AGENDA

FINANCE COMMITTEE

MEETING DATE: JANUARY 12, 2016
TIME: 9:00 A.M.
LOCATION: 125 WORTH STREET
BOARD ROOM

BOARD OF DIRECTORS

CALL TO ORDER	BERNARD ROSEN
ADOPTION OF THE DECEMBER 1, 2015 MINUTES	
SENIOR VICE PRESIDENT'S REPORTS	P.V. ANANTHARAM
• CASH FLOW	JULIAN JOHN
• UPL/DSH PAYMENTS STATUS	LINDA DEHART
• CITY'S FINANCIAL PLAN	FRED COVINO
KEY INDICATORS REPORT	KRISTA OLSON
CASH RECEIPTS & DISBURSEMENTS REPORT	FRED COVINO
INFORMATION ITEMS	
1. SOUTH MANHATTAN GLOBAL FTE REDUCTION PLAN STATUS	STEVE ALEXANDER
2. CENTRALIZED PROCUREMENT	PAUL ALBERTSON
3. QUARTERLY REPORTING SHORT TERM LEASES	LINDA DEHART
OLD BUSINESS NEW BUSINESS ADJOURNMENT	BERNARD ROSEN

MINUTES

MEETING DATE: DECEMBER 1, 2015

FINANCE COMMITTEE

BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on December 1, 2015 in the 5th floor Board Room with Bernard Rosen presiding as Chairperson.

ATTENDEES
COMMITTEE MEMBERS

Bernard Rosen
Ramanathan Raju, MD
Lilliam Barrios-Paoli
Josephine Bolus, RN
Mark Page
Emily Youssouf
J. Yeaw, (representing Steven Banks, Commissioner Human Resources)

OTHER BOARD MEMBER

U. Tambar, (representing Anthony Shorris, Deputy Mayor)

OTHER ATTENDEES

J. Agrawal, Analyst, NYC OMB
K. Cherny, Unit Head, OMB
J. DeGeorge, Analyst, State Comptroller's Office
M. Dolan, Senior Assistant Director, DC 37
M. Hecht, Analyst, NYC Comptroller's Office
S. Wheeler, Budget Analyst, OMB

HHC STAFF

P. Albertson, Senior Assistant Vice President, Corporate Operations
M. Allen, Medical & Professional Affairs
P.V. Anantharam, Senior Vice President/CFO, Corporate Finance
M. Beverley, Assistant Vice President, Corporate Finance
M. Brito, CFO, Coler/Hank Carter Specialty Hospital & Skilled Nursing Facility
D. Benjamin, Assistant Vice President, Corporate Operations

C. Borden, Senior Assistant Vice President, Quality
L. Brown, Senior Vice President, Corporate Planning, Community Health & Intergovernmental Relations
G. Calliste, Executive Director, North Central Bronx Hospital
E. Casey, Director, Corporate Planning
D. Cates, Chief of Staff, Board Affairs
D. Collington, Associate Executive Director, Coney Island Hospital
E. Cosme, CFO, Gouverneur Specialty Care Facility
F. Covino, Corporate Budget Director, Corporate Budget
J. Cuda, CFO, MetroPlus Health Plan, Inc.
V. Fleming, Director, Corporate Office of Medical Affairs
L. Free, Assistant Vice President, Corporate Managed Care
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care
K. Garramone, CFO, North Bronx Health Care Network
T. Green, CFO, Metropolitan Hospital Center
L. Guttman, Assistant Vice President, Intergovernmental Relations
E. Guzman, Assistant Vice President, Corporate Comptroller's Office
R. Hughes, Chief Operating Officer, Coney Island Hospital
C. Jacobs, Senior Vice President, Human Resources, Patient Safety, Accreditation & Regulatory Services
J. John, Corporate Comptroller, Corporate Comptroller's Office
M. Katz, Senior Assistant Vice President, Corporate Revenue Management
J. Linhart, Deputy Corporate Comptroller, Corporate Comptroller's Office
P. Lockhart, Secretary to the Corporation, Office of the Chairman
P. Lok, Director, Corporate Reimbursement Services/Debt Financing
F. Long, Acting Executive Director, Coler/Henry J. Carter
R. Malone, Deputy CFO, Queens Hospital Center
N. Mar, Director, Corporate Reimbursement Services/Debt Financing
A. Marengo, Senior Vice President, Corporate Communications/Marketing
R. Mark, Chief of Staff, Office of the President
A. Martin, Executive Vice President/COO, Office of the President
D. Nunziato, Deputy CFO, North Brooklyn Health Network
K. Olson, Assistant Vice President, Corporate Budget
P. Pandolfini, CFO, Staten Island /Southern Brooklyn Network
C. Parjohn, Director, Office of Internal Audits
G. Proctor, Senior Vice President, North Central Brooklyn Hlth Network
C. Samms, CFO, Generations Plus/Northern Manhattan Network
A. Saul, CFO, Central Brooklyn Health Care Network
P. Slesarchik, Assistant Vice President, Corporate Labor Relations
M. Sullivan, Executive Director, Gouverneur Healthcare Services
S. Tyler, Assistant Director, Corporate
A. Wagner, Senior Vice President, Staten Island/Southern Brooklyn Network
R. Walker, CFO, North Brooklyn Health Network
J. Weinman, CFO, South Manhattan Network
O. Worthy, CFO, Gotham Health

CALL TO ORDER **BERNARD ROSEN**

The meeting of the Finance Committee was called to order at 9:05 a.m. The minutes of the November 10, 2015 meeting were approved as submitted.

CHAIR'S REPORT **BERNARD ROSEN**

Mr. Rosen welcomed P.V. Anantharam, Senior Vice President/CFO replacing Ms. Zurack who retired last month.

SENIOR VICE PRESIDENT'S REPORT **P.V. ANANTHARAM**

Mr. Anantharam informed the Committee that Julian John, Corporate Comptroller would provide an update of Health + Hospitals cash flow and Linda Dehart, Assistant Vice President, Reimbursement Services would follow-up with an update on the DSH and UPL payments followed by the monthly reporting of the Utilization and Cash Receipts & Disbursements reports by Krista Olson, Assistant Vice President, Corporate Budget and Fred Covino, Senior Assistant Vice President.

Mr. John reported that Health + Hospitals ended the month of November 2015 with a cash balance of $485 million or 30 days of cash on hand (COH) that included $150 million in DSH payments that were received last week. The projected FY 16 year-end balance is $102 million or slightly over six days of COH. However, during the next two months, December 2015 and January 2016 some DSH and UPL payments are expected, UPL payments of $468 million and $279 million and $381 million in DSH/maximization payments. The status of those payments would be reported by Ms. Dehart.

Ms. Dehart stated that there were ongoing discussions with the State and CMS on finalizing the approval of Health + Hospitals outstanding UPL payments for prior years that include four years of outpatient services. Dr. Raju recently contacted CMS regarding the status of those payments that prompted an intensity in a movement toward a resolution for resolving the issues surrounding those payment that has resulted in a positive action by CMS in moving that process forward. The approval of the outpatient UPL payments are expected during the month of December 2015 of which $250 million is expected of the amount Mr. John mentioned earlier. Those payments are expected between December 2015 and January 2016. The next focus on the UPL payments is the 2015 for the current year for both inpatient and outpatient services. There are some methodology issues that must be addressed with CMS; however, there has been some progress in this area relative to the exchange of information that would appear to be currently on target based on the flow of that information and communications in comparison to the past.

Ms. Youssouf asked if there is anything about the consideration or negotiations that the Board should be made aware of relative to some of the questions that are being asked by CMS.

Ms. Dehart stated that the questions relate to technical and methodology issues between the State and CMS regarding data definitions and the methodology on how certain actions were counted.

Mr. Page asked if it was both the State and CMS or just one of the two that is not moving.

Ms. Dehart in response stated that Health + Hospitals must work through the State to CMS and the State is responsible for the submission to CMS and Health + Hospitals works with the State on putting together a response to CMS on the information requested. CMS views their relationship with the State and therefore is not accustomed to working with providers but have made exceptions for Health + Hospitals given the unique set of circumstances and their relationship with Health + Hospitals.

Mr. Anantharam added that in response to Mr. Page's question it is not with the State but rather CMS.

Ms. Dehart continuing with the reporting stated that another issue that the SDOH has brought to Health + Hospitals' attention is that there are some risks to the DSH funding. In the current FY 16, these risks are related to an increase in prior year DSH payments to voluntary hospitals that relate to an over estimation on the part of the State in the calculation of the size of UPL payments available to those hospitals and the reconciliation payments that would be made to other public hospitals which would result in the maximum allowable DSH funding that those hospitals were eligible to receive. Consequently, Health + Hospitals would receive what would be left after those payments were made to the voluntaries. Therefore, those prior year increases are posing a risk to Health + Hospitals' current DSH payments. Health + Hospitals is in discussions with the State regarding the size of that risk as well as the timing of those payments that could mitigate how that affects Health + Hospitals which should become more definitive in the coming months.

Ms. Youssouf asked if the other public hospitals would be getting the guaranteed maximum given that the State has identified the miscalculation and how that will offset the impact to Health + Hospitals.

Ms. Dehart stated there are two issues. One was that in 2010 Health + Hospitals got the provision that allowed for the receipt of the remaining DSH funds available to the State. One of the ways that the State created room for that payment was by starting a UPL payment to the voluntaries that was a swop of DSH funds for UPL to them. The same type of delays Health + Hospitals is experiencing in the calculation of the UPL payments the voluntaries are also experiencing. Based on an estimation, the State calculated what those payments to the voluntaries would be for prior years and payments were made based on the assumption that those amounts would be approved which resulted in a DSH payment to HHC based on those assumptions of what those payments would have been. Consequently, CMS has determined that those payments were over-estimated and there are statutory requirements to essentially keep those hospitals whole. Therefore CMS has to replace the swop UPL that was paid for DSH.

Mrs. Bolus asked how much that would cost HHC. Ms. Dehart stated that particular piece having to do with the voluntary UPL a maximum of $187 million. However, the timing of that impact is currently under review.

Mrs. Bolus asked if CMS would allow the takeback of those funds to be spread over a period of time as opposed to a one-time takeback.

Ms. Dehart stated that issue is being addressed with the State and CMS and until that issue is resolved in terms of how it will be done, the amount of the impact at this time is unknown for Health + Hospitals in the current FY.

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

Ms. Olson stated that utilization thru October 2015 in comparison to last year for the same period continued with a slight downward trend. Ambulatory care visits were down by 3.2%; acute care hospitals' visits were down by 2.9%; D&TCs were down by 6.0%. Discharges were down by 3.1% and nursing home days were down slightly by 1.1%. The LOS, a comparison of hospitals to the corporate wide average, two hospitals were above the expected LOS, Coney Island has consistently exceeded the expected as reported in the past and Elmhurst was recently above the expected. A review of this issue is underway by the hospital to identify the factors that are contributing to this change. The CMI was up by 2.5% over last year.

Mr. Covino continuing with the reporting stated that the global FTEs comparison showed that the prior year-end status as of FY 15 was at 48,406 global FTEs compared to the current level of 49,160, an increase of 754 FTEs. The bulk of that increase was in full time staffing with a slight increase in overtime which was offset by a reduction of 254 allowance line due to a transitioning of employees from hourly into full time. The categories where the increases have occurred included, tech/specs, 265 which include pharmacy techs, creative arts therapists, lab techs, behavioral tech, patient reps and social workers; environmental hotel, 150 primarily in housekeepers; patient care techs up by 142; 113 RNs, 95 clericals, 89 managers and 64 residents. A comparison of the current status to the budget, the global FTE target for current year-end is 47,292, a reduction target of 1,868. The targeted FTE reduction by Network is as follows: North Bronx 71 FTEs, or 1.2%; Generation Plus 723 FTEs or 9%; South Manhattan 295 or 2.5%; North Central Brooklyn, 236 FTEs or 2.4%; Queens, 96 FTEs or 1.3%; and Southern Brooklyn, 454 or 12%.

Mrs. Bolus asked if the reduction targets included the new restructuring. Mr. Covino stated that the targets do not include any new initiatives/programs but would be added where applicable.

Mr. Page asked if there is a general sense of where those reductions are expected to occur as opposed to the actual to-date.

Mr. Covino stated that the focus has been to reduce temporary staff and overtime.

Mr. Rosen stated that the global FTE has been expanded to include the conversion of all expenses to FTEs; therefore the reduction can be in overtime as oppose to an FTE. Mr. Covino responded in the affirmative adding that it can also be in temporary staffing as well.

Ms. Youssouf asked if central office was included in the total reduction target and whether it also included a reduction in the IT consultants' temporary staff.

Mr. Covino stated that IT was below the target and has an increase for the implementation of the EMR.

Mrs. Bolus asked if agency nurses were included as part of the reduction target. Mr. Covino responded in the affirmative.

Ms. Youssouf asked if a reduction in overtime expenses to make up the difference was feasible. Mr. Covino stated that approximately $150 million was spent in overtime annually. The global reduction target is $100 million and approximately another $100 million was spent in temporary employees.

Mr. Page asked how the value of the headcount was determined whereby some employees are more expensive than others and overtime is paid at a higher rate but does not carry any fringe benefits.

Mr. Covino stated that in addition to the FTEs the dollars are also being monitored as a global dollar amount that is embedded in the budget as well. This month, expenses were $5 million over the PS budget due partly to the increase in the FTEs. The FTE was only a component of the calculation. There is a dollar component as well.

Ms. Youssouf stated that it appears to be a huge goal to achieve by the end of FY 16.

Dr. Raju stated that it is a major task; however, the hospitals' local leaderships have been given the latitude to manage their budget. It is important to note that inpatient utilization is down by 3.3% which is important to the process in achieving the targets.

Mr. Page stated that it is equally important that by giving the local leadership total control; it is equally important that they deliver the product given that level of responsibility.

Dr. Raju stated that was completely understood and the performance evaluations would will be linked to their ability to manage their budgets.

Mr. Covino continuing with the reporting stated that for the month, year-to-date receipts were $22 million worse than budget and disbursements were $68 million over budget. Receipts and disbursements in comparison to last year for the same period, receipts were up by $446 million due to an increase in the DSH and UPL payments, up by $314 million of which approximately $201 million was in DSH and $257 million in inpatient UPL. Grants revenue was up by $194 million and intracity due to an advance by the City of tax levy payments for the years that included collective bargaining increases. There was a $20 million increase in prior year grants and EBOLA recurring funds. Inpatient receipts were up by $12 million and outpatient receipts were flat. Personal services were down by $7.6 million which was an artifact of collective bargaining payments with a considerable amount of retroactivity for DC37 and NYSNA. Fringe benefits were up by $8.7 million due to an increase in welfare payments and health insurance benefits. OTPS expenses were up by $34 million due to a reduction in the number of

days in accounts payable currently at 54 days compared to 72 days last year which represented $27 million of the $34 million. City payments were up by $309 million due to payments made to the City on behalf of FY 14 for medical malpractice and debt service. Affiliations expenses were up by $26 million due to collective bargaining and the implementation of the new contracts with the affiliates.

Mr. Page asked if the lag in accounts payable was due to Health + Hospitals being more gratuitous and whether that was within the normal for the industry. Mr. Covino stated that one of the areas where Health + Hospitals has fallen behind in its payments was to Cardinal and efforts have been made to catch up in that area. The average has been approximately 60-65 days. There are significant discounts that must be taken into account as part of the payment process. The actual in comparison to the budget, inpatient receipts were $26 million less than budget and all other was up by $30 million for a net deficit of $22 million. Disbursements were $15 million over budget which was a direct result of the increase in the PS. The fringe benefit deficit was related to FICA and other fringes paid during the year. OTPS expenses were $47 million over budget due to as previously stated a reduction in the number of days in accounts payable. Affiliation expenses were $2.8 million over budget due to a $2.5 million prior year payment to PAGNY for the recruitment of physicians.

Mr. Page asked if the cost for recruitment of physicians was against a prior year claim. Mr. Covino stated that it was an agreement to fund the cost for that expense and there was a negotiated settlement for the payment.

Mr. Page commented that PAGNY spent the money to recruit and Health + Hospitals finally made good on what was initially agreed upon. Mr. Martin replied in the affirmative.

Dr. Raju stated that going forward the process has been streamlined and controlled in that a few search firms have been contracted that will be used and the determination of when to use those search firms will be made by Health & Hospitals.

Ms. Youssouf asked if that was only with PAGNY to which Dr. Raju responded that it was only PAGNY given that the medical schools have ways of recruiting effectively.

INFORMATION ITEM **GEORGE PROCTOR**

NETWORK GLOBAL FTE REDUCTION PLAN – NORTH CENTRAL BROOKLYN

Mr. Proctor stated that the purpose of the presentation was to provide an overview of some of the actions the Network has taken and have continued to address for achieving the target. Mr. Proctor was accompanied by Rick Walker and Anthony Saul, Network CFOs. Mr. Proctor stated that the first slide showed the achievement status relative to the actions taken by Network in achieving the global FTE and dollar targets by year end. All of the hospitals within the Network are engaged in routine staffing assessments, monitoring and productivity assessment of global FTE coordination. The efforts have been focused on sustaining quality services delivery while improving the patient experience and

effectively managing limited resources while encouraging sustainable growth opportunities. These opportunities are explored through Breakthrough for potential revenue enhancements and notwithstanding continuous reductions in costs while increasing efficiencies. There are challenges for achieving the global FTE plan that are mostly driven by regulatory mandates and requirements and programs that may have been proposed that were not included in the global FTE cap. In those instances, the Network financial staff work very closely with corporate budget, Mr. Covino and his staff on addressing the appropriate adjustment to the global FTE target. As shown on the second slide, the biggest challenge in achieving the target, the Network over the past five years has been addressing the outcome of the settlement that took place in 2009 between the US Department of Justice (DOJ) and Hirschfeld, the plaintiff. As a result of that settlement, Kings County was required to add an additional 475 FTEs to its Behavioral Health services, over the last six years based on the terms of the settlement with DOJ. During that period Kings County Behavioral Health worked very closely with DOJ to comply with 200 specific provisions ranging from IM medication policies to group therapy sessions. Those were a few of the issues that were identified and the Network's current status relative to those requirement mandates. The initial assessment of the staffing needs was made as part of the settlement agreement with DOJ resulting in the development of initial reconfiguration of staffing plans and models throughout the various modalities of behavioral health. Based on those need assessments and the staffing compliance, the ongoing staffing levels were reassessed with regular six month visits from DOJ to ensure full compliance with those required plans. Currently clinical needs are being assessed as part of the ongoing efforts to ensure sustainability of the goals achieved to-date and the focus to achieve the full compliance with the settlement agreement to avoid any slippage in the process. As of today, the Network is pleased to report that the progress in achieving the terms of the settlement agreement have been successful and most recently the hospital received substantial compliance which is a major accomplishment.

Ms. Youssouf asked how many additional FTEs were hired as a result of the DOJ settlement requirement.

Mr. Proctor stated that 475 FTEs had been added in behavioral health only. Moving to the next slide, which showed each of the hospitals within the Network and the current status against the target as of the first quarter of the current FY 16. As part of the base period, FY 14, the Network staffing totaled 9,713 FTEs compared to 9,663 as of 9/30/15. The global target is 9,434 for a net reduction target of 229 FTEs for the Network. In terms of the dollars associated with the target, the Network status as of that period relative to that FTE variance was $1.139 million. Some of the actions taken by the Network to address the expense variance have included but not limited to ongoing close monitoring of overtime and have successfully reduce usage in that area. Over the past three year the network has been under the overtime target and continue to trend in that direction in the currently FY 16. A significant number of temporary staff were converted to full time staff that has resulted in significant savings as well. All vacancies are assessed to ensure that prior to any backfill, a productivity

assessment is conducted and if it is an expansion of a program calculation of the return on the investment is done in terms of a metric. A detailed justification must be provided that includes the documented need for the replacement. Meetings are held with the departments making the request to review the need relative to the departmental functional needs and workload and a reconciliation of that need in comparison to the target. A review of the departmental performance against the personal services indicators are done on a regular basis which allows for feedback from the various services and divisions.

Ms. Youssouf asked if the required vacant positions assessments that are conducted were also done for existing personnel as well.

Mr. Proctor stated that all vacancies are review prior to any approval of a replacement or backfill in conjunction with factors that would generate savings as well.

Mr. Walker added that one of the tools that the Network uses to review performances is the profit and loss statement by service and departments and that recommendations are made accordingly relative staffing requests and other than personal services (OTPS).

Dr. Raju stated that it has created a lot of confusion amongst the labor departments. The global FTE target is about the dollars and if the FTE reduction targets are not achieved but the dollar targets are met that would be appropriate in cutting costs to achieve the targets as long as it was sustainable. This process is reviewed by some as a primary focus in reducing 1,000 FTEs which is not the driving force but rather the local leadership has been given an opportunity to decide how that dollar target will be achieved and sustained. The Network's presentation clearly displayed the relation between dollars and FTEs. The most important take-away as previously reported by Ms. Zurack is that the dollars are the primary focus and from a corporate perspective it is not our role to dictate how that gets achieved as long as the local leaderships have demonstrated that there are plans for meeting their targets. Dr. Raju asked Mr. Covino to confirm that the focus and understanding are as described to which Mr. Covino responded in the affirmative.

Ms. Youssouf asked for confirmation that the target was not directly tied to the FTE to which the response from Mr. Covino was in the affirmative.

Mr. Proctor stated that as previously stated there are two programs that have been developed for implementation that are outside of the initial global FTE target. The Network has received capital funding of $1.6 million to fund the opening of three CPEP beds that were recently opened on 11/18/15 to expand the current psych emergency department that required ten additional FTEs. These FTEs are not included in the global target. The second program relates to HIV services that had been provided by Brookdale but have been re-established at East New York to maintain the delivery of those services for those Brookdale patients who are now a part of the Network patient population program at ENY. Consequently, in order to meet the requirements of the program for providing the services to those

patients, eleven FTEs were added. The Network is working very closely with Corporate Finance on making the appropriate adjustment to the Network's global FTE target for those two initiatives.

Mr. Page asked if when the Network does program expansions and additional staffing is required whether a revenue adjustment calculated as well. Mr. Proctor replied in the affirmative.

Dr. Raju added that the hospital must show an increase in revenue as part of the budget adjustment process in adjusting the expense authority for those types of initiatives. The appropriate increase would be made to the budget based on the approved expense authority.

Mr. Proctor stated that as part of the process before the authorization of staffing is made a revenue assessment is conducted. Part of the original global FTE management efforts include departmental regular meetings that include representation from Human Resources, finance, key departmental staff and senior level management where applicable to review trends, issues and staffing needs for replacements prior to the submission to the local level VCB for review. The process also include a thorough review of the justification to ensure that it supports the need requests; routine budget meetings with the stakeholders are conducted with the Chiefs of Services and administrative staff to discuss trends relative to services utilization expenses and revenue increases. Ongoing monitoring of agency staff whereby there is start and an end date for all temporary staff. Finally, through the monthly Joint Oversight Committee (JOC) affiliation staffing is review and vacancy requests that have resulted in a shift in dollars in the service area to where there has been an increase in workload/volume. This was achieved by having a very close relationship with NYU and Downstate SUNY on that process and it has worked very favorably.

Mr. Page asked if it is more costly to use temps as opposed to hiring permanent staff. Mr. Walker in response stated that the hourly rate paid to employees is basically 50% of what the employee received. The benefit to the hospital as well as the employee has been the conversion of those temps to FTEs. The hourly rate which is a major factor in determining the amount paid to the employee through the agency and as a permanent employee.

Ms. Youssouf asked how much would it be with fringes. Mr. Walker stated that the fringe rate varies by Network but for the North Brooklyn it is approximately 51%.

Mr. Page added that in specific circumstances it would appear that there would be a level of temp labor that actually would be a part of the hospitals optimal staffing pattern that would result in less spending.

Mr. Walker agreed adding that a staff nurse on Tour I and III, as part of the collectively bargaining agreement there are incremental payments for working the later shifts; therefore, when those factors are incorporated into the rate against the agency cost the agency cost is slightly less. There are

opportunities for the Network to review those situations in terms of when it would be appropriate to use temps as opposed to hiring permanent staff in those operations.

Mr. Saul added that in looking at the nurses staffing ratios there are a number of things that must be factored in as well. Specifically, with certain titles such as patient care associates (PCA) who are an important part of the mix for coverage during the weekends and holidays.

Mr. Page added that it would appear that analogy would be appropriate as part of the mix given the decline in workload, it would have some benefit.

Mr. Saul added that it is difficult to recruit part time staff due to the lack of benefits, therefore there is a need to complement the staff to address those needs.

Ms. Youssouf asked if the plan for the Network is to eliminate all temps and besides FTEs are there other expenses that should be considered relative to meeting the reduction target.

Dr. Raju interjected that in addition to the FTE/dollar target there are some projected savings on the OTPS side as well.

Mr. Walker added that the focus by the Network has not been solely on the expense side but rather there are revenue enhancements that are also factored in as part of achieving that target and maximizing the business practices to ensure complete maximization. For example, in evaluating vacancies, the review includes a profit and loss statement, productivity reports by service and are shared with the medical staff in addition to the coding practices by physicians/services are all part of the evaluation process to determine how well the capturing of the secondary tertiary diagnosis that drives the revenue when the bills are dropped are being done. It is a collaborative effort on multiple fronts that tie-in to maintaining and managing the overall plan.

Mr. Rosen asked Mr. Covino if there are dollar reduction targets by facility to which Mr. Covino responded in the affirmative adding that those are inherent in the PS budget. Each month that the headcount decreases, if the target is not achieved the dollar cost becomes greater over the course of the year.

Ms. Youssouf asked if the facilities are able to find savings in other areas without achieving the FTE target would that be acceptable.

Dr. Raju reiterated in conjunction with Mr. Covino's affirmation that it would be acceptable as long as those reductions are sustainable.

Mr. Covino added that it was important to note that for example there are prior year revenues that are received as a one-time payment and would not be sustainable given that those revenues would be one-time only and non-recurring. It is important to note that the North Central Network has done exceptional well over the years in reducing cost and FTEs as reflected in their presentation.

INFORMATION ITEM **KRISTA OLSON**

PAYOR MIX REPORTS-INPATIENT, ADULT AND PEDIATRICS

Ms. Olson reported that the first quarter Payor Mix Reports comparing FY 16 to FY 15 thru September 2015. The inpatient payor mix continued to show improvement which was consistent with last year's trend with a reduction in the uninsured of 2.5% an increase in Medicaid and a 1% increase in Medicare. The outpatient payor mix showed a slight drop in Medicaid and 1.4% increase in commercial. Pediatrics payor mix showed a slight increase in commercial and a slight decline in Medicaid and the uninsured.

Ms. Youssouf commented that FY 16 looked better with less self-pay and uninsured which could be a combination of actions from both the State and Federal levels. Ms. Olson responded in the affirmative.

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 2016 UTILIZATION

Year to Date
November 2015

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS						
	FY 16	FY 15	VAR %	FY 16	FY 15	VAR %	ACTUAL	EXPECTED	FY 16	FY 15
North Bronx										
Jacobi	171,821	176,488	-2.6%	7,335	8,177	-10.3%	6.1	6.4	1.0359	0.9616
North Central Bronx	87,655	84,872	3.3%	2,634	1,842	43.0%	4.5	4.8	0.6912	0.8041
Generations +										
Harlem	130,405	127,976	1.9%	4,959	4,801	3.3%	5.4	5.9	0.9397	0.9322
Lincoln	225,936	225,320	0.3%	9,083	9,676	-6.1%	5.0	5.4	0.8375	0.7997
Belvis DTC	23,478	22,317	5.2%							
Morrisania DTC	34,059	34,721	-1.9%							
Renaissance	17,910	17,831	0.4%							
South Manhattan										
Bellevue	248,597	244,341	1.7%	9,702	9,986	-2.8%	6.5	6.4	1.1505	1.0826
Metropolitan	165,200	166,935	-1.0%	4,108	3,639	12.9%	5.0	5.3	0.8157	0.8457
Coler				110,731	113,633	-2.6%				
H.J. Carter				47,360	47,795	-0.9%				
Gouverneur - NF				31,155	30,745	1.3%				
Gouverneur - DTC	104,292	108,392	-3.8%							
North Central Brooklyn										
Kings County	281,331	286,720	-1.9%	9,063	9,163	-1.1%	6.1	5.9	0.9711	0.9943
Woodhull	198,416	200,561	-1.1%	4,405	4,897	-10.0%	4.9	5.2	0.8595	0.8224
McKinney				47,201	47,458	-0.5%				
Cumberland DTC	30,609	33,622	-9.0%							
East New York	33,279	34,410	-3.3%							
Southern Brooklyn / S I										
Coney Island	149,289	134,170	11.3%	5,863	6,456	-9.2%	7.0	6.3	0.9946	0.9378
Seaview				45,571	45,620	-0.1%				
Queens										
Elmhurst	278,947	260,963	6.9%	7,958	8,560	-7.0%	6.1	5.7	0.9277	0.8754
Queens	177,910	176,058	1.1%	4,960	5,180	-4.2%	5.2	5.3	0.8227	0.7940
Discharges/CMI-- All Acutes				70,070	72,377	-3.2%			0.9428	0.9153
Visits-- All D&TCs & Acutes	2,359,134	2,335,697	1.0%							
Days-- All SNFs				282,018	285,251	-1.1%				

Utilization

Discharges: exclude psych and rehab

Visits: Beginning with the November 2015 Board Report, FY15 and FY16 utilization is now based on date of service, and includes open visits. HIV counseling visits that are no longer billable have been excluded. Visits continue to include Clinics, Emergency Department and Ambulatory Surgery.

LTC: SNF and Acute days

All Payor CMI

Acute discharges are grouped using New York State APR-DRGs version 32

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 2016 BUDGET PERFORMANCE ($s in 000s)

Year to Date November 2015

NETWORKS	GLOBAL FTEs			RECEIPTS		DISBURSEMENTS		BUDGET VARIANCE	
	Jun 15	Nov 15	Target	actual	better / (worse)	actual	better / (worse)	better / (worse)	
North Bronx									
Jacobi	4,189	4,271		$ 210,153	$ (8,613)	$ 269,000	$ (14,527)	$ (23,140)	-4.9%
North Central Bronx	1,391	1,437		68,509	(638)	82,173	2,840	2,202	1.4%
	5,580	5,708	5,612	$ 278,663	$ (9,252)	$ 351,173	$ (11,686)	$ (20,938)	-3.3%
Generations +									
Harlem	3,191	3,254		$ 145,217	$ 5,725	$ 177,318	$ (10,849)	$ (5,124)	-1.7%
Lincoln	4,197	4,389		219,742	11,412	231,459	1,969	13,381	3.0%
Belvis DTC	141	145		5,719	82	7,318	(22)	59	0.5%
Morrisania DTC	261	265		8,470	523	12,057	(1,046)	(522)	-2.8%
Renaissance	174	180		5,488	(397)	8,352	(75)	(472)	-3.3%
	7,964	8,233	7,362	$ 384,636	$ 17,345	$ 436,504	$ (10,024)	$ 7,322	0.9%
South Manhattan									
Bellevue	5,899	6,031		$ 302,180	$ (7,990)	$ 355,075	$ (18,968)	$ (26,957)	-4.2%
Metropolitan	2,709	2,745		115,382	(1,061)	139,416	(9,608)	(10,668)	-4.3%
Coler	1,224	1,243		41,642	1,856	56,134	(4,694)	(2,838)	-3.1%
H.J. Carter	972	1,012		48,575	147	61,722	(5,459)	(5,311)	-5.1%
Gouverneur	890	883		29,513	(7,067)	46,928	67	(7,000)	-8.4%
	11,694	11,914	11,601	$ 537,293	$ (14,115)	$ 659,275	$ (38,661)	$ (52,775)	-4.5%
North Central Brooklyn									
Kings County	5,559	5,586		$ 295,936	$ 208	$ 341,030	$ 8,101	$ 8,309	1.3%
Woodhull	3,148	3,159		159,299	8,418	179,765	(7,189)	1,229	0.4%
McKinney	467	472		16,840	(814)	19,251	241	(573)	-1.5%
Cumberland DTC	236	229		9,531	(555)	12,199	(2,572)	(3,127)	-15.9%
East New York	233	236		10,209	270	11,820	373	643	2.9%
	9,643	9,682	9,439	$ 491,816	$ 7,527	$ 564,064	$ (1,047)	$ 6,480	0.6%
Southern Brooklyn/SI									
Coney Island	3,229	3,370		$ 130,583	$ (13,929)	$ 184,183	$ (13,946)	$ (27,875)	-8.9%
Seaview	538	555		19,951	223	22,413	(2,498)	(2,275)	-5.7%
	3,767	3,925	3,466	$ 150,533	$ (13,706)	$ 206,597	$ (16,445)	$ (30,151)	-8.5%
Queens									
Elmhurst	4,492	4,503		$ 199,768	$ (10,084)	$ 251,230	$ (6,753)	$ (16,837)	-3.7%
Queens	2,918	2,985		132,935	(4,183)	191,569	(7,455)	(11,638)	-3.6%
	7,410	7,488	7,428	$ 332,703	$ (14,267)	$ 442,799	$ (14,208)	$ (28,476)	-3.7%
NETWORKS TOTAL	**46,058**	**46,950**	**44,908**	**$ 2,175,644**	**$ (26,467)**	**$ 2,660,412**	**$ (92,070)**	**$ (118,537)**	**-2.5%**
Central Office	770	784	770	396,415	9,911	130,582	6,599	16,510	3.2%
Care Management	518	532	518	9,113	(6,656)	17,933	(1,690)	(8,346)	-26.1%
Enterprise IT/Epic	1,060	1,143	1,110	4	0	83,143	6,055	6,056	6.8%
GRAND TOTAL	**48,406**	**49,409**	**47,306**	**$ 2,581,176**	**$ (23,213)**	**$ 2,892,070**	**$ (81,105)**	**$ (104,318)**	**-1.9%**

Global Full-Time Equivalents (FTEs) include HHC staff and overtime, hourly, temporary and affiliate FTEs. Enterprise IT includes consultants.

Care Management includes HHC Health & Home Care and the Health Home program.

New York City Health & Hospitals Corporation
Cash Receipts and Disbursements (CRD)
Fiscal Year 2016 vs Fiscal Year 2015 (in 000's)
TOTAL CORPORATION

	Month of November 2015			Fiscal Year To Date November 2015		
	actual 2016	actual 2015	better / (worse)	actual 2016	actual 2015	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 69,684	$ 60,831	$ 8,853	$ 379,122	$ 336,557	$ 42,565
Medicaid Managed Care	52,943	46,400	6,543	288,180	263,599	24,581
Medicare	43,705	43,702	2	229,556	237,715	(8,159)
Medicare Managed Care	22,139	27,799	(5,660)	108,518	139,405	(30,886)
Other	16,581	17,050	(468)	85,029	91,861	(6,832)
Total Inpatient	$ 205,052	$ 195,782	$ 9,270	$ 1,090,405	$ 1,069,136	$ 21,269
Outpatient						
Medicaid Fee for Service	$ 9,275	$ 10,624	$ (1,349)	$ 58,424	$ 88,834	$ (30,410)
Medicaid Managed Care	34,586	26,138	8,448	197,306	158,793	38,513
Medicare	4,285	4,989	(704)	24,070	26,537	(2,467)
Medicare Managed Care	20,109	7,680	12,429	52,023	40,283	11,740
Other	10,436	11,099	(663)	60,428	59,952	477
Total Outpatient	$ 78,691	$ 60,531	$ 18,160	$ 392,251	$ 374,399	$ 17,852
All Other						
Pools	$ (1,664)	$ (1,990)	$ 325	$ 123,255	$ 124,499	$ (1,244)
DSH / UPL	150,000	287,887	(137,887)	607,345	430,887	176,459
Grants, Intracity, Tax Levy	4,579	3,896	682	317,760	122,561	195,199
Appeals & Settlements	(4,116)	(2,197)	(1,919)	14,860	(9,579)	24,439
Misc / Capital Reimb	5,281	3,991	1,290	35,300	23,439	11,860
Total All Other	$ 154,079	$ 291,587	$ (137,508)	$ 1,098,520	$ 691,807	$ 406,713
Total Cash Receipts	**$ 437,822**	**$ 547,900**	**$ (110,078)**	**$ 2,581,176**	**$ 2,135,342**	**$ 445,834**
Cash Disbursements						
PS	$ 211,188	$ 200,403	$ (10,785)	$ 1,132,404	$ 1,129,220	$ (3,184)
Fringe Benefits	63,440	59,067	(4,374)	353,522	340,475	(13,047)
OTPS	109,863	115,920	6,056	630,561	602,481	(28,080)
City Payments	-	-	0	309,405	-	(309,405)
Affiliation	81,604	73,109	(8,495)	432,380	398,008	(34,372)
HHC Bonds Debt	6,858	6,838	(20)	33,798	33,869	71
Total Cash Disbursements	**$ 472,954**	**$ 455,336**	**$ (17,617)**	**$ 2,892,070**	**$ 2,504,053**	**$ (388,018)**
Receipts over/(under) Disbursements	**$ (35,132)**	**$ 92,563**	**$ (127,695)**	**$ (310,894)**	**$ (368,711)**	**$ 57,816**

New York City Health & Hospitals Corporation
Actual vs Budget Report
Fiscal Year 2016 (in 000's)
TOTAL CORPORATION

	Month of November 2015			Fiscal Year To Date November 2015		
	actual 2016	budget 2016	better / (worse)	actual 2016	budget 2016	better / (worse)
Cash Receipts						
Inpatient						
Medicaid Fee for Service	$ 69,684	$ 67,260	$ 2,424	$ 379,122	$ 372,058	$ 7,064
Medicaid Managed Care	52,943	57,003	(4,059)	288,180	298,839	(10,659)
Medicare	43,705	40,257	3,447	229,556	221,415	8,141
Medicare Managed Care	22,139	20,735	1,403	108,518	119,223	(10,704)
Other	16,581	18,635	(2,054)	85,029	102,925	(17,896)
Total Inpatient	$ 205,052	$ 203,890	$ 1,162	$ 1,090,405	$ 1,114,459	$ (24,055)
Outpatient						
Medicaid Fee for Service	$ 9,275	$ 6,529	$ 2,747	$ 58,424	$ 67,059	$ (8,635)
Medicaid Managed Care	34,586	35,238	(653)	197,306	206,742	(9,436)
Medicare	4,285	5,325	(1,040)	24,070	29,285	(5,215)
Medicare Managed Care	20,109	21,500	(1,391)	52,023	53,701	(1,678)
Other	10,436	10,458	(23)	60,428	62,453	(2,025)
Total Outpatient	$ 78,691	$ 79,050	$ (359)	$ 392,251	$ 419,240	$ (26,990)
All Other						
Pools	$ (1,664)	$ (1,591)	$ (73)	$ 123,255	$ 123,803	$ (548)
DSH / UPL	150,000	150,000	0	607,345	607,345	(0)
Grants, Intracity, Tax Levy	4,579	4,590	(11)	317,760	318,302	(542)
Appeals & Settlements	(4,116)	-	(4,116)	14,860	(4,674)	19,534
Misc / Capital Reimb	5,281	3,146	2,134	35,300	25,912	9,387
Total All Other	$ 154,079	$ 156,145	$ (2,066)	$ 1,098,520	$ 1,070,689	$ 27,831
Total Cash Receipts	**$ 437,822**	**$ 439,085**	**$ (1,263)**	**$ 2,581,176**	**$ 2,604,388**	**$ (23,213)**
Cash Disbursements						
PS	$ 211,188	$ 204,388	$ (6,800)	$ 1,132,404	$ 1,110,485	$ (21,919)
Fringe Benefits	63,440	62,877	(564)	353,522	350,032	(3,490)
OTPS	109,863	103,574	(6,289)	630,561	576,509	(54,052)
City Payments	-	-	0	309,405	309,405	0
Affiliation	81,604	82,478	874	432,380	430,458	(1,921)
HHC Bonds Debt	6,858	6,815	(43)	33,798	34,075	277
Total Cash Disbursements	**$ 472,954**	**$ 460,131**	**$ (12,823)**	**$ 2,892,070**	**$ 2,810,965**	**$ (81,105)**
Receipts over/(under) Disbursements	**$ (35,132)**	**$ (21,046)**	**$ (14,086)**	**$ (310,894)**	**$ (206,576)**	**$ (104,318)**

INFORMATION ITEM - # 1

NYC HEALTH+ HOSPITALS

Finance Committee Board Presentation January 12, 2016

NYC HEALTH+ HOSPITALS | Bellevue

NYC HEALTH+ HOSPITALS | Carter

NYC HEALTH+ HOSPITALS | Coler

NYC HEALTH+ HOSPITALS | Gouverneur

NYC HEALTH+ HOSPITALS | Metropolitan

NYC HEALTH+ HOSPITALS

YTD November Utilization

	FY16	FY15	Variance	%
Discharges				
Bellevue	9,702	9,986	(284)	-2.8%
Metropolitan	4,108	3,639	469	12.9%
Days				
Bellevue	101,439	100,521	918	0.9%
Coler/ Carter	158,091	161,428	(3,337)	-2.1%
Gouverneur	31,155	30,745	410	1.3%
Metropolitan	33,660	30,294	3,366	11.1%

Visits				
Bellevue	248,597	244,341	4,256	1.7%
Gouverneur	104,292	108,392	(4,100)	-3.8%
Metropolitan	165,200	166,935	(1,735)	-1.0%

NYC HEALTH+ HOSPITALS

Global FTE Challenges

- Increased inpatient acute census (3.5%)
  - Increased 624 CMI adjusted discharges (4.5%)
- Increased acute case mix
- Increased CMI for Coler/Carter
- Increased psychiatry census / acuity
- Article 28 survey – Coler/Carter
- Respiratory Therapy Coverage – Coler/Carter
- Physical plant
- Technical issues to be worked out with Central Office Finance

NYC HEALTH+ HOSPITALS

Implemented Improvements

- Expansion of Saturday Medicine, LGBT clinic hours and Gouverneur sessional hours to improve patient access
- Revenue cycle committees
- Inpatient clinical documentation improvements
- Outpatient concurrent coding reimbursement improvement
- MetroPlus collaboration with Gouverneur for Community Open House and Back to School events
- Maintaining and improving MetroPlus retention rate
- Integrated physician referrals with local community providers
- Working with affiliate on productivity standards
- Improved LTACH/SNF rates at Carter
- SNF vent appeal

NYC HEALTH+ HOSPITALS

Ongoing Global FTE Management Efforts

- Tightened process for backfills and temporary staffing and limited personnel actions to critical positions. All other positions reviewed for Return on Investment (ROI) and alignment with 20/20 vision
- Weekly meetings with the Internal Review Committee (IRC) to review critical vacancies and temporary services
- Implemented and standardized overtime authorizations
- Monthly budget meetings with stakeholders
- Affiliation positions review weekly.
- Bi-weekly Joint Operations Committee (JOC) to review affiliation staffing requests
- FTE monitoring reports distributed to management every pay period
- Nash analytics to assist in reducing nursing premium costs

INFORMATION ITEM - # 2

NYC HEALTH+ HOSPITALS

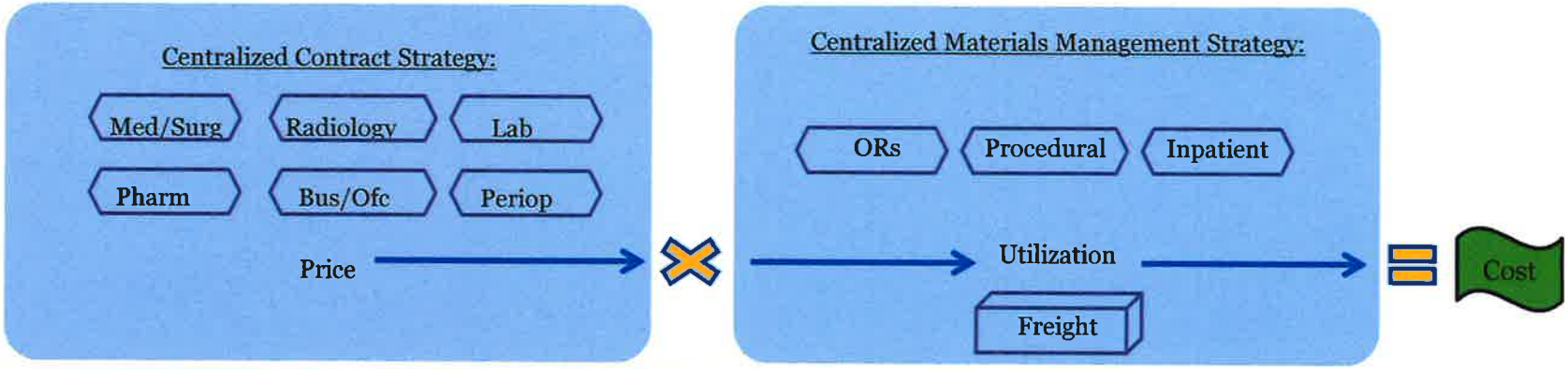
Supply Chain Services Update

Finance Committee Meeting
January 12, 2016

Paul Albertson, Sr. AVP, Supply Chain Services
Jun Amora, Director, Supply Chain Strategy
Joe Wilson, Sr. Director, Strategic Sourcing

NYC HEALTH+ HOSPITALS

NYC Health + Hospitals' Supply Chain Strategy on a Page



Centralized Technology:

- o Single Virtual Item Master
- o Contracts Stored in Contract Center, Enterprise Wide

Centralized Purchasing Team:

- o Standard Work Across Buyers
- o IDN Status (stop local contracting)
- o Visibility to All Contracts

NYC HEALTH+ HOSPITALS

Supply Chain Value to Health + Hospitals

Savings Tracker: July through November 2015

Row Labels	Contract	Cost Avoidance	Revenue	Grand Total
Med/Surg	$6,106,698.19	$372,627.00	$490,776.13	$6,970,101.32
Pharmacy	$10,657,422.04	$3,279,648.90	$7,386,870.84	$21,323,941.78
Peri-Op	$2,537,191.17			$2,537,191.17
Radiology	$1,658,120.08			$1,658,120.08
Business/Office	$939.35	$3,295.00		$4,234.35
Lab	$780,477.37			$780,477.37
Grand Total	$21,740,848.20	$3,655,570.90	$7,877,646.97	$33,274,066.07

*Data expressed as Contract Life Savings and only current as of 11/2015 savings tracker.
Definitions:
Contract - Savings from a reduction in price of currently purchased goods/services.
Cost Avoidance – Reductions / Discounts in the purchase of capital equipment
Revenue – Combination of Rebates from current vendors as well as revenue from contract pharmacies.

NYC HEALTH+ HOSPITALS

Revving up the Engines of Strategic Sourcing

Value Analysis Program –

Pharmacy:

- Contract pharmacies
- Renegotiated distributor agreement
- Partnering with M&PA and Pharmacy Directors to standardize corporate formulary

Laboratory:

- Partnering with M&PA, Lab leadership and NSLIJ
- New York Blood Center Agreement
- Chemistry, Hematology and Send-Out Testing RFP's

NYC HEALTH+ HOSPITALS

Projects in the Pipeline

Business/ Office

- PeopleSoft ERP - Contract Award Phase
- Office Supplies RFP – Data Collection Phase
- Managed Print Services – RFP Phase
- Document Storage – Data Collection Phase

Radiology

- McKesson Technologies Incorporate – Contract Award Phase
- Corporate Partnerships Opportunities

Laboratory

- Chemistry, Hematology and Reference Lab Vendor RFP's with NorthWell
- Standardization of Commodity Items

Pharmacy

- Corporate Formulary Build-out
- Expansion of 340B Program and Contract Pharmacies
- Review of PBM Contracts

Peri-Operative

- Standardization of Custom Packs
- Renegotiation of Hips/Knees and Spine
- Standardization of Commodity Items

Med-Surge

- Standardization of Infusion Pumps
- Standardization of Hypodermic Needles and Syringes
- Negative Wound Pressure Therapy

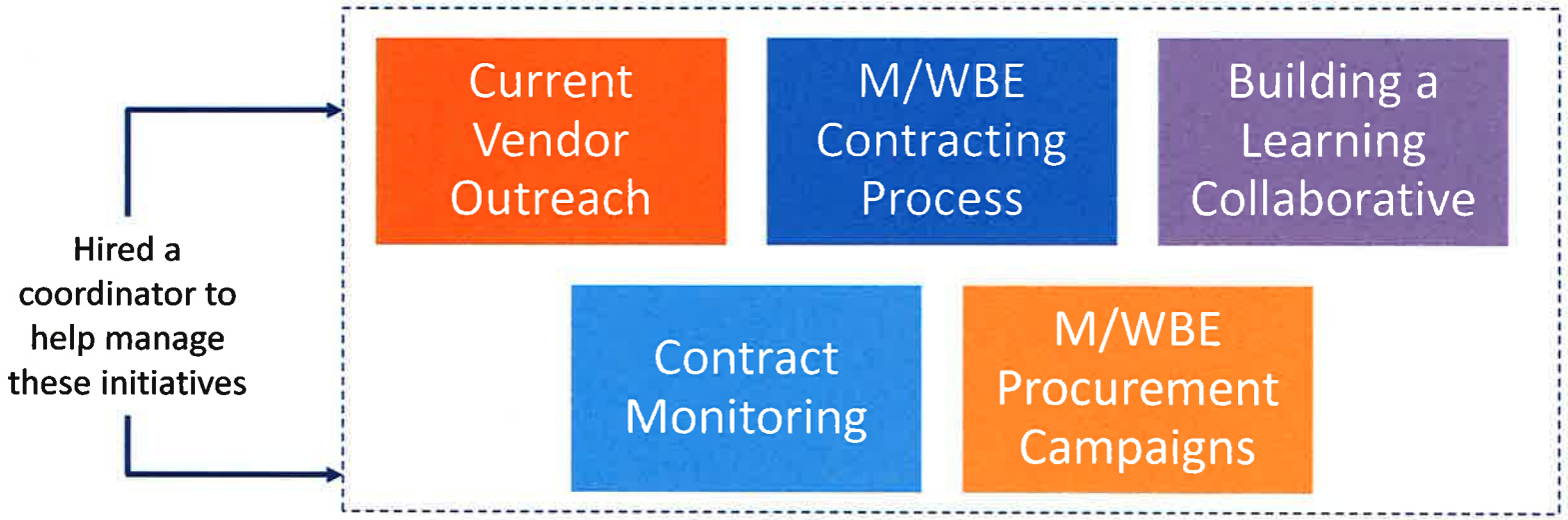
NYC HEALTH+ HOSPITALS

Diversity Supplier Base - Women and Minority owned Business Enterprises

Health + Hospitals spent $22.6M in FY '14 and $30.8M in FY '15.

New York State Goal - 30% of the spend of each contract

Plan - Continue to build out the M/WBE Contracting Program within Supply Chain Services. To date the following actions have been taken:

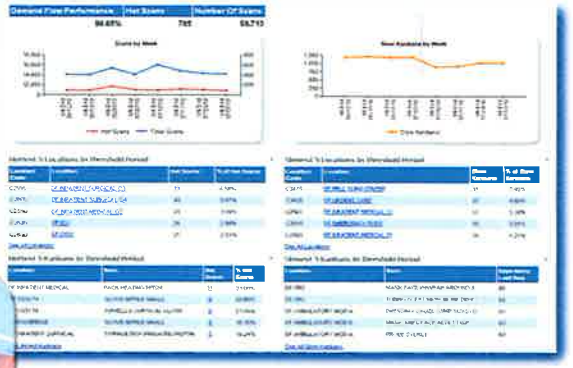


NYC HEALTH+ HOSPITALS

Business Transformation: Enterprise Resource Planning

- Time & Attendance
- Base Financials
- General Ledger
- Payroll
- Inventory
- Purchasing
- Budget
- Grants
- Asset Management
- Scheduling
- Cost accounting

- **Fully Integrated System**
- **Reduces reliance on paper-based processes**
- **Reduces reliance on custom legacy systems.**
- **Drive Improvements in operational Performance**
- **Standardize the following:**
  - **Chart of accounts**
  - **Inventory management**
  - **Payroll processing**
  - **Time keeping**
  - **Budget**



An ERP system is an integrated suite of business applications that share a common process and data model, covering broad and deep operational end-to-end processes, such as those found in finance, HR, distribution, manufacturing, service and the supply chain. - Gartner

INFORMATION ITEM - # 3

NYC HEALTH+ HOSPITALS

Short Term Capital Financing

Quarterly Report to the Finance Committee

Date: January 12, 2016

NYC HEALTH+ HOSPITALS

Short Term Financing Program

- Through resolutions approved in July 2013, April 2015 and September 2015, the NYC Health + Hospitals Board has authorized equipment and other short term financing of to $120 million, with the goal of allowing the system to establish a flexible short term financing program with as needed access to capital funds from one or more banks over multiple years.

- After development of a secondary Health Care Reimbursement Revenue lien security, a JP Morgan Chase financing for up to $60 million worth of primarily equipment purchases closed on July 9, 2015.

- Citibank financing for up to $60 million worth of mostly routine renovation and IT projects closed on October 14, 2015.

NYC HEALTH+ HOSPITALS

Short Term Financing Loans

JP Morgan Chase

- Size: Up to $60 million
- Term: 12 month drawdown period at a variable rate, converting to a six year fixed rate loan
- Security: First lien on equipment, and secondary pledge of Health Care Reimbursement Revenues
- Interest Rates:
  - Drawdown Period: 0.9681%
  - Fixed Loan: 1.7608%
  - Indicative rates based on index rates as of December 4, 2015 and January 7, 2016 respectively

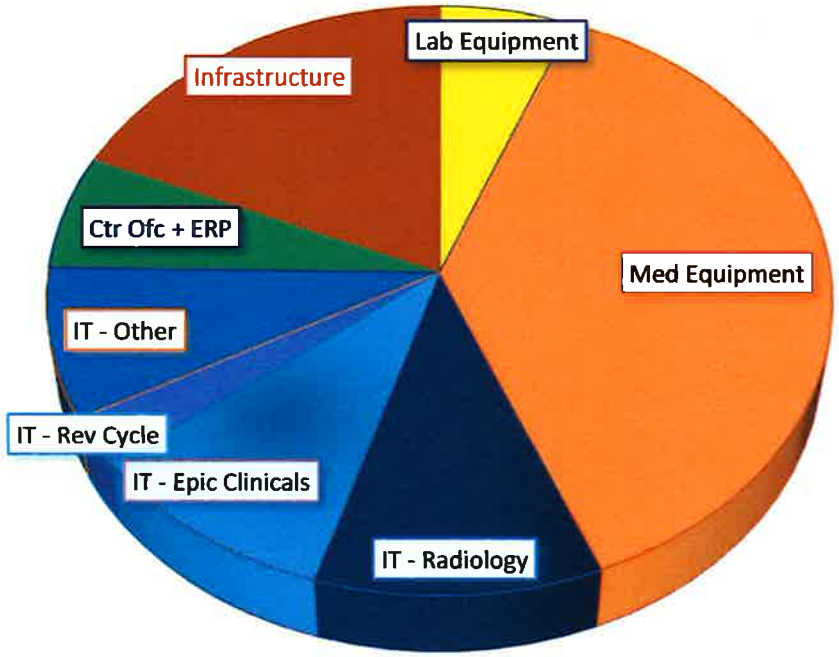
Citibank

- Size: Up to $60 million
- Term: Variable rate revolving loan with three year maturity
- Security: Secondary pledge of Health Care Reimbursement Revenues
- Interest Rate:
  - 0.7600%
  - Indicative rate based on index rates as of November 26, 2015

NYC HEALTH+ HOSPITALS

Planned Spending by Category

COMBINED SPENDING



	JPM Loan	Citi Loan
Lab Equip	11.90%	-
Med Equip	73.75%	2.02%
IT – Radiology	12.28%	9.38%
IT – Epic Clinicals	-	19.56%
IT – Rev Cycle	-	5.19%
IT - Other	-	16.43%
Ctrl Ofc + ERP	0.31%	12.23%
Infrastructure	1.77%	35.19%
	100.00%	100.00%

Note: These allocations are as of October 30, 2015 and are subject to change. Facilities are allowed to substitute and re-prioritize projects through the loan period.

NYC HEALTH+ HOSPITALS

Short Term Loan Activity ($millions)

- JP Morgan Chase

Date	Activity/Action	Remaining Loan Capacity	Borrowed Funds
7/9/2015	Issuance	60.000	0.000
7/9/2015	Initial Drawdown	(10.000)	10.000
Total		**50.000**	**10.000**
Vouched Capital Expenses as of December 2015			(7.211)
Cost of Issuance			(0.187)
Unspent Borrowed Funds Balance			**2.602**

Outstanding Encumbrances as of December 2015	**14.457**

- Citibank

Date	Activity/Action	Remaining Loan Capacity	Borrowed Funds
10/14/2015	Issuance	60.000	0.000
10/14/2015	Initial Drawdown	(10.000)	10.000
Total		**50.000**	**10.000**
Vouched Capital Expenses as of December 2015			(0.159)
Cost of Issuance			(0.250)
Unspent Borrowed Funds Balance			**9.591**

Outstanding Encumbrances as of December 2015	**0.327**