

BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 26, 2015
A~G~E~N~D~A

<p><u>CALL TO ORDER - 4 PM</u></p> <p>Call for a Motion to Convene an Executive Session</p> <p>Executive Session / Facility Governing Body Report</p> <ul style="list-style-type: none"> ➤ Lincoln Medical and Mental Health Center ➤ Gouverneur HealthCare Services <p>Semi-Annual Governing Body Report (Written Submission Only)</p> <ul style="list-style-type: none"> ➤ Queens Hospital Center 	<p>Dr. Boufford</p>
<p><u>OPEN SESSION – 5 PM</u></p> <p>1. Adoption of Minutes: January 29, 2015</p>	<p>Dr. Boufford</p>
<p><u>Acting Chair’s Report</u></p>	<p>Dr. Boufford</p>
<p><u>President’s Report</u></p> <p>➤ Information Item: FEMA Update – Roslyn Weinstein, Sr. Assistant Vice President, Office of Facilities Development / Operations</p> <p>>>Action Items<<</p>	<p>Dr. Raju</p>
<p><u>Corporate</u></p> <p>2. RESOLUTION authorizing the President of the New York City Health and Hospitals to negotiate and execute a ten-year extension to the contract with a joint venture known as the Consortium, consisting of Sodexo HealthCare Services, US Foods, Inc. (formerly known as US Foodservice), and GNYHA Ventures, Inc. The purpose of this extension is for the Consortium to continue to manage the Corporation’s food service operations and dietary workforce and provide patient and resident meals at the Corporation’s acute care and long-term care facilities. The Contract will run coterminous with an existing 25-year lease agreement of the Cook Chill production plant located on the Kings County Hospital Center campus. The plant shall continue to produce the Corporation’s patient and resident food needs. The Contract extension shall be for an amount not to exceed \$361,105,676.</p> <p><i>(Finance Committee – 02/10/2015)</i> <i>EEO: Sodexo – Conditional, GNYHA Ventures – Approved; US Food Inc. - Pending / VENDEX: Pending</i></p>	<p>Mr. Rosen</p>
<p>3. RESOLUTION authorizing the President of the New York City Health and Hospitals to execute a three and one-half year sub sub-lease agreement with the Healthcare Finance Group LLC for approximately 16,880 square feet of space at 199 Water Street, Borough of Manhattan, to house Delivery System Reform Incentive Payment Program (“DSRIP”) staff at an initial rent of \$460,000 per year or approximately \$27.25 per square foot to increase at a rate of 2.5% per year with the Corporation responsible for the payment of sub-metered electricity for a total commitment over the lease term exclusive of electricity of not more than \$1,173,144.</p> <p><i>(Capital Committee – 02/19/2015)</i></p> <p style="text-align: right;"><i>(over)</i></p>	<p>Ms. Youssouf</p>



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<p><u>North & Central Brooklyn Health Network</u></p> <p>4. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a five year license agreement with Ronald McDonald House of New York, Inc. for its use and occupancy of approximately 1,100 square feet of space on the fifth floor of the D Building at Kings County Hospital Center for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients, with the occupancy fee waived and with the President having the authority to extend the license to include space at other facilities of the Corporation on a similar basis provided such extensions are reported to the Board. <i>(Capital Committee – 02/19/2015)</i> VENDEX: Pending</p>	<p align="center">Ms. Youssouf</p>
<p><u>Southern Brooklyn/Staten Island Health Network</u></p> <p>5. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a five year license agreement with the Staten Island Ballet Theater, Inc. for its continued use and occupancy of 5,000 square feet of space in the Laboratory Building to house administrative functions, dance instruction and hold performances at the Sea View Hospital Rehabilitation Center and Home with the occupancy fee waived. <i>(Capital Committee – 02/19/2015)</i> VENDEX: Pending</p>	<p align="center">Ms. Youssouf</p>
<p>6. RESOLUTION authorizing the President of the New York City Health and Hospitals Corporation to execute a five year revocable license agreement with the United States Department of Justice for its continued use and occupancy of space to house communications equipment at the Sea View Hospital Rehabilitation Center and Home at an occupancy fee of approximately \$9,203 per year to be escalated by 3% per year. <i>(Capital Committee – 02/19/2015)</i></p>	<p align="center">Ms. Youssouf</p>
<p><u>MetroPlus Health Plan, Inc.</u></p> <p>7. RESOLUTION approving amendments the Bylaws of MetroPlus Health Plan, Inc. to better enable MetroPlus to conduct its business. <i>(MetroPlus Board – 01/29/2015)</i></p>	<p align="center">Mr. Rosen</p>
<p><u>Committee Reports</u></p> <ul style="list-style-type: none"> ➤ Audit ➤ Capital ➤ Finance ➤ Medical & Professional Affairs / Information Technology ➤ Strategic Planning 	<p align="center">Ms. Youssouf Ms. Youssouf Mr. Rosen Dr. Calamia Mrs. Bolus</p>
<p><u>Subsidiary Board Report</u></p> <ul style="list-style-type: none"> ➤ MetroPlus Health Plan, Inc. 	<p align="center">Mr. Rosen</p>
<p>>>Old Business<< >>New Business<<</p>	
<p>Adjournment</p>	<p align="center">Dr. Boufford</p>

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

A meeting of the Board of Directors of the New York City Health and Hospitals Corporation (the "Corporation") was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 29th of January 2015 at 4:00 P.M. pursuant to a notice which was sent to all of the Directors of the Corporation and which was provided to the public by the Secretary. The following Directors were present in person:

Dr. Jo Ivey Boufford
Dr. Ramanathan Raju
Mr. Steven Banks
Dr. Mary T. Bassett
Dr. Gary S. Belkin
Josephine Bolus, R.N.
Dr. Vincent Calamia
Ms. Anna Kril
Mr. Robert Nolan
Mr. Mark Page
Mr. Bernard Rosen
Ms. Emily A. Youssef

Patricia Yang was in attendance representing Deputy Mayor Lilliam Barrios-Paoli, in a voting capacity. Dr. Boufford chaired the meeting and Mr. Salvatore J. Russo, Secretary to the Board, kept the minutes thereof.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on December 18, 2014 were presented to the Board. Then on motion made by Dr. Boufford 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 18, 2014, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

Dr. Boufford received the Board's approval to convene in Executive Session to discuss matters of quality assurance and potential litigation.

Dr. Boufford informed the Board that, beginning in February 2015, Executive session will begin promptly at 4:00 and open session will begin promptly at 5:00.

Finally, Dr. Boufford 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.

INFORMATION ITEM

Antonio Martin, Executive Vice President and Chief Operating Officer, gave a presentation regarding the Corporation's dietary operations. He stated that the objectives were to improve patient care and quality of food, to increase menu-variety options and patient satisfaction, and to improve employee working conditions and safety throughout the organization. He further stated that the Corporation had an

aggregated cost savings of \$57 million over the first ten years of the contract.

ACTION ITEMS

RESOLUTION

2. Authorizing the President of the New York City Health and Hospitals Corporation to negotiate and execute a contract with **GSI Health, Inc.** to provide a **Care Coordination and Management Solution**. This solution will serve as the foundational population health management coordination, communication, collaboration, documentation tracking and registration system for the Corporation's overall Delivery System Reform Incentive Payment (DSRIP) strategy and several programs operated by the Corporation in conjunction with its DSRIP program. The contract shall be for a period of five years with two, one-year options to renew, exercisable solely by the Corporation, in an amount not to exceed \$35,441,897 (including a contingency of \$1,177,918 for additional software services as needed).

The members of the Board engaged in an extensive discussion about the proposed vendor and the nature and extent of the project and the services to be rendered, after which the following revised resolution was introduced:

REVISED RESOLUTION

Authorizing the President of the New York City Health and Hospitals New York City Health and Hospitals Corporation (HHC) to negotiate and execute a contract with GSI Health, Inc., and such other contractor(s) as necessary to implement a Care Coordination and Management Solution (CCMS). The contract(s) shall be for a period of five years with two, one-year options to renew, exercisable solely by the Corporation, for a total amount not to exceed \$35,441,897 (including a contingency of \$1,177,918 for additional software services as needed). This solution will serve as the foundational population health management, coordination, communication, collaboration, documentation tracking, and registration system for the Corporation's overall Delivery System Reform Incentive Payment (DSRIP) strategy and several programs operated by the Corporation in conjunction with its DSRIP program; and further

authorizing the President, in contracting with GSI and such other contractor(s) as necessary, to choose which entity(ies) shall arrange and provide for the interconnectivity services of the CCMS platform among HHC's community-based partners.

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

RESOLUTION

3. Authorizing the President of the New York City Health and Hospitals Corporation to execute a one-year revocable **license agreement** with **SST, Inc.** for its use and occupancy of approximately one square foot of exterior space for the operation of acoustical equipment at a single pilot facility of the Corporation with the occupancy fee waived and with the President holding an option to extend the license for up to four additional years to match the length of the Licensee's agreement with the New York City Police Department if such agreement is extended and with the President having the authority to designate the location included in the license.

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

RESOLUTION

4. Authorizing the President of the New York City Health and Hospitals Corporation 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 \$9,462,866 for the planning, pre-construction, design, construction, procurement, construction management and project management services necessary for the **Energy Conservation Measures** upgrade project at **Woodhull Medical and Mental Health Center**.

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

SUBSIDIARY AND BOARD COMMITTEE REPORTS

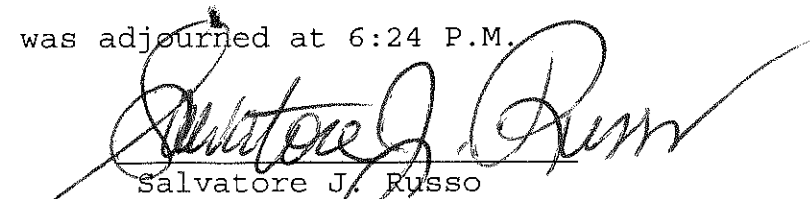
Attached hereto is a compilation of reports of the HHC Board Committees and Subsidiary Boards that have been convened since the last meeting of the Board of Directors. The reports were received by the Acting Chair at the Board meeting.

FACILITY GOVERNING BODY/EXECUTIVE SESSION

The Board convened in Executive Session. When it reconvened in open session, Dr. Boufford reported that, 1) the Board of Directors, as the governing body of Kings County Hospital Center, received an oral report and written governing body submission and reviewed, discussed and adopted the facility's report presented; 2) as governing body of Dr. Susan Smith McKinney Nursing & Rehabilitation Center, the Board received an oral report and written governing body submission and reviewed, discussed and adopted the facility's report presented; and 3) as governing body of Elmhurst Hospital Center, the Board reviewed and approved its semi-annual written report.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 6:24 P.M.



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

COMMITTEE REPORTS

Capital Committee – January 13, 2015 As reported by Ms. Emily Youssouf

Senior Assistant Vice President’s Report

Roslyn Weinstein, Senior Assistant Vice President, Office of the President, advised that the meeting agenda included; 1) a request from another City agency to utilize space on one of our facility roof-tops, and 2) the start of an Accelerated Conservation and Efficiency “ACE” program project, part of the \$28 million provided through the Department of Citywide Administrative Services (DCAS). She noted that DCAS had awarded another \$5 million to HHC for continued energy work and the energy team was working on the next set of grants as the Corporation worked hard to deal with environmentally friendly buildings. Ms. Weinstein stated that HHC was the number two agency in the City for energy consumption, and we had accepted the Mayoral challenge to decrease emissions and were well on our way.

Ms. Weinstein announced that the Corporation would soon be approaching the Contract Review Committee (CRC) about issuing the first Request for Proposals (RFP) for use of Federal Emergency Management Agency (FEMA) dollars. The RFP, for an architectural firm to design the proposed Clinical Services building at Coney Island Hospital, would be reviewed by the CRC to ensure the project was on the right path.

That concluded Ms. Weinstein's report.

Action Items:

Authorizing the President of the New York City Health and Hospitals Corporation (the “Corporation”) to execute a one-year revocable license agreement with SST, Inc. (the “Licensee”) for its use and occupancy of approximately one square foot of exterior space for the operation of equipment at each of various facilities of the Corporation with the occupancy fee waived and with the President holding an option to extend the license for up to four additional years to match the length of the Licensee's agreement with the New York City Police Department (the “NYPD”) if such agreement is extended and with the President having the authority to designate the locations included in such license.

Jeremy Berman, Deputy General Counsel, read the resolution into the record. Mr. Berman was joined by Sergeant Joseph Freer, New York City Police Department (NYPD).

Mr. Berman explained that the resolution would be revised to refer to a single pilot facility and not activity at various facilities.

Mr. Freer explained that the NYPD was part of a one-year pilot program with a company called SST, Inc., for the purpose of placing acoustical sensors throughout approximately 15 square miles of New York City. There would be approximately 300 sensors used to detect types of events that lead to police dispatching. He explained that the NYPD would receive alerts approximately 60 seconds after an event took place and would be directed to that location. He anticipated reduced response time by six to seven minutes.

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

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

Authorizing the President of the New York City Health and Hospitals Corporation (the “Corporation”) to execute a 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 \$9,462,886 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 Woodhull Medical and Mental Health Center (the “Facility”).

Lisa Scott-McKenzie, Deputy Executive Director, Central/North Brooklyn Health Network, read the resolution into the record on behalf of George Proctor, Senior Vice President, Central/North Brooklyn Health Network. Mrs. Scott-McKenzie was joined by Ricardo Corrales, Senior Associate Director, Woodhull Medical and Mental Health Center, and

Cyril Toussaint, Director, Office of Facilities Development. Edgardo Caban, and Nicholas Peretta, New York Power Authority, were also present.

Mrs. Scott-McKenzie thanked Mr. Martin, Ms. Weinstein, the Energy Department headed by Mr. Toussaint, and NYPA and DCAS, for collaborating on this project and moving it forward. She explained that the project would allow for the facility to enhance the reliability of systems such as lighting, boilers, fuel tanks, steam pipes and fan coil units. The upgrades would help eliminate leaks and allow the facility to meet the mandated conversion from number six (6), to number two (2), fuel oil. She said there was an anticipated annual savings of \$541,675. If approved the expected start date would be March of 2015 with completion expected in April of 2016.

Ms. Youssouf asked if the boilers were being replaced. Mrs. Scott-McKenzie said the equipment would be upgraded, which would allow for little disruption as work went on.

Mrs. Bolus asked whether the equipment would run as well on number six (6) oil. Mrs. Scott-McKenzie said yes.

Mrs. Bolus asked how many facilities were left using number six (6) fuel oil. Mr. Toussaint said there were three Corporate-wide; 1) Kings County Hospital Center, which had an upgrade project underway, 2) Cumberland Diagnostic and Treatment Center, for which funding was being sought to change boilers, and 3) Metropolitan Hospital Center, which was just switching over.

Mrs. Scott-McKenzie advised that the Corporation had been sharing the remaining resources amongst those facilities until Corporate-wide conversion was accomplished.

Mr. Page asked where the money was coming from. Ms. Weinstein said that nearly \$7.8 million would come from DCAS and \$1.5 million would be from the Office of Management and Budget (OMB). Mr. Page noted that it was all New York City capital funding.

Mr. Page asked what kind of leaks would be stopped. Mrs. Scott-McKenzie said steam leaks.

Mr. Page asked why the project would be financed with City funds instead of through NYPA, if they had programs that fund those types of projects. Ms. Weinstein explained that this project would be part of the ACE program, which was under the influence of DCAS and composed of dollars that had been set aside for this type of work. She noted that there were other projects that had been financed through NYPA but not this one. Mr. Ighaut said that there would be no debt service to the Corporation. Mr. Page said there would no debt service to the Corporation. He explained that there was always an interest in Capital from somebody else but when Capital is used for one thing it is hard to get it for another. It would be interesting to know how much capital costs through NYPA as opposed to how much Capital costs New York City when it is financed. He surmised that this was an excellent project and he was glad that it was being done.

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.

Information Items:

Project Status Reports

Central/North Brooklyn Health Network

Daniel Gadioma, Senior Project Manager, Kings County Hospital Center, advised that the Upgrade of Ten (10) Elevators in the "ABC" buildings had been completed. All elevators were running and operational and certified and that would be the final update on the project.

Mr. Gadioma explained that the Linear Accelerator project experienced delays when excavation uncovered more conduits than had been identified on the as-built drawings. There were five identified and ended up being 13, so that made for significant extra work on the front end. He said that anticipated completion had been moved from November of 2014, to February of 2015. Mrs. Bolus asked if they had found all the piping. Mr. Gadioma said he was confident that they did.

Ricardo Corrales, Senior Associate Director, Woodhull Medical and Mental Health Center, advised that the Obstetric Unit Expansion project was still on schedule for substantial completion by the end of February 2015. Ms. Weinstein noted that project was also within budget.

Hal Schnieder, Senior Associate Director, Elmhurst Hospital Center advised that all construction activities and punch-list items on the Women's Health Center project were complete. He said that the Department of Buildings (DOB) primary inspection had been completed, the facility passed, and they were since waiting for sign-off and approval by the Fire Department of the City of New York (FDNY) and the Department of Health (DOH) by end of February.

Ms. Youssouf asked if the space would really be operational by February. Mr. Schnieder said the facility was pushing for the end of February.

Ms. Youssouf expressed pleasure at the completion of some long followed projects and the positive tone of the meeting.

Community Relations Committee – January 6, 2015
As reported by Josephine Bolus, RN

Chairperson's Report

Mrs. Bolus welcomed everyone here tonight and wished them all a Happy New Year. Mrs. Bolus informed the Committee that before proceeding with the Annual Activity Reports from the Community Advisory Boards of the South Manhattan Network, and her report to provide highlights of notable events that took place over these last three months, she would like to pause and acknowledge the passing of two individuals who in their own way, had given so much to so many.

Mrs. Bolus recalled that Governor Mario M. Cuomo died on New Year's Day at the age of 82. He reminded the Committee that the New York's first Italian-American governor had commanded the nation's attention with a compelling public presence and a forceful defense of progressive ideals. Governor Cuomo believed that government should "be a positive source for good", providing shelter for the homeless, work for the idle, care for the elderly and infirm, and hope for the destitute." Mrs. Bolus noted that it is important to honor the memory of Governor Cuomo and his vision of a government for all.

For those who might not have already known, with sadness Mrs. Bolus announced that HHC had lost a vital community leader and dear friend on December 18th with the passing of Ms. Monica Brown. Ms. Brown was an invaluable member of the Metropolitan Hospital CAB and a passionate supporter of the public health care system.

Born in Colon, Panama, and a lifelong East Harlem resident, she was extraordinarily active as a political and community leader in East Harlem for more than 50 years. Mrs. Bolus asked the Committee to observe a moment of silence in loving tribute to our former Governor, Mario Cuomo and our own, Ms. Monica Brown.

Mrs. Bolus informed the Committee that the newly formed CAB of the Henry J. Carter Specialty Hospital and Nursing Facility, has been excused from presenting a 2014 Annual Activity Report. She added, however, that Mr. Robert Hughes, Executive Director of Carter and of the Coler Specialty Hospital and Nursing Facility, as well as two members of the newly established Carter CAB, Virginia Granato and Lydia Kensehuis are in attendance in tonight's meeting.

Mrs. Bolus reported that, around the time of our last Committee meeting, on October 7th, there was growing concern about the spread of the deadly Ebola virus disease in and from West Africa. At that time, the first person diagnosed in the U.S. was fighting for his life in a Dallas hospital.

Mrs. Bolus reported that for months, HHC had engaged in an unprecedented logistical effort to train and prepare HHC facilities to safely manage potential Ebola patients. She noted that HHC's exceptional facility staff had stepped up to do nothing less than what is expected – provide high quality care – no matter what the challenge is. She reported that Bellevue Hospital successfully treated the only Ebola patient in New York City thus far. Bellevue's leadership and staff are to be applauded for their exceptional work.

Mrs. Bolus informed the Committee that HHC-wide Ebola preparedness, screening individuals suspected of Ebola infection and caring for that one patient, who care alone cost tens of millions of dollars, has added up. She added that HHC is hopeful that there will be significant reimbursement by the federal government as a result of a special Congressional appropriation.

Mrs. Bolus shared with the Committee that Dr. Raju and Ms. Brown today had met with HHS Assistant Secretary Lurie concerning the cost of system-wide preparedness, screening for Ebola and treating patients.

Mrs. Bolus stated that the Ebola staff training exercises and other activities were extensions of HHC's routine preparedness for all challenging emergencies. However, as noted with Ebola and Super Storm Sandy, the awareness and preparedness of community residents are also critical to the City's success in responding effectively to emergencies. She announced that a special Red Cross presentation will be made at the CAB Council meeting this evening on personal and community emergency preparedness. Mrs. Bolus strongly urged the CABs and network and facility leadership to partner with the Red Cross to promote such preparedness and to host forums in their respective communities.

Mrs. Bolus reported that HHC's 11th Annual "Take Care New York" (TCNY) program activities had taken place over the entire month of October, throughout the City.

Mrs. Bolus informed the Committee that, as part of the TCNY program, on October 2nd President Raju, a resident of Todt Hill, Staten Island, had told participants in the Health and Wellness Expo of the Staten Island Economic Development Corporation, that public health is deeply entwined with economic growth. "An economically viable community does not happen without healthy people," he said.

Mrs. Bolus reported that, for this year's Take Care New York theme of "Move to Improve", the organization, "SHAPE UP NY" has been an omnipresent resource. There were lessons conducted on weight taking and estimating body fat indices; demonstrations about healthy eating; as well as teaching creative and simple exercise methods. In addition, Health club membership prizes were also available.

Mrs. Bolus informed the Committee that the range of topical events, educational activities and services across HHC for Take Care New York only included the usual physical exams and blood pressure tests, but also HIV screening, the provision of family planning and WIC information, screening mammograms and advertising of HHC's major involvement in "Making Strides Against Breast Cancer (October 19th); as well as the provision of flu shots on the spot. These events also presented an opportunity for the inclusion of education concerning the importance of voter registration and organ donation; MetroPlus enrollment; behavioral health screening and support, gun violence and domestic violence reduction, opioid overdose prevention, breast-feeding benefits; and information about Ebola.

With regard to domestic violence, Mrs. Bolus noted that Harlem and the Renaissance Network CABs had supported two major events during October.

Mrs. Bolus reported that on October 21st, they had held the first "Shine the Light Harlem", a domestic violence awareness walk and "speak out" at the Harlem State Office Building; and on October 30th, the facilities and their CABs had hosted the fifth annual Domestic Violence Conference with the organization, "We All Really Matter", or W.A.R.M. Speakers were Hannah Pennington, of the Mayor's Office to Combat Domestic Violence, Hon. Tandra L. Dawson, Esq., Justice of the New York State Supreme Court, and Rev. Dr. Lakeesha Walrond of the First Corinthian Baptist Church.

In addition, Mrs. Bolus noted that late October had marked the second anniversary of Hurricane Sandy; what Dr. Raju has called "the other momentous emergency challenge for HHC these last two years."

Mrs. Bolus reported that on November 6th, HHC had received a commitment from FEMA of \$1.6 billion to protect for the future Bellevue, Coney Island, Coler and Metropolitan. She noted that this funding commitment is the second largest FEMA award ever and the largest under FEMA's 428 Program.

Mrs. Bolus shared with the Committee that Mayor De Blasio, in thanking Senator Schumer for his assistance in obtaining this federal support, said that, "it is a major step forward in advancing the City's comprehensive resiliency plan".

Mrs. Bolus reported that HHC facilities have been at the forefront of violence prevention and are expanding their work in this critical area. A landmark "Guns Down, Life Up" Assembly, hosted by the Fund for HHC, was held on November 21st at the Chelsea Piers. The Assembly involved 240 leaders and 80 violence reduction organizations from throughout New York City and the nation. Participants included CAB representatives, other HHC volunteers, and local community organizations, along with HHC facility leaders, elected officials, medical professionals and researchers.

Mrs. Bolus reported that the Assembly had formulated and adopted a framework for a "Compact of Violence Reduction", around which work that breaks the cycle of violence in New York City could be agreed-to. In addition, participants at the Assembly had also discussed mapping, analyzing, and taking action in identifiable "hot spots".

Mrs. Bolus also reported that HHC will be embarking upon another groundbreaking initiative to improve the health of the communities it serves in New York City and change the way healthcare delivery works. She informed the Committee that

on December 22nd, HHC had submitted its DSRIP (an acronym for Delivery System Reform Incentive Payment Program) application as a single Performing Provider System (PPS) with four borough HUBs for projects under three domains: System Transformation, Clinical Improvement, and Population Health. Mrs. Bolus noted that the overarching Goal of all DSRIP projects is to improve the health of communities and reduce avoidable hospital use by 25%.

At the approach of the State and City Budget season, Mrs. Bolus thanked the CABs for planning their respective Legislative Advocacy events. She acknowledged that the CABs will work closely with their facility leadership to develop forums which effectively show the essential role played by their public hospital, nursing home or health center and why the policy-makers' support is so critical to their constituents. Mrs. Bolus turned to Mr. Antonio Martin, Executive Vice President for the President's remarks.

President's Remarks

Mr. Antonio Martin greeted everyone. He wished everyone a Healthy and Happy New Year. He informed the Committee that Mrs. Bolus had stolen his thunder. In the interest of time, he invited the Committee to proceed with the CABs' Annual Reports.

South Manhattan Network CABs' Reports

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

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

Ms. Dixon began her presentation by acknowledging Ms. Bolus, members of the Community Relations Committee and guests. Ms. Dixon thanked the Committee for the opportunity to present the Coler CAB's annual report.

Ms. Dixon reported that over the past year Coler Specialty Hospital and Nursing Facility experienced changes and challenges. Ms. Dixon added that under the leadership of Mr. Robert Hughes, Executive Director, achievements were made. Ms. Dixon noted that the window installation and the sprinkler system projects that began before Hurricane Sandy were completed. Ms. Dixon added that since the CAB's last report many of Coler's residents now live in the community.

Ms. Dixon continued and reported that Mr. Hughes and the administrative staff provided information pertaining to the facility's operational initiatives and new healthcare issues at the CAB's monthly meetings. Ms. Dixon noted that as the Chairperson of both the Executive Committee and full Board meeting she meets monthly with the Executive Director.

Ms. Dixon informed members of the Committee, Chairpersons and invited guest that the Coler CAB's activities during the year 2014 included but were not limited to; attending HHC' Public Hearings, monthly Council of CAB's meeting and, the quarterly CRC meetings. Ms. Dixon added the Coler CAB attended the 2014 Council of CAB Conference and not only did the CAB members receive important information for carrying out the CAB's mission and activities, she noted they were given the opportunity to interact and share ideas with other HHC's Community Advisory Board members.

Ms. Dixon reported that the Coler CAB members are most appreciative of Mr. Hughes, Executive Director and Mr. William Jones, Sr. Associate Director/ CAB Liaison for their attendance and support to the Community Advisory Board during the year.

Ms. Dixon concluded the Coler CAB's annual report and thanked HHC's Intergovernmental Relation Staff for their supervision in order that the Coler CAB may continue to carry out their activities. Ms. Dixon expressed her gratitude to Ms. LaRay Brown, Senior Vice President, Corporate Planning, Community Health and Intergovernmental Relations for her encouragement of the Long Term Care Community Advisory Boards and their important role and responsibility in NYC's Public Health Care System.

Gouverneur Healthcare Services (Gouverneur) Community Advisory Board

Mrs. Bolus introduced Gerald From, Ph.D., Chairperson of Gouverneur Healthcare Services and invited him to present the CAB's annual report.

Dr. From began the Gouverneur CAB's report by thanking members of the Committee Chairperson for the opportunity to present the CAB's annual report. Dr. From noted that the report would likely be his last report to the CRC as the CAB Chairperson.

Dr. From continued and reported that he was born and raised on the Lower East Side and participated in the Gouverneur CAB since its inception 40 year ago. Dr. From noted that Gouverneur Healthcare Services has been an important part of his life.

Dr. From informed members of the Committee, CAB Chairpersons and invited guests that Gouverneur Healthcare Services had struggled to balance its budget. Dr. From thanked fellow CAB members, senior administration and prior administrations for their leadership through difficult times. Dr. From added that the staff demonstrated perseverance, strength and vision.

Dr. From concluded the CAB's report by thanking HHC's Board of Directors for supporting and funding Gouverneur Healthcare Services. Dr. From noted that he has confidence that HHC leadership will continue to demonstrate wisdom by supporting Gouverneur and enabling it to reach its full-potential as a cutting-edge healthcare facility.

Bellevue Hospital Center (Bellevue) Community Advisory Board

Mrs. Bolus introduced Ms. Lois Rakoff, Chairperson of Bellevue Hospital Center and invited her to present the CAB's annual report.

Ms. Rakoff began the Bellevue CAB's report by greeting members of the Committee, CAB Chairperson's and invited guests and informing them that Bellevue Hospital Center is the HHC Flagship hospital. Ms. Rakoff added that Bellevue Hospital Center is designated hospital for the President of the USA.

Ms. Rakoff continued and noted that Bellevue Hospital Center is a level #1 Trauma Center and when first responders meet with an accident on the job, they are taken to Bellevue. Ms. Rakoff added that Bellevue Hospital Center provides inpatient and outpatient care to New York City's Correctional facility.

Ms. Rakoff reported that the Bellevue CAB interactive with the hospital's administration, medical staff and the community. Ms. Rakoff noted that the CAB provides valuable input into the development of the facility, through discussions in Full board, Executive board and Committee meetings. Ms. Rakoff noted that the Bellevue CAB often pass resolutions. Ms. Rakoff explained that the resolutions are for the betterment of patients and the community served.

The following resolutions were highlighted:

- Opposition to BHC and HHC facilities to use styrene disposal products to serve food and drinks. This resolution was brought to the Council of CABS and was thought worthy enough to be brought under review by the HHC Community Relations Committee.
- Support of BHC and HHC Facilities to develop a prohibited list of Food Ingredients. This had the support of Mr. Alexander, Executive Director of BHC.
- Opposition of Child's Height Requirement for Fare Payment to MT Busses,
- Opposition of the Sanitation Garage replacing Hunter's Nursing School at East 26th Street and 1st Ave,
- No Smoking ban at the Bus Stop and Bus Shelter outside Bellevue on 1st Ave. and adding speed bumps and stop signs at 448 East 26th Street (between Bellevue Internal Service Road and 1st. Ave).

Ms. Rakoff reported that the Bellevue CAB is developing strategies for recruiting new members of diverse age groups. Ms. Rakoff noted the Bellevue CAB had as many as 35 members, currently there are twenty-four (24) members and four (4) pending final approval. Ms. Rakoff added that the majority of CAB members are consumers.

Ms. Rakoff concluded the Bellevue CAB report by thanking and complimenting Bellevue Hospital CAB, Bellevue's medical staff, the administration, Mayor de Blasio, the NYC Police Department, Dr. Bassett, and Dr. Raju for the significant and excellent health care service dealing with Ebola Protocol and treatment. Ms. Rakoff added that the way Bellevue staff addressed the press and the community, by giving daily updates about the treatment of Dr. Spencer, without causing alarm or breaching the patient's privacy is to be commended. Ms. Rakoff stated she is "proud of the achievements of the CAB and of BHC and there is more to come for a healthier 2015."

Metropolitan Hospital Center (Metropolitan) Community Advisory Board

Mrs. Bolus introduced Ms. Jewel Jones, Chairperson of Metropolitan Hospital Center and invited her to present the CAB's annual report.

Ms. Jones began the Metropolitan CAB's report by thanking members of the Committee for the opportunity to present and acknowledging fellow CAB member who were in attendance to support her.

Ms. Jones reported that there have been changes at MHC in terms of leadership Interim ED and Interim MD. Ms. Jones noted that while the process is underway for the selection of a permanent ED and MD, the CAB will continue to provide support and assistance to the hospital and its staff.

Ms. Jones informed members of the Committee that the Metropolitan CAB supports the hospital and will do everything in its power to ensure that the Hospital is able to maintain its high standards following the recent CMS survey.

Ms. Jones reported that the CAB continues its request for funding for capital improvements throughout the hospital comparable to other HHC facilities. Ms. Jones noted that a new Training and Conference Center is being established on the 3rd floor of the Mental Health Building West Wing and the CAB also look forward to the re-organization of our Welcome Center to make it more patient-centered and patient friendly. Ms. Jones added that the CAB is extremely proud to report on the success of MHC's Comprehensive LGBT Health Center. And, that MHC was again recognized as a Leader in LGBT Healthcare Equality by the Human Rights Campaign Foundation (HRC).

Ms. Jones announced that the 99th Street project has been completed. Ms. Jones noted that it is a state-of-the-art building, with a mix of one bedroom and studio apartments, providing housing for patients from HHC, with a priority for individuals discharged from Coler-Goldwater. Hospital staff have been working with residents and efforts are underway to link them to services at Metropolitan Hospital.

Ms. Jones concluded the Metropolitan CAB's report by stating "there is much good news to report about the Draper Hall Redevelopment Project." Ms. Jones noted that this is a multifaceted project, with a space for community residents, for housing of seniors, and the possibility of a senior center. Ms. Jones added that the CAB had been advised that the NYC Council's Land Use Committee had approved the project and there would be community benefits as part of the project.

OLD BUSINESS

None.

NEW BUSINESS

Mr. J. Edward Shaw presented HHC's Office of Intergovernmental Relations staff with a "Certificate of Recognition" for responding in support of an ill-fated CAB member which resulted in life-saving action on April 1, 2014. The staffs were applauded.

Ms. Rakoff asked if the Resolution on HHC's use of Styrene be tabled until the next CRC meeting.

Equal Employment Opportunity Committee – January 13, 2015

As reported by Ms. Anna Kril

Assistant Vice President's Report

Manasses C. Williams, Assistant Vice President, Affirmative Action/EEO briefed the Committee that on October 2nd and 3rd 2014 his office participated in the Governor's M/WBE Forum in Albany, New York. He reported that there were over 2,000 attendees and the highlight of the conference was the Governor's announcement that he was increasing the utilization requirements for M/WBE's from 20% to 30%.

2013 Affiliate Affirmative Action Plan Update

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

Conditional Contractor

Ms. Sharon Foxx, Assistant Director, Affirmative Action/EEO presented four conditional contractors, the first contractor reported was 3M Company located in Murray, Utah. This division of 3M eliminated the three underutilizations it had in 2013 and added two new ones for females in Professionals Job Groups 200 and minorities in Sales Job Group 401. The second contractor reported was New York Blood Center which eliminated one of the underutilization of female in Professionals Job Group 5 which it had in 2013, but retained the underutilizations for females in Technicians Job Group 1. The third contractor she reported was Gilbane Building Company which had one underutilization of minorities in Management Job Group 2. The fourth contractor reported was WSP USA Corporation which had one minority underutilization in Technicians Job Group 4 in 2013 which it eliminated in 2014.

Finance Committee – January 13, 2015 As reported by Mr. Bernard Rosen

Senior Vice President's Report

Ms. Marlene Zurack stated that the first item in her report related to the equipment lease, whereby HHC was successful in getting financing from JP Morgan Chase of \$40 million. The final terms are being reviewed and will be reported to the Committee upon the completion of those terms. The second item, FEMA funding included an update on the status of the funding which is at the final phase of the process of getting the signed Letter of Undertaking (LOU) from FEMA. The FEMA agreement set the amount of the funding at \$1.722 billion for repairs and mitigations and does not include any prior funding HHC has received relative to temporary restorations.

Ms. Bolus asked if that funding covers the full cost of those repairs and mitigations. Ms. Zurack stated that internal discussion have begun on a governance structure and management structure for the use of those funds for capital projects to ensure that there are no overruns that would require additional funding from HHC.

Mr. Page asked if the cost of keeping the staff while those two facilities were closed remains an issue.

Ms. Zurack stated that that issue related to the Community Development Block Grant (CDBG) funding as opposed to FEMA and there was no update on that issue at that time.

Ms. Youssouf asked if a list of the projects included in the FEMA funding could be share with the Committee.

Ms. Zurack stated that Mr. Levy HHC's Disaster Relief Consultant would present to the Committee the details of those funds. Additionally there is a need to extend Mr. Levy contract to assist HHC in getting through the entire period as oversight for those projects. If there are specific issues that the Committee would like to have covered as part of that presentation, Mr. Levy would be prepared to address them at that time.

Ms. Youssouf asked if Mr. Levy would be the one to present that information to which Ms. Zurack stated that he would be given his involvement in the processes. Mr. Covino added that Mr. Levy has worked with Arcadis and HHC's internal FEMA team and the designs have been presented to the City.

Ms. Zurack stated that in order for HHC to get the FEMA funding the continuation of the management of the extensive architectural engineering proposals is needed and have been managed by Mr. Levy. The specifics of the \$1.722 billion will also be presented. The next item, HHC's cash on hand (COH), as of January 9, 2015, the COH was at 16 days but is expected to increase after the receipt of a large payment due on that day to 30 days of COH.

Mr. Page asked if that meant that HHC is current on its pension payments. Ms. Zurack replied in the affirmative.

Ms. Youssouf asked for the specifics of the expected payment. Ms. Zurack stated that it is a DSH payment from NYS. The final item in the reporting included an announcement regarding Jay Weinman, Corporate Comptroller. Mr. Weinman has accepted the Chief Financial Officer (CFO) position at Bellevue replacing Mr. Aaron Cohen who recently retired. Mr. Weinman is a delightful and likable person to work with and he will be missed. The reporting was concluded.

Mr. Rosen on behalf of the Committee congratulated Mr. Weinman on his new role.

Key Indicators/Cash Receipts & Disbursements Reports

Ms. Krista Olson reported that utilization as of November 2014 continued to decline; in that ambulatory care visits overall were down by 2.4% slightly worse than last month. The D&TC visits were down by 3.7%. Discharges were down by 3.6%

similar to last month, excluding Coney Island down by 5%. The majority of the decline is due to a reduction in one-day stays and readmissions which is a continual trend. Nursing home days were consistent with last year which is an improvement over the decline last year. Hank J. Carter decline of 12.9% was a significant improvement over the 25% decline last year. The ALOS a comparison of specific hospitals to the corporate-wide average, only one hospital, Coney Island was above that average. Historically this has been attributable to the age of the population that the facility serves. However, the facility in conjunction with corporate finance is reviewing this issue to determine whether there is an opportunity to reduce the facility's LOS.

Ms. Youssouf asked for an explanation of the 26% decline at Metropolitan.

Ms. Zurack stated that the issue was addressed a few meeting ago, whereby it was reported that the facility had implemented a new observation unit in order to create an interim status to evaluate patients to determine whether patients should be admitted. This decline as the process moves forward is expected to balance out. The decline appears to be temporary and is expected to smooth out in the months ahead.

Ms. Olson stated that the CMI was up by 2.7% over last year which is consistent with the decline in one-day stays and readmissions with the expectation that the remaining cases will have a higher CMI.

Mr. Fred Covino continuing with the reporting stated that FTEs were up by 282 since the end of last fiscal year. Several facilities were up significantly, Lincoln, due to the psych and emergency departments. Bellevue's increase was due to an increase in nurses and a transfer of residents from Coler to the facility. Woodhull was under its FTE target. Queens and Elmhurst were also up due to a transitioning of hourly and temporary FTES to full time. Through November 2015, receipts were up by \$79.6 million and disbursements were \$27.6 million overspent for a net year-to-date deficit of \$107 million. A comparison of receipts and disbursements against last year for the same period, receipts were \$24 million more than last year and payments were up by \$73 million due to DSH payments and a \$53 million increase in Medicare and Medicare managed care which also included an increase in the DSH to the Medicare rate. Additionally, there was an increase of \$30 million due to the advance of tax levy payments by the NYC. This increase was offset by a \$100 million reduction in MetroPlus risk pool due to timing that resulted in the payment of that pool in December 2014. Expenses were \$150 million higher than last year due to a \$27 million equalization payment that was made last year. Those payments are scheduled for this FY 15 in June 2015. OTPS expenses were up by \$42 million; pharmaceuticals were up by \$14 million due to the wholesale acquisition of cost associated with the 340B. Other professional services were up by \$14 million due to an increases related to the hospital medical home programs, DSRIP, Meaningful Use, some FEMA expenses and purchase services were up by \$14 million due to new cost associated with the laboratory IT for the Cerner contract and Meaningful Use for QuadraMed. Affiliation expenses were up by \$13 million due to a change in the payment methodology from monthly to biweekly that resulted in an extra payment with an additional 4% increase year over year, FY 15 to FY 14. Bond debt was up by \$6.1 million which is a net reduction due to debt refinancing savings. FY 15 was scheduled at \$99 million compared to the actual of \$82 million based on the refinancing. A comparison of actuals to the budget, inpatient receipts were down by \$66.8 million due to a decline in workload and Medicaid fee-for-service. Medicaid paid discharges were down by 1,500 days, paid chronic days were down by 7,600 and SNF days were down by 8,600, and psych days were down by 3,200. Outpatient receipts were down by \$4.5 million due to a decline in workload and all other was down by \$8 million due to appeals and settlements reduction in payment paid at 98% of Medicaid fee-for-service rate which is expected to be resolved by the end of FY 15. OTPS expenses were up by \$32 million due to increases in various pharmaceutical costs and other professional services and purchased services. All other services were on budget.

Mr. Rosen asked for further clarification of the \$261 million deficit net of receipts and disbursements and whether that deficit was reflected in the budgeting process. Mr. Covino stated that it was due primarily to timing of payments that will be forthcoming later in the current FY 15. The deficit was budgeted through that period but a surplus is expected by year-end.

Ms. Zurack added that the budget is based on cash as oppose to an accrual budget.

Mrs. Bolus asked for clarification of the two budget, accrual and cash. Ms. Zurack explained that an accrual budget accounts for expenses incurred but not yet paid. For example, \$1.2 billion is included in the cash budget for UPL payments for prior period. In the City budget those payments would be booked in the year earned and kept as an accrual in its closed books and journal back to the year it was received. However, HHC is operating on a cash basis which is similar to the federal and state compared to the City that does the accrual.

Mr. Page added that both would be required. On a cash basis the status of the cash in the bank is apparent for what is needed to pay expenses. On the other hand, the accrual budget should show the timing of the particular payments and revenue when it was earned. The services were provided the revenue is earned.

Ms. Zurack stated that there are various standards for when it is appropriate to recognize the revenue earned. Generally it is appropriate to recognize it when it is determined that the payment would be made. It has to be probable and determinable and estimates are made on the accrual side but not on the cash. There is accuracy on the cash side that's not so much on the accrual.

Mr. Page added that in terms of clarification relative to estimates in cash and accruals estimates are not reported in the actual cash to-date. On the budget side the budgets are estimates and can be adjusted accordingly. The COH is based on an estimate.

Mr. Rosen stated that a copy of the monthly cash flow would be enlightening and useful to the Committee. Ms. Zurack added that there are some things that are out of HHC's control considering that 33% of HHC's revenues are from supplemental Medicaid payments. The reporting was concluded.

Quarterly Financial Statement FY 15 1ST Quarter

Mr. Jay Weinman reported that the net loss as shown on the bottom-line for the period July 2014 through September 2014 compared to last year 2013 for the same period was \$65 million for FY 15 compared to \$53 million last FY 14. The net patient service revenue decreased by \$36 million; UPL revenue decreased by \$79 million. There were some offsets of DSH maximization increases of \$21 million and some other small amounts of patient revenue of \$7 million. Appropriations from the City increased by \$46 million; interest net of capitalization increase by \$22 million; a collective bargaining increase of \$31 million. Premium revenue increased by \$46 million due to an increase in the NYS health exchange membership. Grant revenue increased by \$62 million; an increase of \$44 million for the Interim Access Assurance Fund (IAAF) as part of the 1115 waiver funded by the State for those hospitals with cash flow issues as part of the DSRIP process. Ms. Zurack stated that HHC received \$152 million as part of that award.

Mr. Weinman stated that \$15 million of those funds were recorded last year. Operating expenses personal services increased by \$60 million or 9.7% due to collective bargaining payments. OTPS expenses increased by \$67 million; MetroPlus expenses increased by \$74 million due to the increase in membership relative to the NYS health exchange. Fringe benefits increased by \$27 million; FICA increased by \$10 million due to collective bargaining and a \$16 million reduced expense due to medical resident for FICA payments which increased by \$26 million over last year. The pension expense reflects the new accounting required standard last year that were released and reported separately this year. Last year those expenses were \$108 million compared to \$49 million this year. In prior years it was reported based on payments this year it is based on an actuarial determination of the expense. Last year's expenses were not restated on the quarterly report but were done on the audited financial statements but not for the quarterly reporting.

Ms. Youssouf asked for clarification of pension expenses.

Mr. Rosen interjected to explain that the change is due to the City's requirement to adopt a new standard from the governmental accounting standard board (GASB). However, the contributions to the pension fund must continue to be done on a cash basis regardless of that standard. For example, for the City's audit for FY 14 the year-ended June 30, 2014, under the new standard, the cost would have been \$7 billion compared to the contribution method which the City is required to pay plus affiliation agencies was \$8 billion. However, the new standard was a complex one in terms of getting it done. One thing contributing to pension funds, the City's actuary smooth things over six years, under the new standard there is no smoothing. If the pension fund does well it goes down. If the funds do worse it goes in the reverse.

Mr. Page interjected to explain the meaning of "smoothing" stating that it means to have an assumed earnings rate on assets and if you go higher than the assumed earning rate that goes into the formula which determines what the employer must contribute. If earnings are more the contributions are less if the earnings are less than the assumed rate the employer's contributions are higher. The City recognizes those differences from the assumption not in that year but the year immediately following but over the five years after that year.

Ms. Zurack stated that the change as part of GASB 68 was discussed at the Audit Committee that is reflected in the FY 15 expense and not in the FY 14.

Mr. Weinman completing the reporting stated that affiliation expenses increased by \$13 million due to a change in the payment methodology from monthly to biweekly. Interest expenses decreased by \$8 million. Interest paid by the City increased by \$2 million capitalized interest funded by the City decreased by \$4 million.

The reporting was concluded.

Medical & Professional Affairs / Information Technology Committee
- January 15, 2015 – As reported by Dr. Vincent Calamia

Chief Medical Officer Report

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

FLU

The flu season is in full swing across NYS and the Commissioner declared the flu season underway in December. The graphics that was provided is from state-wide data.

HHC's clinical services are able to manage the increased demands, particularly Emergency Departments and primary care clinics. As a consequence of the declaration of the flu season all non-vaccinated employees must wear a surgical mask until the flu season is over. Currently nearly 80% of employees are vaccinated, with >90% levels seen at Belvis, Cumberland, Gouverneur, SS McKinney, Morrisania, Queens Hospital and Seaview. Our goal is to further improve the vaccination rate at all of our sites, as it provides safe and effective protection for our patients and staff, against a flu epidemic.

Delivery System Reform Incentive Payment (DSRIP) Program

In December, HHC lodged a complex application for participation in the program as a PPS (Performing Provider System) lead. HHC had nearly 200 partners in our application, including SUNY through University Hospital Brooklyn. The applications from all PPSs will be made public soon, as they are assessed by an external group on behalf of NYS. Our team is now focused on the development of the required implementation plans for each project, as well as capital requests due to be submitted to NYS in February

Accountable Care Organization (HHC ACO)

The ACO now enters its 3rd performance year as of 2015. Facility ACO Leadership Teams continue to develop and improve their approaches to high-risk patient and population management as our track record lengthens and we continue to learn a great deal collectively from the experiences of each of our PCMH-based ACO teams.

The annual member meeting of the ACO was held in December 2014 and the Board membership was confirmed, including a new position for an NYU representative.

Consistent with the Medicare Shared Savings Program (MSSP) and the HHC ACO Board resolutions on distribution of shared savings, \$1.2m will be paid to primary care physicians across HHC. Over the next month, the distribution will occur through the employer (affiliate) and will be in proportion to the number of "attributed patients" cared for by each facility. The average amount received by physicians is approximately \$6000.

Ambulatory Care

During December, 280 frontline staff across our ambulatory care services received care coordination training through GNYHA. This is part of the ongoing development of care management capacity in the Patient Centered Medical Home (PCMH) model of primary care across HHC.

NY State Medicaid Collaborative Care Depression Program

Four facilities (Bellevue, Belvis, Morrisania and Renaissance) have been accepted to participate in the New York State Medicaid Collaborative Care Depression Program; an additional 10 facilities (Gouverneur, Coney Island, Elmhurst, Queens, Woodhull, Cumberland, Harlem, Jacobi, Lincoln, and Metropolitan) have been invited to apply to participate. This recognizes that these sites have met threshold performance standards set by the state, and will become eligible to bill for these services.

MetroPlus Health Plan, Inc.

On behalf of Arnold Saperstein, MD Executive Director, Seth Diamond of MetroPlus Health Plan Inc. presented to the Committee. Mr. Diamond informed the Committee that the total plan enrollment as of December 1, 2014 was 473,055. Breakdown of plan enrollment by line of business is as follows:

Medicaid	402,711
Child Health Plus	12,291
Family Health Plus	3,510
MetroPlus Gold	3,405
Partnership in Care (HIV/SNP)	4,945
Medicare	8,548
MLTC	810
QHP	36,086
SHOP	749

Attached are reports of members disenrolled from MetroPlus due to transfer to other health plans, as well as a report of new members transferred to MetroPlus from other plans.

As we still find ourselves in the Open Enrollment Period, complete information on membership growth is not yet available. However, as of the date of this report, the most recent updates are as follows: overall, for QHP and Medicaid, from November 15th to December 27th, 2014, we have assisted in the submission of 15,898 applications. Over the six-week time period we have averaged 2,649 submitted applications per week. Invoices have been sent to all the potential QHP members, and payment must be received in order to effectuate their enrollment.

Of our current 36,086 QHP members, many have been renewed automatically by the state. Approximately 7,800 of those members received notification by the state that they are required to confirm their financial status on the state website, yet they have not done so. Those members will temporarily lose their tax credits, and are being billed for the full premium, together with outreach from us of the need to visit the website to confirm their status. We are concerned about the confusion this will cause, and have our customer services staff ready to assist.

MetroPlus continues the collaboration with HHC in an effort to increase membership referrals. Our Learning and Organizational Development team has been working with the Revenue Management Department in Central Office to coordinate Marketplace Assister training of the HHC HCIs. The first training session of 30 HCIs took place the first week in January. In addition, our Call Center and Marketing Department are working closely with HHC to increase the number of enrollments for self-pay patients who may qualify for our Exchange line of business.

Since I mentioned our Call Center, I would like to give this Committee an update on its activity. The Call Center faced many challenges in 2014 as membership grew due to the implementation of the Affordable Care Act. We saw continually increasing monthly call volumes which peaked at 117,753, versus a peak of 93,546 calls in 2013. A total of 1,471,727 calls have been received by our call center in 2014 as of the writing of this report: an increase of 67% over last year. Because of the increased call volumes and complexity of call types, we implemented strategies to assist us with maintaining service level metrics and increase "first call resolution" percentages. We successfully completed implementation of a new phone system (allowing for better distribution of call queues, etc.), boosted existing call tracking/eligibility systems, and enhanced training to decrease its duration without compromising call handling efficiencies or customer satisfaction. Because of the many updates/changes and daily planning, we have successfully met overall service level metrics for the past few months and we are confident we will continue this positive trend throughout 2015. In preparation for 2015 managed care regulatory changes and introduction of new lines of business (FIDA and Behavioral Health HARP) the Call Center has been appropriately staffed in order to successfully maintain call metrics, as well as increase our member outreach efforts.

The Fully-Integrated Dual Advantage Program (FIDA) went live on January 1, 2015 in Region I (NYC and Nassau) for opt-in members. Passive enrollment for this region will begin on April 1. Passive enrollment will occur over a five-month period. All enrollments (Opt-in and Passive) are through NY Medicaid Choice which will provide counseling and assistance to potential participants. All enrollments are through Medicaid Choice and plans cannot perform enrollments into FIDA. FIDA eligible individuals enrolled in a Managed Long Term Care (MLTC) plan will "convert" to their plan's FIDA product, unless they choose another plan. As of December 29, 2014, MetroPlus has received our first three members effective 1/1/15. These were already existing Medicare Advantage members who opted into our FIDA program.

MetroPlus continues to move forward with implementing the delegation of all Behavioral Health and Substance Use Disorder services to Beacon Health Strategies. Effective January 1, 2015, Beacon is fully delegated for the FIDA line of business. All other lines of business will follow and be fully delegated effective February 1, 2015. Beacon is still in the process of contracting for Behavioral Health and Substance Abuse services with the HHC system through HHC's Office of Managed Care. Members in all lines of business have been sent letters of notification explaining MetroPlus' delegation of functions to Beacon. Additionally, members who have terminating providers will receive "Transitional Care" letters. HHC/Beacon process trainings are currently being designed and scheduled with the assistance of HHC's Office of Behavioral Health and Managed Care Office.

MetroPlus took part in several conference calls with OMH, OASAS, SDOH & DOH-MH in regards to our request for two licenses. One license was requested for the mainstream HARP and another license as a HIV SNP HARP. At issue is the fact that MetroPlus would be the only plan to be awarded two separate licenses. The decision related to the license was expected by December 1st; however, the issue is still being reviewed by SDOH. MetroPlus is continuing ongoing meetings with State liaisons to achieve all HARP readiness initiatives. At this time the State is advising that the SSI Carve-In and HARP line of business will be implemented April 1, 2015. Internally, MetroPlus continues its work on the infrastructure to make both the carve-out to Beacon and the new HARP line of business fully operational.

Action Item:

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a contract with GSI Health, Inc. to provide a Care Coordination and Management Solution (CCMS). This solution will serve as the foundational population health management, coordination, communication, collaboration, documentation tracking, and registration system for the Corporation's overall Delivery System Reform Incentive Payment (DSRIP) strategy and several programs operated by the Corporation in conjunction with its DSRIP program. The contract shall be for a period of five years with two, one-year options to renew, exercisable solely by the Corporation, in an amount not to exceed \$35,441,897 (including a contingency of \$1,177,918 for additional software services as needed).

Resolution approved by the Board.

Information Items:

Bert Robles, Senior Vice President, Chief Information Officer, provided the Committee with the e-Prescribing Initiative and Meaningful Use Update:

e-Prescribing Initiative Update:

I would like to update the Committee members on an important initiative and New York State mandate, e-Prescribing (eRx). New York State passed legislation to effectively curtail forged and counterfeit prescriptions, track patterns of potential prescription misuse and improve patient safety. The Internet System for Tracking Over-Prescribing (I-STOP) law mandates that effective March 27, 2015; all prescriptions issued in New York State are done electronically. We'd like to take this opportunity to update you on our progress as well as the challenges we face in order to meet the March deadline.

We have been working closely with the Credentialing and the Graduate Medical Education (GME) offices to obtain the accurate number of prescribers that will be affected by this mandate. The prescriber number has increased to 14,594 as compared to 7,000 as previously reported. This twofold increase has impacted our capacity and poses a risk in meeting the deadline. Please note each prescriber has to be registered first before they can electronically prescribe non-controlled and controlled substances. In addition, they must be trained on how to use this new eRx function in Quadramed.

As of today, ninety percent (90%) of prescribers are already registered for non-controlled e-prescribing. The QCPR team with Credentialing and GME offices is performing this task on behalf of the prescribers.

However, fewer than five percent (5%) have registered with the Electronic Prescription for Controlled Substances (EPCS). To electronically prescribe controlled substances: i) prescribers must complete identity proofing and ii) obtain a two-factor authentication as defined in the federal requirements. Additionally, prescribers are required to register their certified EPCS software application which is DrFirst, with the Bureau of Narcotic Enforcement (BNE). Unfortunately, no one else can perform this registration on their behalf.

To assist our prescribers with this registration, we launched an Awareness campaign on e-prescribing mandate, requirements and deadline. We also visited facilities and shared with the administrative and clinical leadership the implementation plan, risks and challenges. Flyers were distributed and staff received “e-prescribing now, ask me how” pins to wear.

Kings County Hospital Center was chosen as the pilot site for e-prescribing. Due to its success, the implementation pilot has been expanded to include more prescribers. Dr. Peter Peacock from Kings County Hospital Center has been spearheading this initiative and has been actively involved in developing training materials for the enterprise based on actual experiences gained from the pilot.

User training has started and will continue as needed. At the same time, twenty-one (21) facilities accounting for 14,549 prescribers are transitioning for implementation with some facilities going live as early as January 20th. Our goal is to complete this implementation enterprise-wide by the end of February 2015.

The Credentialing and GME offices have been kept informed and apprised of our progress. They are also encouraged to familiarize themselves with these federal requirements so to avoid delays and disruptions to patient care as they provision new practitioners in the future.

As we are learning, discovering and adapting to these new workflows, there are areas of risk which we are monitoring closely in order to remain on schedule.

For example, we have a subset of niche systems that will not have the e-prescribing capability to meet this mandate. We have plans for making them compliant; however, they may not meet the current deadlines.

In addition, we are faced with the challenge of successfully delivering substantial patient education so that patients understand the mandate as well as how their prescriptions will be filled going forward. Patient engagement and awareness on e-prescribing remains key in order to achieve the transformation to the new way of fulfilling prescriptions.

Similarly, Providers must understand and be able to transform their current workflows in order to meet the mandate. Due to the large number of prescribers our capacity for user training and support remains challenged.

These risks and concerns are being discussed and monitored closely by the members of the eRx Steering Committee which is co-chaired by Dr. Machel Allen and Maricar Barrameda.

Meaningful Use (MU) Update:

With regards to Meaningful Use (MU) Stage 2 Year 1, as of December 26, 2014, HHC has received Medicare MU funds for six (6) facilities totaling \$4,778,672.82. The remaining five (5) facilities have been approved for payment totaling \$3,262,388.21. Medicaid attestations are still pending due to some technical issues at the state level and the deadline for submission has been pushed back to January 31, 2015.

MU Stage 2 Year 2 is ongoing and compliance is being closely monitored.

For MU Stage3, the Proposed Rule is expected sometime this winter. This Proposed Rule is currently under review by the Office of Management and Budget and it is one of the last steps prior to its publication in the Federal Register. The focus for the Proposed Rule for Stage 3 is on improving health outcomes and furthering interoperability.

Since our last report, there has been no significant change for Eligible Professionals. Eligible professionals can participate for six (6) years and the participation years do not need to be concurrent. Incentive payments for eligible professionals remain higher under the Medicaid EHR incentive payments totaling up to \$63,750 over six years.

Strategic Planning Committee – January 13, 2015
As Reported by Josephine Bolus, RN

Senior Vice President Remarks

FEDERAL UPDATE

New Republican Controlled Congress

Ms. Brown reported that, on January 6, 2015, Congressman John Boehner was sworn in for his third term as Speaker of the U.S. House of Representatives. Ms. Brown added that Congressman Boehner was re-elected by a vote of 216-164

over Democratic Leader (and former Speaker) Nancy Pelosi. Twenty-four Republicans voted against the Speaker, which demonstrates the divisions between Congressman Boehner and his allies versus the Tea Party conservatives. Ms. Brown explained that many on the right were upset that the Speaker (and now Senate Majority Leader Mitch McConnell) had supported a yearlong omnibus spending measure during the December 2014 Lame Duck Session of Congress. She added that the Republicans had a large majority of 246 to 188 Democrats, with one seat vacant due to the resignation of Congressman Michael Grimm of Staten Island. On the Senate side, Ms. Brown reported that Senator McConnell commanded a majority of 54 to 46. She commented that this was the first time in eight years that the Republicans would control both houses of Congress.

Ms. Brown reported that, on December 11, 2014, during the Lame Duck Session of Congress, the House of Representatives had approved a \$1.1 trillion omnibus spending plan to fund most government agencies through September 2015, by a narrow vote of 219 to 206. Ms. Brown informed the Committee that the Senate did not approve the spending plan until December 13th by a close 56-40 vote. The bill includes \$5.4 billion in domestic and international Ebola funding and \$733 million for a "Public Health and Social Services Emergency Fund." Ms. Brown explained that the Public Health and Social Services Emergency Fund would be used to improve response capacity at the state and local level, including hospital renovations and alterations, and the development of vaccines and medical supplies. The spending plan also included \$10 million for the training of workers to minimize exposure to diseases such as Ebola. Ms. Brown informed the Committee that the bill was negotiated by congressional leaders and had the support of the White House. Notwithstanding, most Democrats in the House, led by Nancy Pelosi opposed the bill because of provisions that were included in the bill that weakened the Dodd-Frank Wall Street Reform Consumer Protection Act. Ms. Brown reported that, in the Senate, Senator Elizabeth Warren of Massachusetts led Democrat opposition to the spending plan. On the Republican side, the most conservative members of both houses likewise opposed the bill as they wanted to find a way to de-fund President Obama's executive order on immigration and Obama care. The legislation approves funding for the Department of Homeland Security through February 27, 2015, giving Republicans in the new Congress, a chance to weaken the President's immigration policy.

HHC-Gotham FQHC-LAL Application

Ms. Brown reminded Committee and Board Members that the HHC-Gotham FQHC-LAL was still a major issue and a priority for the Corporation. Ms. Brown reported that her office had prepared a letter that was signed by nearly all New York City House congressional members. In addition, a Senate letter was signed just last week by Senators Charles Schumer and Kirsten Gillibrand in strong support of the HHC-Gotham application for FQHC-LAL status. Both letters were sent to HHS Secretary Sylvia Burwell and HRSA Administrator Mary Wakefield.

Ms. Brown reported that, over the course of the last three months, the Gotham Board led a series of campaigns which included sending letters, e-mails and making telephone calls to HRSA, particularly to HRSA Administrator, Mary Wakefield. Most recently, a letter from the Gotham Board Chair was sent to the HHS Secretary and HRSA Administrator, Mary Wakefield, urging a quick approval of the application and a request for a meeting. Ms. Brown added that members of HHC's Community Advisory Boards had also provided their support by sending e-mails and making phone calls. Ms. Brown informed the Committee that the Executive Director and President of CHCANYS had spoken to Mr. Jim McCray who is the Assistant Administrator for HRSA who assured her that, in fact, it was only a matter of time for HHC to get approval. This assurance was relayed to HHC by many people for many months. In addition, Ms. Brown shared with the Committee that Congress Member Crowley has been a forceful champion. She stated that, in another context while meeting with HHS Secretary, Congress Member Crowley had raised the issue of HHC's FQHC-LAL designation. In addition, his staff has been making weekly phone calls to the HRSA Administration.

Ms. Brown also informed the Committee that HHC had also received support from Deputy Mayor Lilliam Paoli through the direct support provided by Ms. Patsy Yang. She stated that Ms. Yang had enlisted the support of the Mayor's Office of Legislative Affairs to also reach out to not only the congressional delegation, but very specifically to the HRSA Administration.

Ms. Brown commented that "hope springs eternal." She emphasized that securing FQHC-LAL designation for Gotham Health was an important initiative and HHC was looking forward to a favorable response.

Ebola Reimbursement for Bellevue Hospital Center

Ms. Brown reported that, on January 6, 2015, she accompanied HHC's President, Dr. Ram Raju to a meeting in Washington, D.C., to meet with Dr. Nicole Lurie, Assistant Secretary for Preparedness and Response (ASPR) at the US Department of Health and Human Services (HHS), Ed Gabriel, Principal Deputy to the ASPR and some HHS staff in the ASPR Office to discuss Ebola funding and reimbursement for New York City and HHC. Dr. Mary Bassett, NYCDOHMH Commissioner and staff from the Mayor's Washington Office also participated in the meeting with HHS officials. Ms.

Brown added that the meeting focused on the extremely successful coordination that occurred among the various city agencies, most notably, EMS, DOH and HHC and the City's response.

Ms. Brown informed the Committee that Bellevue Hospital's successful treatment of Dr. Craig Spencer and NYC DOHMH's monitoring of the Ebola patient's contacts were acknowledged. Dr. Bassett and staff from the Mayor's Office made a strong and compelling case for reimbursement and the HHS officials responded positively, indicating that they wanted to work with NYC to resolve this issue. Ms. Brown added that some issues still remained unresolved; in particular, how to address the loss in revenue that Bellevue incurred by creating the Ebola treatment unit and deploying various nursing and clinical staff to treat Dr. Spencer, and therefore not being able to continue all level of services in the ICU. Ms. Brown reported that New York City's preparation and continued response to the Ebola epidemic was a multi-agency effort with a cost to the city of more than \$22 million to date. HHC's cost was more than \$11 million of the NYC total.

Ms. Brown stated that, during the meeting, Dr. Lurie and her team stated that they wanted to learn more about New York City and HHC's response. Consequently, a meeting/visit to Bellevue Hospital was scheduled for Dr. Lurie and her team on January 16, 2015, for their continued learning and information gathering.

STATE UPDATE

2015 State Legislative Session Underway

Ms. Brown reported that the 2015 Legislative Session commenced last week when the Assembly and Senate each convened brief sessions to elect their respective leaders and adopt the rules that would govern their proceedings. Ms. Brown informed the Committee that Democrat Sheldon Speaker was elected to serve a two-year term as Speaker of the New York State Assembly, placing him in a position to break the record of longest serving Speaker. She noted that Silver had served as Speaker since February 1994.

Ms. Brown reported that, in the Senate, Republican Dean Skelos was once again elected to serve as Majority Leader. The Senate also revised their rules to outline a diminished role for the Independent Democratic Conference (IDC), a five-member group that enjoyed a power-sharing arrangement with the Republican Conference during the previous two-year session. Ms. Brown explained that, under the new rules, the IDC leader, Jeff Klein, would no longer hold the title of co-President. In addition, the IDC will no longer share control of which bills would come to the floor for a vote, but will be allowed to lay aside one bill each day. Ms. Brown added that it was still unclear what role the IDC would play during negotiations on the State Budget.

Ms. Brown announced that, although the legislative session would traditionally begin with the Governor's State of the State address, the Governor had rescheduled the event for Wednesday, January 21st due to the death of his father, former Governor Mario Cuomo. Ms. Brown added that the Governor had also announced yesterday that his State of the State address would also include his State Budget.

CITY UPDATE

Council Hearing on HPV Vaccinations and Cervical Cancer Screenings

Ms. Brown reported that last week the City Council Health and Women's Issues Committees had conducted an oversight hearing on the city's efforts to administer the HPV (Human Papillomavirus) vaccine and screen for cervical cancer. She informed the Committee that Dr. Ross Wilson and Dr. Machel Allen had provided testimony on HHC's successful efforts to offer the HPV vaccine. They were joined by colleagues from DOHMH who explained the department's activities. Ms. Brown stated that HHC had been a national leader in this area and its facilities were at the forefront of providers offering the vaccine back in 2006. At that time, HHC embarked on a plan to increase access to the vaccine, educate and train its providers and increase awareness among its patients and its communities. Ms. Brown explained that HHC's early efforts proved successful and these practices were now embedded into its workflow. Ms. Brown informed the Committee that, in the same manner that HHC offered children other vaccines, HHC offered the HPV vaccine to children when they are approximately between the ages of 11 and 12. In addition, HHC also offers it to older children, adolescents and young adults who have not previously received the vaccine.

Ms. Brown reported that HHC's vaccination rate had surpassed city, state and national rates. Ms. Brown added that in 2013, 77% of HHC's patients age 13 – 17 initiated the HPV vaccination series of three shots and 47% completed the series. The rate for boys was 44%. This rises to 50% for girls. The national completion rates for the same time period are nearly 14% for boys and nearly 38% for girls. Ms. Brown also reported that in 2014, HHC's overall completion rate had increased to 52%. Initiation rates are 83% for boys and 80% for girls. Ms. Brown stated that the continued improvement in these rates reflected the importance that HHC places on this aspect of health care.

Ms. Brown thanked the Council for allowing HHC to testify on this important public health issue and applauded Speaker Melissa Mark-Viverito for bringing attention to this issue last summer when she announced that she had tested positive for HPV, and for highlighting the importance for individuals to be tested and to seek immunizations.

Information Item:

Presentation: Metro East 99th Street Medicaid Redesign Team Housing Project Update

Dona Green, Senior Assistant Vice President, Corporate Planning Services

Christopher Wong, Director of Planning, Corporate Planning Services

Ms. Brown introduced Ms. Dona Green, Senior Assistant Vice President, Corporate Planning Services and Mr. Christopher Wong, Director of Planning, Corporate Planning Services and invited them to provide a status report on HHC's efforts to develop affordable housing for HHC's patients with disabilities and special needs through a unique partnership with a developer to construct an apartment building on East 99th Street, across the street from Metropolitan Hospital, known as Metro East 99th Street. Ms. Brown reminded the Committee that both the Strategic Planning and Capital Committees were engaged from the inception of this project through presentations made by the developer in connection with efforts to restructure HHC's long term care facilities, most notably HHC's transition from Goldwater to Henry J. Carter. The Board convened a public hearing; and HHC received Board approval to seek City Council approval for this project. Ms. Brown stated that, in coming full circle there is a need to provide the Committee with an update on this very important project.

Ms. Green greeted Committee members and invited guests. She began her presentation with an overview of the changes in health care. Ms. Green stated that Federal and state health care policy has changed the way that patients receive and access health care services as described below:

1999-2001: United States Department of Justice expands enforcement of the Supreme Court's Olmstead decision, which requires states to eliminate unnecessary segregation of persons with disabilities and ensure that persons with disabilities receive services in the most integrated setting appropriate to their needs.

2010-2011: New York's Medicaid Program expenditures were \$53 billion a year, which is twice the national average when compared on a per recipient basis, to serve 5 million people. To remedy this situation, New York State created the Medicaid Redesign Team to identify significant health care cost savings and enhance health care delivery through the improvement of health outcomes and quality of care.

2008-Present: Programs such as the Nursing Home Transition and Diversion Medicaid Waiver and Mandatory enrollment in managed long term care plans are aligned with having medically cleared individuals access health care services in a home and community based setting rather than in an institutional setting.

2013: New York State Department of Health recognizing that affordable and stable housing with the proper supportive health care services improves health, reduces hospital use, and decreases health care costs and prioritizes permanent housing for the disabled as part of the Medicaid Redesign Team's work.

Ms. Green stated that the burning platform for HHC for the establishment of the partnership for the Metro East 99th Street Development was the following:

Aging Physical Plant

The more than 70-year-old Goldwater campus on Roosevelt Island required significant and cost prohibitive infrastructure upgrades to comply with new state and federal regulations governing skilled nursing facilities.

Relocated LTC Facility

Rightsizing of Coler-Goldwater and the relocation of the Goldwater long term care facility to East Harlem would result in the restoration of health care services to the community, reduction of LTACH and SNF beds and necessitate the transition of eligible patients/residents to other community-based care settings.

Lack of Discharge Options

Certain HHC skilled nursing facility residents achieved medical stability through the medical care received at Coler-Goldwater, but could not be discharged because they lacked access to affordable and stable housing. At a point in time, there were more than 400 SNF residents needing housing at Coler Goldwater.

Affordable Housing

The existing NYNY supportive/affordable housing eligibility designation does not include persons at risk for homelessness upon discharge from either skilled nursing facilities or hospitals. In addition, much of the existing housing stock was not accessible to persons with physical disabilities.

Ms. Green reported that, looking back at the current state between December 2011 and December 2013, the key factors that needed to be addressed included the following:

- Right-sizing Coler-Goldwater LTACH and SNF would reduce the LTACH by 426 beds and the SNF by 410 beds
- A Fall 2011 CPS assessment of administrative data of all Coler-Goldwater SNF residents identified 413 SNF residents potentially eligible for discharge
- Coler-Goldwater SNF residents eligible for discharge had to be transitioned by November 2013
- CPS and Coler-Goldwater met bi-weekly with NYCHA and NYS Nursing Home Transition Diversion (NHTD) program to prioritize the identification of affordable and accessible housing for Coler-Goldwater residents
- To house individuals who were disabled and who could not be served through the existing housing stock, HHC identified a parcel leased to the Corporation - across from Metropolitan Hospital Center - to develop accessible and affordable housing for the Coler-Goldwater SNF residents.

Ms. Brown explained that HHC was able to get the State to prioritize the focus of the NHTD Program for HHC's patients and that HHC's patients was also a great fit for that program. She explained that the NHTD program was a federal waiver program that existed since 2008 to provide eligible participants an opportunity for rental assistance along with the wraparound services from social services agency and other type of financial support. Ms. Brown noted, however, that this program had not been successful, as it had only placed 208 participants statewide. Ms. Brown stated that the Federal Government and the State saw the program when they applied for this waiver, as a mechanism that would help move people who were sitting in nursing facilities into community settings. Ms. Brown reiterated that the program was not robust and brought it to the attention of the Assistant Commissioner of the Department of Health (DOH) and convinced them that HHC could make the program successful by linking it to a shared agenda of right-sizing Coler-Goldwater by identifying housing for hundreds of people in need. As such, HHC was given priority for this program entrusted to a not-for-profit organization whose instruction was to give priority to HHC's patients, especially those patients from Coler-Goldwater. Ms. Brown commented that this arrangement has never happened before and may never be repeated again in the future.

Ms. Green reported on the identified solution and described key action steps:

- HHC established partnership with city, state, and federal agencies and a private developer, SKA Marin, to develop 175 units of affordable and accessible housing on Metropolitan Hospital parcel at East 99th Street. Originally slated for completion in 2013 (project would not be completed until 2014).
- SKA Marin, working with HHC, responds to July 2012 RFP from NYS Homes and Community Renewal for housing for tenants who are ready for independent living. The developer receives first MRT funding for permanent housing for long stay disabled Medicaid beneficiaries.
- Coler-Goldwater SNF residents were assessed for capability to reside independently and surveyed for their interest in permanent housing at the Metro East 99th Street development. Prospective tenants were provided with on-site skills training and transition orientation through both Coler-Goldwater and community-based partners such as Center for the Independence of the Disabled, New York (CID-NY)
- The project originally envisioned being exclusive for Coler-Goldwater discharges; however, CPS and facility were successful in placement of a significant number of the original 413 SNF residents. Therefore, patients/residents from other HHC facilities who are high Medicaid users and/or unstably housed were afforded an opportunity to apply for units.
- HHC facility social workers and discharge planners were engaged in identifying patients/residents that met the eligibility (i.e. income, level of functioning etc.) criteria

Mr. Christopher Wong continued the presentation and described the Metro East 99th Street Building details. Mr. Wong stated that the Metro East 99th Street Building is located at East 99th Street between First and Second Avenues, across the street from the Metropolitan Hospital Center campus. There are 175 units consisting of 93 one-bedroom and 83 studio apartments. He added that all of the units in the building comply with the Americans with Disabilities Act (ADA) standards for accessibility. In addition, 14 of the 83 studios are equipped with 42" doorways to accommodate bariatric patients who require additional doorway clearance and turning radius. Ms. Brown clarified that these expanded doorways exceed ADA standards to accommodate patients in large wheelchairs to help them to turn around, specifically in the bathroom area. Mr. Wong informed the Committee that rent up commenced in November 2014 and concluded on December 24, 2014.

Mr. Wong stated that among the several partnerships HHC had developed, the most important partnership had been with the New York State Department of Health's Medicaid Redesign Team (MRT). Mr. Wong explained that the Metro East 99th Street was the first development in the State to receive MRT funds for projects focused on high Medicaid utilization populations. He added that the MRT had provided a \$7.3 million MRT mortgage loan to SKA Marin (developer) for construction for which the total cost was \$51.8 million. Other sources of funds were from HPD, HDC and the low-income housing tax credits. Mr. Wong explained that through MRT funding, the assumption is that the State would be able to save \$10 million annually in State and Federal Medicaid expenditures. He informed the Committee that the State Department of Health (SDOH) and the State Housing and Community Renewal (HCR) would be tracking tenants' Medicaid expenditures and patients' health outcomes on a monthly basis to assess the program's effectiveness.

Mr. Wong reported on other partnerships that were developed to support the Metro East 99th Street Development:

- **New York City Housing Development Corporation (HDC)**

Mr. Wong reported that the New York City Housing Development Corporation is the financing entity that provided the majority of the funding toward the project. In addition, HDC has oversight responsibility for the marketing plan by specifically looking at the rent-up process and logistics.

- **New York City Housing Preservation and Development (HPD)**

Mr. Wong reported that the New York City Housing Preservation and Development also provided financing to realize creation and preservation of affordable housing.

- **New York City Housing Authority**

Mr. Wong reported that the New York City Housing Authority worked with HHC to obtain HUD approval for project based Section 8 vouchers for all apartments. He added that the NYC Housing Authority had partnered with HHC to transition another 67 Coler-Goldwater SNF residents into public housing and independent living as part of the relocation of the Goldwater campus and rightsizing of Coler-Goldwater. In addition, NYC Housing Authority had provided on an expedited basis required eligibility determination for all HHC patients referred for these 175 units.

- **New York City Human Resources Administration (HRA)**

Mr. Wong reported that the New York City Human Resources Administration provided expedited tenant funding assistance with first month's rent, security and a modest furniture allowance through the One Shot Deal program. Ms. Green explained that HRA was amazing through this process. She stated that some of the tenants who were coming from shelters would not have been able to furnish their units. With HRA's help, they were able to furnish their units with some basic modest furniture.

- **SKA Marin (developer)**

Mr. Wong reported that the developer SKA Marin has significant experience in affordable housing, senior housing and construction management within New York State and New York City. In addition, the founder/principal of the firm has more than thirty years of experience in the community and real estate development industry.

- **The Carter Burden Center (community based organization)**

Mr. Wong reported that the developer SKA Marin partnered with The Carter Burden Center to integrate a social adult day care center into the building with dedicated onsite space for programming and activities. He informed the Committee that the New York State Balancing Incentive Program Innovation Fund had awarded The Carter Burden Center to provide transition support for those transitioning into Metro East 99th Street, including Tele-health monitoring. Ms. Brown shared with the Committee HHC's contribution to the Carter Burden Center's award. She stated that the community-based

organization has requested funding from HHC. Since HHC was unable to honor their request, HHC, in turn suggested that they applied to the New York State Balancing Incentive Program and wrote a Letter of Support on their behalf and connected them with the heads of the State Program.

- **The Fund for HHC**

Mr. Wong reported that, in addition, to the New York City Human Resources Administration, the Fund for HHC has awarded funding to provide each household with a \$100 gift card to supplement their needs for furnishings and other essential household items.

Mrs. Bolus inquired about the eligibility requirements for participation in the Carter Burden Center Program. She asked if some HHC's employees who may be in need of placing a family member in an Adult Day Care Program while at work could take advantage of the Carter Burden Center. Ms. Brown responded that the adult day program was principally for the 175 tenants of the Metro East 99th Street Development. She added that the Carter Burden Center had a larger program that was located at 109th Street in East Harlem, called the Leonard Covello Senior Center, which served the East Harlem community. Ms. Brown added that the Carter Burden Center was a satellite site of their main center in East Harlem.

Mr. Rosen, Board Member, asked if the 175 referenced above referred to individuals. Ms. Brown clarified that there may be couples in some instances. Ms. Brown further explained that Mr. Wong referred to them as households as per the HUD and NYCHA definitions. Considering the 67 Coler-Goldwater SNF residents placed into public housing and independent living and the other 175 referenced individuals, Mr. Rosen asked if the total number of placements was 242. Ms. Brown responded that the number may be even greater as part of the 175 households, there may also be households of two. She added that HHC was able to place more than 200 individuals in other housing opportunities.

Mr. Wong reported that many of the residents would be accessing services at the Leonard Covello Senior Center and the Carter Burden Center had made that transition and facilitation.

Mr. Wong stated that it does take a village to achieve HHC's goal and comply with the various regulatory processes. He added that Corporate Planning Services was involved in both the planning and the application review stages of the process. He informed the Committee that during the planning stage, from January 2014-March 2014, Corporate Planning Services staff was engaged in accomplishing the following tasks:

- Develop the process overview to provide a road map as to where the project was heading; also develop the eligibility criteria to comply with the many different rules from HUD, NYCHA and the Housing Development Corporation, and to provide an application to the facilities to facilitate the application in a way that was both meaningful to themselves and their patients
- Produce an instructional guide to be used as a blueprint so that HHC facility staff can assist patients in completing applications
- Provide consultation services and technical support to HHC facilities for both routine and complex situations to readily understand how that would impact regulatory requirements. Ms. Green interjected that it also involves going to a few of the nursing facilities to determine among the medically stable patients who might be a good candidate for housing and what some of the criteria and obstacles might be transitioning someone into the community
- Convene conference calls with designated HHC facility liaisons to explain the application process and eligibility criteria prior to process commencement
- Engage the HHC Executive Directors to identify liaisons who would serve as a centralized point of contact with CPS to facilitate the housing selection process and help streamline the process

Mr. Wong informed the Committee that during the review stage, from March 2014 - Present, Corporate Planning Services staff have been engaged in the following activities:

- Review application package for accuracy and completion
- Perform criminal background checks using state and federal databases
- Engage facility social work and case management staff to troubleshoot eligibility concerns and/or incomplete applications
- Engage facilities to coordinate dates and locations for applicant interviews

- Submit application packages to SKA Marin
- Convene weekly workgroup conference calls with SKA Marin, NYCHA, HDC, and Wavecrest (developer's compliance and background check agent)

In addition to HHC's responsibilities, SKA Marin, NYCHA and HDC performed various functions during the review stage. Mr. Wong reported that the developer, SKA Marin, reviewed application packages submitted from HHC, interviewed qualified candidates onsite at HHC facilities and performed criminal background and credit checks through an intermediary. NYCHA had also reviewed the application materials for Section 8 eligibility and performed verification of application packages and background checks of applicants. Mrs. Bolus asked how far back does a criminal background check go. She also asked if the applicant committed a felony in his/her teen years, would it be counted at the time of the application. Ms. Green responded that it varied based on the type of felony as there are different classes of felonies. She added that for certain types of felonies the look back could be five, six or seven years. Ms. Brown added that, though applicants are not always penalized, it is still tough to comply with the federal rules that stipulate that people with felonies are not eligible for certain benefits. Mr. Wong also reported that NYCHA had provided HHC an opportunity to present mitigating information that they would take into account once a determination had been reached.

Mr. Wong explained that HDC reviewed the application materials for accuracy and performed verification of the information that was submitted. In addition, HDC certified that eligible applicants are in compliance with the low-income housing tax credit regulations.

Mr. Wong reported on the final stage of the Metro East 99th Street Housing Project. Applicants had signed leases and received move-in dates for their new apartments. Throughout this process, HHC facilities continued to work with patients to support continuity of care through case management (managed care plans, health homes, Nursing Home Transition and Diversion Medicaid waiver program, etc.), home care, primary care/ specialty care appointment scheduling and follow-up.

Mr. Wong reported that a total of 500 applications were received for the Metro East 99th Street Housing Project; 127 of them were ineligible applications because of criminal background checks or credit history (eviction default) and another 190 were incomplete requiring additional information. Mr. Wong reported that the remaining 183 applications were certified by NYCHA (approval for Section 8) and of that number, 175 were certified by HDC (approval for the low-income housing tax credit) and were placed at the Metro East 99th Street. Mr. Wong clarified that in order to be an approved tenant of the building, the applicant had to receive certification from both NYCHA and HDC.

Ms. Green added that there were many criteria to be considered about credit histories in the rental arena. However, HHC and the developer had agreed to some leeway in reviewing credit histories. Mr. Wong stated that for the most part, eviction was the main criteria that made an applicant ineligible. Mrs. Bolus asked if applicants were informed of the status of their credit history so that they could work on improving it to take advantage of future opportunities. Ms. Brown responded that it was impossible to do so for all 127 ineligible applicants; however, she stressed that the 183 applications certified by NYCHA involved a lot of different interactions with each applicant and with the Social Worker who referred them to help that person get the needed paperwork and answer all the questions.

Ms. Green and Ms. Brown shared with the Committee some notable examples of the complexities involved to get the applicants to the goal of being certified by both NYCHA and HDC. Ms. Green shared the first example about an individual who was evicted from NYCHA, but in fact had to leave because of domestic violence issues. That was a mitigating situation that had to be addressed. The applicant had to eventually repay the owed debt to NYCHA and was able to get through the through the process. Ms. Brown provided an example of a couple who was living in NYCHA housing with an adult son. They were referred by Elmhurst hospital because of the disability of one spouse including mental health issues. HHC had to first prove that the couple needed to move out of that setting into the Metro East 99th Street Housing. Ms. Brown gave another example of an individual who was blind and illiterate and did not understand how to complete or get the necessary information to even get through the process. Ms. Brown summarized that there was a lot of social work being done but not necessarily being done by social workers.

Mr. Nolan commented that each of the 190 applicants would have a different story. However, he asked: "what were the odds about the number of the incomplete applications? He asked if getting 190 incomplete applications (40%) from a total of 500 was common. Ms. Brown answered that it was a good result because usually less than 10% of the people who seek out affordable housing actually got into subsidized housing. Mr. Nolan commented that the number was very low. Ms. Brown commented that the thresholds were also very high in order to make the federal requirements and the

competition for housing is very tough. It takes a lot of work and persistence from the potential tenants and whoever is assisting them.

Ms. Green added that HDC's normal application process was to accept a total of 16 applications for one unit. She explained that reviewing 2,800 applications for the 175 units would have been beyond the capacity of HHC's Corporate Planning Services unit. For a total of 500 applications, Ms. Green stated that CPS had reviewed three applications per unit. She emphasized that a lot of work was involved to ensure that the applicants were ready and eligible for these units. Ms. Brown clarified HHC's involvement in the Metro East 99th Street Housing Project. She stated that HHC had committed to its patients that every single one of the 175 units would be for qualified individuals receiving their care at HHC facilities. She added that the opportunity for that not to happen was extremely high because the developer's objective was to rent up these apartments; HDC's objective was to make sure that every tenant was approved based on low-income tax credits; and HHC's objective was to make sure that residents from Coler-Goldwater and patients from HHC's hospitals and diagnostic and treatment centers got access to affordable housing and achieve better health outcomes.

Mr. Wong explained that the application was 20 pages long and could easily turn into 40 pages considering the supplemental documentation that goes along with it.

Mr. Nolan asked if these were mostly federal and state guidelines and rules. Ms. Brown responded that they also included city and the developer's forms. She added that the developer's religion is to their financiers. She added that the developer's goal is to ensure that there will be tenants occupying the building for 30 years that will be paying the rent or otherwise it would not a financially viable project.

Ms. Green reported on HHC's referral sources for the tenants at Metro East 99th Street as described below:

Facility	# of Tenants Referred by Facility
Bellevue	15
Coler	19
Dr. Susan Smith McKinney	4
Elmhurst	18
Gouverneur	25
Harlem	15
Henry J. Carter	1
Jacobi	14
Kings	17
Lincoln	2
Metropolitan	21
Queens	6
Woodhull	18
Total	175

Mrs. Bolus suggested to Ms. Green to also mention in future presentations revenues saved by moving these patients from hospital beds to these apartments. She reminded the Committee that these individuals were occupying space at the hospital that could have been used for sicker patients. Ms. Brown agreed with Mrs. Bolus and added that the State's objective was to save \$10 million a year by virtue of these individuals not staying longer than medically necessary in a hospital or nursing home.

Mr. Rosen stated that his understanding was that the housing project would place patients from Goldwater, which included Bellevue, Coler and Henry J. Carter. He asked why there were placements from other HHC facilities. Ms. Brown explained that the project was targeted to be completed in 2013 which would have been synchronized with HHC's move from Goldwater to Henry J. Carter while downsizing. Therefore, some patients were identified as ineligible to transfer to Henry J. Carter as they were rather in need of housing. As such, these patients were placed in other housing settings. Consequently, by the time the Metro East 99th Street Housing project was completed, there were fewer individuals from Goldwater in need of housing, which created the opportunity for other facilities who also had patients in need of housing occupying hospital beds or were high users of HHC's Emergency Departments to take advantage of these units.

Ms. Brown clarified that the intent was not to waste the space. She emphasized that HHC had fought hard to ensure that this project was uniquely qualified by HUD for every single apartment to be for individuals receiving their care from HHC facilities. Ms. Brown explained that the Metro East 99th Street Housing Project was the only project in the country that was developed as permanent housing with rental assistance for people coming directly out of a public hospital system.

At the request of Mr. Nolan, Ms. Brown explained that the 14 tenants from Jacobi Medical Center were either in acute care beds, long-term care beds or were high users of services because of the instability of their housing including some individuals who were in shelters.

Ms. Green provided a profile of the tenants of Metro East 99th Street Housing. She reported that 47.5% of the tenants were female and 52.4% male. A total of 48.8% were under 60 years of age and 51.2% were older than 60 years. In addition, 205 of these tenants are diagnosed with behavioral health issues and 17.1% of them have mobility impairments or are using an assistive device (cane, wheelchair, walker, scooter).

Ms. Green concluded up her presentation by sharing with the Committee some of the activities that would be taking place following the full occupancy of the Metro East 99th Street Housing Project. Those next steps were described as the following:

- Create opportunities for Metro East 99th Street tenants to speak with representatives from managed care plans (i.e. MetroPlus, Healthfirst, Independent Care Systems and others)
- Continue to coordinate with Metropolitan Hospital Center to identify opportunities to inform tenants of available health care services, have tenants become better acquainted with the hospital, and provide tenants with the option of receiving some or all of their care at Metropolitan. Tenants have the option of continuing their care at their existing HHC facility
- Engage the HHC facility liaisons to develop standard work for contractual maintenance of a wait list of viable potential tenants and requisite assurances that patient connections and support post-discharge are maintained
- Provide ongoing monthly monitoring and reporting to the New York State Department of Health's Medicaid Redesign Team on patients with established tenancy at Metro East 99th Street; work with SKA Marin on provision of data
- Conduct in service on standard work for all relevant HHC staff
- Distribute \$100 gift cards to Metro East 99th Street households in January 2015 so that patients can continue to furnish their apartments

Mrs. Bolus commented that the project was so unique and so well handled. She asked if it would be published for others to see its success. Ms. Brown responded that she would give it some thought. To reinforce Mrs. Bolus's request, Mr. Rosen stated that he remembered how the project started with the relocation of Goldwater patients and the community's initial objection to the construction of the building. He also recalled the friction between the East 99th Street Garage and Sanitation. Ms. Brown thanked Mr. Rosen for the project's background.

Mr. Nolan thanked Ms. Green for her presentation and this extraordinary work done by a great team. He commented that capital projects are never completed on time and are considered timely even when they are completed six month or a year later.

Ms. Brown recapped some of the project's stumbling blocks. Ms. Brown stated that, in addition to a delay in the financing of this project, the construction had just begun when Hurricane Sandy hit. Therefore, it was realized that, because of the location of the building, which had not included a basement in the original design, the building had to be raised. This created the need for a new set of plans based on new FEMA guidelines. These changes not only alter the design, but also added more time to the construction time.

Mrs. Bolus emphasized the need to publish the success of this project as it showed good advocacy on the part of the New York City Health and Hospitals Corporation. Mr. Rosen and Mrs. Bolus agreed that it was a great presentation.

SUBSIDIARY BOARD REPORTS

HHC Accountable Care Organization (ACO) Annual Membership Meeting w/HHC Board of Directors – December 18, 2014 - As reported by Dr. Ramanathan Raju

NEW BUSINESS

The first item on the agenda was a report on the ACO's recent activities. Dr. Ram Raju invited the ACO's Chief Medical Officer Dr. Nicholas Stine to present.

Dr. Stine began with a discussion of current ACO data, explaining that the ACO has an average of about 12,000 attributed beneficiaries. The ACO population includes a disproportionate number of patients with disabilities, chronic diseases, and major psychiatric disorders, as well as high rates of dual-eligibility when compared with other Medicare Shared Savings Program ("MSSP") ACOs nationally. The ACO receives claims data for these patients, which enables the ACO to track care received outside of HHC and identify high-risk patients. The ACO provides a claims data dashboard to clinical leadership at HHC's acute care facilities, diagnostic and treatment centers, and skilled nursing facilities, to help them provide better coordinated and more proactive, patient-centered care. This dashboard serves as a model for other population health management initiatives such as the Delivery System Reform Incentive Payment ("DSRIP") projects.

The meeting attendees asked questions about the MSSP and the ACO's cost and quality performance. Dr. Stine responded that the ACO's benchmark for annual expenditures per beneficiary is about \$9,000, which is well below the national average. The Centers for Medicare & Medicaid Services ("CMS") derives a benchmark by evaluating the total cost of care for the ACO's attributed population from 2010-2012 and trending forward. Of the 243 ACOs participating in the MSSP for 2013, only 25% earned savings by meeting the program's cost and quality goals. The HHC ACO scored in the 74th percentile nationally on clinical quality indicators and realized a 7% reduction in Medicare expenditures, which qualified the ACO for a performance payment. These savings were driven primarily by a reduction in hospitalization and increase in supportive services.

The ACO's earned performance payment will be distributed as required by agreements between the ACO and physician groups that employ the doctors who provide services in HHC facilities. A portion of the savings will reimburse HHC for its investment in the ACO's startup and ongoing operating costs. The amount of savings will vary from year to year during the ACO's participation in the MSSP.

Dr. Raju explained that the ACO currently includes physician groups that provide services at HHC facilities, but the intent is to establish a strong network of doctors beyond HHC (e.g., other MetroPlus primary care physicians) and expand to other payers, particularly Medicaid. The ACO will evaluate potential partnerships and incentive payment models to encourage improved utilization and quality performance. The challenge for the ACO in the coming years is how to scale its successful models.

The meeting attendees discussed the relationship between the ACO and DSRIP Performing Provider System ("PPS") partners. Dr. Raju responded that DSRIP is a trial period that enables HHC to identify high-performing partners for the ACO. The ACO is an important component of HHC's strategic direction, which also requires growing the MetroPlus patient population and improving patient experience of care.

The next item on the agenda was consideration of a resolution to add a tenth Director to the ACO Board, to be named by the New York University School of Medicine. A motion was made and duly seconded to adopt the resolution identified as number two on the agenda:

RESOLUTION approving and ratifying the actions of the ACO Board of Directors to fix the number of Directors of the ACO Board of Directors at ten (10), subject to approval by the Centers for Medicare and Medicaid Services ("CMS") of the addition of a Director designated by the New York University School of Medicine ("NYU");

AND

Approving and ratifying the actions of the ACO Board of Directors to elect a Director to be named by NYU, as specified in a writing by NYU that is delivered to the Chairman of the ACO, to serve as an additional Director of the ACO Board of Directors, in accordance with the laws of the State of New York, until such person's successor is duly elected and qualified, subject to such person's earlier death, resignation, removal, or termination of his or her employment with NYU

There was no further discussion of the motion. The motion was unanimously approved.

The next item was consideration of a resolution to elect the Directors as of the ACO for 2015. A motion was made and duly seconded to adopt the resolution identified as number three on the agenda:

RESOLUTION authorizing that each of the following persons be elected to serve as a Director of the ACO Board of Directors in accordance with the laws of the State of New York, until such person's successor is duly elected and qualified, subject to such person's earlier death, resignation, removal, or termination of his or her employment with any entity that has executed an ACO Participation Agreement or ACO Agreement:

*Ramanathan Raju, M.D.
Antonio D. Martin
Salvatore J. Russo
Ross M. Wilson, M.D.
Marlene Zurack
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. ("PAGNY")
A Director to be named by the Icahn School of Medicine at Mount Sinai, doing business as Mount Sinai Elmhurst Faculty Practice Group (the "Elmhurst FPP"), as specified in a writing by the Elmhurst FPP that is delivered to the Chairman of the ACO*

A Director to be named by New York University School of Medicine ("NYU"), as specified in a writing by NYU that is delivered to the Chairman of the ACO, subject to approval by the Centers for Medicare and Medicaid Services ("CMS")

A Director to be named pursuant to a designation by a majority in number of the ACO Participants, as defined in 42 C.F.R. Part 425, other than the New York City Health & Hospitals Corporation and the Elmhurst FPP, that have executed Participation Agreements with the ACO, which Director is specified in a writing signed by such majority that is delivered to the Chairman of the ACO

There was no further discussion of the motion. The motion was unanimously approved.

HHC Insurance Company / HHC Physician Purchasing Group – December 15, 2014 As Reported by Dr. Ramanathan Raju

The Corporation's initiative to reduce costs associated with medical malpractice claims includes efforts to identify cost-effective insurance strategies. The HHC Board of Directors authorized the formation and operation of the HHC Insurance Company, a subsidiary captive insurance company to insure attending physician staff and provide access to excess insurance coverage provided by a State-funded pool. The HHC Physicians Purchasing Group was formed as an insurance purchasing group for HHC affiliated physicians.

Reports from the recent Board meetings held on December 15, 2014 are summarized below:

HHC Insurance Company

The HHC Insurance Company was licensed as a captive insurance company by the New York State Department of Insurance on December 16, 2004. It became active on January 1, 2005. The company underwrites primary professional liability coverage for attending physicians affiliated with HHC in the specialties of Obstetrics/Gynecology and Neurosurgery. Excess coverage for these specialties, obtained through the New York State Excess Liability Pool, began on July 1, 2005.

The Board of Directors of HHCIC held its annual meeting on December 15, 2014. It conducted all business necessary for captives in the State of New York including the issuance of primary insurance policies to the members of the HHC Physicians Purchasing Group as well as the re-appointments of Aon Risk Consultants, Inc. as actuaries and KPMG, LLP as auditors. At present, there are 345 Obstetrician/Gynecologists and Neurosurgeons insured through HHCIC. Out of that number, 319 are currently active).

Premium in the amount of \$5.4 million was deposited for the benefit of HHCIC by HHC and is held in reserve for the payment of any claims with the exception of any amounts needed for payment of any outstanding claims against HHCIC.

The Company was required to sign up as a plan or pool participant in the Medical Malpractice Insurance Pool (MMIP). The company opted to join the Pool so that it could be consistent with all of the other medical malpractice carriers in the State of New York. The September 30, 2014 cession statement from the Pool indicates that the Company has a net liability to the Pool of \$859,551.

All Regulatory matters are current.

HHC Physicians Purchasing Group

The Board of Directors of the HHC Physicians Purchasing Group held its annual meeting on December 15, 2014. The business of the Group is to obtain primary medical malpractice insurance from HHCIC on behalf of its members who are employees of HHC's Affiliates. The physician members of the group have obtained primary medical malpractice insurance coverage in the amount of \$1.3 million/ \$3.9 million from the HHCIC, the New York captive insurance company. The members of the group have also received excess coverage in the amount of \$1 million / \$3 million from the Medical Malpractice Insurance Plan.

The Board conducted all business necessary for a Purchasing Group in the State of New York.

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

RAMANATHAN RAJU, MD
HHC PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
JANUARY 29, 2015

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

ACTION ON HHC-GOTHAM HEALTH FQHC-LAL APPLICATION

To begin with, I'd like to say how pleased I am to report that HHC's Gotham Health has been approved by the Health Resources & Services Administration (HRSA) for federally qualified health center look-alike designation.

The 39 clinics comprising Gotham Health -- the nucleus of an ambulatory care network -- are now poised to become a valued and vital part of the HHC system, highlighting the prominent role of our health care system's large outpatient care network and supports HHC's ongoing transformation to keep preventive care and wellness as the centerpiece of organizational culture. The additional federal funding will further support our strategic goals to expand access to geographically convenient and culturally-sensitive healthcare services for all New Yorkers and strengthen our ability to keep New Yorkers healthy.

Coming after more than two years of hard work and perseverance, federal approval of our application is truly exciting milestone on the journey we've been making to transform health care delivery in New York City. It demonstrates the distance we've travelled, and marks that we are closer to a final destination in which sick care is a thing of the past, and the provision of healthcare a hallmark of HHC's future.

I appreciate the unwavering support of and partnership with the Gotham Health Board of Directors as we have endeavored to obtain federal designation. In addition, the work of the Diagnostic & Treatment Centers' clinical and administrative staffs to ensure that their sites' operations were compliant with all FQHC requirements has been invaluable over the last two years. And...I especially want to thank Senior Vice President LaRay Brown, and the rest of the team.

SNOW PREPARATION AND RESPONSE

I also want to highlight how deeply proud I was of the way this Corporation reacted to this week's weather emergency. Regardless of the number of inches that ultimately fell within the five boroughs, HHC folks worked tirelessly and selflessly. So many doctors, nurses and staff staying overnight at work, or making their way to work despite transportation shut-downs -- to make sure that the doors to our facilities were open, and ready for whatever might hit New York. This ethos, this redoubled commitment to provide care for New York City in the most threatening of circumstances, represents the ethos of this institution, and made us all terribly proud.

Just to give you a more specific idea of our handling of the emergency---all of our facilities began preparations late last week. Dr. Ross Wilson and Antonio Martin led preparations with senior leadership over the weekend and again on Monday. Supplies such as food, medications, and linens were topped off, and fuel tanks for emergency generators were filled. We rescheduled elective surgeries and clinic appointments. Some patients -- for dialysis, chemotherapy, and methadone supply -- were rescheduled for Monday ahead of the storm. Staff also checked that our home care patients were accounted for and would not be left stranded.

All of our acute care hospitals activated their command centers for the duration of the event and were linked to our main command center here on the fourth floor. Loose objects at our campuses were secured against wind, and snow and ice were cleared from access points. Many of our dedicated staff of stayed overnight at their posts to manage events as they unfolded, as to help assure adequate staffing for the following day.

We prepared for the worst and received the best we could have reasonably hoped for. Our Central Office Emergency Command Center was able to connect in real-time with all of the facilities. Patient care continued all through the storm, staffed by our committed employees. I also wish to acknowledge our organized labor partners and other City agencies that played critical roles. Again, I couldn't be prouder or more grateful for everyone's dedication and professionalism this week.

DSRIP UPDATE

I also wanted to make you aware that HHC's Performing Provider System (PPS) submitted its final application to participate in the Delivery System Reform Incentive Payment (DSRIP) Program on December 22nd. The application details our approach to meet community needs through our eleven DSRIP projects, as well as our plans to govern our PPS and meet future workforce needs. All PPSs will learn their DSRIP performance awards in late March.

Now that the application has been submitted, our DSRIP team has turned its attention to the complex task of designing and implementing our eleven DSRIP projects across the city, ensuring that our hundreds of partners, including SUNY and scores of community-based organizations, have the capabilities and infrastructure needed to perform according to NYS DOH performance milestones.

Our PPS will submit applications by the deadline of February 20 for the NYS capital restructuring program, a \$1.2B non-Waiver fund intended to support sustainability of DSRIP transformation efforts. HHC is committed to working closely with our partners to ensure that high quality applications are submitted, and that these next steps on our journey together to create true preventive healthcare in New York City is a success.

EXTENSION OF CONTRACT WITH MANATT

In accordance with our rules, I want to inform you that I have authorized extending the contract we previously issued to Manatt Phelps & Phillips for consulting services in connection

with the DSRIP project. They've done a phenomenal job assisting HHC with complexity and number of DSRIP requirements, and with the filing of our DSRIP application on December 22. Manatt's services were critical to our ability to file a comprehensive application within a very tight schedule. We will continue to need Manatt's valuable expertise and institutional knowledge of the program as we address the next critical phase in this process by meeting the June 2015 deadline for structuring and operationalizing our PPS.

The extended contract is not to exceed \$10 million, the full cost of which will be funded through DSRIP, either through planning grant funds or from the initial DSRIP performance payment. Concurrently, we are bringing on substantial additional staff to bolster our ability to carry out our DSRIP work without Manatt's assistance and part of the Manatt scope is to train our staff and transition to being able to work on their own.

FEDERAL UPDATE

On January 14th, the House of Representatives sent legislation to the Senate which funds the Department of Homeland Security through September 30, 2015. That bill also includes language to eliminate President Obama's immigration policy directives concerning provision of temporary deportation relief and offer of work permits to 4 million illegal immigrants. It is not certain what action the Senate will take.

On January 20th, the President gave his annual State of the Union address. No major health care provisions were mentioned in the address. The President's proposed budget for federal fiscal year 2016 is expected to be released by February 2nd.

EBOLA FUNDING AND RESOURCE ISSUES

Early this month, I visited with Dr. Nicole Lurie, Assistant Secretary for Preparedness and Response at the US Dept. of Health and Human Services (HHS) in Washington to discuss Ebola funding and reimbursement issues. Our Corporation as well as other city agencies incurred significant costs in preparations, treatment, and monitoring activities relative to Ebola. Federal funding has been made available to reimburse these costs, at least in part.

Later in the month, Dr. Lurie and her team visited Bellevue Medical Center seeking from our staff "lessons learned" from the Ebola crisis and treatment of an Ebola-infected patient. Among other issues discussed was the possibility of a federally designated and funded HHC/Bellevue "Biocontainment Patient Care Unit".

These talks will proceed in the near future.

STATE UPDATE

Last Week Governor Cuomo delivered his annual State of the State address and released the Executive Budget for the 2015-16 State Fiscal Year in a combined presentation he called the "2015 Opportunity Agenda." Although the speech did not contain any references to

healthcare, the Governor's budget contains many initiatives that could significantly affect HHC.

Our early impression of his proposals is positive and we applaud Governor Cuomo's very thoughtful healthcare investments. His commitment to addressing healthcare disparities is a welcome boost for HHC and the City's efforts to revitalize care delivery in areas such as Central Brooklyn. We will continue to work with his office to manage population health more efficiently, a goal that we are already working toward through the state's Medicaid waiver (DSRIP) process.

The Governor's proposed budget anticipates total spending in the Medicaid program of \$62 billion, which represents a 3.6% increase over the previous year. Similar to the proposals he has made the last several years, the Governor proposes to codify a permanent Global Cap on Medicaid spending. He would also impose a "Savings Allocation Plan" if Medicaid spending pierces the Global Cap.

While staff is still analyzing the budget documents, there are several new provisions that are important to HHC, including language:

- Modifying the way the State distributes the Upper Payment Limit (UPL) for HHC. These changes are necessary to implement an agreement with the federal government on a new methodology for UPL payments, including outstanding amounts for 2011-2014. These prior year payments are expected to total more than \$1 billion for HHC.
- Extending the current methodology for distributing Charity Care funding for three years through December 31, 2018. The budget continues to gradually phase-in changes to increase the proportion of the funding to hospitals that provide care to the uninsured, underinsured and Medicaid populations.
- Increasing the current \$1.2 billion Capital Restructuring Financing Program by an additional \$1.4 billion. One half of these new funds or \$700 million is to be used to stabilize the health care delivery system in Central and East Brooklyn.
- Providing Medicaid coverage for immigrants newly eligible as a result of President Obama's recent actions on immigration reform.
- Adding an additional \$290 million (\$580 million if a federal match is obtained) to the Vital Access Provider (VAP) Program to provide adequate budget funding as hospitals and health systems adapt to new DSRIP environment and reduce avoidable hospital admissions.
- Implementing a Basic Health Plan, which will be available for certain low-income, legal immigrants who cannot qualify for Medicaid due to their immigration status. This includes immigrants who are currently covered on "State-only" Medicaid.

- Authorizing Value Based Payment reimbursement methodologies to be used by SDOH and managed care plans, to advance the DSRIP goal for 90% of Medicaid managed care plan payments to providers to be made using value-based purchasing methodologies. It authorizes plans and SDOH to use these methodologies during and post-DSRIP with all providers; and authorizes DOH and Department of Finance to define various levels of risk for contracts.
- Creating an insurance surcharge to pay for the State's Health Insurance Exchange (the New York State of Health).
- Creating a new Ebola health care worker "bill of rights," including job and benefits protection for workers who travel to Africa to care for Ebola patients, and any lost wages if they are placed in quarantine when they return home.
- Authorizing a new Hospital Quality Pool of nearly \$100 million (including federal match) to incentivize and facilitate quality improvements in hospitals.
- Including Public Health and Health Planning Council recommendations related to urgent care centers, limited service clinics, office-based surgery and regulatory reforms related to CONs and reduced resident hour audit and other issues.

HHC SHOWCASES SUCCESS WITH HPV IMMUNIZATION

I'd also like to make you aware of Dr. Ross Wilson and Dr. Machelles Allen's testimony on HPV before the City Council Health and Women's Issues Committee, as part of HHC's recognition of National Cervical Cancer Awareness Month,

Their testimony showcased HHC's successful Human Papillomavirus (HPV) immunization rates and cancer screening efforts, which surpass city, state and national rates. In 2013, 77% of our patients age 13 – 17 initiated the HPV vaccination series of 3 shots and 47% completed the series. In 2014, the overall completion rate increased to 52%. The continued improvement in these rates reflects the importance HHC places on this aspect of health care.

Our testimony also highlighted the fact that each year our facilities conduct more than 115,000 cervical cancer screenings. Through these aggressive efforts we aim to diagnose more cancers at earlier stages thus allowing for more effective treatment and a better prognosis. We are grateful to the Council for supporting these efforts, and for allowing us to testify on this important public health issue. We would like to particularly thank Speaker Melissa Mark-Viverito for bringing attention to this important public health issue.

PATIENT SAFETY CONFERENCE HOSTED BY HHC AND LABOR PARTNERS

I am also glad to report on HHC's collaborative effort with our labor partners on patient safety issues. Last month, the Corporate Office of Patient Safety and Employee Safety in collaboration with the Committee of Interns and Residents/SEIU (CIR/SEIU) convened a well-attended annual day long patient safety forum in which over 150 employees and medical

staff including medical residents, physicians, nurses, support staff, and leaders from across the our facilities participated. We thank our CIR/SEIU colleagues for continuing to partner with us to improve the safety of our patients and employees.

In recognition of the correlation between employee safety and patient safety, the conference focused on the theme of *Working with Disruptive Patient Behaviors While Keeping Safe*.

**HHC FEATURED PROGRAM:
TREATMENT FOR SURVIVORS OF TORTURE**

As a health care system that comprises patients and staff from every corner of the globe -- a great many of them new immigrants fleeing oppression and violence -- we at HHC have seen first-hand the unspeakable effects on the human body and psyche -- of torture. For many, that word conjures up an image of someone experiencing unspeakable physical violence. But the definition of torture that I think is most accurate is much more broad and extends to mental pain and suffering from the horror of war, persecution, fear of harm, or fear from threats of future violence. Our emergency rooms are often the port of entry into the health care system for many men and women who have suffered these atrocities in their home countries torn by civil war and human rights violations.

That is why HHC is so proud to recognize a program that confronts the issues resulting from torture and does a great deal to assist its victims in their difficult recoveries.

I can't think of a program that better exemplifies this institution's commitment to respecting the universal human rights of individuals who have made their way to our facilities in search of care. And I can't think of better examples of individual commitments to the provision of that care that Doctors Allen Keller and Dinali Fernando.

Their team has garnered international reputation for excellence in our clinical, educational, and research activities, and contribute knowledge and testimony to global efforts to end torture.

At Bellevue and Elmhurst, this program offers comprehensive and confidential medical and mental health care, and we connect individuals with the social and legal services they need to rebuild their lives from the physical, mental and social devastation of torture. Our well trained teams work to unveil the bleak and unreal stories behind the requests for care of aches and pains, depression and other conditions that may appear routine if not for our compassionate and culturally competent staff. Together, both programs have served more than 4,300 survivors and their family members.

Help me thank Dr. Keller and Dr. Fernando, and the entire staff teams at Bellevue and Elmhurst, for helping so many patients heal, cope and rebuild their lives. Your efforts exemplify the value of our health system to New Yorkers and you make us very proud.

**HHC FEATURED EMPLOYEE:
MIREILLE LEROY, RN, NURSE OF THE YEAR**

Finally, I am so pleased to bring to your attention an HHC employee who exemplifies the sort of true, unsung, hero who works quietly, often in obscurity, and without regard for credit or attention in order to devote themselves to the care of others. One such hero is Mireille Leroy, a nurse who we have been lucky to have as a member of the HHC family for the past 21 years.

Mireille, a nurse in Lincoln Medical Center's ambulatory surgery department, stands out as someone who not only helps herself, her family and many in her extended community -- she goes many steps further by traveling abroad to help hundreds of persons in need, suffering in countries that have experienced recent crises.

Her service was recently recognized by Haitian American Nurses Association who named her "Nurse of the Year."

Mireille was born and spent the early part of her life in Haiti. Ongoing political turmoil there ultimately caused Mireille and her family to move to the United States where she continued her education.

Public service is clearly part of Mireille's nature. She has been a member and President of the Haitian-American Parent Association, where she helped recently immigrated parents and children, who needed language help, after-school programming, or a summer camp where they could feel more at home.

Mireille's commitment to public service really took off when she started traveling abroad to bring her nursing skill to parts of the world in crisis. She has been to Haiti four times since the earthquake in 2010, as well as to the Dominican Republic and the Philippines after the recent tragic typhoon there. The needs she has addressed on these trips range widely, from treating injuries to providing immunizations to teaching the people how to protect their food and water supply.

Mireille loves reaching out to people she didn't know before and making their lives better. Her motto, which I find very inspiring, is, "You give your best to somebody you don't know."

Mireille has a daughter Christina, who has followed in her footsteps and has also become a nurse, and an eight-year-old grandson Jayden. She also continues to find time for professional development, and is now enrolled in a Master's program at Grand Canyon University in Nursing Leadership.

We're extremely lucky that Mireille is part of our Corporation's family. She gives and gives and then gives some more. The patients at Lincoln Medical Center are richer for it.

Thank you, Mireille, for giving so much to your community and our patients.

HHC IN THE NEWS HIGHLIGHTS

Broadcast

Healthcare Stories of the Year, CBS News, 12/25/14, Bellevue

Nurse Heads to Africa, News12 Bronx, 12/31/14 Sara Back, RN, NP, NCBH, Bellevue, Jacobi

It's Not Insurance, but Maybe It's a Start, WNYC, 12/31/14, Elmhurst

First NYC Baby of 2015, ABC News, 1/2/15, Coney Island

Temperatures Reach Single Digits as Arctic Air Mass Moves Through NYC, NY1 News, Dr. Rajesh Verma, Chief of Emergency Medicine, Harlem

Cold Health Tips, News 12 Brooklyn, WoodHull: Dr. Robert Chin, Chief of Emergency Medicine

Cold Weather Tips, Univision, 1/12/15, Woodhull: Dr. Luis Rodriguez, Chief of Pediatrics Medicine

City Mandates Flu Vaccines, News 12 Brooklyn, 1/13/15, Kings County: Dr. Lee Waldman, Pediatrician

Shigella Infection, News 12 Brooklyn, Woodhull, Dr. Sean Studer, Chief of Medicine

Print

Storm Prep: Closer Look, Crain's Health Pulse, Dr. Ross Wilson, HHC Chief Medical Officer

East Coast providers take emergency measures as massive storm nears, Modern Healthcare , 1/27/15, Dr. Ross Wilson, HHC Chief Medical Officer

Cuomo budgets \$700 million for health care in central Brooklyn, Brooklyn Daily Eagle, 1/22/15, Kings County

2014 Year in Photos, Newsday, 12/30/14, Dr. Laura Evans, Bellevue

Schumer: Feds Should Reimburse Hospitals For Ebola Preparations, WCBS/Associated Press, 1/8/15, Bellevue

US Ebola Czar: Fight against deadly disease reaching "pivot point", but more domestic cases expected, FoxNews, 12/28/14, Bellevue

The 5 biggest successes and 5 biggest failures of 2014, Healthcare Dive, 12/24/14, Bellevue

HHC Coney Island Hospital has First NYC Baby of 2015, New York Daily News, 1/2/15 Coney Island, Metropolitan

New T-Building housing plan revealed, includes units for homeless patients, 1/16/15, The Queens Courier, Queens

CB8 wants more information on T-Building proposal, Times Ledger, 1/26/15, HHC, Queens

CB 8 sets conditions to endorse T-Building, Queens Chronicle, 1/23/15, Dr. Raju, HHC President

H.P.V. at H.H.C. Capital New York, 1/8/15, HHC

A Health Insurance Expert from MetroPlus Health Plan Answers Common Questions about the Affordable Care Act, Bloomberg Businessweek, 12/19/14, Seth Diamond, Chief Operating Officer, MetroPlus

Quality Questioned in HHC Dialysis Sale, Crain's Health Pulse, 1/28/15, HHC, Dr. Ram Raju

Big Apple Dialysis back on agenda, angering union, Capital New York, 1/28/15, HHC, Elmhurst, Kings County, Lincoln, Metropolitan, Harlem,

Criminal investigations at city hospitals total 238 and some date back at least 10 years, New York Daily News, 1/12/15, Dr. Raju, HHC President, Norman Dion, HHC Inspector General

17 NYC hospitals to be fined for infections, other complications, New York Post, 12/25/14, Kings, Jacobi, Coney Island

Hospitals Score Low, Newsday, 12/23/14, Jacobi, Kings County

Dealing with healthcare construction cost and schedule challenges, Healthcare Facilities Today, 1/26/15, Carter

Bariatric surgeries at Jacobi solve obesity, Bronx Times Reporter, 1/21/15, Jacobi, Bellevue, Harlem: Dr. Ajay Chopra, Medical Director for Bariatric Surgery and Chief of Minimally Invasive Surgery

Bellevue Hospital recognized for stroke care, Town & Village Reporter, 1/7/15, Bellevue: Albert Favate, MD, Medical Director, Stroke Unit

Stein Center knitters make sure Bellevue babies don't get cold feet, 12/25/14,; Rohnie D. Williams, RN

HHC leads in adolescent HPV vaccinations, Town & Village, 1/15/15, HHC

**REVISED
RESOLUTION**

Authorizing the President of the New York City Health and Hospitals Corporation (HHC) to negotiate and execute a contract with GSI Health, Inc., and such other contractor(s) as necessary to implement a Care Coordination and Management Solution (CCMS). The contract(s) shall be for a period of five years with two, one-year options to renew, exercisable solely by the Corporation, for a total amount not to exceed \$35,441,897 (including a contingency of \$1,177,918 for additional software services as needed). This solution will serve as the foundational population health management, coordination, communication, collaboration, documentation tracking, and registration system for the Corporation's overall Delivery System Reform Incentive Payment (DSRIP) strategy and several programs operated by the Corporation in conjunction with its DSRIP program;

And

Further authorizing the President, in contracting with GSI and such other contractor(s) as necessary, to choose which entity(ies) shall arrange and provide for the interconnectivity services of the CCMS platform among HHC's community-based partners.

WHEREAS, the Corporation requires a CCMS to allow both internal and network providers and teams to manage and to coordinate the medical and non-medical services and resources patients may require to be successful in reaching their goals, consistent with and in support of the Corporation's DSRIP strategy; and

WHEREAS, the Corporation seeks to enter into a contract to provide a CCMS to support care coordination services for HHC patients throughout the five boroughs of New York City; and

WHEREAS, a Request for Proposals ("RFP") was issued on September 11, 2014; the selection committee, which rated the proposals using criteria specified in the RFP, recommended that GSI Health be awarded the contract; and

WHEREAS, the discrete service of connecting of community-based partners on to the CCMS platform can be achieved by GSI or other contractors; and

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

Now, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (HHC) be and hereby is authorized to negotiate and execute a contract with GSI Health, Inc., and such other contractor(s) as necessary to implement a Care Coordination and Management Solution (CCMS). The contract(s) shall be for a period of five years with two, one-year options to renew, exercisable solely by the Corporation, for a total amount not to exceed \$35,441,897 (including a contingency of \$1,177,918 for additional software services as needed). This solution will serve as the foundational population health management, coordination, communication, collaboration, documentation tracking, and registration system for the Corporation's overall Delivery System Reform Incentive Payment (DSRIP) strategy and several programs operated by the Corporation in conjunction with its DSRIP program.

FURTHER be it

RESOLVED, that President, in contracting with GSI and such other contractor(s) as necessary, shall be empowered to choose which entity(ies) shall arrange and provide for interconnectivity services of the CCMS platform among HHC's community-based partners.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a one-year revocable license agreement with SST, Inc. (the "Licensee") for its use and occupancy of approximately one square foot of exterior space for the operation of acoustical equipment at a single pilot facility of the Corporation with the occupancy fee waived and with the President holding an option to extend the license for up to four additional years to match the length of the Licensee's agreement with the New York City Police Department (the "NYPD") if such agreement is extended and with the President having the authority to designate the location included in the license.

WHEREAS, the Licensee installs and operates acoustical equipment in cooperation with the NYPD; and

WHEREAS, the Licensee participates in a pilot program operated by the NYPD; and

WHEREAS, the NYPD has asked the Corporation to house the Licensee's acoustical equipment at one of its facilities; and

WHEREAS, the Licensee's acoustical equipment complies with all regulatory guidelines, poses no health risk and will not compromise or interfere with the operations of the Corporation's facilities.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and is hereby authorized to execute a one-year revocable license agreement with SST, Inc. for its use and occupancy of approximately one square foot of exterior space for the operation of acoustical equipment at a single pilot facility of the Corporation with the occupancy fee waived and with the President holding an option to extend the license for up to four additional years to match the length of the Licensee's agreement with the New York City Police Department if such agreement is extended and with the President having the authority to designate the locations included in the license.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") 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 \$9,462,886 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 Woodhull Medical and Mental Health Center (the "Facility").

WHEREAS, in March 2005, the Corporation, 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, a component of the project will make the Corporation compliant with fuel combustion standards through elimination of No. 6 fuel oil; and

WHEREAS, the Corporation 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 \$9,462,886 (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 \$7,897,840 in the PlaNYC capital budget; and

WHEREAS, NYPA demonstrates that the project will produce total annual cost savings to the Facility estimated at \$541,679; and

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

PAGE TWO – RESOLUTION
CIC – DCAS/NYPA/HHC

NOW THEREFORE, be it

RESOLVED, the President of the New York City Health and Hospitals Corporation (the "Corporation") 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 \$9,462,886 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 Woodhull Medical and Mental Health Center (the "Facility").

● **FEMA 428 Grant Program**



\$1,722,705,384

FEMA – HHC GRANTS AGREEMENT

- HHC and FEMA agree on a \$1.72B consolidated grant for repairs and mitigation at four HHC Hospitals:

● Bellevue Hospital	\$499M
● Coler Hospital	\$180M
● Coney Island Hospital	\$922M
● Metropolitan Hospital	\$120M

- Includes: \$66M DAC (Direct Administrative Expense)
\$170M Architectural & Engineering Expense

EDC will be our **PROJECT IMPLEMENTATION TEAM**

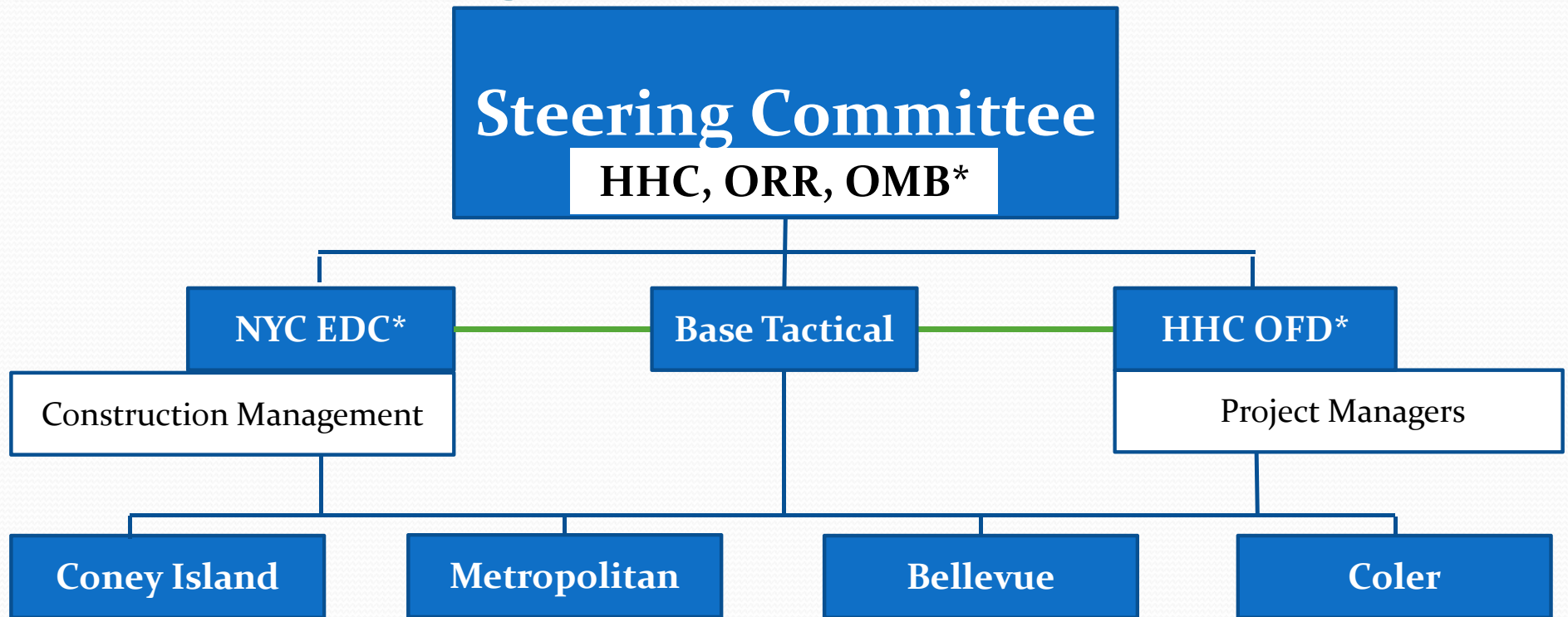
- Manage contracts to meet FEMA requirements
- Work with facilities so that project achieves success- on budget, in scope and on time.
- Work with Central Office/OFD to provide progress reports to the Steering Committee.



**New York City
Economic Development
Corporation**



Organizational Chart



*Health & Hospitals Corporation, Office of Recovery & Resiliency, Office of Management & Budget

*Economic Development Corporation

*Office of Facilities Development

Next Steps

- Signing Letter of Undertaking with FEMA
 - EDC review of FEMA immediate needs projects
 - RFP for Architects to design Coney Island Hospital Critical Services Building
- OMB Value Engineering Program for CIH Critical Services Building
Scheduled last week in March 2015
 - review and validate scope for new building
 - review and validate projected budget estimates



RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to negotiate and execute a ten-year extension to the contract (the "Contract") with a joint venture known as the Consortium, consisting of Sodexo HealthCare Services, US Foods, Inc. (formerly known as US Foodservice), and GNYHA Ventures, Inc. The purpose of this extension is for the Consortium to continue to manage the Corporation's food service operations and dietary workforce and provide patient and resident meals at the Corporation's acute care and long-term care facilities. The Contract will run coterminous with an existing 25-year lease agreement of the Cook Chill production plant located on the Kings County Hospital Center campus. The plant shall continue to produce the Corporation's patient and resident food needs. The Contract extension shall be for an amount not to exceed \$361,105,676.

WHEREAS, the Corporation and the Consortium entered into the Original Agreement in 2005, as amended by a First Amendment executed in January 2006, a Second Amendment executed in April 2008, a Third Amendment executed in February 2009, a Fourth Amendment executed in July 2009, a Fifth Amendment executed in August 2009, a Sixth Amendment executed in January 2014 (together, the "Contract"), whereby each Consortium Member provides certain dietary services to the Corporation as set forth in the Contract; and

WHEREAS, the Consortium has performed, in the last 10 years, all services related to the Corporation's dietary operation including reasonably acceptable patient satisfaction scores that have been sustained over the 10 years, met all contractual and regulatory requirements, and saved the Corporation an aggregate of \$57 million during the first ten years of the Contract; and

WHEREAS, the Contract's initial 10 year term has expired and the Corporation wishes to exercise two of its three five-year renewal options to extend the Contract for an additional 10 years, with savings to the Corporation projected to exceed \$14 million per year; and

WHEREAS, as part of this extension, the Consortium will invest up to an additional \$8 million in equipment and capital improvements to the Corporation's dietary facilities and Cook Chill Plant with the Consortium retaining responsibility for all amortization payments on the first \$1.5 million, and the Corporation responsible for amortization payments in excess of the \$1.5 million, up to an additional \$6.5 million all at no interest cost; and

WHEREAS, the Chief Operating Officer shall be responsible for monitoring and enforcing the Contract as extended.

NOW, THEREFORE, BE IT

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and hereby is authorized to negotiate and execute a ten-year extension to the contract with a joint venture known as the Consortium, consisting of Sodexo HealthCare Services, US Foods, Inc. (formerly known as US Foodservice), and GNYHA Ventures, Inc. The purpose of this extension is for the Consortium to continue to manage the Corporation's food service operations and dietary workforce and provide patient and resident meals at the Corporation's acute care and long-term care facilities. The Contract will run coterminous with an existing 25-year lease agreement of the Cook Chill production plant located on the Kings County Hospital Center campus. The plant shall continue to produce the Corporation's patient and resident food needs. The Contract extension shall be for an amount not to exceed \$361,105,676.

Executive Summary

The Current Situation:

The initial term of the Corporation's Consortium Dietary Contract expired on December 31, 2014. The Consortium Dietary Management Contract (a joint venture of Sodexo HealthCare Services, US Foods, Inc., and GNYHA Ventures, Inc.) has achieved the following over the last 10 years: 1) centralized services under a Cook Chill model and installed equipment throughout the Corporation's facilities (\$18.2M), 2) increased productivity and has sustained a current staffing level of 934 FTEs, 3) instituted the Corporate-wide Formulary for Nutritional Supplements that resulted in lowered costs to the Corporation, 4) implemented a 21 day menu cycle for all Acute Care and Long Term Care facilities, 5) sustained and improved Patient Satisfaction scores from baseline every year, 6) standardized policies and procedures for food delivery, floor stock, supplements and nourishments, 7) standardized reporting systems for cost controls and financial analysis resulting in real time information that allows for rapid management corrective action plans, 8) renovated the Cook Chill Plant in late 2005, currently producing 17k meals/day, and 6.4M meals/year, 9) achieved an aggregate cost savings of over \$57M during the first ten year term of the Contract, 10) achieved an average tray cost for Acute Care Hospitals of \$1.88; average tray cost Corporate-wide of \$1.96, which is inclusive of long term care, 11) implementation of this contract was achieved with no layoffs.

The Contract Renewal Term:

The Corporation will exercise two (2) of the three five (5) year renewal options in its current dietary contract, and the renewal term will begin January 1, 2015.

The Contract will run coterminous with an existing 25-year lease agreement of the Cook Chill production plant located on the Kings County Hospital Center campus. The Plant shall continue to produce the Corporation's patient and resident food needs.

The Consortium and the Corporation have identified an additional \$14M in savings over the term of the extension, which includes the following:

1. Payments for food to the Consortium during the renewal term of the contract shall be based on actuals and consistent with the dietary requirements of the Corporation based on patient census, patient acuity, and meals served.
2. All fees currently being paid in accordance with the Contract shall be fixed through December 31, 2020.
3. Staffing levels shall be guaranteed at 947 FTEs, inclusive of the 13 FTEs required for implementing the hot breakfast initiative over the 10-year renewal term of the contract.
4. The Consortium shall make available to the Corporation \$8 million. \$1.5 million funding from the Consortium shall be with no requirement of the Corporation to pay back. The Consortium will loan the Corporation \$6.5 million to be paid back over the life of the contract at zero percent interest to allow the Corporation to invest, as it deems necessary for:
 - An enhancement of clinical services by deploying Cbord; a clinical software technology that will result in patient safety enhancements.
 - Replacement of retherm equipment throughout the Corporation.
 - New Equipment and renovations at the Cook Chill Plant.
5. To enhance Patient Experience, Quality, and Satisfaction a new hot breakfast option to replace continental breakfast is being included as part of the Contract renewal.

Consultant Assessment:

At the request of the COO of the Corporation, and prior to proceeding with a contract renewal, a consultant was asked to assess and review the cost effectiveness of the NYCHHC's current and future expenditures for its dietary operation.

The consultant concluded that based on their observations and analysis of the market, issuing a solicitation was not a risk worth taking and recommended that the Corporation proceed with extending the current contract.

CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

Contract Title: Dietary Management Contract to provide management of the Corporation's Food Service Operations
Project Title & Number: _____
Project Location: Corporate-Wide
Requesting Dept.: Office of Operations

Successful Respondent: The Consortium, a joint venture between Sodexo HealthCare Services, US Foods, Inc., and GNYHA Ventures, Inc.
Contract Amount: Not to exceed \$361,105,676 over ten (10) year contract renewal
Contract Term: Ten-year renewal with one (1) five-year option remaining

Number of Respondents: N/A
(If sole source, explain in Background section)

Range of Proposals: N/A

Minority Business Enterprise Invited: Yes No If no, please explain: N/A - Contract Renewal

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

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

EEO Analysis: Yes

Compliance with HHC's McBride Principles? Yes No N/A

Vendex Clearance Yes No N/A

(required for contracts in the amount of \$50,000 or more awarded pursuant to an RFP or as a sole source, or \$100,000 or more if awarded pursuant to an RFB.)

CONTRACT FACT SHEET(continued)

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

The initial term of the Corporation's Consortium Dietary Contract expired on December 31, 2014. The Consortium Dietary Management Contract (a joint venture of Sodexo HealthCare Services, US Foods, Inc., and GNYHA Ventures, Inc.) has achieved the following over the last 10 years: 1) centralized services under a Cook Chill model and installed equipment throughout the Corporation's facilities (\$18.2M), 2) increased productivity and has sustained a current staffing level of 934 FTEs, 3) instituted the Corporate-wide Formulary for Nutritional Supplements that resulted in lowered costs to the Corporation, 4) implemented a 21 day menu cycle for all Acute Care and Long Term Care facilities, 5) sustained Patient Satisfaction scores from baseline every year, 6) standardized policies and procedures for food delivery, floor stock, supplements and nourishments, 7) standardized reporting systems for cost controls and financial analysis resulting in real time information that allows for rapid management corrective action plans, 8) renovated the Cook Chill Plant in late 2005, currently producing 17k meals/day, and 6.4M meals/year, 9) achieved an aggregate cost savings of over \$57M during the first ten year term of the Contract, 10) achieved an average tray cost for Acute Care Hospitals of \$1.88; average tray cost Corporate-wide of \$1.96, which is inclusive of long term care, 11) implementation of this contract was achieved with no layoffs.

At the request of the COO of the Corporation, and prior to proceeding with a contract renewal, a consultant was asked to assess and review the cost effectiveness of the NYCHHC's current and future expenditures for its dietary operation.

The consultant concluded that based on their observations and analysis of the market, issuing a solicitation was not a risk worth taking and recommended that the Corporation proceed with extending the current contract.

Contract Review Committee

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

Yes. November 2014

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

No

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

N/A

Scope of work and timetable:

The scope of work to operate the Corporation's dietary services function for the most part will remain unchanged. Described below are the timetable and conditions associated with the contract renewal.

1. The Corporation will exercise two (2) of the three five (5) year renewal options in its current dietary contract, and the renewal term will begin January 1, 2015.
2. The Contract will run coterminous with an existing 25-year lease agreement of the Cook Chill production plant located on the Kings County Hospital Center campus. The Plant shall continue to produce the Corporation's patient and resident food needs.
3. Payments for food to the Consortium during the renewal term of the contract shall be based on actuals and consistent with the dietary requirements of the Corporation based on patient census, patient acuity, and meals served.
4. All fees currently being paid in accordance with the Contract shall be fixed through December 31, 2020.
5. Staffing levels shall be guaranteed at 947 FTEs, inclusive of the 13 FTEs required for implementing the hot breakfast initiative over the 10-year renewal term of the contract.
6. The Consortium shall make available to the Corporation \$8 million. \$1.5 million funding from the Consortium shall be with no requirement of the Corporation to pay back. The Consortium will loan the Corporation \$6.5 million to be paid back over the life of the contract at zero percent interest to allow the Corporation to invest, as it deems necessary for:
 - An enhancement of clinical services by deploying Cbord; a clinical software technology that will result in patient safety enhancements.
 - Replacement of retherm equipment throughout the Corporation.
 - New Equipment and renovations at the Cook Chill Plant.
7. To enhance Patient Experience, Quality, and Satisfaction a new hot breakfast option to replace continental breakfast is being included as part of the Contract renewal.

Costs/Benefits:

The purpose of this extension is for the Consortium to continue to manage the Corporation's food service operations and dietary workforce and provide patient and resident meals at the Corporation's acute care and long-term care facilities.

The objectives of this contract renewal is to continue lowering the Corporation's total dietary cost while improving the patient experience and to update the Corporations dietary equipment, operation and the Cook Chill Plant using funding provided by the vendor.

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

Dietary services and the production of food at the Cook Chill Plant is not a core service of the Corporation. An expert in the healthcare food industry such as Sodexo can

provide quality food at a much lower price in comparison to what the Corporation could provide.

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

N/A

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

Senior Vice President for Operations

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

Received By E.E.O. 11/3/14
Date


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

31912

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

manasses.williams@nycdhc.org

TO: Joseph Maltese, Director
Procurement Systems and Operations
Division of Materials Management

FROM: Manasses C. Williams 

DATE: January 14, 2015

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Sodexo Operations, LLC 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-wide

Contract Number: _____

Project: Dietary Services

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

MCW/srf

31904

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

manasses.williams@nychhc.org

TO: Joseph Maltese, Director
Office of Procurement Systems and Operations

FROM: Manasses C. Williams

DATE: December 4, 2014

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

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

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Food Service Management

Submitted by: Office of Procurement Systems and Operations

EEO STATUS:

1. Approved
2. Approved with follow-up review and monitoring
3. Not approved
4. Board Conditional

COMMENTS:

MCW:srf



Board of Directors Meeting
Dietary Operations
Antonio Martin, EVP / COO

NYC Health and Hospitals Corporation
February 26, 2015

Key Contract Service Indicators Under New Contract

The renewal objectives include the following:

1. Enhance Patient Experience, Quality and Satisfaction

- New Hot Breakfast option to replace continental breakfast and improve the patient experience
 - ❖ Total cost to convert to the hot breakfast in acute care inclusive of one-time equipment cost is \$11M over 10 years
- Developing plan to train staff to achieve dietary certification, provide growth opportunities for workers and improve patient experience through HHC Consortium Union education fund

2. Clinical and Process Excellence

- Enhancement of patient safety and regulatory compliance by deploying CBORD; a clinical software technology that assures patients receive the doctor's dietary order

3. Operational Efficiencies

- Contract guarantees a staffing plan of 947 FTES, inclusive of 13 FTEs required to implement the hot breakfast initiative, and exclusive of an overtime cap to maintain optimal staffing and assure worker safety and productivity
- The consortium will fund \$1.5M with no requirement of the corporation to pay back. In addition, the consortium will loan the corporation \$6.5M to be paid back over the life of the contract at zero interest to allow the corporation to invest as it deems necessary for the capital needs of its dietary operations

Key Contract Service Indicators Under New Contract (continued)

4. Access

- Renovation of the CCP allows for the continued capacity to generate 20% more food in excess of that required by the Facilities thus allowing the Corporation to service more patients, if required
- No layoffs, attrition or outsourcing of unionized dietary workers to operate current services

5. Flexibility

- Standardized reporting systems for cost controls and financial analysis resulting in real time information that allows for rapid management and corrective action plans

6. Expertise

- HHC with the support of Sodexo will continue to comply to the Mayor's Office food guidelines
- Sodexo is able to change menus as needed to meet regulatory compliance

7. Due Diligence

- At the request of the COO, and prior to preceding with a contract renewal, a consultant was asked to assess and review the cost effectiveness of the HHC's current and future expenditures for its dietary operation. The consultant concluded that issuing a solicitation was not a risk worth taking and recommended proceeding with extending the current contract

8. Cost Savings

- In the last two fiscal years of the previous contract term (FY'13 and FY'14), the Corporation accrued a savings of \$15M for each requisite period. These savings are projected to continue to accrue over the renewal term of the Agreement, and we will also achieve a further savings of \$1.2M per year under the renewal Agreement for a total savings in excess of \$16M/yr.

Results of the Patient Satisfaction Survey

Survey Period									
	Baseline: I (2005)	II (2006-2007)	III (2007-2008)	IV (2008-2009)	V (2009-2010)	VI (2010-2011)	VII (2011-2012)	VIII (2012-2013)	IX (2013-2014)
ACUTE									
Overall Satisfaction Dining & Nutrition	3.5	3.6	3.5	3.5	3.7	3.5	3.7	3.8	3.5
Food Quality	3.4	3.8	3.7	4.2	3.6	3.7	3.7	3.7	3.5
Food Service	3.7	4.2	4.1	3.7	4.0	4.2	3.9	4.1	4.3
Mean	3.5	3.9	3.8	3.8	3.8	3.8	3.8	3.9	3.8
LONG TERM CARE (LTC)									
Overall Satisfaction Dining & Nutrition	3.1	3.2	3.1	3.0	2.9	3.0	3.2	3.1	3.0
Food Quality	3.1	3.2	3.3	2.9	3.2	3.2	3.1	2.9	2.7
Food Service	3.7	3.9	3.7	4.0	4.0	4.0	4.2	3.9	4.3
Mean	3.3	3.4	3.4	3.3	3.4	3.4	3.5	3.4	3.3

Score Legend:

5 = Excellent (extremely satisfied), 4 = Above Satisfactory, 3 = Satisfactory, 2 = Below Satisfactory, 1 = Poor (not satisfied)

Projected Contract Expenses

	Projected Consortium Contract Expense with Renewal Terms	Projected Consortium Contract Expense	Cost Savings
Jan 2015 – June 2015	\$ 16,796,932	\$ 17,490,680	\$ 693,748
FY 2016	\$ 33,637,443	\$ 35,035,923	\$ 1,398,480
FY 2017	\$ 33,936,883	\$ 35,357,956	\$ 1,421,073
FY 2018	\$ 34,526,085	\$ 35,971,000	\$ 1,444,915
FY 2019	\$ 35,200,748	\$ 36,670,775	\$ 1,470,027
FY 2020	\$ 35,891,576	\$ 37,388,006	\$ 1,496,430
FY 2021	\$ 36,633,427	\$ 38,123,107	\$ 1,489,680
FY 2022	\$ 37,427,223	\$ 38,876,505	\$ 1,449,282
FY 2023	\$ 38,239,437	\$ 39,648,637	\$ 1,409,200
FY 2024	\$ 39,070,512	\$ 40,439,948	\$ 1,369,436
July 2024 – Dec 2024	\$ 19,745,410	\$ 20,420,227	\$ 674,817
Total	\$ 361,105,676	\$ 375,422,764	\$14,317,088

The total cost savings figure above is exclusive of the accrued \$15M savings for each of FY'13 and FY'14 that are projected to continue to accrue over the renewal term of the Agreement.

Thank You

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a three and one-half year sub-sub lease agreement with the Healthcare Finance Group LLC (the "Sub-Tenant") for approximately 16,880 square feet of space at 199 Water Street, Borough of Manhattan, to house Delivery System Reform Incentive Payment Program ("DSRIP") staff at an initial rent of \$460,000 per year or approximately \$27.25 per square foot to increase at a rate of 2.5% per year with the Corporation responsible for the payment of sub-metered electricity for a total commitment over the lease term exclusive of electricity of not more than \$1,173,144.

WHEREAS, the Corporation's DSRIP application states that the Corporation will pursue eleven healthcare reform projects within a single Performing Provider System consisting of approximately 150 health care providers and other entities (the "PPS"); and

WHEREAS, substantial work is required over the next several years to structure the PPS and to develop and implement the eleven healthcare reform projects;

WHEREAS, to perform the needed work, the Corporation is hiring additional staff and engaging consultants; and

WHEREAS, office space will be required to house the work force being assembled to perform the DSRIP work described; and

WHEREAS, the rental will be funded through DSRIP planning grant and performance payments; and

WHEREAS, after considering other commercial locations as well as existing Corporation space, the 199 Water Street location was deemed most suitable for the program's needs.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and hereby is authorized to execute a three and one-half year sub-sub lease agreement with the Healthcare Finance Group LLC for approximately 16,880 square feet of space at 199 Water Street, Borough of Manhattan, to house Delivery System Reform Incentive Payment Program staff at an initial rent of \$460,000 per year or approximately \$27.25 per square foot to increase at a rate of 2.5% per year with the Corporation responsible for the payment of sub-metered electricity for a total commitment over the lease term exclusive of electricity of not more than \$1,173,144.

EXECUTIVE SUMMARY

DELIVERY SYSTEM REFORM INCENTIVE PAYMENT PROGRAM 199 WATER STREET BOROUGH OF MANHATTAN

- OVERVIEW:** The President seeks authorization from the Board of Directors of the Corporation to execute a three and one-half year sub-sub lease agreement with the Healthcare Finance Group LLC for approximately 16,880 square feet of space at 199 Water Street, Borough of Manhattan, to house Delivery System Reform Incentive Payment Program (“DSRIP”) staff at an initial rent of \$460,000 per year or approximately \$27.25 per square foot to increase at a rate of 2.5% per year with the Corporation responsible for the payment of sub-metered electricity for a total commitment over the lease term exclusive of electricity of not more than \$1,173,144.
- NEED/
PROGRAM:** The Corporation’s DSRIP application states that the Corporation will pursue eleven healthcare reform projects within a single Performing Provider System consisting of approximately 150 health care providers and other entities (the “PPS”). The goal of DSRIP is to measurably improve the health of communities and reduce avoidable hospital admissions by 25%. Space will be required to house staff presently being assembled to administer the program. After considering other commercial locations as well as existing Corporation space, the 199 Water Street location was deemed most suitable for the program’s needs. The space is located on the 31st floor of a 1.1 million square-foot building known as One Seaport Plaza. It is configured as office space with twenty-eight work stations and nineteen offices. The space comes fully furnished.
- TERMS:** The Tenant will occupy approximately 16,880 square feet of space comprising a portion of the 31st floor. The subtenant is the Healthcare Finance Group LLC and the over-tenant is AON. The sub-sub lease will contain a term of approximately three and a half years. The base rent will be approximately \$27.25 per square foot or approximately \$460,000 per year. The base rent will be escalated by 2.5% per year. Electricity provided to the space will be sub-metered and paid for by the Corporation.
- FUNDING:** The rental cost will be funded through DSRIP planning grant and performance payments.

SUMMARY OF ECONOMIC TERMS

SITE:	Part of 31 st Floor 199 Water Street New York, New York
LANDLORD:	Resnick Seaport LLC
TENANT:	AON Service Corporation
SUB-TENANT:	Healthcare Finance Group LLC
INITIAL TERM:	Approximately 3.5 years
FLOOR AREA:	Approximately 16,880 square feet
RENEWAL OPTIONS:	None
BASE RENT:	\$446,900 per year or approximately \$27.25 per square foot
ESCALATION:	2.5% per year
UTILITIES:	Tenant will pay separately metered electricity
OPERATING EXPENSES:	Tenant not responsible for any payments associated with increased operating expenses
REAL ESTATE TAXES:	Tenant not responsible for any payments associated with increased real estate taxes
FUNDING:	DSRIP planning grant and performance payments

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a five-year revocable license agreement with Ronald McDonald House of New York, Inc. (the "Licensee") for its use and occupancy of approximately 1,100 square feet of space on the fifth floor of the D Building at Kings County Hospital Center ("KCHC") for the construction and operation of a Ronald McDonald Family Room for use by families of pediatric patients, with the occupancy fee waived and with the President having the authority to extend the license to include space at other facilities of the Corporation on a similar basis provided such extensions are reported to the Board.

WHEREAS, the Licensee has operated Ronald McDonald House New York since 1978 providing a temporary home-away-from-home for pediatric cancer patients and their families; and

WHEREAS, among the Licensee's programs is the Hospital Outreach Program including the construction of Ronald McDonald Family Rooms for families of pediatric inpatients at various hospitals in New York City; and

WHEREAS, the Licensee is generously willing to contribute the full cost of the construction of a Ronald McDonald Family Room at KCHC; and

WHEREAS, the KCHC management, with the Licensee, has identified suitable space on the 5th floor of the D Building for the Licensee to construct a Family Room; and

WHEREAS, the Licensee hopes to construct Ronald McDonald Family Rooms at each of the Corporation's acute care hospitals provided that suitable space can be found that is acceptable to both the Licensee and the administration of each hospital; and

WHEREAS, the President shall report to the Capital Committee each time he exercises his authority to extend the license to an additional facility of the Corporation.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation be and is hereby authorized to execute a five-year revocable license agreement with Ronald McDonald House of New York, Inc. for its use and occupancy of approximately 1,100 square feet of space on the fifth floor of the D Building at Kings County Hospital Center for the construction and operation of a Ronald McDonald Family Room for use by the families of pediatric patients, with the occupancy fee waived and with the President having the authority to extend the license to include space at other facilities of the Corporation on a similar basis provided such extensions are reported to the Board.

EXECUTIVE SUMMARY

RONALD MCDONALD HOUSE OF NEW YORK, INC.

The President of the New York City Health and Hospitals Corporation ("HHC") seeks authorization to execute a five-year, revocable license with the Ronald McDonald House New York, Inc. ("RMH NY") for its use and occupancy of approximately eleven hundred square feet of space on the fifth floor of the D building at Kings County Hospital Center ("KCHC") for the construction of a Ronald McDonald Family Room for families of inpatient pediatric patients. Authority is also sought for the President to expand the license to RMH NY to include other HHC acute care hospitals where suitable space can be found and is acceptable to both RMH NY and the administration of the HHC hospital. The President will report any such expansions of the license to the Board.

A Ronald McDonald Family Room is an opportunity to align with HHC's goals of providing family centered care. It is an area set aside within a medical facility serving pediatric patients to serve as a quiet rest area for family members of children admitted to the hospital for treatment. It replicates a home-like atmosphere when a parent needs a break from the hospital environment. When a child is critically ill, parents are reluctant to leave the hospital. Yet they desperately need a break. Typical services may include a comfortable seating area, refreshments (beverages, snacks, fruit, etc.), television and reading materials, internet charging station and computer, shower and laundry facilities, and a quiet area. Currently, there are more than 176 Ronald McDonald Family Rooms across the USA and around the world. The Ronald McDonald Family Room extends the hallmark of quality care and compassionate comfort shared by HHC and RMH NY.

RMH NY will pay the expenses of constructing and operating the Family Room, however, KCHC will provide electricity.

Ronald McDonald House New York will be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising solely within the licensed space.

Ronald McDonald House wishes to construct Family Rooms at other HHC acute care hospitals Corporation if suitable space can be found that is acceptable to both RMH NY and the administration of each hospital. Accordingly, the President seeks authority to extend the license to other HHC hospitals if he shall report each such extension to the Capital Committee of the Board.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation (the "Corporation") to execute a five year license agreement with the Staten Island Ballet Theater, Inc. (the "Licensee") for its continued use and occupancy of 5,000 square feet of space in the Laboratory Building to house administrative functions, dance instruction and hold performances at the Sea View Hospital Rehabilitation Center and Home (the "Facility") with the occupancy fee waived.

WHEREAS, in May 2010, the Board of Directors authorized the President to enter into a license agreement with the Licensee; and

WHEREAS, the Licensee, a 501(c)(3) cultural-education organization, provides dance performances for the Facility's patients and free tickets to performances; and

WHEREAS, the Facility continues to have space available in the Laboratory Building to accommodate the Licensee's program requirements.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and is hereby authorized to execute a revocable license agreement with the Staten Island Ballet Theater, Inc. (the "Licensee") for its continued use and occupancy of 5,000 square feet of space in the Laboratory Building to house administrative functions, dance instruction and hold performances at the Sea View Hospital Rehabilitation Center and Home (the "Facility") with the occupancy fee waived.

EXECUTIVE SUMMARY
LICENSE AGREEMENT
STATEN ISLAND BALLET THEATER, INC.

SEA VIEW HOSPITAL REHABILITATION CENTER AND HOME

The President seeks the authorization of the Board of Directors of the Corporation to execute a revocable license agreement with The Staten Island Ballet Theater, Inc. (the "Ballet"), for its continued use and occupancy of space to house administrative functions, dance instruction and hold performances at Sea View Hospital Rehabilitation Center and Home ("Sea View").

The Staten Island Ballet Theater, Inc., a 501(c)(3) cultural-educational organization, seeks to continue its exclusive occupancy of the 5,000-square-foot Laboratory Building on the grounds of Sea View Hospital Rehabilitation Center and Home. The space is used for dance performances, dance instruction, administrative functions and other related activities.

During their occupancy, the Staten Island Ballet Theater, Inc., has repaired, updated, and enhanced the landmark Laboratory Building. As a result of its efforts, it received a 2002 Preservation Award and a plaque from the Preservation League of Staten Island.

In lieu of a license fee, the Ballet will provide services to patients including performances at Sea View events and monthly dance performances. The Ballet will also provide tickets annually for various performances.

The Ballet shall provide electricity, heating, maintenance, housekeeping and grounds maintenance to the licensed space.

The Ballet shall be required to indemnify and hold harmless the Corporation and the City of New York from any and all claims arising out of the use of the Licensed Space and shall provide appropriate insurance naming the Corporation and the City of New York as additional insured parties.

The license agreement shall be revocable by either party on sixty (60) days prior notice, and shall not exceed a term of five years without further authorization by the Board of Directors of the New York City Health and Hospitals Corporation. The license agreement shall contain an option to renew for an additional five year term which shall require approval of the Board of Directors prior to the option being exercised.

RESOLUTION

Authorizing the President of the New York City Health and Hospitals Corporation ("the Corporation") to execute a five year revocable license agreement with the United States Department of Justice (the "Licensee") for its continued use and occupancy of space to house communications equipment at the Sea View Hospital Rehabilitation Center and Home (the "Facility") at an occupancy fee of approximately \$9,203 per year to be escalated by 3% per year.

WHEREAS, in July 2010, the Board of Directors authorized the President to enter into a five year license agreement with the Licensee to continue to house communications equipment at Sea View Hospital Rehabilitation Center and Home; and

WHEREAS, the Licensee has operated communications equipment on the Facility's campus since 1992; and

WHEREAS, the Facility continues to have space on the roof and in the elevator equipment room on the 6th floor of the Robitzek Building to accommodate the Licensee's communications equipment.

NOW, THEREFORE, be it

RESOLVED, that the President of the New York City Health and Hospitals Corporation (the "Corporation") be and is hereby authorized to execute a five year revocable license agreement with the United States Department of Justice (the "Licensee") for its continued use and occupancy of space to house communications equipment at the Sea View Hospital Rehabilitation Center and Home (the "Facility") at an occupancy fee of approximately \$9,203 per year to be escalated by 3% per year.

EXECUTIVE SUMMARY
LICENSE AGREEMENT
UNITED STATES DEPARTMENT OF JUSTICE

SEA VIEW HOSPITAL REHABILITATION CENTER AND HOME

The President seeks the authorization of the Board of Directors of the Corporation to execute a five year revocable license agreement with the United States Department of Justice (the "Department of Justice") for its continued use and occupancy of space to house communications equipment at Sea View Hospital Rehabilitation Center and Home ("Sea View").

The Department of Justice has operated a radio communications base station at Sea View for over 23 years. The system consists of two (2) antennas, located on the roof of the Robitzek Building, and the radio receiver, located in the mechanical equipment room on the sixth floor of the Robitzek Building. The Robitzek Building has the height necessary to enhance the Department of Justice's radio communication capabilities.

The Department of Justice will pay an occupancy fee of approximately \$9,203 per annum, subject to annual increases of 3% per year. Sea View will provide electricity and maintenance to the licensed space. The Department of Justice shall be responsible for the operation and maintenance of the equipment.

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

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

RESOLUTION

Approving amendment the Bylaws of MetroPlus Health Plan, Inc. ("MetroPlus" or "the Corporation") to better enable MetroPlus to conduct its business

WHEREAS, a resolution approved by the Board of Directors of the New York City Health and Hospitals Corporation ("HHC") on October 29, 1998, authorized the conversion of MetroPlus Health Plan from an operating division to a wholly owned subsidiary of HHC; and

WHEREAS, the Certificate of Incorporation of MetroPlus reserves to HHC the sole power with respect to amending the Bylaws of MetroPlus; and

WHEREAS, the Board of Directors of the HHC is empowered to oversee the business operations of the Plan; and

WHEREAS, the Board of Directors of MetroPlus has approved a resolution recommending that the Board of Directors of HHC amend the Bylaws of MetroPlus to better enable MetroPlus to conduct its business;

NOW THEREFORE, be it

RESOLVED that modifications shall be made to the text of the Bylaws of MetroPlus amending Section 2 of Article VII to read as follows:

"Section 2. Standing Committees. The following committees shall be designated as standing committees: Executive Committee, Finance Committee, Quality Assurance Committee, Audit & Compliance Committee, Customer Services and Marketing Committee"

AND BE IT FURTHER RESOLVED that modification shall be made to the text of the By-Laws of MetroPlus by adding the following to Article VII as Section 7:

"Section 7. Customer Services and Marketing Committee. The Customer Services and Marketing Committee shall consist of members designated by the Board of Directors. The duties and responsibilities of the Customer Services and Marketing Committee shall be to act on behalf of the Board of Directors for the purposes of serving as the liaison between the members and MetroPlus."

AND BE IT FURTHER RESOLVED that modifications shall be made to the text of the Bylaws of MetroPlus amending Section 1 of Article VIII to read as follows:

"Section 1 Titles. The officers of the Corporation shall be the Executive Director (and Chief Executive Officer), the Chief Financial Officer, the Chief Medical Officer, the Chief Operating Officer, and a Secretary."

AND BE IT FURTHER RESOLVED that Subsection (B) of Section 4 of Article VIII of the Bylaws of MetroPlus is amended to read as follows:

"(B) Corporate Management. The Executive Director may appoint a Chief Financial Officer, a Chief Operating Officer and a Medical Director. These individuals shall have such powers and duties as shall be prescribed by the Executive Director subject to approval by the Board of Directors."

Executive Summary

To better enable MetroPlus to conduct its business, MetroPlus seeks approval to amend its Bylaws to include the Chief Operating Officer as an Officer of the Corporation. Currently the Officers of the Corporation are the Chief Executive Officer, Chief Financial Officer, the Chief Medical Officer and a Secretary.

In addition, MetroPlus seeks to amend its Bylaws to add the Customer Services and Marketing Committee as a Standing Committee of the MetroPlus Board of Directors. Currently the Standing Committees of the MetroPlus Board of Directors are the Executive Committee, the Finance Committee, the Quality Assurance Committee and the Audit & Compliance Committee.

BYLAWS
OF
METROPLUS HEALTH PLAN, INC.

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| **AS AMENDED THROUGH JANUARY 29, 2015**~~MAY 24, 2012~~

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ARTICLE I

PREAMBLE

MetroPlus Health Plan, Inc. is a public benefit corporation created pursuant to Chapter 35, NYS Consolidated Laws and the New York City Health and Hospitals Corporation Act (L. 1969 C. 1016).

In order to provide for the orderly operation of the Corporation, the Member of the Corporation adopts the following By-Laws:

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ARTICLE II

NAME AND PLACE OF BUSINESS

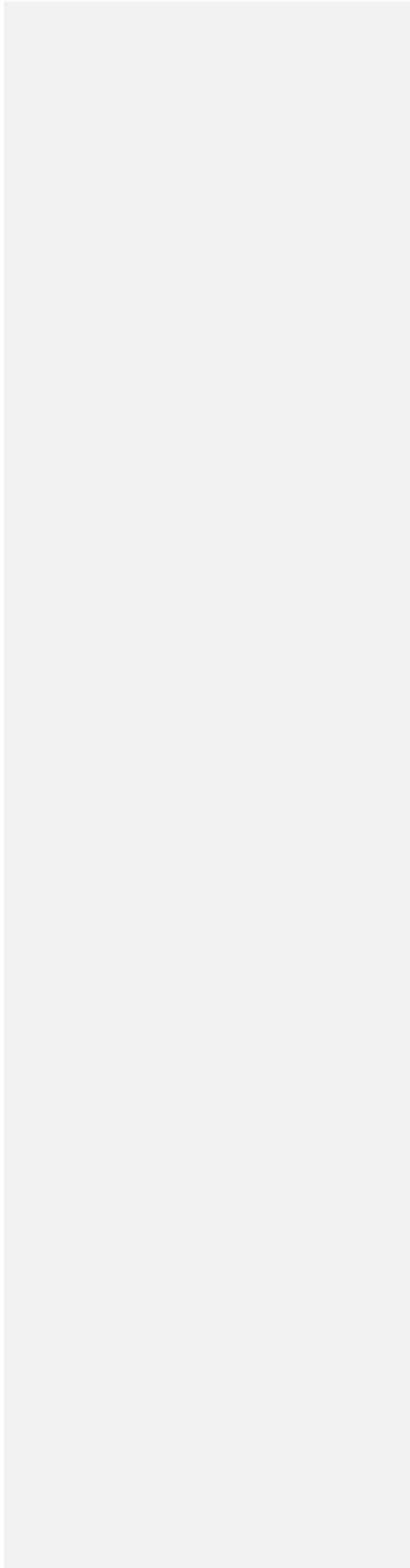
Section 1. Name.

The name of the corporation is MetroPlus Health Plan, Inc. (the “Corporation” or “MetroPlus Health Plan”).

Section 2. Location.

The principal place of business of the Corporation shall be in the City of New York, County of New York, and the State of New York. The Corporation may have offices and places of business at such other places within the State of New York and shall be determined by the Member.

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ARTICLE III
STATEMENT OF PURPOSES

The purposes of the Corporation include:

- (A) To provide and deliver high quality, dignified and comprehensive health care and treatment to individuals who are members of the MetroPlus Health Plan;
- (B) To extend equally to all those served, health services of a high quality, in an atmosphere of human care and respect;
- (C) To focus on the need for preventive primary care health services;
- (D) To operate in a manner consistent with the goals and objectives of the New York City Health and Hospitals Corporation and its mission to serve the people of New York City.

ARTICLE IV

MEMBERSHIP

The sole member of the Corporation shall be New York City Health and Hospitals Corporation (the “Member”).

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ARTICLE V
BOARD OF DIRECTORS

Section 1. General Powers.

The property, business and affairs of the Corporation shall be managed by the Board of Directors. In the management and control of the property, business, and affairs of the Corporation, the Board of Directors may exercise all of the powers of the Corporation except such as may be otherwise reserved by the law or these By-Laws or the Corporation's Certificate of Incorporation.

Section 2. Number and Qualifications of Directors.

- (A) **Number.** The number of members of the Board of Directors shall be nine (9) directors, including the two (2) *ex officio* members described below.
- (B) **Qualifications.** All members of the Board of Directors of the Corporation shall be at least twenty-one (21) years of age and at all times shall include: (a) three (3) directors selected by the Chairperson of the Board of Directors of the Health and Hospitals Corporation, one of whom shall serve as Chairperson of the Corporation's Board of Directors, subject to election by the Board of Directors of the Health and Hospitals Corporation; (b) one (1) director who is a member of the MetroPlus "mainstream" Health Plan and one (1) director who is a member of the MetroPlus "HIV SNP" Health Plan, each nominated by the Executive Director of the Corporation and elected by the Board of Directors of the Health and Hospitals Corporation; and (c) two (2) directors selected by the President of the Health and Hospitals Corporation from nominations forwarded to the President of the Health and Hospitals Corporation by the Senior Vice Presidents of the Networks of the Health and Hospitals Corporation and elected by the Board of Directors of the Health and Hospitals Corporation. The President of the Health and Hospitals Corporation or his or her designee, and the Executive Director of the Corporation, or their successors, shall be directors *ex officio*. Directors shall perform their Board responsibilities in person only and cannot perform such responsibilities by proxy or by

agent, except as otherwise provided in these By-Laws.

- (C) Term of Office. The directors of the Corporation, other than the directors who serve *ex officio*, shall be elected by resolution of the Board of Directors of the Health and Hospitals Corporation in accordance with Section 2(B) above and shall serve for staggered terms of five (5) years, subject to earlier removal as provided herein. Notwithstanding the foregoing, the term of the initial directors, other than the directors serving *ex officio*, shall be as reflected in Attachment A to these By-Laws. Directors will continue to serve until a replacement has been appointed.
- (D) Removal. Any Director of the Corporation selected by the President of the Health and Hospitals Corporation may be removed by the President of the Health and Hospitals Corporation, subject to the approval of the Board of Directors of the Health and Hospitals Corporation or the prior delegation of such authority by the Board of Directors of the Health and Hospitals Corporation. The Health and Hospitals Corporation Board of Directors may vote to remove a director for any reason.

Section 3. Meetings.

- (A) Annual Public Meeting. The Board of Directors shall hold an annual public meeting at such date, place and hour as shall be designated in the notice to the public of the annual public meeting. Such meeting serves as the annual meeting of the Board of Directors mandated by law. Such notice shall be given not later than thirty (30) days before the meeting.
- (B) Regular Meetings. Regular meetings of the Board of Directors shall be held on a schedule determined annually by the Board of Directors. The Board of Directors shall assemble to conduct the business of the Corporation at least four times annually, once in each quarter, and shall for each such assembly provide prior notice to and shall include in each such assembly each enrollee or consumer representative and/or enrollee advisory council member elected or appointed to represent the Corporation's enrollees.
- (C) Special Meetings. Special Meetings of the Board of Directors shall be held whenever

called by the Chairperson of the Board of Directors, the Executive Director or by four (4) directors. Any and all business may be transacted at a special meeting which may be transacted at a regular meeting of the Board of Directors.

- (D) Time and Place of Meeting. The Board of Directors may hold its meetings at such time or times and such place or places within or without the State of New York as the Board of Directors may, from time to time, by resolution determine or as shall be designated in the respect notices or waivers of notice thereof.
- (E) Notice of Meetings. Notices, beyond those required by law, of regular meetings of the Board or of any adjourned meeting need not be given. Notices of special meetings of the Board of Directors, or of any meeting of any committee of the Board of Directors, except the Executive Committee, which shall meet when deemed necessary, shall be mailed by the Secretary to each director or member of such committee, addressed to him or her at his or her residence or usual place of business, at least three (3) days before the day on which such meeting is to be held, or shall be sent by telegraph, facsimile, cable or other form of recorded communications or be delivered personally or by telephone not later than the day before the date on which such meeting is to be held. Such notice shall include the time and place of such meeting. Notice of any such meeting need not be given to any director or member of the committee, however, if waived by the director in writing or by telegraph, facsimile, cable or other form of recorded communications, whether before or after such meeting shall be held, or if he or she shall be present at such meeting and shall not protest the lack of notice to him or her prior thereto or at its commencement.
- (F) Quorum and Manner or Acting. A majority of the whole number of directors shall be present in person at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at any such meeting, and the vote of a majority of those directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board of Directors, except as

otherwise expressly required by these By-Laws. In the absence of quorum for any such meeting, a majority of the directors present thereat may adjourn such meeting, from time to time, until quorum shall be present.

(G) Rules. Robert's Rules of Order shall prevail at all meetings of the Board of Directors except as otherwise herein provided.

(H) Order of Business. The order of business of each meeting of the Board of Directors shall be as follows:

1. Acceptance of the minutes of the last Regular meeting and all Special meetings;
2. Chairperson's Report;
3. Executive Director's Report;
4. Old and New Business;
5. Committee Reports;
6. Adjournment.

However, it shall be within the discretion of the person acting as chair of the meeting to deviate from the order of business herein provided.

(I) Organization. At each meeting of the Board of Directors, one of the following shall act as Chairperson of the meeting and preside thereat, in the following order of precedence: (a) the Chairperson of the Board of Directors; (b) the Vice-Chairperson of the Board of Directors; (c) the Executive Director; or (d) any director chosen by a majority of the directors present thereat. The Secretary or, in his or her absence, any person whom the Chairperson shall appoint shall act as Secretary of such meeting and shall keep the minutes thereof.

(J) Minutes of Meetings. Minutes of all meetings of the Board of Directors and its committees, including a record of attendance, must be kept. Upon approval, such minutes shall be signed by the Secretary and permanently filed and maintained in the principal office of the Corporation.

- (K) Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee consent in writing to the adoption of a resolution authorizing the action.
- (L) Video Conference. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a video conference or similar communications equipment allowing all persons participating in the meeting to hear and see each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 4. Resignation

Any director, other than a director holding office *ex officio*, may resign at any time by giving written notice of resignation, including an effective date thereof, to the Chairperson of the Board of Directors. Any such resignation shall take effect at the time specified therein. If no effective date is specified therein, the resignation shall take effect thirty (30) days from the date of receipt of such notification by the Chairperson of the Board of Directors. Directors representing MetroPlus Health Plan members shall resign within thirty (30) days of their termination of MetroPlus Health Plan membership, whether such termination shall be voluntary or involuntary. A director holding office *ex officio* may only resign as a director upon termination or resignation of their employment by the Corporation.

Section 5. Vacancies and Removal.

All directors appointed to fill vacancies on the Board of Directors shall be nominated and appointed by the same process described in Section 2(D) as the director to be replaced. Whenever a director resigns or is removed, except for directors serving *ex officio*, the director shall be replaced by the Health and Hospitals Corporation by a director nominated and confirmed in the same manner as applied to the initial appointment of the departing director.

A director appointed to fill a vacancy shall be appointed for the unexpired portion of the term of his or her predecessor in office.

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ARTICLE VI
OFFICERS OF THE BOARD OF DIRECTORS

Section 1. Titles.

The officers of the Board of Directors shall be a Chairperson of the Board of Directors and a Vice-Chairperson of the Board of Directors. The Chairperson of the Board of Directors shall be nominated by the Chairperson of the Board of Directors of the Health and Hospitals Corporation and confirmed in the manner described in these By-Laws. The Vice-Chairperson shall be chosen by the Board of Directors from among themselves.

Section 2. Duties and Functions.

- (A) **Chairperson.** The Chairperson of the Board of Directors shall: (1) preside at meetings of the Board of Directors; (2) be an *ex officio* member of all committees; (3) appoint committees with the approval of the Board of Directors; and (4) perform such duties as from time to time may be assigned by the Board of Directors.
- (B) **Vice-Chairperson.** The Vice-Chairperson of the Board of Directors shall, if the Chairperson of the Board of Directors shall be absent or shall be unable to act, preside at all meetings of the Board of Directors. The Vice-Chairperson of the Board of Directors shall perform such duties as from time to time may be assigned by the Board of Directors.
- (C) **Other Presiding Officers.** In the event that both the Chairperson and the Vice-Chairperson of the Board of Directors may be absent, or in any other way may be unable to serve, then the Executive Director shall serve as Presiding Officer. If he or she is absent or is otherwise unable to serve, the Board shall, by majority vote of those present, pick a member to be Presiding Officer at that meeting.

ARTICLE VII
COMMITTEES

Section 1. General Provisions.

- (A) Standing and Special Committees. Committees of the Board shall be standing or special. A standing committee is one whose functions are determined by a continuous need. The function and duration of a special committee shall be determined by its specific assignment, as stated in a resolution of the Board of Directors creating it.
- (B) Composition. Each of the standing committees shall be composed of the Chairperson of the Board of Directors, the Executive Director, and at least one (1) member of the Board of Directors appointed in the manner hereinafter specified.
- (C) Appointment. The Chairperson of the Board of Directors shall annually appoint, with the approval of a majority of the Board of Directors, members of the Board of Directors to the standing committees.
- (D) Committees Chairperson. The Chairperson of each committee, both standing and special, shall be designated by a majority vote of the Board of Directors.
- (E) Meetings. Each standing committee shall meet as deemed necessary.
- (F) Quorum. A quorum, which shall be at least more than one-half of all the members of a committee, standing or special, shall be required for a committee to transact any business unless otherwise stated in these By-Laws.
- (G) Committee Action. All actions of a committee, standing or special, shall be taken by a majority vote of the members in attendance at a committee meeting.
- (H) Board Committee Reports. Each committee shall report to the Board of Directors, at its regular meetings, on all business transacted by it since the last regular Board of Directors meeting.
- (I) Staff Committee Reports. The Board of Directors shall establish a timetable for review and approval of key plan functions, including, but not limited to, financial reports and quality assurance reports. The schedule and types of reports required shall be sufficient

for the Board of Directors to accurately monitor the Corporation's financial and operational performance.

- (J) Special Committees. The Board of Directors may, by resolution passed by a majority of the whole number of directors, designate special committees, each committee to consist of two (2) or more directors, one of whom shall be the Chairperson of the Board of Directors, and each such committee shall have the duties and the functions as shall be provided in such resolution.

Section 2. Standing Committees.

The following committees shall be designated as standing committees:

Executive Committee

Finance Committee

Quality Assurance Committee

Audit & Compliance Committee

[Customer Services and Marketing Committee](#)

Section 3. Executive Committee.

- (A) Designation and Membership. The Executive Committee shall be composed of the Chairperson of the Board, who shall be the Chairperson of the Executive Committee; the Executive Director; and three (3) other members appointed by the Chairperson of the Board of Directors with the approval of the Board.
- (B) Functions and Powers. The Executive Committee, subject to any limitations prescribed by the Board of Directors, shall possess and may exercise during the intervals between meetings of the Board of Directors, the powers of the Board of Directors in the management of the business and affairs of the Corporation except for the power to fill vacancies in any committee of the Board of Directors. At each meeting of the Board of Directors, the Executive Committee shall make a report of all actions taken by it since its last report to the Board of Directors.
- (C) Meetings and Quorum. The Executive Committee shall meet as often as deemed

necessary and expedient at such times and places as shall be determined by the Executive Committee. Three (3) members of the Executive Committee shall constitute a quorum. The Chairperson of the Board of Directors shall preside at meetings of the Executive Committee and, in his or her absence, the Executive Director shall preside thereat. All members of the Board of Directors shall be duly notified prior to all Executive Committee meetings.

Section 4. Finance Committee.

The Finance Committee shall consist of members designated by the Board of Directors. The Senior Vice President for Finance and Revenue Management of the Health and Hospitals Corporation, or his or her designee, shall serve as an *ex officio* member of the Finance Committee. The duties and responsibilities of the Finance Committee shall be to act on behalf of the Board of Directors for purposes of monitoring the finances of the Corporation, including, without limitation, overseeing preparation of the budget of the Corporation, reviewing periodic financial statements of the Corporation, and monitoring the Corporation's financial performance.

Section 5. Quality Assurance Committee.

The Quality Assurance Committee shall consist of individuals nominated by the Executive Director and appointed by the Board of Directors. The Quality Assurance Committee shall act on behalf of the Board of Directors for purposes of discharging the governing body's obligations to oversee the quality assurance process for the Corporation. The Board of Directors shall, at least annually, assess the performance of the Quality Assurance Committee in fulfilling the governing body's quality assurance responsibilities. Any member of the Board of Directors may attend meetings of the Quality Assurance Committee and may refer any quality assurance issue for deliberation or for actions by the Quality Assurance Committee. Members of the Board of Directors may also discuss quality assurance issues or problems concerning the Corporation at any meeting of the Board of Directors.

The duties and responsibilities of the Quality Assurance Committee shall include the following:

- (A) Assuring that the Corporation is fulfilling mandates in the areas of quality assurance, credentialing of physicians and dentists, overall operations and responsiveness to Federal, State and other regulatory surveillance and enforcement activities. This shall include oversight of efforts to review services in order to improve the quality of medical and dental care of members; and to insure that information gathered pursuant to the programs is utilized to review and to revise policies and procedures;
- (B) Assuring that there is a systematic and effective mechanism for communication among members of the Board of Directors in their role as members of the governing body, and the administration and medical staff serving the Corporation. This communication should facilitate direct participation by the governing body in quality assurance activities and other issues of importance as set forth above;
- (C) Monitoring the progress of contracted facilities; including the provision of services by individual providers, and at the Corporation towards meeting appropriate Corporation goals and objectives related to its health care programs; and
- (D) Reviewing quality assurance activities of the Corporation on at least a quarterly basis.

Section 6. Audit and Compliance Committee.

The Audit and Compliance Committee shall consist of independent members designated by the Board. The duties and responsibilities of the Audit and Compliance Committee shall be to:

- A) oversee the Corporation's financial reporting and compliance activities;
- B) monitor the effectiveness of internal controls and corporate compliance activities;
- C) review internal and external audit findings and recommendations;
- D) pre-approve all audit and permissible non-audit services;
- E) approve selection, retention or termination of independent auditors;
- F) monitor risk exposures and ensure adequate disclosure;
- G) oversee of compliance with laws and regulations;
- H) periodically meet with the Corporation's internal auditor and Compliance Officer;
- I) Conduct a bi-annual self-assessment to evaluate overall performance of the

Committee.

Section 7. Customer Services and Marketing Committee.

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The Customer Services and Marketing Committee shall consist of members designated by the Board of Directors. The duties and responsibilities of the Customer Services and Marketing Committee shall be to act on behalf of the Board of Directors for the purposes of serving as the liaison between the members and MetroPlus.

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ARTICLE VIII
OFFICERS OF THE CORPORATION

Section 1. Titles.

The officers of the Corporation shall be the Executive Director (and Chief Executive Officer), the Chief Financial Officer, the Chief Medical Officer, [the Chief Operating Officer](#) and a Secretary. The General Counsel of the Health and Hospitals Corporation shall act as general counsel to the Corporation.

Section 2. Appointment.

The Executive Director (and Chief Executive Officer) shall be chosen by the Board of Directors from persons other than themselves and shall serve at the pleasure of the Board of Directors. The Executive Director shall appoint all other officers of the Corporation. All such other officers are subject to removal by the Executive Director.

Section 3. Resignation.

Any officer may resign at any time by giving written notice of resignation, which may include an effective date therefor, to the Executive Director. Such resignation shall take effect when accepted by the Executive Director.

Section 4. Duties and Functions.

- (A) **Executive Director.** The Executive Director shall have general charge of the business and affairs of the Corporation and shall have the direction of all other officers, agents and employees. He or she shall, in the absence of the Chairperson of the Board of Directors and the Vice-Chairperson of the Board of Directors, preside at all meetings of the Board of Directors. The Executive Director may assign such duties to the other officers of the Corporation as he or she deems appropriate.
- (B) **Corporate Management.** The Executive Director may appoint a Chief Financial Officer, [a Chief Operating Officer](#) and a Medical Director. These individuals shall have such powers and duties as shall be prescribed by the Executive Director subject to approval by the Board of Directors.

(C) Secretary. The Secretary shall keep the records of all meetings of the Board of Directors and the Executive Committee. He or she shall affix the seal of the Corporation to all deeds, contracts, bonds or other instruments requiring the Corporate seal when the same shall have been signed on behalf of the Corporation by a duly authorized officer. The Secretary shall be the custodian of all contracts, deeds, documents and all other corporate records (except accounting records)

Section 5. Compensation of Officers.

Officers who are full-time employees of the Corporation shall receive reasonable compensation for their services, the compensation of the Executive Director to be determined by the President of HHC and the compensation of all other officers to be determined by the Executive Director.

ARTICLE IX
CONTRACTS, CHECKS, DRAFTS,
BANK ACCOUNTS, ETC.

Section 1. Execution of Documents.

The Board of Directors shall designate the officers, employees and agents of the Corporation who shall have the power to execute and deliver deeds, contracts, mortgages, bonds, indentures, checks, drafts and other orders for the payment of money and other documents for and in the name of the Corporation and may authorize such officers, employees and agents to delegate such power (including authority to redelegate) by written instrument to other officers, employees, or agents of the Corporation.

Section 2. Deposits.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation or otherwise in such banks or trust companies organized in New York or national banks doing business in New York City as the Board of Directors shall determine.

ARTICLE X

BOOKS AND RECORDS

The books and records of the Corporation may be kept at such places within the State of New York as the Board of Directors may from time to time determine.

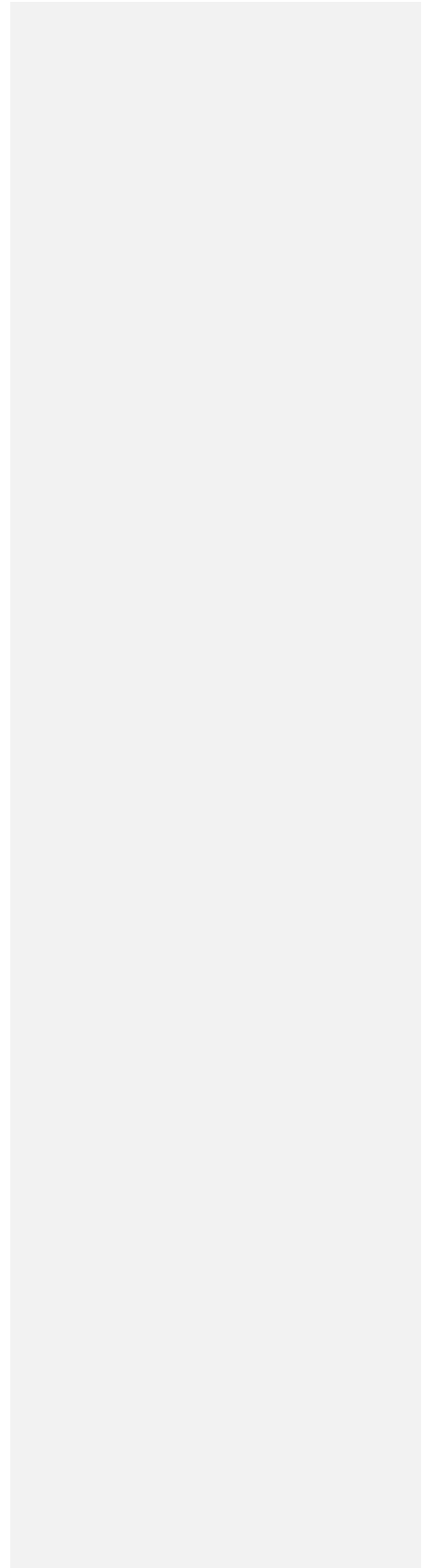
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ARTICLE XI

SEAL

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation and the words and figures “Corporate Seal 1999 New York.”

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ARTICLE XII

FISCAL YEAR

The fiscal year of the Corporation shall end on the last day of December in each year.

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ARTICLE XIII

AUDITS

The Board of Director shall engage an independent certified or registered public accountant to make an annual audit of the Corporation.

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ARTICLE XIV
CONFLICTS OF INTEREST

Chapter 68 of the Charter of the City of New York defines a "code of ethics" which outlines the standards of conduct governing the relationship between private interests and the proper discharge of official duties of all employees and directors of the Health and Hospitals Corporation, including those who are working for the Corporation or who are directors of the Corporation. Chapter 68 embodies an extensive recitation of acts that constitute conflicts of interest and are thereby prohibited.

The Health and Hospitals Corporation has promulgated its own "Code of Ethics" which outlines the standards of conduct governing the relationship between private interests and the proper discharge of official duties of all personnel who are not covered by Chapter 68. Similar to Chapter 68, the Health and Hospital's Code of Ethics embodies an extensive recitation of acts that constitute conflicts of interest and are thereby prohibited. The Corporation has adopted the Code of Ethics with respect to its personnel and directors who are not subject to Chapter 68.

The Board of Directors is committed to recognizing the Corporation's responsibility to organizational ethics and expects, therefore, every employee and Board member to support and adhere to the principles and policies set forth in Chapter 68 and the Code of Ethics.

ARTICLE XV

WAIVER OF NOTICE

Wherever under the provisions of these By-Laws or of any corporate law of the State of New York, the Corporation, the Health and Hospitals Corporation, the Board of Directors, or any committee thereof is authorized to take any action or hold any meetings after call, notice, the lapse of any prescribed period of time, or any other prerequisite, such action may be taken or such meeting may be held without such call, notice, lapse of time, or other prerequisite if at any time before or after such action be completed, such requirements be waived in writing by every person entitled to notice or to participate in such action.

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ARTICLE XVI

AMENDMENTS

These By-Laws may be altered or repeated by the vote of the Board of Directors of the Health and Hospitals Corporation at a regular meeting or at any special meeting.

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