

AGENDA

FINANCE COMMITTEE

MEETING DATE: FEBRUARY 10, 2015

TIME: 9:00 A.M.

LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER

BERNARD ROSEN

ADOPTION OF THE JANUARY 13, 2015 MINUTES

SENIOR VICE PRESIDENT'S REPORT

MARLENE ZURACK

KEY INDICATORS & CASH RECEIPTS/DISBURSEMENTS REPORTS

KRISTA OLSON
FRED COVINO

ACTION ITEMS:

1. 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.
ANTONIO MARTIN

INFORMATION ITEM

1. FEMA 428 GRANT FUNDING

MARLENE ZURACK/JOHN LEVY

2. PAYOR MIX REPORTS – INPATIENT, ADULT & PEDIATRICS

KRISTA OLSON

OLD BUSINESS
NEW BUSINESS
ADJOURNMENT

BERNARD ROSEN

MINUTES

MEETING DATE: JANUARY 13, 2015

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on January 13, 2015 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES

COMMITTEE MEMBERS

Bernard Rosen
Ramanathan Raju, MD
Steven Banks, Commissioner, HRA
Josephine Bolus, RN
Mark Page
Emily Youssouf
Patsy Yang, (Representing Deputy Mayor Lilliam Barrios-Paoli in a voting capacity)

OTHER ATTENDEES

J. DeGeorge, Analyst Comptroller's Office, State
T. DeDubio, Analyst, OMB
C. Fiorentini, Analyst, NYC IBO
R. McIntyre, Account Executive, Siemens
K. Raffaele, Analyst, OMB
J. Wessler

HHC STAFF

P. Albertson, Senior Assistant Vice President, Corporate Operations/Procurement
M. Brito, CFO, Coler/Hank Carter Hospital & Nursing Facility
L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Rel
T. Carlisle, Associate Executive Director, Corporate Planning
D. Cates, Chief of Staff, Board Affairs

MINUTES OF THE JANUARY 13, 2015 FINANCE COMMITTEE MEETING

D. Collington, Assistant Director, Coney Island Hospital
F. Covino, Corporate Budget Director, Corporate Budget
L. Free, Assistant Vice President, Corporate Managed Care
K. Garramone, CFO, North Bronx Health Care Network
T. Green, CFO, Metropolitan Hospital Center
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
W. Hanus, Controller, MetroPlus Health Plan, Inc
J. John, CFO, Central Brooklyn Health Network
L. Johnston, Senior Assistant Vice President, Medical & Professional Affairs
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
K. Kolodziejcki, Assistant Director, Corporate Workforce Development
P. Lockhart, Secretary to the Corporation, Office of the Chairman
N. Mar, Director, Corporate Reimbursement/Debt Financing Services
R. Mark, Chief of Staff, Office of the President
H. Mason, Deputy Executive Director, Kings County Hospital Center
A. Moran, CFO, Elmhurst Hospital Center
D. Moskos, Director, Office of Facilities Development
K. Olson, Assistant Vice President, Corporate Budget
C. Parjohn, Director, Office of Internal Audits
P. Pandolfini, CFO, Southern Brooklyn/Staten Island Health Network
K. Park, Associate Executive Director, Queens Health Network
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs
L. Sainbert, Assistant Director, Office of the Chairman
C. Samms, CFO, Generations Plus/Northern Manhattan Network
D. Santos, Associate Executive Director, Bellevue Hospital Center
W. Saunders, Assistant Vice President, Intergovernmental Relations
B. Stacey, Chief Financial Officer, Queens Health Network
J. Wale, Senior Assistant Vice President, Office of Behavioral Health
R. Walker, CFO, North Brooklyn Health Network
M. Williams, Assistant Vice President, EEO/Affirmative Action
R. Wilson, Senior Vice President/CMO, Medical & Professional Affairs
M. Zurack, Senior Vice President/CFO, Corporate Finance

MINUTES OF THE JANUARY 13, 2015 FINANCE COMMITTEE MEETING

CALL TO ORDER

BERNARD ROSEN

The meeting of the Finance Committee was called to order at 9:10 a.m. The minutes of the December 9, 2014 were approved as submitted.

CHAIR'S REPORT

BERNARD ROSEN

SENIOR VICE PRESIDENT'S REPORT

MARLENE ZURACK

Ms. 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 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.

MINUTES OF THE JANUARY 13, 2015 FINANCE COMMITTEE MEETING

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

KRISTA OLSON/FRED COVINO

Ms. 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 meetings 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. Therefore 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. 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

MINUTES OF THE JANUARY 13, 2015 FINANCE COMMITTEE MEETING

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 an advance of tax levy payments by 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 increase 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, whereby 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; 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 payments that were paid at 98% of the Medicaid fee-for-service rate which is expected to be adjusted 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 and that 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's 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

MINUTES OF THE JANUARY 13, 2015 FINANCE COMMITTEE MEETING

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 for the services were provided and the revenue that was 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

JAY WEINMAN

Mr. 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

MINUTES OF THE JANUARY 13, 2015 FINANCE COMMITTEE MEETING

the new accounting required standard last year that was 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.

ADJOURNMENT

BERNARD ROSEN

There being no further business to discuss the meeting was adjourned at 9:50 a.m.

**KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS
REPORTS**

KEY INDICATORS
FISCAL YEAR 2015 UTILIZATION

Year to Date
 December 2014

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS			ACTUAL	EXPECTED	FY 15	FY 14
	FY 15	FY 14	VAR %	FY 15	FY 14	VAR %				
<u>North Bronx</u>										
Jacobi	211,658	211,244	0.2%	9,729	10,194	-4.6%	5.7	6.1	0.9912	0.9940
North Central Bronx	101,457	98,503	3.0%	2,383	2,327	2.4%	5.1	5.5	0.8024	0.8695
<u>Generations +</u>										
Harlem	155,651	167,457	-7.1%	5,691	5,588	1.8%	5.3	5.9	0.9530	0.9537
Lincoln	269,948	276,208	-2.3%	11,757	12,049	-2.4%	5.2	5.5	0.8408	0.8263
Belvis DTC	26,862	27,157	-1.1%							
Morrisania DTC	41,823	40,944	2.1%							
Renaissance	22,267	24,664	-9.7%							
<u>South Manhattan</u>										
Bellevue	285,594	286,112	-0.2%	11,982	11,727	2.2%	6.5	6.3	1.1120	1.1024
Metropolitan	198,747	197,599	0.6%	4,508	5,903	-23.6%	5.2	5.6	0.8630	0.7439
Coler				136,248	138,544	-1.7%				
Goldwater/H.J. Carter				57,518	62,165	-7.5%				
Gouverneur - NF				36,966	22,759	62.4%				
Gouverneur - DTC	129,941	135,722	-4.3%							
<u>North Central Brooklyn</u>										
Kings County	341,594	346,280	-1.4%	11,035	11,530	-4.3%	6.4	6.3	1.0293	0.9717
Woodhull	237,724	244,189	-2.6%	5,902	6,495	-9.1%	5.3	5.2	0.8356	0.7906
McKinney				57,033	57,585	-1.0%				
Cumberland DTC	40,774	42,544	-4.2%							
East New York	40,145	36,796	9.1%							
<u>Southern Brooklyn / S I</u>										
Coney Island	168,434	167,954	0.3%	7,750	6,880	12.6%	6.7	6.1	0.9747	0.9917
Seaview				54,794	54,884	-0.2%				
<u>Queens</u>										
Elmhurst	314,881	314,292	0.2%	10,310	11,049	-6.7%	5.9	5.5	0.9233	0.8642
Queens	201,789	207,240	-2.6%	6,283	6,100	3.0%	5.4	5.2	0.8299	0.8434
<u>Discharges/CMI-- All Acutes</u>										
Visits-- All D&TCs & Acutes	2,789,289	2,824,905	-1.3%	87,330	89,842	-2.8%			0.9458	0.9181
Days-- All SNFs				342,559	335,937	2.0%				

Notes:

Utilization

Acute: discharges exclude psych and rehab; reimbursable visits include clinics, emergency department and ambulatory surgery

D&TC: reimbursable visits

LTC: SNF and Acute days

All Payor CMI

Acute discharges are grouped using the 2013 New York State APR-DRGs for FY 14 and FY 15 as of December 2013. Beginning in September 2014, FY 14 discharges are regrouped using the 2013 scheme.

FY 14 utilization at Coney Island reflects a gradual reopening of services following the temporary closure due to Hurricane Sandy in October 2012. All services were fully restored as of April 10, 2014.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

Average Length of Stay

Actual: discharges divided by days; excludes one day stays

Expected: weighted average of DRG specific corporate average length of stay using APR-DRGs

KEY INDICATORS

FISCAL YEAR 2015 BUDGET PERFORMANCE (\$s in 000s)

Year to Date
December 2014

NETWORKS	FTE's VS 6/14/14	RECEIPTS		DISBURSEMENTS		BUDGET VARIANCE	
		actual	better / (worse)	actual	better / (worse)	better / (worse)	
<u>North Bronx</u>							
Jacobi	(1.0)	\$ 253,814	\$ (10,724)	\$ 270,587	\$ (9,182)	\$ (19,906)	-3.8%
North Central Bronx	(6.0)	<u>73,081</u>	<u>(6,316)</u>	<u>88,148</u>	<u>3,424</u>	<u>(2,892)</u>	<u>-1.7%</u>
	(7.0)	\$ 326,896	\$ (17,039)	\$ 358,735	\$ (5,759)	\$ (22,798)	-3.3%
<u>Generations +</u>							
Harlem	(9.0)	\$ 151,560	\$ 2,015	\$ 178,965	\$ (10,944)	\$ (8,929)	-2.8%
Lincoln	65.5	257,043	4,301	244,338	9,354	13,654	2.7%
Belvis DTC	6.0	8,678	228	7,195	1,295	1,523	9.0%
Morrisania DTC	15.0	13,103	914	12,644	738	1,651	6.5%
Renaissance	<u>2.0</u>	<u>11,004</u>	<u>2,967</u>	<u>10,120</u>	<u>77</u>	<u>3,044</u>	<u>16.7%</u>
	79.5	\$ 441,386	\$ 10,424	\$ 453,263	\$ 519	\$ 10,943	1.2%
<u>South Manhattan</u>							
Bellevue	74.0	\$ 329,053	\$ (11,446)	\$ 362,522	\$ (14,701)	\$ (26,147)	-3.8%
Metropolitan	(1.0)	128,805	(16,325)	152,465	3,134	(13,191)	-4.4%
Coler	(35.0)	41,722	(5,662)	66,922	(5,993)	(11,656)	-10.8%
Goldwater/H.J. Carter	(6.5)	43,733	(12,412)	56,685	(6,291)	(18,703)	-17.6%
Gouverneur	<u>41.5</u>	<u>43,465</u>	<u>(1,591)</u>	<u>49,435</u>	<u>930</u>	<u>(661)</u>	<u>-0.7%</u>
	73.0	\$ 586,777	\$ (47,436)	\$ 688,029	\$ (22,921)	\$ (70,357)	-5.4%
<u>North Central Brooklyn</u>							
Kings County	0.5	\$ 318,464	\$ (586)	\$ 329,626	\$ 10,241	\$ 9,655	1.5%
Woodhull	25.0	174,310	(3,872)	195,691	(6,379)	(10,251)	-2.8%
McKinney	2.5	23,889	(782)	22,545	350	(432)	-0.9%
Cumberland DTC	3.0	14,105	(336)	13,278	866	530	1.9%
East New York	<u>(0.5)</u>	<u>18,775</u>	<u>6,120</u>	<u>11,492</u>	<u>265</u>	<u>6,385</u>	<u>26.2%</u>
	30.5	\$ 549,542	\$ 543	\$ 572,632	\$ 5,344	\$ 5,887	0.5%
<u>Southern Brooklyn/SI</u>							
Coney Island	(23.0)	\$ 146,132	\$ (22,121)	\$ 189,148	\$ (7,168)	\$ (29,289)	-8.4%
Seaview	<u>7.5</u>	<u>24,093</u>	<u>(343)</u>	<u>25,685</u>	<u>(53)</u>	<u>(397)</u>	<u>-0.8%</u>
	(15.5)	\$ 170,226	\$ (22,464)	\$ 214,833	\$ (7,221)	\$ (29,685)	-7.4%
<u>Queens</u>							
Elmhurst	61.0	\$ 250,976	\$ (581)	\$ 270,053	\$ (9,104)	\$ (9,686)	-1.9%
Queens	<u>42.5</u>	<u>159,139</u>	<u>(5,534)</u>	<u>178,845</u>	<u>(4,104)</u>	<u>(9,637)</u>	<u>-2.8%</u>
	103.5	\$ 410,115	\$ (6,115)	\$ 448,898	\$ (13,208)	\$ (19,323)	-2.3%
NETWORKS TOTAL	<u>264.0</u>	<u>\$ 2,484,942</u>	<u>\$ (82,087)</u>	<u>\$ 2,736,391</u>	<u>\$ (43,246)</u>	<u>\$ (125,333)</u>	<u>-2.4%</u>
Central Office	(2.0)	77,019	7,662	147,384	(1,956)	5,707	2.7%
HHC Health & Home Care	5.0	7,551	(8,410)	18,928	(3,561)	(11,971)	-38.2%
Enterprise IT	<u>25.0</u>	<u>4,784</u>	<u>(647)</u>	<u>81,416</u>	<u>9,113</u>	<u>8,466</u>	<u>8.8%</u>
GRAND TOTAL	<u>292.0</u>	<u>\$ 2,574,296</u>	<u>\$ (83,481)</u>	<u>\$ 2,984,119</u>	<u>\$ (39,650)</u>	<u>\$ (123,132)</u>	<u>-2.2%</u>

Notes:

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Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

New York City Health & Hospitals Corporation
Cash Receipts and Disbursements (CRD)
Fiscal Year 2015 vs Fiscal Year 2014 (in 000's)
TOTAL CORPORATION

	Month of December 2014			Fiscal Year To Date December 2014		
	actual 2015	actual 2014	better / (worse)	actual 2015	actual 2014	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	\$ 66,429	\$ 56,249	\$ 10,180	\$ 402,986	\$ 402,155	\$ 831
Medicaid Managed Care	51,757	50,585	1,172	315,355	319,164	(3,808)
Medicare	56,365	49,432	6,933	294,079	260,848	33,231
Medicare Managed Care	37,222	26,719	10,503	176,627	139,654	36,973
Other	<u>19,395</u>	<u>18,441</u>	<u>954</u>	<u>111,256</u>	<u>112,320</u>	<u>(1,063)</u>
Total Inpatient	\$ 231,167	\$ 201,426	\$ 29,741	\$ 1,300,303	\$ 1,234,140	\$ 66,163
Outpatient						
Medicaid Fee for Service	\$ 11,254	\$ 11,844	\$ (590)	\$ 100,088	\$ 105,309	\$ (5,221)
Medicaid Managed Care	125,755	78,698	47,057	284,548	320,679	(36,131)
Medicare	6,352	4,546	1,807	32,889	24,465	8,425
Medicare Managed Care	11,142	8,390	2,752	51,425	53,720	(2,295)
Other	<u>26,543</u>	<u>17,497</u>	<u>9,046</u>	<u>86,495</u>	<u>90,851</u>	<u>(4,357)</u>
Total Outpatient	\$ 181,046	\$ 120,975	\$ 60,071	\$ 555,445	\$ 595,024	\$ (39,579)
All Other						
Pools	\$ 12,144	\$ 99,584	\$ (87,441)	\$ 136,642	\$ 227,922	\$ (91,280)
DSH / UPL	-	-	0	430,887	357,943	72,943
Grants, Intracity, Tax Levy	10,091	30,053	(19,962)	132,652	122,944	9,709
Appeals & Settlements	(1,077)	1,242	(2,319)	(10,656)	5,792	(16,448)
Misc / Capital Reimb	<u>5,583</u>	<u>6,103</u>	<u>(520)</u>	<u>29,022</u>	<u>27,623</u>	<u>1,400</u>
Total All Other	\$ 26,741	\$ 136,982	\$ (110,241)	\$ 718,548	\$ 742,224	\$ (23,676)
Total Cash Receipts	\$ 438,954	\$ 459,384	\$ (20,429)	\$ 2,574,296	\$ 2,571,388	\$ 2,908
Cash Disbursements						
PS	\$ 200,436	\$ 192,186	\$ (8,251)	\$ 1,329,656	\$ 1,211,237	\$ (118,419)
Fringe Benefits	57,257	86,428	29,171	397,731	448,968	51,237
OTPS	123,745	101,534	(22,210)	726,226	661,517	(64,709)
City Payments	-	-	0	-	-	0
Affiliation	92,789	76,436	(16,354)	490,797	460,949	(29,848)
HHC Bonds Debt	<u>5,839</u>	<u>9,440</u>	<u>3,601</u>	<u>39,708</u>	<u>37,243</u>	<u>(2,465)</u>
Total Cash Disbursements	\$ 480,066	\$ 466,024	\$ (14,042)	\$ 2,984,119	\$ 2,819,914	\$ (164,204)
Receipts over/(under) Disbursements	\$ (41,112)	\$ (6,640)	\$ (34,471)	\$ (409,822)	\$ (248,527)	\$ (161,296)

Notes:

FY 14 utilization at Coney Island reflects a gradual reopening of services following the temporary closure due to Hurricane Sandy in October 2012. All services were fully restored as of April 10, 2014.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

New York City Health & Hospitals Corporation
Actual vs. Budget Report
Fiscal Year 2015 (in 000's)
TOTAL CORPORATION

	Month of December 2014			Fiscal Year To Date December 2014		
	actual 2015	budget 2015	better / (worse)	actual 2015	budget 2015	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	\$ 66,429	\$ 67,560	\$ (1,131)	\$ 402,986	\$ 439,672	\$ (36,686)
Medicaid Managed Care	51,757	56,097	(4,340)	315,355	329,580	(14,225)
Medicare	56,365	68,024	(11,660)	294,079	312,379	(18,300)
Medicare Managed Care	37,222	29,092	8,131	176,627	170,727	5,900
Other	19,395	20,368	(973)	111,256	124,690	(13,433)
Total Inpatient	\$ 231,167	\$ 241,141	\$ (9,973)	\$ 1,300,303	\$ 1,377,048	\$ (76,744)
Outpatient						
Medicaid Fee for Service	\$ 11,254	\$ 12,022	\$ (768)	\$ 100,088	\$ 106,411	\$ (6,323)
Medicaid Managed Care	125,755	120,936	4,819	284,548	278,854	5,694
Medicare	6,352	5,914	438	32,889	30,571	2,318
Medicare Managed Care	11,142	7,517	3,625	51,425	46,848	4,577
Other	26,543	26,632	(90)	86,495	89,282	(2,787)
Total Outpatient	\$ 181,046	\$ 173,022	\$ 8,024	\$ 555,445	\$ 551,966	\$ 3,479
All Other						
Pools	\$ 12,144	\$ 14,486	\$ (2,343)	\$ 136,642	\$ 140,632	\$ (3,990)
DSH / UPL	-	-	0	430,887	430,887	0
Grants, Intracity, Tax Levy	10,091	8,849	1,242	132,652	124,848	7,804
Appeals & Settlements	(1,077)	-	(1,077)	(10,656)	-	(10,656)
Misc / Capital Reimb	5,583	5,304	279	29,022	32,396	(3,374)
Total All Other	\$ 26,741	\$ 28,639	\$ (1,898)	\$ 718,548	\$ 728,764	\$ (10,216)
Total Cash Receipts	\$ 438,954	\$ 442,802	\$ (3,847)	\$ 2,574,296	\$ 2,657,778	\$ (83,481)
Cash Disbursements						
PS	\$ 200,436	\$ 196,744	\$ (3,692)	\$ 1,329,656	\$ 1,326,804	\$ (2,853)
Fringe Benefits	57,257	58,851	1,594	397,731	403,391	5,659
OTPS	123,745	112,724	(11,021)	726,226	683,183	(43,044)
City Payments	-	-	0	-	-	0
Affiliation	92,789	92,789	0	490,797	490,797	0
HHC Bonds Debt	5,839	6,882	1,043	39,708	40,294	586
Total Cash Disbursements	\$ 480,066	\$ 467,991	\$ (12,075)	\$ 2,984,119	\$ 2,944,468	\$ (39,650)
Receipts over/(under) Disbursements	\$ (41,112)	\$ (25,189)	\$ (15,922)	\$ (409,822)	\$ (286,691)	\$ (123,132)

Notes:

FY 14 utilization at Coney Island reflects a gradual reopening of services following the temporary closure due to Hurricane Sandy in October 2012. All services were fully restored as of April 10, 2014.

Henry J. Carter Specialty Hospital and Nursing Facility (HJC) began receiving patients on November 24, 2013; the Goldwater campus relocated its last patient to HJC on November 25, 2013.

RESOLUTION #1

JOSEPH QUINONES

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

PRESENTATION RESOLUTION #1



Finance Committee Meeting
Dietary Operations
Process Owner: Antonio Martin, EVP / COO

NYC Health and Hospitals Corporation
February 10, 2015

The Objectives of the Dietary Initiative

- HHC Executed a Contract in 2005 with Sodexo HealthCare Services, US Foods, Inc., and GNYHA Ventures (the Consortium)
- The Contract was fully Implemented in early 2006; the Contract Term is for 10 Years and 3 Five Year Renewals for a total of 25 years
- The Initial Objectives:
 - ❖ Improve patient care, quality of food and increase menu variety options (within first year of the contract)
 - ❖ Increase patient satisfaction (to be monitored by independent survey every year after full implementation)
 - ❖ Improve employee working conditions and safety through modernization of the Cook Chill Plant (CCP) by implementing state of the art equipment and creating more effective workflows for employees
 - ❖ Standardize food policy and procedures throughout the Corporation to comply with regulatory requirements
 - ❖ Optimize facility staffing plan, assure regulatory compliance, create workflows to assure worker safety and increase the cost effectiveness of the dietary operation
 - ❖ Reduce and contain dietary operating costs throughout the term of the contract

Key Achievements

- Implemented a 21 day menu cycle which increased the variety and ethnic choices for all Acute Care and Long Term Care facilities and improved patient satisfaction
- Instituted Corporate wide Formulary for Nutritional Supplements as established by clinical committee, with a focus on improving the patient experience that resulted in lower costs
- Instituted a Cook Chill model and installed equipment throughout HHC facilities (\$18.2M)
- Modernized the CCP in late 2005, currently producing 17K meals/day, 6.4M meals/yr. and improved employee workplace conditions and safety
- Standardized policies and procedures for food delivery, floor stock, supplements and nourishments that improved the patient experience and worker efficiencies
- Standardized reporting systems for cost controls and financial analysis resulting in real time information that allows for rapid management and corrective action plans
- Assessed staffing levels resulting in identified workflows that improved direct and indirect patient care, patient safety and employee safety
- Established an optimum staffing plan of 934 FTEs, which assures workers safety and productivity
- Achieved an aggregate cost savings of over \$57M during the first ten year term of the Contract

Key Contract Service Indicators Under New Contract

In a addition to the previous 10 year achievements, 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 \$11.2M 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 at a total estimated cost of \$1.92M over 9 years
- 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 \$1.4M per year under the renewal Agreement for a total savings in excess of \$16M/yr.

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

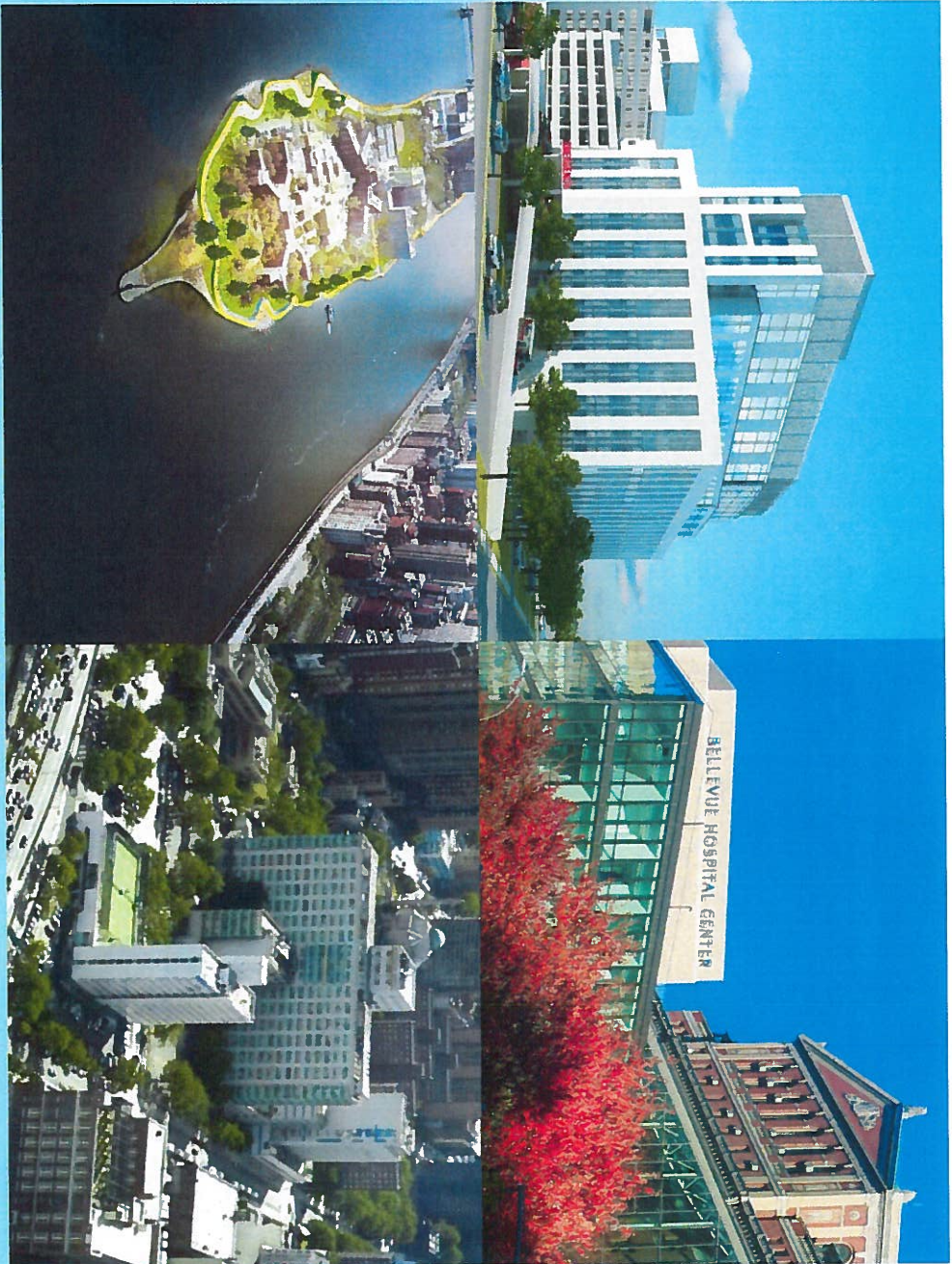
The total cost savings figure above is exclusive of the accrued \$15M savings for each of FY'13 and FY'14 that are projected to continue to accrue over the renewal term of the Agreement.

Thank You

INFORMATION ITEM

INFORMATION ITEM

•FEMA 428 Grant Program



\$1,722,705,384

Performance Criteria for Mitigation

1. Maintain Life Safety
of patients and staff

2. Maintain Operation
of the Emergency Department

Operational Priorities:

1st Priority
Continue receiving patients

2nd Priority
Staff and patients shelter in place

3rd Priority
Quickly return to operation if evacuated

3. Protect Critical Assets
against future flood risk

FEMMA – 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*

* Costs are based on traditional FEMA projects and may differ from HHC's solutions

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

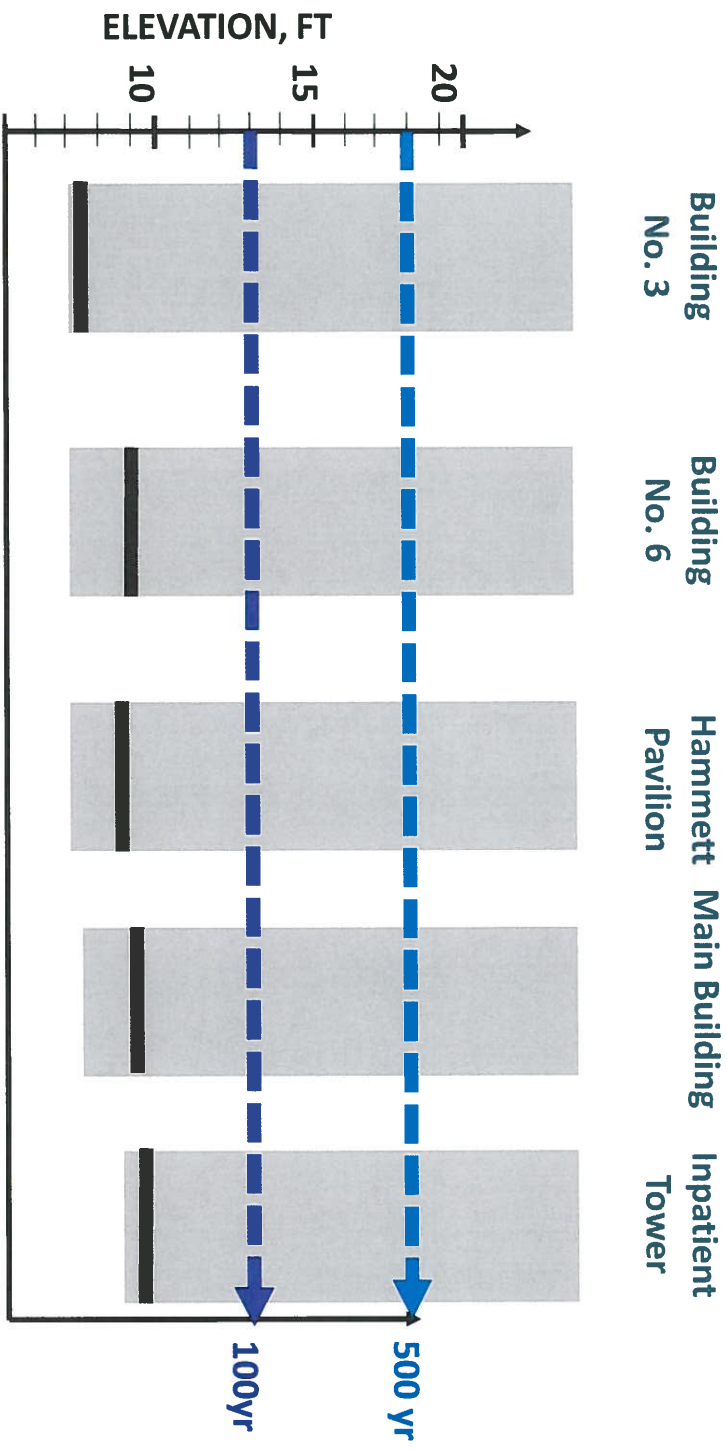
- In addition: Other project worksheets that exceed **\$108M**

C O N E Y I S L A N D

1	Baseline Mitigation Option 
2	Flood Walls  
3	Comprehensive Solution 

Design Criteria

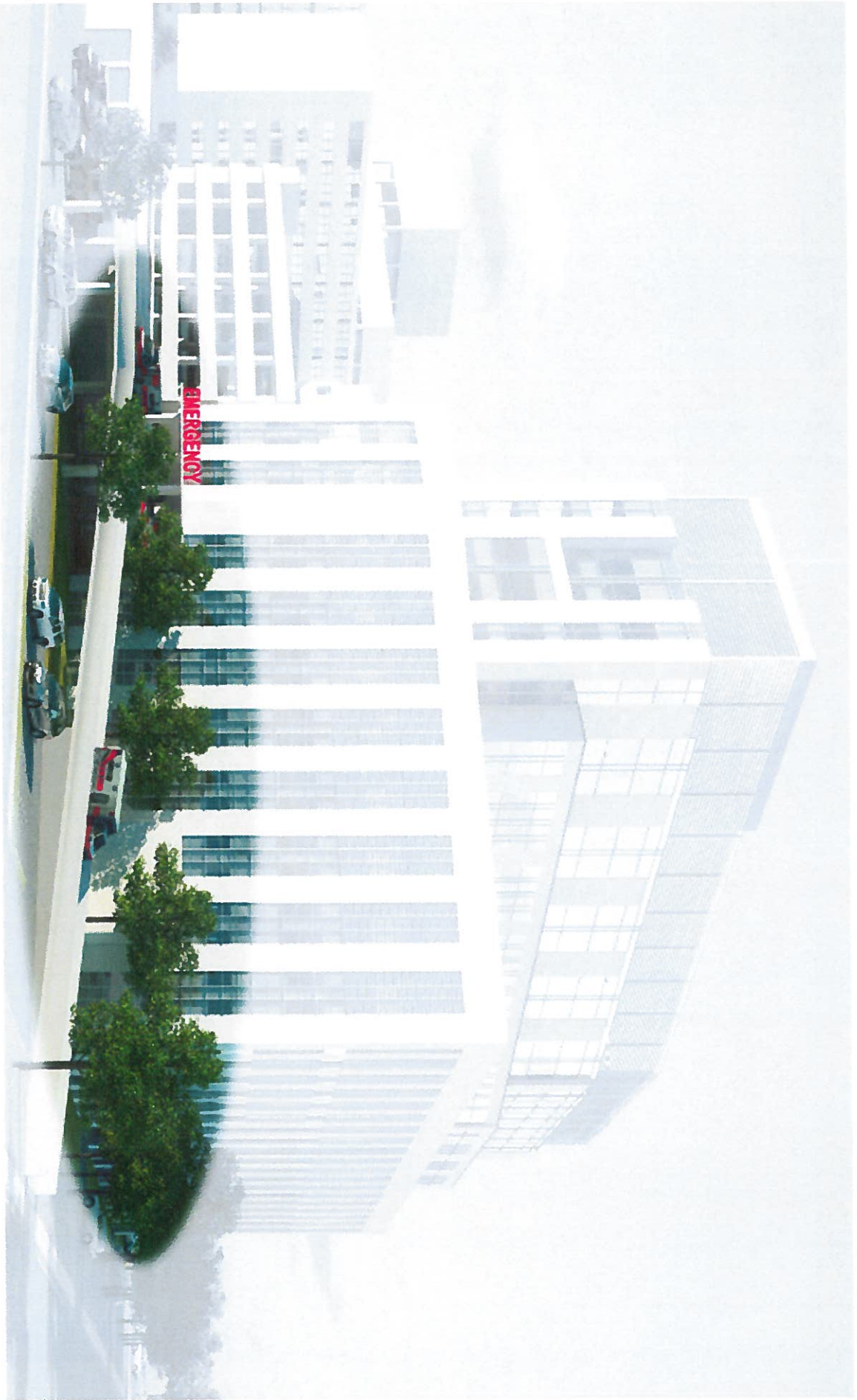
Level of Protection plus one foot of sea level rise and two feet of freeboard.



CONEY ISLAND HOSPITAL



- Elevated Emergency Department and critical assets in elevated Critical Services Structure 500-year plus 9 feet
- All critical services exceed 500 year flood, non-critical services protected to 100 year flood plus 3 feet
- Constructed garage to maintain parking capacity and mitigate vehicle loss

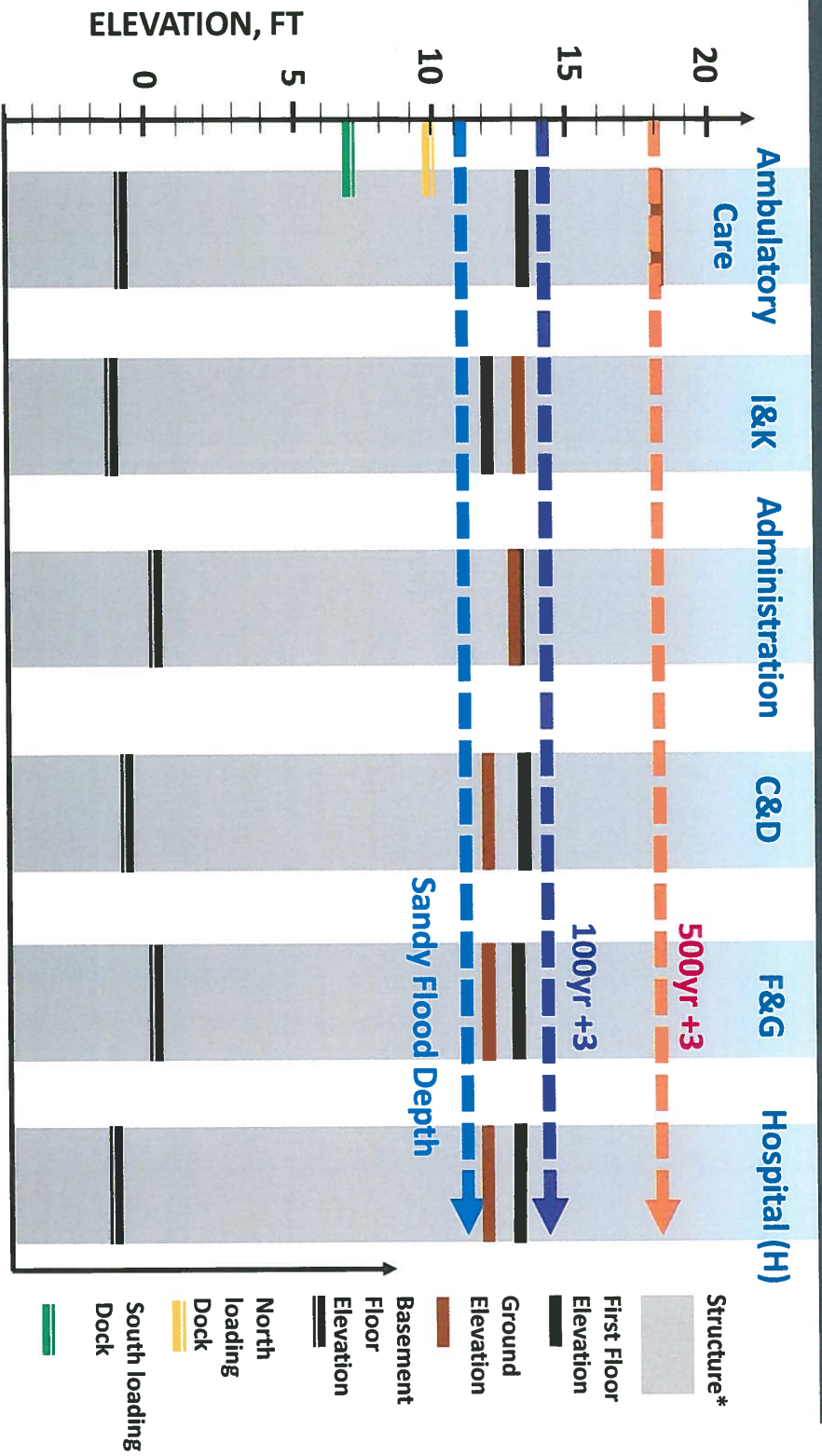


Bellevue Hospital Center



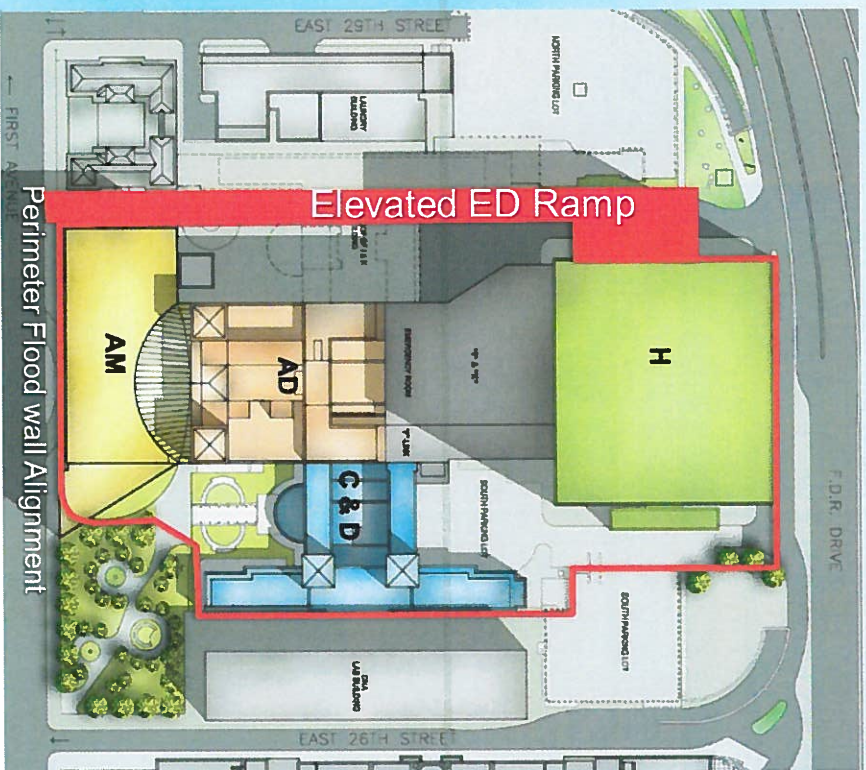
Design Criteria

Level of Protection plus one foot of sea level rise and two feet of freeboard.



*Height and width of structures not to scale.

BELLEVUE HOSPITAL



- 500-year+ design level of protection
- New exterior elevators to provide resilient verticle transportaion
- Relocate critical infrastructure, i.e., medical gases, fuel, water pumps, electrical switchgear, quick connects
- Vehicular and pedestrian flood gates
- Storm and sanitary pumps and drainage
- 2,350 Linear feet of architectural floodwall

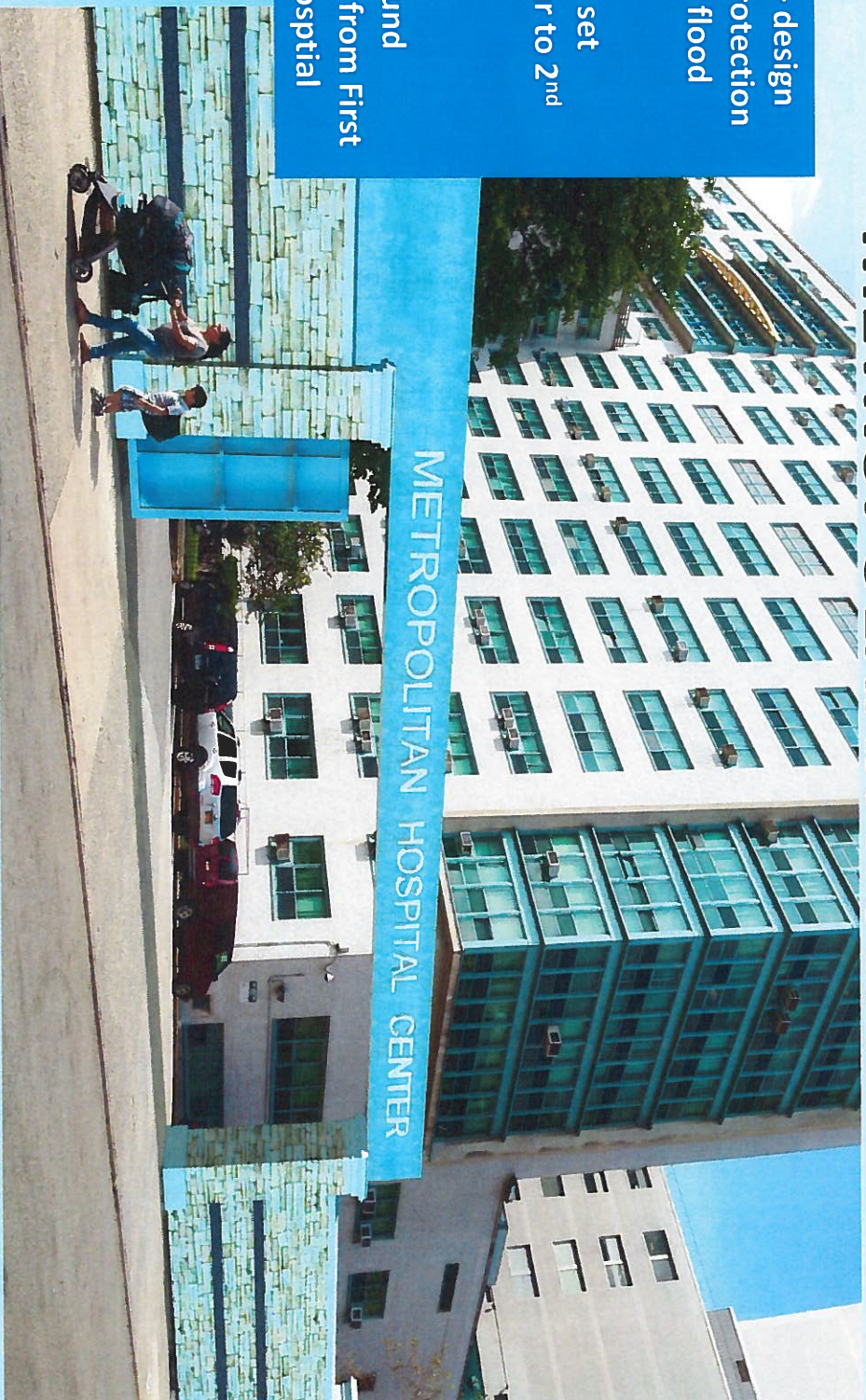
 Future project

METROPOLITAN HOSPITAL

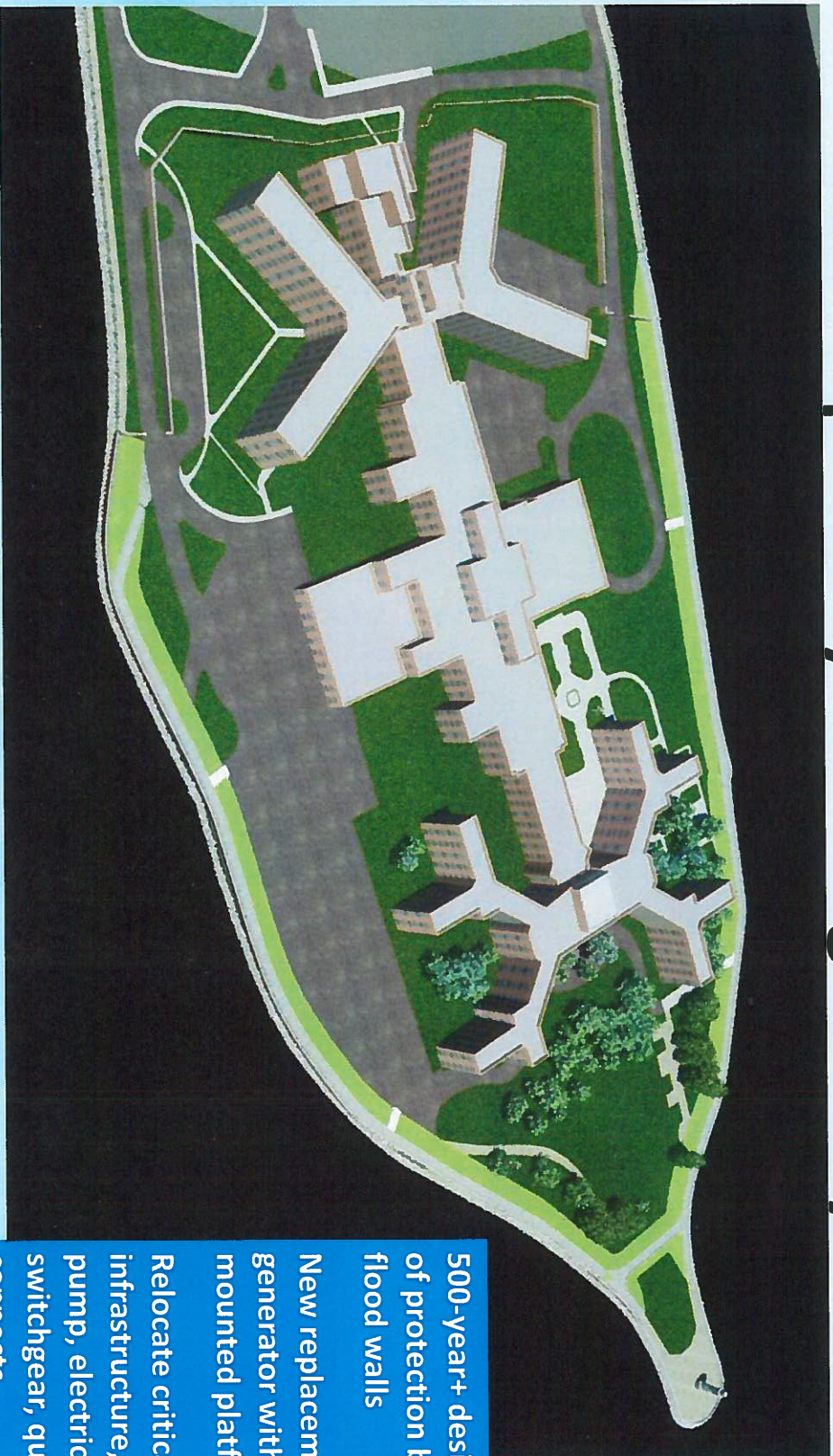
500-year+ design
level of protection
berm and flood
walls

Raise one set
switchgear to 2nd
Floor

Replace
underground
ductbank from First
Ave. to hospital



Coler Specialty Nursing Facility

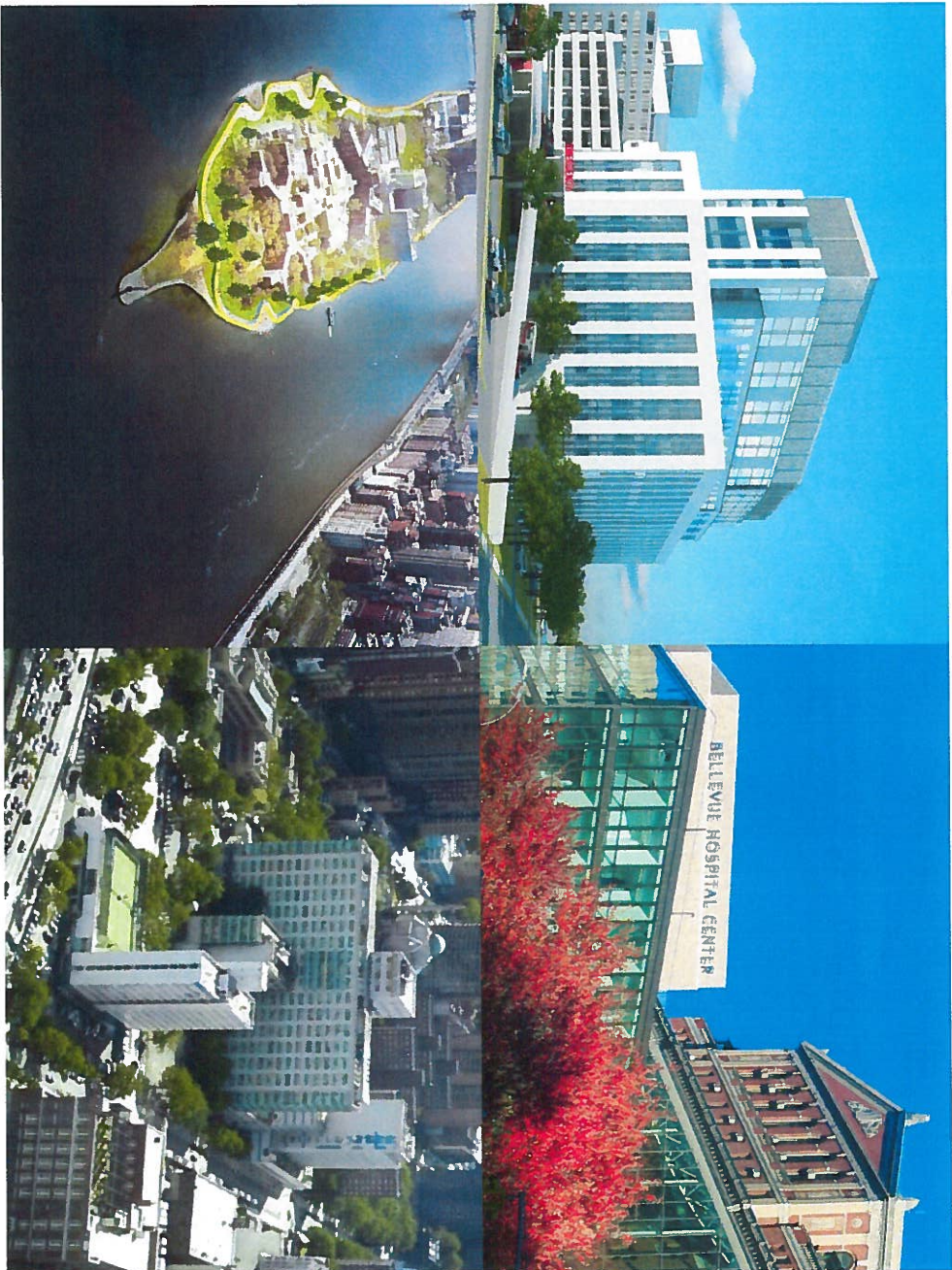


500-year+ design level
of protection berm and
flood walls

New replacement
generator with
mounted platform

Relocate critical
infrastructure, i.e., fire
pump, electrical
switchgear, quick
connects

•FEMA 428 Grant Program



QUESTIONS ?

INFORMATION ITEM

INFORMATION ITEM - PAYOR MIX REPORTS

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
INPATIENT PAYOR MIX
Fiscal Year 2015 2nd Quarter Report

INPATIENT: Percentage of Total Discharges For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Corporate Total
Medicaid Total												
2015	53.2	54.0	64.7	62.1	61.7	59.9	67.6	67.6	58.3	62.9	72.9	61.7
2014	49.0	48.5	58.3	62.6	62.1	58.6	64.1	66.7	59.6	60.1	69.5	59.3
Medicaid												
2015	23.3	22.5	22.6	22.2	19.9	23.9	19.9	24.3	22.5	24.1	28.6	22.8
2014	20.5	20.2	17.8	20.9	19.7	23.7	16.4	24.6	23.1	22.6	25.0	20.8
Medicaid Plans												
2015	29.9	31.5	42.0	39.9	41.8	36.0	47.7	43.3	35.8	38.8	44.3	38.9
2014	28.5	28.3	40.6	41.7	42.4	34.9	47.7	42.1	36.5	37.5	44.5	38.4
Medicare Total												
2015	17.2	34.8	19.9	23.2	20.8	18.9	22.1	18.1	25.7	22.3	18.2	21.3
2014	18.8	38.0	19.1	20.4	20.8	19.9	21.4	19.9	24.9	22.7	16.3	21.3
Medicare												
2015	9.5	25.5	10.8	10.7	12.0	9.5	8.3	8.9	14.1	12.1	8.8	11.4
2014	11.4	28.2	11.1	10.3	12.3	10.3	8.6	9.6	14.6	12.7	8.7	12.0
Medicare Plans												
2015	7.7	9.2	9.1	12.5	8.8	9.5	13.8	9.2	11.7	10.2	9.5	9.9
2014	7.3	9.8	8.0	10.1	8.5	9.6	12.8	10.3	10.3	10.0	7.6	9.3
Commercial Total												
2015	9.7	7.1	8.7	7.6	11.1	11.4	7.6	4.6	7.1	8.2	5.3	8.6
2014	10.5	6.9	8.5	7.8	10.4	11.3	7.3	5.5	6.7	7.9	5.6	8.5
Other												
2015	8.0	0.1	2.1	0.2	0.3	0.1	0.3	0.1	0.2	0.4	0.1	1.6
2014	8.1	0.1	2.2	0.1	0.3	0.2	0.4	0.1	0.3	0.4	0.2	1.6
Uninsured												
2015	11.8	4.0	4.7	6.9	6.2	9.6	2.5	9.6	8.7	6.2	3.5	6.8
2014	13.6	6.5	11.9	9.1	6.5	10.0	6.9	7.7	8.5	8.9	8.5	9.3
HHC Options												
2015	1.4	1.6	2.2	1.2	1.4	0.7	0.7	1.7	1.1	0.8	0.8	1.2
2014	2.1	2.6	3.7	1.5	1.0	1.3	1.1	2.3	1.8	2.6	3.5	2.1
Self Pay												
2015	10.4	2.4	2.5	5.8	4.8	8.8	1.8	7.8	7.6	5.3	2.7	5.5
2014	11.5	3.9	8.3	7.6	5.4	8.7	5.8	5.4	6.7	6.3	5.0	7.2

FY15 (July 2014 - December 2014) run on 1/23/15
FY14 (July 2013 -December 2013) run on 1/23/14

Note: All numbers are percentages.

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

NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
OUTPATIENT ADULT PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2015 2nd Quarter Report

OUTPATIENT ADULT: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2015	41.5	37.3	44.1	50.8	49.9	48.7	49.2	48.6	53.0	42.4	44.9	53.9	47.9	53.5	37.9	54.1	42.8	45.9
2014	37.1	35.7	39.3	46.0	49.1	45.6	45.4	47.4	53.8	39.5	42.5	51.9	47.1	48.6	34.4	52.3	39.4	42.8
Medicaid																		
2015	9.8	8.0	11.6	10.9	9.2	11.8	8.6	12.0	7.5	9.3	8.6	4.2	9.1	4.6	5.7	4.2	3.9	9.5
2014	8.1	7.1	8.4	9.2	9.8	10.3	8.6	14.0	8.8	8.8	8.4	3.2	9.3	3.0	5.9	4.7	2.3	8.8
Medicaid Plans																		
2015	31.7	29.3	32.6	39.8	40.7	36.8	40.6	36.6	45.5	33.1	36.3	49.7	38.8	49.0	32.1	49.8	38.9	36.3
2014	29.0	28.6	30.9	36.8	39.3	35.4	36.8	33.3	45.0	30.8	34.2	48.7	37.8	45.6	28.5	47.6	37.1	34.0
Medicare Total																		
2015	18.3	20.4	15.0	21.6	20.6	15.3	20.4	20.9	16.2	19.0	18.4	14.0	13.6	15.5	24.9	14.7	18.6	18.6
2014	17.9	19.8	14.6	21.6	19.2	14.9	19.7	19.3	15.0	18.9	17.8	14.3	12.5	16.2	24.4	13.5	17.1	18.0
Medicare																		
2015	8.5	11.9	6.3	10.6	10.2	7.6	6.3	8.1	7.0	7.9	6.5	3.8	5.6	5.6	9.1	5.2	5.9	7.9
2014	8.6	11.6	6.8	10.3	9.7	7.7	6.9	8.4	7.5	8.5	6.9	4.3	5.6	6.3	9.8	4.1	6.0	8.2
Medicare Plans																		
2015	9.8	8.5	8.7	11.0	10.4	7.7	14.1	12.7	9.2	11.1	11.9	10.1	7.9	9.9	15.8	9.6	12.7	10.7
2014	9.3	8.2	7.9	11.4	9.5	7.2	12.8	10.8	7.5	10.4	10.9	10.0	6.9	9.8	14.6	9.4	11.1	9.8
Commercial																		
2015	9.4	7.1	9.2	7.2	11.2	8.9	10.8	6.3	11.1	7.8	6.0	7.6	7.1	7.2	8.9	10.6	10.0	8.6
2014	8.3	6.1	7.1	6.8	10.3	7.8	12.0	5.5	9.4	5.8	5.0	6.4	7.3	5.3	6.0	9.1	7.2	7.5
Other																		
2015	2.7	0.6	0.9	0.5	1.4	0.4	1.0	0.2	0.2	0.5	0.6	0.0	0.2	0.0	1.2	0.0	0.0	0.9
2014	3.1	0.4	0.9	0.4	1.2	0.4	1.0	0.2	0.2	0.5	0.6	0.0	0.2	0.0	1.3	0.0	0.0	0.9
Uninsured Total																		
2015	28.0	34.7	30.7	19.8	16.9	26.7	18.6	24.0	19.4	30.3	30.2	24.5	31.3	23.7	27.1	20.7	28.7	26.0
2014	33.6	38.1	38.0	25.2	20.1	31.4	21.9	27.7	21.7	35.3	34.2	27.4	32.9	29.9	33.9	25.0	36.3	30.8
HHC-Options																		
2015	18.2	22.1	25.4	11.0	10.2	20.2	9.2	18.0	14.0	21.6	24.8	16.1	27.4	17.5	22.7	18.2	19.5	18.7
2014	21.6	22.7	29.7	13.3	11.7	23.6	8.8	20.0	15.0	24.9	27.7	17.2	28.6	22.7	27.7	22.0	22.3	21.4
Self Pay																		
2015	9.8	12.6	5.4	8.8	6.7	6.5	9.4	6.0	5.4	8.7	5.4	8.4	3.9	6.2	4.4	2.5	9.2	7.3
2014	12.0	15.3	8.4	11.9	8.3	7.7	13.1	7.8	6.7	10.3	6.5	10.1	4.3	7.3	6.2	3.1	14.1	9.4

FY15 (July 2014 - December 2014) run on 1/23/15
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NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
OUTPATIENT PEDIATRIC PAYOR MIX
(Excluding Emergency Room Visits)
Fiscal Year 2015 2nd Quarter Report

OUTPATIENT PEDIATRIC: Percentage of Total Visits For Each Facility

	Bellevue	Coney	Elmhurst	Harlem	Jacobi	Kings	Lincoln	Metropolitan	NCB	Queens	Woodhull	Belvis	Cumberland	East New York	Gouverneur	Morrisania	Renaissance	Corporate Total
Medicaid Total																		
2015	84.2	79.0	82.0	85.5	82.2	72.9	83.8	88.0	82.5	74.3	81.6	86.9	79.7	80.0	83.1	85.5	74.1	81.4
2014	82.5	78.3	83.7	84.3	82.5	72.1	80.3	87.6	84.1	74.2	80.6	85.9	76.9	78.7	81.8	85.8	74.2	80.9
Medicaid																		
2015	7.1	7.2	4.4	7.9	4.9	6.8	5.1	6.8	4.4	5.2	7.9	3.8	5.8	4.9	5.1	4.6	6.7	5.8
2014	6.8	7.2	4.0	7.6	5.8	6.4	6.6	8.3	4.3	5.4	7.3	3.2	5.4	3.8	5.3	3.8	5.6	5.9
Medicaid Plans																		
2015	77.1	71.9	77.5	77.6	77.3	66.1	78.7	81.2	78.1	69.1	73.7	83.1	74.0	75.1	78.0	81.0	67.4	75.6
2014	75.7	71.1	79.7	76.7	76.7	65.7	73.7	79.3	79.8	68.8	73.3	82.8	71.5	74.9	76.5	82.0	68.7	75.0
Commercial Total																		
2015	8.8	9.4	8.9	8.7	10.6	13.6	9.4	6.8	8.8	14.2	8.4	7.6	8.8	9.7	10.2	6.4	12.0	9.7
2014	8.9	9.1	9.0	9.5	10.7	13.6	11.0	7.1	8.5	14.7	9.3	7.4	9.6	10.3	10.3	6.2	12.2	10.0
Child Health Plus																		
2015	3.4	4.5	5.3	1.9	3.5	4.2	4.0	3.4	3.7	5.2	3.8	3.3	3.6	3.3	3.9	2.8	3.0	3.9
2014	3.4	4.2	5.9	2.7	3.7	4.2	3.4	4.4	3.9	5.9	3.8	3.6	3.9	4.2	4.5	3.2	3.8	4.2
Non-CHP Plans																		
2015	5.4	5.0	3.6	6.9	7.1	9.5	5.4	3.5	5.1	9.0	4.6	4.3	5.2	6.4	6.3	3.6	8.9	5.8
2014	5.5	4.9	3.1	6.9	7.0	9.4	7.7	2.7	4.6	8.8	5.5	3.8	5.8	6.2	5.8	3.1	8.4	5.9
Other																		
2015	0.3	0.0	0.2	0.4	0.5	0.4	1.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.2
2014	0.2	0.2	0.2	0.0	0.4	0.4	0.9	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.2
Uninsured Total																		
2015	6.7	11.5	8.9	5.4	6.7	13.0	5.8	5.1	8.6	11.4	9.9	5.5	11.5	10.2	6.7	8.1	13.8	8.6
2014	8.3	12.4	7.1	6.1	6.4	13.9	7.7	5.2	7.4	11.1	10.0	6.7	13.4	10.8	7.9	7.9	13.5	8.9
HHC-Options																		
2015	1.1	0.8	0.6	0.6	0.9	7.3	0.4	0.5	1.7	1.1	2.7	1.5	4.2	4.4	1.1	4.3	0.2	1.9
2014	1.7	0.8	0.7	0.5	1.0	8.0	0.5	0.8	1.5	1.1	2.8	1.5	4.2	4.7	1.0	3.8	0.3	2.1
Self Pay																		
2015	5.6	10.7	8.4	4.9	5.8	5.7	5.4	4.6	7.0	10.3	7.2	4.0	7.3	5.9	5.6	3.8	13.6	6.7
2014	6.6	11.6	6.4	5.6	5.5	5.8	7.2	4.5	5.9	10.0	7.2	5.2	9.3	6.0	6.9	4.2	13.2	6.8

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