	<b>100.00%</b>	<b>\$ 369,114</b>
(GAP)/SURPLUS	\$ -		\$0

<b>PERMANENT SOURCES</b>			
Bond First Mortgage	13,380,000	25.24%	101,364
HDC Second Mortgage	8,028,372	15.14%	60,821
HPD Third Mortgage	8,028,372	15.14%	60,821
HPD Third Mortgage Accrued Interest	188,165	0.35%	1,425
Reso A	3,000,000	5.66%	
Developer Equity	500,000	0.94%	3,788
LIHTC Equity	11,675,824	22.03%	88,453
State Tax Credit	4,290,000	8.09%	
Deferred Operating and Replacement Reserve	-	0.00%	-
Deferred Developer's Fee	3,919,362	7.39%	29,692
<b>TOTAL PERMANENT SOURCES</b>	<b>\$ 53,010,095</b>	<b>100.00%</b>	<b>\$ 346,364</b>
FINANCING (GAP)/SURPLUS	\$ -		\$0

<b>USES</b>			
Acquisition Cost	-	0.00%	-
Contractor Price and Contingency	37,028,355	69.85%	280,518
Third Party Costs	2,890,854	5.45%	21,900
Financing Costs	5,489,851	10.36%	41,590
Reserves and SC Contingency	1,351,035	2.55%	10,235
Developer's Fee	6,250,000	11.79%	47,348
<b>TOTAL USES</b>	<b>\$ 53,010,095</b>	<b>100.00%</b>	<b>\$ 401,592</b>

Paid Developer Fee

2,330,638



<b>Draper Hall Phase II (HDC 25-25-10-20-20 with 2016 Rents)</b> <b>1918 First Avenue</b> <b>Manhattan, NY</b>	1/16/2016  Units: <b>132</b>
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**PROJECT SUMMARY**

**PROJECT SIZE**

	<b>GSF</b>	<b>% of Total</b>
Residential SF	135,635	100.0%
Commercial SF	-	0.0%
Community SF	-	0.0%
Parking SF	-	0.0%
<b>Total</b>	<b>135,635</b>	<b>100.0%</b>

**UNIT MIX**

	<b>47% AMI</b>	<b>57% AMI</b>	<b>80% AMI</b>	<b>100% AMI</b>	<b>130% AMI</b>	<b>Super</b>	<b>TOTAL</b>	<b>% OF TOTAL</b>
Studio	7	7	3	6	4	0	27	20.5%
1 Bedroom	12	12	5	9	10	0	48	36.4%
2 Bedroom	9	9	3	7	7	1	36	27.3%
3 Bedroom	5	5	2	4	5	0	21	15.9%
<b>Total</b>	<b>33</b>	<b>33</b>	<b>13</b>	<b>26</b>	<b>26</b>	<b>1</b>	<b>132</b>	<b>100.0%</b>
<b>% OF TOTAL</b>	25.0%	25.0%	9.8%	19.7%	19.7%	0.8%	100.0%	

<b>Draper Hall Phase II (HDC 25-25-10-20-20 with 2016 Rents)</b>		1/16/2016
<b>1918 First Avenue</b>		
<b>Manhattan, NY</b>	<b>Units:</b>	<b>132</b>
<b>DEVELOPMENT BUDGET</b>		

Description			Cost
<b>Acquisition Cost</b>			
Ground Lease (during Construction)	\$0	/year	-
Buildings	\$0	/du	-
<b>Total: Acquisition Costs</b>			<b>\$ -</b>
<b>Construction Cost</b>			
<b>Contractor Price</b>			
Residential (incl. parking)	\$260	/gsf	35,265,100
Commercial	\$0	/gsf	-
<b>Subtotal: Construction Cost</b>			<b>35,265,100</b>
Contingency	5%		1,763,255
<b>Total: Hard Cost</b>	<b>\$273.00</b>	<b>/gsf</b>	<b>\$ 37,028,355</b>
<b>Soft Cost</b>			
Borrower's Legal			350,000
Borrower's Engineer/Architect Fees	\$11	/gsf	1,491,985
Accounting & Cost Certification			40,000
Bank's Engineer			60,000
Bank Legal			105,000
Permits and expediting			50,000
Controlled Inspections			350,000
Environmental Investigation			90,000
Green Buildings			70,000
Survey			15,000
Appraisal			15,000
Fixings, Furnishings & Equipment			-
Title Insurance	0.65%	of 1st, 2nd, 3rd	253,869
<b>Subtotal: Third Party Costs</b>			<b>\$ 2,890,854</b>
<b>Financing Fees</b>			
Bank Origination + Application Fees	0.75%	of LOC	173,938
Annual Bank L/C Fee	1.25%	of LOC	797,214
HDC Commitment Fee	1.00%	of Bond Amt	230,000
Costs of Issuance	1.50%	of Bond Amt	345,000
State Bond Fee	0.84%	of Bond Amt	193,200
SONYMA MIP	0.50%	of Perm	66,900
SONYMA Application Fee	0.10%	of Perm	13,380
LIHTC Application Fee			3,000
LIHTC Allocation Fee	5.00%	of annual alloc.	51,673
<b>Subtotal: Financing Fees</b>			<b>\$ 1,874,304</b>
<b>Carrying Costs</b>			
Bond Construction Interest			1,524,285
Subsidy Construction Interest			363,786
Negative Arbitrage			802,000
Transfer Tax			-
Insurance	1.50%	of HC	528,977
Owner's Rep			150,000
Marketing	1,500	/du	196,500
Syndicator Legal			50,000
<b>Subtotal: Carrying Costs</b>			<b>\$ 3,615,547</b>
<b>Reserves and Contingency</b>			
Capitalized Operating Reserve			800,000
Capitalized Replacement Reserve	1,000	/du	132,000
Soft Cost Contingency	5.00%		419,035
<b>Subtotal: Reserves and Contingency</b>			<b>\$ 1,351,035</b>
<b>Total Soft Costs</b>			<b>\$ 9,731,740</b>
Developer's Fee	13.4%		\$ 6,250,000
<b>Total Development Cost:</b>			<b>\$ 53,010,095</b>

Draper Hall Phase II (HDC 25-25-10-20-20 with 2016 Rents)  
 1918 First Avenue  
 Manhattan, NY

1/16/2016

Units: 132

**INCOME CALCULATION**

Non-Residential Income			
	# Spaces	\$/Month	Annual
Parking	0	\$0	\$0
Commercial	SF	\$0	\$0
Community	-	\$0	\$0
	# units	\$/Year	
Laundry & Vending	132	\$120	\$15,840
<b>Subtotal Non-Residential</b>			<b>\$15,840</b>

0.70% of total income

	25.00%			25.00%			9.85%			19.70%			19.70%			Total Consolidated			
	47% AMI			57% AMI			80% AMI			100% AMI			130% AMI			# Units	Rooms	Monthly Rent	Annual Rent
	# Units	Rooms	Monthly Rent	# Units	Rooms	Monthly Rent	# Units	Rooms	Monthly Rent	# Units	Rooms	Monthly Rent	# Units	Rooms	Monthly Rent				
Studio	7	2	\$704	7	2	\$863	3	2	\$1,046	6	2	\$1,318	4	2	\$1,725	27	54	\$1,071	\$346,980
One	12	3	\$757	12	3	\$926	5	3	\$1,317	9	3	\$1,656	10	3	\$2,165	48	144	\$1,319	\$760,020
Two	9	4	\$915	9	4	\$1,119	3	4	\$1,587	7	4	\$1,994	7	4	\$2,605	35	140	\$1,579	\$663,120
Three	5	5	\$1,051	5	5	\$1,286	2	5	\$1,827	4	5	\$2,298	5	5	\$3,004	21	105	\$1,883	\$474,612
<b>Rental Units</b>	<b>33</b>			<b>33</b>			<b>13</b>			<b>26</b>			<b>26</b>			<b>131</b>	<b>443</b>		<b>\$2,244,732</b>
Super's Units																1	4		
<b>Total Units</b>																<b>132</b>	<b>447</b>		<b>--</b>

\*Rents based on estimated HDC 2016 Rent and Income Limits

**Total Annual Income \$2,260,572**

M&O Expenses*	Total	
Legal	19,800	150 per unit
Accounting/Bookkeeping	14,000	14,000 proj.
Management Fee	106,625	5.0% ERI
Fire & Liability Insurance	112,200	850 per unit
Heating	134,100	300 per room
Electricity	73,308	164 per room
Water & Sewer	122,031	273 per room
Supplies/Cleaning/Exterminating	44,700	100 per room
Repairs/Replacement	85,800	650 per unit
Security	-	per unit
Super & Maintenance Salaries	173,000	1,311 per unit
	1.00	69,000 assistant super
	2.00	104,000 porter
Elevator Maint. & Repairs	2.00	13,200 6,600 elev.
Tax Credit Monitoring		2,475 0.75% TC rent
Building Reserve		33,000 250 per unit
Ground Lease		50,000 379 per unit
<b>M &amp; O Before Taxes and DS</b>	<b>984,239</b>	<b>7,456 per unit</b>
		<b>2,202 per room</b>
Real Estate Tax	-	per unit
<b>Total Operating + Taxes</b>	<b>984,239</b>	<b>7,456 per unit</b>
		<b>2,202 per room</b>

\*Client's suggestion

Union  
 Union

\*Expenses based on HDC 2015 Maintenance and Operating Standards with a 2% increase.

**Draper Hall Phase II (HDC 25-25-10-20-20 with 2016 Rents)**  
**1918 First Avenue**  
**Manhattan, NY**

1/16/2016

Units:

132

**LOAN SIZING**

<b>Income</b>			
Residential Income			\$2,244,732
Less Residential Vacancies	5%		(\$112,237)
<i>Net Residential Income</i>			\$2,132,495
Ancillary/Laundry			\$15,840
Less Ancillary/Laundry Vac	0%		\$0
<i>Net Comm &amp; Ancillary Income</i>			\$15,840
Parking			\$0
Less Parking Vacancies	10%		\$0
<i>Net Parking Income</i>			\$0
Commercial			\$0
Less Commercial Vacancies	10%		\$0
<i>Net Commercial Income</i>			\$0
Community			\$0
Less Community Vacancies	10%		\$0
<i>Net Community Income</i>			\$0
<b>Net Income</b>			<b>\$2,148,335</b>
<b>Expenses</b>			
Maintenance/Operating			\$934,239
Real Estate Taxes			\$0
Ground Lease			\$50,000
<b>Total Expenses</b>			<b>\$984,239</b>
<b>Net Operating Income</b>			<b>\$1,164,096</b>

<b>Debt Service Calculation</b>			
Debt Service at	1.15		\$1,012,258
		<i>Inc to Exp</i>	1.08
Income to Expense	1.05		\$1,061,795

<b>Underwriting Rate</b>	
Base Rate	5.00%
Servicing	0.20%
MIP	0.50%
Total Rate	5.70%

<b>Loan Sizing</b>					
Lender	HDC Mortgage	HDC Subsidy	HPD Subsidy	Reso A	Total
	1st Loan	Loan	Loan	Loan	
	\$13,380,000	\$ 8,028,372	\$ 8,028,372	\$3,000,000	\$29,436,744
Pay Rate	5.70%	1.0%	0.0%	0.0%	
Accrual Rate		2.61%	1.00%	1.00%	
Term	30	35	35	35	
Amortization	30	35	35	35	
Amt Amort	\$13,380,000	\$0	(\$3,362,770)	(\$1,256,582)	
Debt Service	\$931,891	\$80,284	\$0		\$1,012,175
Balloon	(\$0)	\$10,328,425	\$11,391,142	\$4,256,582	
Balloon %	0%	129%	0%	0%	
Supportable Payment	\$931,974	\$80,284	\$0	\$0	
<i>Overall DSCR</i>	1.25	1.15	1.15	1.15	1.15
Amount Per Unit	\$101,364	\$ 60,821	\$ 60,821	\$ 22,727	

\$ 60,821	\$ 60,821	n/a
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Maximum Allowable Subsidy per unit

**Draper Hall Phase II (HDC 25-25-10-20-20 with 2016 Rents)** 1/16/2016  
**1918 First Avenue**  
**Manhattan, NY** Units: 132  
**CASH FLOW PROJECTIONS**

*Stabilized*

EFFECTIVE INCOMES		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income	2.00%	2,132,495	2,175,145	2,218,648	2,263,021	2,308,282	2,354,447	2,401,536	2,449,567	2,498,558	2,548,529	2,599,500	2,651,490	2,704,520	2,758,610	2,813,782
Parking Income	2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Income	2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community Space Income	2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ancillary Income	2.00%	15,840	16,157	16,480	16,810	17,146	17,489	17,838	18,195	18,559	18,930	19,309	19,695	20,089	20,491	20,901
<b>Total Income</b>		<b>2,148,335</b>	<b>2,191,302</b>	<b>2,235,128</b>	<b>2,279,831</b>	<b>2,325,427</b>	<b>2,371,936</b>	<b>2,419,375</b>	<b>2,467,762</b>	<b>2,517,117</b>	<b>2,567,460</b>	<b>2,618,809</b>	<b>2,671,185</b>	<b>2,724,609</b>	<b>2,779,101</b>	<b>2,834,683</b>

**EXPENSES**

M&O Expenses	3.00%	465,175	479,130	493,504	508,309	523,559	539,266	555,443	572,107	589,270	606,948	625,157	643,911	663,229	683,125	703,619
Mgmt Fee	2.00%	106,625	108,757	110,932	113,151	115,414	117,722	120,077	122,478	124,928	127,426	129,975	132,574	135,226	137,931	140,689
Utilities	3.00%	329,439	339,322	349,502	359,987	370,786	381,910	393,367	405,168	417,323	429,843	442,738	456,021	469,701	483,792	498,306
Building Reserve		33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Shelter Rent RE Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ground Lease		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Expenses</b>		<b>984,239</b>	<b>1,010,210</b>	<b>1,036,939</b>	<b>1,064,447</b>	<b>1,092,759</b>	<b>1,121,898</b>	<b>1,151,888</b>	<b>1,182,754</b>	<b>1,214,521</b>	<b>1,247,218</b>	<b>1,280,870</b>	<b>1,315,506</b>	<b>1,351,156</b>	<b>1,387,848</b>	<b>1,425,614</b>
<b>Net Operating Income</b>		<b>1,164,096</b>	<b>1,181,092</b>	<b>1,198,190</b>	<b>1,215,383</b>	<b>1,232,668</b>	<b>1,250,038</b>	<b>1,267,487</b>	<b>1,285,009</b>	<b>1,302,596</b>	<b>1,320,242</b>	<b>1,337,939</b>	<b>1,355,679</b>	<b>1,373,453</b>	<b>1,391,253</b>	<b>1,409,069</b>
First Mortgage Debt Service		931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891
Second Mtg. Debt Service		80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284
Third Mtg. Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>DSCR</i>		<i>1.15</i>	<i>1.17</i>	<i>1.18</i>	<i>1.20</i>	<i>1.22</i>	<i>1.24</i>	<i>1.25</i>	<i>1.27</i>	<i>1.29</i>	<i>1.30</i>	<i>1.32</i>	<i>1.34</i>	<i>1.36</i>	<i>1.37</i>	<i>1.39</i>

**CASH FLOW**

Asset Management Fee	3.0%	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
<b>Available Cash Flow</b>		<b>146,922</b>	<b>163,768</b>	<b>180,710</b>	<b>197,745</b>	<b>214,866</b>	<b>232,067</b>	<b>249,342</b>	<b>266,685</b>	<b>284,087</b>	<b>301,543</b>	<b>319,045</b>	<b>336,583</b>	<b>354,149</b>	<b>371,735</b>	<b>389,331</b>
<b>15 Year Net Cash Flow</b>		<b>4,008,578</b>														

**Return on Developer Equity**

Accrued Return on Dev. Equity	6.0%	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Paydown of Return on Dev. Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Available Cash Flow (Post Yr 15)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2,870,058	2,927,459	2,986,008	3,045,729	3,106,643	3,168,776	3,232,152	3,296,795	3,362,730	3,429,985	3,498,585	3,568,556	3,639,928	3,712,726	3,786,981
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21,319	21,745	22,180	22,623	23,076	23,537	24,008	24,488	24,978	25,478	25,987	26,507	27,037	27,578	28,129
<b>2,891,377</b>	<b>2,949,204</b>	<b>3,008,188</b>	<b>3,068,352</b>	<b>3,129,719</b>	<b>3,192,313</b>	<b>3,256,160</b>	<b>3,321,283</b>	<b>3,387,709</b>	<b>3,455,463</b>	<b>3,524,572</b>	<b>3,595,063</b>	<b>3,666,965</b>	<b>3,740,304</b>	<b>3,815,110</b>

724,728	746,470	768,864	791,930	815,687	840,158	865,363	891,324	918,063	945,605	973,974	1,003,193	1,033,289	1,064,287	1,096,216
143,503	146,373	149,300	152,286	155,332	158,439	161,608	164,840	168,137	171,499	174,929	178,428	181,996	185,636	189,349
513,255	528,653	544,512	560,848	577,673	595,003	612,854	631,239	650,176	669,682	689,772	710,465	731,779	753,733	776,345
33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>1,464,486</b>	<b>1,504,495</b>	<b>1,545,677</b>	<b>1,588,064</b>	<b>1,631,693</b>	<b>1,676,600</b>	<b>1,722,824</b>	<b>1,770,403</b>	<b>1,819,376</b>	<b>1,869,786</b>	<b>1,921,675</b>	<b>1,975,086</b>	<b>2,030,064</b>	<b>2,086,656</b>	<b>2,144,909</b>
<b>1,426,891</b>	<b>1,444,709</b>	<b>1,462,512</b>	<b>1,480,288</b>	<b>1,498,026</b>	<b>1,515,713</b>	<b>1,533,336</b>	<b>1,550,880</b>	<b>1,568,332</b>	<b>1,585,676</b>	<b>1,602,897</b>	<b>1,619,978</b>	<b>1,636,901</b>	<b>1,653,648</b>	<b>1,670,201</b>
931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891	931,891
80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284	80,284
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.41	1.43	1.44	1.46	1.48	1.50	1.51	1.53	1.55	1.57	1.58	1.60	1.62	1.63	1.65

7,790	8,024	8,264	8,512	8,768	9,031	9,301	9,581	9,868	10,164	10,469	10,783	11,106	11,440	11,783
<b>406,926</b>	<b>424,510</b>	<b>442,073</b>	<b>459,601</b>	<b>477,084</b>	<b>494,508</b>	<b>511,860</b>	<b>529,125</b>	<b>546,290</b>	<b>563,338</b>	<b>580,254</b>	<b>597,020</b>	<b>613,619</b>	<b>630,034</b>	<b>646,243</b>

30,000	25,400	0	0	0	0	0	0	0	0	0	0	0	0	0
158,400	166,782	174,818	-	-	-	-	-	-	-	-	-	-	-	-
<b>248,526</b>	<b>257,728</b>	<b>267,255</b>	<b>459,601</b>	<b>477,084</b>	<b>494,508</b>	<b>511,860</b>	<b>529,125</b>	<b>546,290</b>	<b>563,338</b>	<b>580,254</b>	<b>597,020</b>	<b>613,619</b>	<b>630,034</b>	<b>646,243</b>

New York City  
Health + Hospitals  
Board of Directors

Draper Hall Apartments Phase II

January 5, 2016



# East Harlem Context



## About SKA Marin

- SKA Marin approaches affordable development with a passion for getting the job done well and the knowledge and experience to do it.
- In 2015, SKA Marin was ranked #30 out of the nation's top 50 affordable housing developers by the Affordable Housing Finance magazine and has been involved in the development and construction management of over 6500 units.
- In 1996, the Landmark on Main Street project won the New York State Historic Preservation award for Community Revitalization and Historic Rehabilitation.
- In 2015, Metro East 99th Street, the first Medicaid Redesign Project to close in New York State, was named 2015 Best Supportive Housing in the nation by Affordable Housing Finance Readers' Choice.





# NYC Health + Hospitals Partnership with SKA Marin

Draper Hall Phase II is the fourth collaboration between SKA Marin and the New York City Health + Hospitals including:

- The Kings County Senior Residence – 172+1 one bedroom apartments
- Metro East 99th Street– 175+1 apartments exclusively for chronically ill and physically challenged adults from H+H long term and acute care facilities
- Draper Hall Phase I- 202+1 units of affordable senior housing

The NYC H+H/SKA Marin collaboration is an example of how, working together, health and housing providers can create healthy and inclusive communities within larger neighborhoods like East Harlem. By providing much needed affordable and supportive housing for individuals and families, we can facilitate good health and preventive care.





## Community Outreach

- SKA Marin has historically worked with East Harlem community organizations on housing culminating in such projects as Carlos Rios, Mt. Pleasant, Lucille Clark and Casita Park.
- On Draper Hall Senior Housing, as the Council has recommended, SKA Marin will be leading an outreach effort to East Harlem seniors to apply for the housing.
- On Draper 2, we are continuing to meet with local elected officials and the Metropolitan Community Advisory Board and Community Board 11.



## Draper Hall Phase II Project Features

- 131+1 units of affordable, mixed income family housing
- 27 studios, 48 one bedrooms, 35 two bedrooms and 21 three bedrooms
- Outdoor planted rooftop
- Beautiful views of the East River
- Tall, slender buildings which fit into the neighborhood context
- Nurse practitioner/doctor's services on-site (in discussion with NYC H+H)
- Easy access to medical care at Metropolitan Hospital

## Rents at Varying Income Levels

Draper Hall Phase II will provide affordable units to families at varying levels of income.

<b>131 units</b>	<b>47% AMI 33 units</b>	<b>57% AMI 33 units</b>	<b>80% AMI 13 units</b>	<b>100% AMI 26 units</b>	<b>130% AMI 26 units</b>
Studio	\$670	\$821	\$996	\$1,255	\$1,643
1-bedroom	\$720	\$881	\$1,254	\$1,577	\$2,063
2- bedroom	\$871	\$1,065	\$1,511	\$1,900	\$2,482
3-bedroom	\$1,000	\$1,224	\$1,740	\$2,189	\$2,862

\*Subject to change based on the 2016 New York City Area Median Income

# Draper Hall Financing Model and Project Schedule

## **Projected Construction Financing:**

- New York City Housing Development Corporation
- Federal Tax Credit and Developer Equity
- New York State Tax Credits
- New York City Department of Housing Preservation and Development
- City Council Funds

## **Project Schedule:**

- Construction Closing: December, 2016
- Construction Completion: December, 2018
- Rent-up Completion: June 2019

# Draper Hall Bird's Eye View





## **RESOLUTION**

Authorizing the President of the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”), or his delegate, to enter into an enterprise-wide agreement with Microsoft Corporation for renewal of software licenses and maintenance and support agreements in an amount not to exceed \$38,439,048 (which includes a 10% contingency of \$3,494,459) for a three year period.

WHEREAS, NYC Health + Hospitals uses a wide array of Microsoft software products and Enterprise Information Technology Services (“EITS”) is required to procure the licenses and software maintenance and support needed to run this software; and

WHEREAS, the current Enterprise Agreement with Microsoft expires on March 31, 2016, and therefore renewals are required for the licenses and maintenance and support agreements to cover the Microsoft products currently in use across NYC Health + Hospitals; and

WHEREAS, the Office of Legal Affairs has determined that, under Operating Procedure 100-5, Article XII(F), neither Contract Review Committee (the “CRC”) nor Board of Directors review and approval is required for these renewals; however, in view of their substantial cost, EITS wishes to obtain Board of Directors’ approval to enter into such renewals; and

WHEREAS, the accountable person for these renewal agreements is the Senior Assistant Vice President/Interim Corporate Chief Information Officer.

NOW, THEREFORE, be it:

RESOLVED, THAT the President of New York City Health and Hospitals Corporation, or his delegate, be and hereby is authorized to enter into an enterprise agreement with Microsoft Corporation for software licenses and maintenance and support agreements in an amount not to exceed \$38,439,048 (which includes a 10% contingency of \$3,494,459) for a three year period.



## **Executive Summary**

The accompanying resolution is for a renewal of the agreement with Microsoft Corporation for software licenses, maintenance and support on an on-going basis in an amount not to exceed \$38,439,048 (\$34,944,588 with an additional 10% contingency of \$3,494,459 million) for a three year period.

NYC Health + Hospitals' current Enterprise Agreement with Microsoft expires on March 31, 2016, requiring a new agreement for licenses and maintenance to cover the wide array of Microsoft products currently in use across NYC Health + Hospitals. The proposed contract is a renewal under Operating Procedure 100-5 Article XII(F), that allows for the renewal of contracts for maintenance of existing computer systems and for the replacement of an existing contract with the same vendor for such maintenance. The Office of Legal Affairs has determined that, under this section of Operating Procedure 100-5, neither Contract Review Committee (the "CRC") nor Board of Directors review and approval is required for these renewals; however, in view of their substantial cost, EITS wishes to obtain Board of Directors' approval to enter into such renewals; and in the interests of time, has obtained the Information Technology Committee's approval but not the CRC's approval.

The initial Enterprise Agreement with Microsoft allowed NYC Health + Hospitals to centralize purchasing of Microsoft products and support resulting in steep discounts and software upgrade rights for all products covered by the agreement. In addition, the agreement provides payments for the software in a predictable annual payment schedule.

The renewal agreement will include the licensing and support rights for all the Microsoft products used by NYC Health + Hospitals today such as Microsoft Office, Windows, SharePoint, System Center, Exchange and SQL-Server. Additionally, the agreement contains Microsoft Cloud Services which includes online access to Microsoft Office365, Microsoft Azure Services, SharePoint (collaboration web sites), and Skype (video conferencing and instant messaging), enabling access to Microsoft products for the emerging mobile users and workforce.

Under the current Microsoft agreement, the amount that NYC Health + Hospitals would owe next year would be \$10.4 million without any changes or additions. Given this baseline, over the next three years the total spend for Microsoft would be \$31.2 million. If NYC Health + Hospitals had remained on the GroupWise system, Novell would also be owed \$1.8 million next year, assuming no changes or additions, which would result in a \$5.4 million payment over the same three-year period. In total NYC Health + Hospitals would be spending \$36.6 million. Therefore with the new agreement would result in an estimated savings of \$1.6 million over those three years not including the contingency.

The new Microsoft Agreement allows additional flexibility to support the ever increasing needs to license this software on multiple devices due to demands of other projects like Epic and the ever increasing request to mobilize our workforce allowing NYC Health +

Hospitals to provide the same access and care outside the hospitals that we provide within the physical locations.

# CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

**Contract Title:** Microsoft Enterprise License Agreement

**Project Title & Number:**

**Project Location:**

**Requesting Dept.:** EITS

**Successful Respondent:** Microsoft Corporation

**Contract Amount:** \$38,439,048

(\$34,944,588 with an additional 10% contingency of \$3,494,459 million)

**Contract Term:** Three Years

**Number of Respondents:** Not Applicable—Computer Maintenance Renewal—direct renewal

(If Sole Source, explain in Background section)

**Range of Proposals:** \$ Not Applicable

**Minority Business Enterprise Invited:**

No If no, please explain: No, direct buy from vendor

**Funding Source:**

X General Care Central Budget  
Grant: explain  
Other: explain

**Method of Payment:**

Lump Sum Per Diem Time and Rate  
X Other: explain Annual payment

**EEO Analysis:**

Conditionally Approved subject to annual review

**Compliance with HHC's McBride Principles?**

Yes No

**Vendex Clearance**

Yes No **N/A** 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.)

## CONTRACT FACT SHEET(continued)

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

NYC Health + Hospitals' current Enterprise Agreement with Microsoft expires on March 31, 2016, requiring a new agreement for licenses, software maintenance and support to cover the wide array of Microsoft products currently in use across the enterprise.

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**Contract Review Committee**

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

Under OP 100-5, Article XII (F), such contracts do not need to go to the Board or the CRC. EITS determined that, because of the large value of the contract, it is best to present the contract to the IT Committee and to the Board for approval. Office of Legal Affairs confirmed that it is permissible to go directly to the Board without a CRC review under the circumstances.

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.

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**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):

The proposed agreement will be procured according to Operating Procedure 100-5 Article XII (F), under the Renewals of Computer Maintenance Equipment, directly with Microsoft Corporation. After researching several means of procurement it was determined that the best pricing and terms can be obtained by negotiating directly with Microsoft.

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**Scope of work and timetable:**

The agreement is a 3 year agreement that includes software usage rights, software maintenance (termed by Microsoft Software Assurance or SA), premier support, and hosting services for Azure, inTune, Microsoft Exchange, SharePoint, and Skype (termed Office 365).

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

Under the current Microsoft agreement, the amount that NYC Health + Hospitals would owe next year would be \$10.4 million without any changes or additions. Given this baseline, over the next three years the total spend for Microsoft would be \$31.2 million. If NYC Health + Hospitals had remained on the GroupWise system, Novell would also be owed \$1.8 million next year, assuming no changes or additions, which would result in a \$5.4 million payment over the same three-year period. In total NYC Health + Hospitals would be spending \$36.6 million, therefore with the new agreement it would be a savings of \$1.6 million over those three years.

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**CONTRACT FACT SHEET (continued)**

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

This is for the purchase of proprietary software, software maintenance, and services that can only be acquired from the software manufacturer.

*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?*

Yes, the agreement has intellectual property and copyright limitations. Legal Affairs is reviewing the contract.

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

**Sal Guido, Senior Assistant Vice President / Interim Corp. CIO**

***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

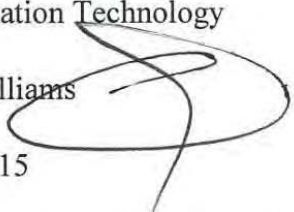
\_\_\_\_\_  
Name

31598

**Manasses C. Williams**  
Senior Assistant Vice President  
Affirmative Action/EEO

manasses.williams@nychhc.org

**TO:** Brenda Schultz, AVP  
EITS IT Financial Administration  
Office of Information Technology

**FROM:** Manasses C. Williams 

**DATE:** September 9, 2015

**SUBJECT:** EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

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

Minority Business Enterprise  Woman Business Enterprise  Non-M/WBE

Project Location(s): Corporate

Contract Number: \_\_\_\_\_

Project: Enterprise License Agreement

Submitted by: Office of Information Technology Services

EEO STATUS:

1.  Approved
2.  Approved with follow-up review and monitoring
3.  Not approved
4.  Conditionally approved subject to EEO Committee Review

COMMENTS:

MCW/srf

# Microsoft Enterprise License Agreement

Board of Directors Meeting  
February 25, 2016





## **Background Summary**

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- **NYC Health + Hospitals Requirements**
  - Maintain License Compliance Across the Corporation
- **Current Enterprise Agreement**
  - NYC Health + Hospitals' current Enterprise Agreement with Microsoft expires on 3/31/2016
  - The agreement provides for centralized discounted purchasing for all NYC Health + Hospitals' networks and facilities with no price increases for three years
  - Agreement includes support and upgrade benefits.
- **In Scope Software Products**
  - Microsoft Office Suite including Word, Excel, and PowerPoint
  - Windows 7, Windows 10, Windows Server and future release versions
  - Microsoft System Center
  - SQL-Server, SharePoint, and Exchange / Outlook



## Solution Summary

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- **Enterprise Agreement**
  - MS Office, Windows 7 and Windows 10
  - SharePoint Enterprise Edition (Collaboration)
  - Exchange Enterprise Edition (Email)
- **Special Enrollment Programs**
  - Microsoft has introduced the structure of licensing to allow per-user based licensing add-ons. This enrollment allows more flexibility for Users to use these products through non-traditional needs including Virtual Desktops and mobile devices.
  - New Agreement renewal would allow NYC Health + Hospitals to retain products currently licensed under the existing contract without having repurchase the software after the contract term ends.
- **Office 365 Option with Enterprise Mobility Suite**
  - Promotion being offered by Microsoft for external hosting of Microsoft products including Office, SharePoint, Exchange, and Lync. Mobile device configuration and management are also included as part of offering.



## Financial Analysis

- Under the current Microsoft Agreement, NYC Health + Hospitals will spend \$10.4 million per year without any changes or additions. The total spending over a three year period would be \$31.2 million.
- If NYC Health + Hospitals had remained on the Groupwise system, the recurring annual cost for Groupwise maintenance would be \$1.8 million per year or \$5.4 million over a three year period.
- In total NYC Health + Hospitals would spend approximately \$36.6 million. Therefore, the new agreement would result in savings of \$1.6 million over the three year contract period, not including contingency.

## Future Spend

Description	FY2016	FY2017	FY2018	Total Spend
<b>2016 Enterprise Agreement</b>	\$ 11,648,196	\$ 11,648,196	\$ 11,648,196	\$ 34,944,589
<b>Contingency (10%)</b>	\$ 1,164,820	\$ 1,164,820	\$ 1,164,820	\$ 3,494,459
<b>Total</b>	\$ 12,813,016	\$ 12,813,016	\$ 12,813,016	\$ <b>38,439,048</b>



## Budget Overview

### FY16 Operating OTPS Budget (Non-Epic EMR)

FY16 - IT Budget					
		Includes, but not limited to	(\$ in millions)		
			Total Budget	Expenditures [Paid or in Progress] as of 12/31/2015 <sup>(1)</sup>	Balance
1	<b>Maintenance</b>	Radiology/Picture Archiving and Communication System, Dentrax, Microsoft, Quadramed, Mcafee, Cerner, Oracle, Sungard and CISCO Smartnet	\$138.9	\$71.2	\$67.7
2	<b>Services</b>	Consulting Services for Business Intelligence, PeopleSoft, Desktop Support, Enterprise Service Desk and Enterprise Operations Center	\$43.5	\$17.0	\$26.5
3	<b>Upgrades</b>	Information Security & Risk Management, Application Standarization, Secure File Transfer, MobileIron, Secure Texting and PC Refresh	\$26.9	\$7.6	\$19.3
	<b>Total (IT OTPS Budget)</b>		<b>\$209.3</b>	<b>\$95.8</b>	<b>\$113.5</b>



(1) Paid or in progress represents received amounts from the OTPS system and accruals



**Questions?**

