

BOARD OF DIRECTORS MEETING
FRIDAY, SEPTEMBER 29, 2017
A•G•E•N•D•A

CALL TO ORDER - 10:00 AM

Mr. Campbell

- Adoption of Minutes: July 27, 2017
September 6, 2017-Executive Committee

Executive Session | Personnel Matter

Acting Chair’s Report

Mr. Campbell

Interim President’s Report

Mr. Brezenoff

>> Action Items<<

- RESOLUTION adopting NYC Health + Hospitals’ **Mission Statement and Performance Measures** for Fiscal Year 2017 as required by the **Public Authorities Reform Act** of 2009, which requires a local public authority such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.
- RESOLUTION authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with **Huron Consulting Group Inc.** to provide consulting services regarding the System’s supply chain operations and other operations that impact Other than Personal Services (“OTPS”) costs over an eighteen-month period which are estimated to yield estimated ongoing and recurrent annual savings in OTPS expenditures ranging from \$69 million to \$162 million, for an estimated total compensation to Huron, not to exceed \$11.7 million.
(Finance Committee – 09/13/2017) **EEO:** Approved / **VENDEX:** Pending
- RESOLUTION authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute an extension of the existing agreements with **Arcadis U.S., Inc. and with Parsons Brinckerhoff, Inc.** for a term of five years for an amount not to exceed \$1,277,702.94, which consists of the balance of funds left unused from the prior contract with these firms in order for such firms to continue planning and design services for Hurricane Sandy repair and mitigation projects.
(Capital Committee – 09/13/2017) **EEO:** Conditional / **VENDEX:** Pending
- RESOLUTION authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five year revocable **license agreement** with the **Federal Bureau of Investigation** of the United States Department of Justice for its continued use and occupancy of 150 square feet of space on the roof of the Main Building and the 14th Floor Mechanical Room to house communications equipment at NYC Health + Hospitals| **Coney Island** at an annual occupancy fee of \$9,299 or \$61.32 per square foot to be escalated by 3% per year for a five year total of \$49,370.
(Capital Committee – 09/13/2017)
- RESOLUTION authorizing the NYC Health + Hospitals (the “Health Care System”) to execute a three-year revocable **license agreement** with the **New York City Department of Housing Preservation and Development** for the Corporation’s continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the **Ida G. Israel Community Health Center** managed by Coney Island Hospital Center at an annual payment to HPD of \$130,000 for a total over the three year term of \$390,000.
(Capital Committee – 09/13/2017)

Mr. Campbell

Mr. Rosen

Mr. Page

Mr. Page

Mr. Page

(over)

<p>7. RESOLUTION authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute a five year revocable license agreement with Touro College & University System for full-time use and occupancy of approximately 11,218 sq. ft. located on the 4th Floor of the Samuel Kountz Pavilion at NYC Health + Hospitals Harlem to operate the Harlem Hospital Center School for Radiologic Technology at an occupancy fee of \$47 per sq. ft. for a total annual amount of \$527,246 during the first year to be escalated by 2.5% per year. (Capital Committee – 09/13/2017) VENDEX: Pending</p>	<p>Mr. Page</p>
<p>8. RESOLUTION authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to approve a Capital Project for an amount not to exceed \$23,000,000 for planning, pre-construction, design, construction and construction management services necessary for the upgrade of the emergency power distribution system providing a Type 1 Essential Electrical System at NYC Health + Hospitals Harlem. (Capital Committee – 09/13/2017)</p>	<p>Mr. Page</p>
<p>9. RESOLUTION adopting a Second Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors of New York City Health and Hospitals Corporation (the “System”) and directing the President of the System to prepare a revision of Operating Procedure 100-05 to implement such Statement of Policy. (Finance Committee – 09/13/2017)</p>	<p>Mr. Rosen</p>
<p><u>Committee Reports</u></p> <ul style="list-style-type: none"> ➤ Audit ➤ Capital ➤ Community Relations ➤ Finance ➤ Medical & Professional Affairs 	<p>Ms. Youssouf Mr. Page Mrs. Bolus Mr. Rosen Dr. Calamia</p>
<p><u>Subsidiary Board Reports</u></p> <ul style="list-style-type: none"> ➤ MetroPlus Health Plan, Inc. 	<p>Mr. Rosen</p>
<p><u>Executive Session Facility Governing Body Report</u></p> <ul style="list-style-type: none"> ➤ NYC Health + Hospitals Woodhull Semi-Annual Governing Body Report (Written Submission Only) ➤ NYC Health + Hospitals Lincoln ➤ NYC Health + Hospitals Gouverneur 2016 Performance Improvement Plan and Evaluation (Written Submission Only) ➤ NYC Health + Hospitals Cumberland Gotham Health 	
<p>>>Old Business<< >>New Business<<</p>	
<p><u>Adjournment</u></p>	<p>Mr. Campbell</p>

NYC HEALTH + HOSPITALS

A meeting of the Board of Directors of NYC Health + Hospitals was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 27th day of July 2017 at 3:00 P.M. pursuant to a notice which was sent to all of the Directors of NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

Mr. Gordon J. Campbell
Mr. Stanley Brezenoff
Ms. Helen Arteaga Landaverde
Dr. Mary T. Bassett
Josephine Bolus, R.N.
Dr. Jo Ivey Boufford
Dr. Vincent Calamia
Barbara A. Lowe, R.N.
Mr. Robert Nolan
Mr. Mark Page
Mr. Bernard Rosen

Karen Lane was in attendance representing Commissioner Steven Banks, and Deborah Brown was in attendance representing Dr. Herminia Palacio, each in a voting capacity.

Mr. Gordon Campbell chaired the meeting and Mr. Salvatore Russo, Secretary to the Board, kept the minutes thereof.

ADOPTION OF MINUTES

The minutes of the meeting of the Board of Directors held on June 22, 2017 were presented to the Board. Then on motion made by Mr. Campbell and duly seconded, the Board unanimously adopted the minutes.

1. **RESOLVED**, that the minutes of the meeting of the Board of Directors held on June 22, 2017, copies of which have been presented to this meeting, be and hereby are adopted.

CHAIRPERSON'S REPORT

Mr. Campbell thanked Board members Mrs. Bolus and Ms. Lowe for participating in the July 18, 2017 Marjorie Matthews' Community Advocate recognition celebration at the Coler Campus on Roosevelt Island. Mrs. Bolus reported that Ms. Matthews was quite an advocate for the System and the event honoring those volunteers was a success. She also thanked the team of John Jurenko, Vice President for Intergovernmental Relations, for organizing the event.

Mr. Campbell updated the Board on approved and pending Vendex.

PRESIDENT'S REPORT

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

Mr. John Jurenko, Vice President, Intergovernmental Relations, updated the Board on current events surrounding the future of the Affordable Health Care Act.

ACTION ITEMS

RESOLUTION

2. Authorizing the New York City Health and Hospitals Corporation (the "System") to enter into an agreement with **St. Georges University** ("SGU") effective July 1, 2017 for the System to accept and for SGU to send approximately 380 of its third and fourth year medical students to rotate and receive training at the system's facilities which training is structured, provided and

administered by staff of SGU for which SGU will pay the system both an annual fee per system facility where SGU students are placed, and a fee per student for each week he/she rotates through a system facility as detailed in the executive summary attached which will generate income to the system of approximately \$12,105,600 per year with increases of 3% per year starting in 2019 for a term of three years with two, two-year options exclusive to the system.

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

RESOLUTION

3. Authorizing the New York City Health and Hospitals Corporation (the "system") to execute an agreement with **Huron Consulting Group Inc.** to provide a **revenue cycle optimization program** for the entire system over a 2-year period, yielding estimated ongoing enhanced annual revenue range of \$130 and \$290 million, and a one-time annual revenue recovery range of \$30 and 50 million, for an estimated total compensation to Huron, not to exceed \$37 million, inclusive of expenses, based on the achievement of program milestones.

William Foley, Senior Vice President of Acute and Ambulatory Care, and PV Anantharam, Senior Vice President/Chief Financial Officer, explained why revenue cycle management is critical, particularly in light of our significant deficit, and described the savings that we expect to achieve.

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

RESOLUTION

4. Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the **New York Power Authority** ("NYPA") for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new cooling tower at NYC Health + Hospitals/**Lincoln**.

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

RESOLUTION

5. Authorizing the New York City Health + Hospitals ("NYC Health + Hospitals") to execute an agreement with the **New York City Department of Citywide Administrative Services ("DCAS")** and the **New York Power Authority ("NYPA")** for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant at NYC Health + Hospitals/Coler.

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

RESOLUTION

6. Authorizing the New York City Health + Hospitals ("NYC Health + Hospitals") to execute an agreement with the **New York City Department of Citywide Administrative Services ("DCAS")** and the **New York Power Authority ("NYPA")** for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to replace and upgrade a new boiler plant at NYC Health + Hospitals/Cumberland.

The originally proposed resolution was amended to reflect that the project involves the replacement as well as the upgrade of the boiler plant

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

RESOLUTION

7. Authorizing the New York City Health + Hospitals ("NYC Health + Hospitals") to execute a five-year **lease agreement** with **Shui's Realty Inc.** for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a **Women, Infants and Children Program (the "WIC" Program)** managed by NYC Health + Hospitals/Bellevue at a base rent of \$56.86 per square foot, or

\$87,000 per year to be escalated by 3% per year for a total base rent over the five-year term of \$461,894.82

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

RESOLUTION

8. Authorizing the New York City Health + Hospitals ("NYC Health + Hospitals") to execute a five year revocable **license agreement** with **Eyes and Optics** for its continued use and occupancy of 100 square feet of space to **operate an optical dispensary** at **Gouverneur Healthcare Services** at an annual occupancy fee of \$5,216 per square foot to be escalated by 3% per year for a five year total of \$27,692.00

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

RESOLUTION

9. Authorizing the New York City Health + Hospitals ("NYC Health + Hospitals") to execute a five year revocable **license agreement** with **the New York City Human Resources Administration ("HRA")** permitting HRA's use and occupancy of approximately 470 square feet of space in NYC Health + Hospital/**Metropolitan** through June 30, 2018 with four one-year renewals for the operation of the **New York City Identification Card Program** with the occupancy fee waived.

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

RESOLUTION

10. Authorizing the Executive Director of **MetroPlus Health Plan, Inc.** to negotiate and execute a contract with **HealthPlex, Inc.** to provide **administration of dental services** for a term of three years with two options to renew for one year each, solely exercisable by MetroPlus, for an amount not to exceed \$8.5 million per year.

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

RESOLUTION

11. Appointing Sara Gillen as a member of the Board of Directors of MetroPlus Health Plan, Inc. a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York, to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

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

SUBSIDIARY AND BOARD COMMITTEE REPORTS

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

Mr. Campbell received the Board's approval to convene an Executive Session to discuss matters of quality assurance, potential litigation and personnel issues.

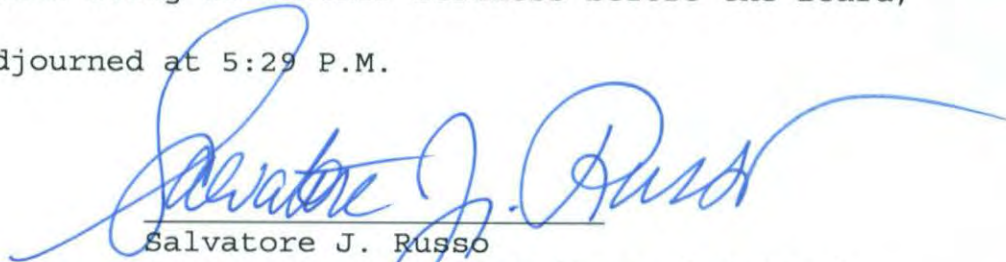
FACILITY GOVERNING BODY/EXECUTIVE SESSION

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

The Board also received and approved the 2016 performance improvement plan and evaluation for NYC Health + Hospitals/Segundo Ruiz Diagnostic and Treatment Center/Gotham Health.

ADJOURNMENT

Thereupon, there being no further business before the Board, the meeting was adjourned at 5:29 P.M.



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

COMMITTEE REPORT

Audit Committee – June 13, 2017

As reported by Ms. Emily Youssouf

Members Present: Emily Youssouf, Mark Page, Josephine Bolus, RN, Gordon Campbell, Stanley Brezenoff

Presentation by KPMG - Audit Plan.

Ms. Tiso introduced herself and colleagues as follows: Maria Tiso, Lead Audit Partner; Joe Bukzin, Team Manager and Mike Breen, Supporting Partner.

Ms. Tiso stated that I'd like to start the Committee off with our audit scope. These are the deliverables that we'll be issuing as part of our 2017 audit. We will be issuing four financial statement opinions, one on the Corporation's audit, the MetroPlus Health Plan, HHC Insurance Company and the HHC ACO. These financial statement deliverables are consistent to what we issued in the prior year.

We will also be issuing a management letter to the Audit Committee on various cost reports for the diagnostic and treatment centers and the skilled nursing facilities, an annual debt compliance letter, and then this year we'll also be issuing a completeness and accuracy census data attestation on the pension deliverable. We have to do this every three years, so this is the third year that we will have to be doing this.

We will be discussing the financial reporting frame work that we perform. The auditing is in accordance with US GAAP as well as Governmental Accounting Standards Board, and the applicable auditing standards are on US Generally Accepted Auditing Standards as well as Government Auditing Standards.

With our client service team, we depicted it a little bit differently this year. This is the core engagement team that's been consistent since the prior year. As mentioned at prior meetings, we also used subject matter professionals as part of our audit, and we will be using those individuals as it relates to tax, actuary and IT professionals. We also do use the minority business firm BCA Watson Rice, so they will be helping us through the audit as well as Healthcare Management Solutions staff, a women's business enterprise. Then we have other partners. Mr. Jim Martell will be joining us probably at the year-end Audit Committee as a healthcare resource. We have a concurring review partner that reviews the financial statements, and then we have another second partner reviewer for the MetroPlus and HHC Insurance.

Ms. Tiso said that I'm going to turn it over to Mr. Bukzin who is going to walk through our audit time line as well as materiality.

Mr. Bukzin saluted everyone and stated that materiality does require us to exercise professional judgment in this area. It's not an exact science. We do look at both quantitative metrics as well as qualitative factors, and we do also consider who the users of the financial statements are.

We've already started our planning process in terms of meeting with management and also having some of our own internal planning discussions amongst our team members to develop the audit plan, which we're presenting today.

This month and next month, we start spending some time visiting the locations, doing some detailed level test work and also working through management in terms of any non-routine transactions or events that we should consider as part of the audit process.

The year-end phase of field work, which begins in the early part of August and runs to the time which we will be issuing our opinion on the financial statements and reporting back to this Committee in December that is consistent with the prior year in terms of reporting on the Management Letter and the results of the audit.

This presentation covers some of the other deliverables in terms of MetroPlus, various cost reports and the insurance company. Those all occur for the most part at the end of 2017 and throughout 2018 with some timing to be worked out as it relates to the ACO for the 2016 and 2017 audit of that entity.

This presentation also touches upon some of the areas in which we will be working with others as part of the audit. We do have subcontractors as Ms. Tiso mentioned before. We've highlighted those areas in which those individuals will be assessing us.

Mr. Bukzin reported that we will not be assigned an internal auditor to assist us, and we did discuss that with the management team. He then turned the presentation over to Mr. Breen.

Mr. Breen began with the objectives of an audit. The objective is to express an opinion on the financial statements, that they're in accordance with generally accepted accounting principles with reasonable assurance. Essentially when you think about what's involved in an audit, it's testing the underlying accounting records. It's also looking at the accounting policies that management selects. It's looking at management's judgments on estimates, and it's also making sure the financial statements are properly presented.

When we talk about responsibilities, we mean management responsibilities. Those statements where we express our opinion, management is responsible for a fair presentation of those statements in accordance with generally accepted accounting principles. Management is also responsible for internal controls, design, implementation and maintenance of controls that would prevent a material misstatement to those financial statements. The Audit Committee responsibility is more over sight, so it's over sight of management and event reporting as well as the internal control environment.

KPMG is responsible to conduct our audit in accordance with professional standards. In the Corporation's case, it's the AICPA or the American Institute of Certified Public Accountants, and then we form and express an opinion whether those financial statements are in accordance with generally accepted accounting principles.

Mr. Bukzin stated that I just want to highlight some of our risk assessment focus areas. These are fairly consistent with the prior year as well. It has to do with evaluation of hospital patient accounts receivable, evaluating the accuracy of the research associated with the flexibility on those receivables. We do use a data analytics tool as part of our independent testing of that area, and with respect to the other two areas, we do have some expertise and subject matter professionals that assist us in those areas, including actuarial professionals.

The other areas which includes other than what was discussed previously, pension, post-retirement, rather large liabilities that are reported on the books and records with balances derived by an actuary report. The actuary assists management with that process, and we review the inputs into that as well.

Some of the other audit areas are routine in nature, but still a focus point, patient revenue streams, related party transactions with the City and also involving our IT professionals with the audit. We identified a couple of items that are on the horizon or that we are going to navigate through with the management team, whether it relates to DSRIP, changing in staff positions and new accounting standards that the City is planning to have the Corporation adopt.

Mr. Campbell asked how extensive is your work in terms of risk assessment and your effort on the auditing and who comprises that team around IT?

Mr. Bukzin answered that we do involve IT professionals as part of the audit, and that does look at changes to the systems. Now, if it's a system change that is not impacting this current fiscal year, they would not be part of the audit scope, so I know there is a go- live in July, which will be next year's focus, so that will be something that would be part of a change in scope for next year's audit where we would focus some attention on that particular project.

From a risk assessment perspective, we do a lot of detail testing as well because information that's produced by the organization, whether it's system generated reports, there's a couple of things that are really important from that perspective. One is are they complete and is the information presented accurate. So we do perform a number of procedures to get comfortable with the information that's coming out of the IT systems.

Mr. Campbell requested that it would be helpful when you are presenting the audit letter in December if you could really drill down on that because my sense is we should be doing more rather than less in this area, so I really would encourage you to give it your all, and I would like to have a detail.

Ms. Youssouf stated that I think we should. That is something we would bring up for next year.

Ms. Tiso reported that another area that we look at every year is liquidity. The auditors are responsible to evaluate if there's a substantial doubt about the entity's ability to continue as a going concern. Some of the liquidity considerations we look at, income loss from operations, various trends that occurred over the past several years. We'll look at working capital trends. We'll look at net deficit position, compliance with debt covenant. So we will be doing our preliminary assessment of liquidity when we receive the March 31st internal financial statements.

Some of the information that we will most likely be requesting from management as we go through the audit, looking at fiscal 2018 budgets and cash flow projections, getting written representations from management regarding ongoing plans, looking at the Transforming Health + Hospitals report, also looking at the 2017 budget as it relates to the current actual results.

As part of our audit, we are required to do the SAS 99 inquiries, and what that is, is inquiries as it relates to fraudulent financial statement audits. These are the individuals. There will be others too that are probably not listed on here that we'll have meetings with to discuss fraud.

KPMG's independence as it relates to the Corporation, we have various checks and balances to make sure that we are independent, so this a list of the policies and procedures that we have to enhance our independence.

- Pre-approval of all worldwide engagements by the audit engagement team through Sentinel, a KPMG independence and conflict checking system (includes services for/relationships with the audit client, its affiliates, and its affiliated persons).
- Tracking partner rotation requirements using PRS, the firm's automated partner rotation tracking system.
- Automated investment tracking system used by all KPMG member firms (KICS).
- Training and awareness programs, including a required annual independence training deployed globally.
- Annual independence confirmation required for all partners and employees and for all new joiners to the firm.
- Compliance testing programs.
- Formal disciplinary policy and process.
- Annual reporting to the Audit Committee regarding independence.

These are the resources that are available to the Audit Committee as it relates to the audit, various committee insights and quarterly reports that KPMG puts out that are available to the Audit Committee members.

- www.kpmg.com/aci
- Publications of the ACI
- Audit Committee insights: www.kpmginsights.com
- Audit Committee quarterly: <http://www.kpmg.com/aci/quarterly.htm>
- Audit Committee institute roundtables: www.kpmg.com/aci/roundtables.htm
- ACI Website: www.kpmg.com/aci
- ACI mailbox: auditcommittee@kpmg.com
- ACI hotline: 1-877-KPMG-ACI
- Healthcare publications
- KPMG insiders, Healthcare: www.kpmginsiders.com
- Healthcare business briefing

Lastly, these are the new accounting pronouncements that we'll be working through with Mr. Anantharam and Mr. Weinman during the year to see the impact that they have on the financial statements. They've already I think met with the City of New York to see which items that they'll be adopting early, so we need to be consistent with the City of New York, and we've already had this conversation as well.

GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

— Effective for reporting periods beginning after June 15, 2017.

GASB 80, Blending Requirements for Certain Component Units: An amendment of GASB Statement No. 14

— Effective for reporting periods beginning after June 15, 2016.

GASB 82, Pension Issues: An amendment of GASB Statements No. 67, No. 68, and No. 73

— Effective for reporting periods beginning after June 15, 2016.

GASB 85, Omnibus 2017

— Effective for reporting periods beginning after June 15, 2017.

Mr. Tiso then announced that that concluded our audit plan.

Ms. Youssouf thanked them and turned the meeting over to Mr. Telano for the Internal Audits update.

Mr. Telano saluted everyone and reported that I will start the briefing with a summary of the audit that the New York City Comptroller's Office is currently conducting of the Electronic Medical Record System (EPIC). This audit began in September 2016, and they informed us that they plan on completing the fieldwork by September 2017, and then a report will follow, so that audit is ongoing.

Next, this is an audit by the State Comptroller's Office of Nurses' Qualifications. This appears to be a corporate-wide audit as they have gone to Corporate Human Resources, Bellevue, Home Health Care Agency, and they're planning on going to Kings County later this week. They are doing testing and reviewing of nurses' Human Resources files.

Mrs. Bolus asked if there's any reason for the request for Nurses' Qualifications Audit.

Mr. Telano responded no, they did not. We did ask.

Mr. Russo added that we did, they took the fifth.

Moving on to the completed audits, the first audit that will be discussed, is the audit of Corporate Payroll. He asked for the appropriate individuals to approach the table and introduce themselves, they did follows: Elizabeth Guzman, Assistant Vice President, Payroll and Accounts Payable; Mr. John Yan, Senior Director, Payroll; Mr. Weinman, Corporate Comptroller.

Mr. Telano stated that I will go through the findings first, and then you can respond to them. The first issue notes that the Payroll Department is utilizing two different bank accounts to process the payroll since 2003 and as of October 2016 there was a bank reconciliation difference of over \$857,000. This amount would have been higher if not for adjustments made in 2011. We recommended that these two accounts be closed and be replaced by a single bank account, and then once the activity and transactions of the two accounts come to an end, the differences can be written off, and then after the first month of the new account any differences would be easily researchable .

The payroll system does not require additions to employee wages to be approved within that system. Currently there's a form in which approval is indicated; however, there's no verification within the system that the amount on the form was the amount that was actually processed, and there is no required approval within that system.

The processing of payroll is not always done timely or efficient. We noted during the first ten months of 2016, there were over 1600 timesheets with unresolved errors due to coding and scanning issues. We reviewed 24 time sheets with errors and revealed that 20 of them were not resolved timely. Also we reviewed 24 timesheets that were not submitted and found that the requests for those timesheets was also not done timely.

Ms. Youssouf asked how you are planning to or have addressed these issues.

Mr. Weinman stated first I just want to thank Internal Audits for bringing up some of these issues because there were two banking issues in the findings, and I think this is important, and I'll address those, then I'll turn it over to Ms. Guzman for the operations.

The first one is the two accounts. We set up two accounts many years ago to prevent fraud. This way it's hard to determine which bank account we were writing the checks from. Since we have Positive Pay, a system that the bank gets a list from us of all the checks that are distributed, that is the fraud prevention measure that we have in place, and because of it there's really no need for the two bank accounts. I thank you for pointing that out. We're eliminating one account. In fact we have not used it since May, and we will run it out for about six months until we can close it or we reconcile it. The other account that has the smaller balance will remain open, and we will continue to reconcile it.

The other issue is on lack of signatures. There were three checks that were presented by employees that were returned because they did not have signatures on them, so it was pretty embarrassing. We could not figure out exactly what the issue was. We already review every 25th check, and we moved it to every 20th check just to check that all the signatures were there. What we found out from the bank just recently was that the tricolored stamp that we use, has three colors, sometimes it's not picked up by certain scanners, so what happens is when the tricolor stamp is used and it runs through ATM machines, they most likely won't be able to scan them properly. What we've done with investigations both from Deloitte consultants that we have for the ERP system and JPMorgan is that because we have the Positive Pay already in place, we probably don't need the tricolored stamp anymore, so we are going to move to just black ink. That should save us money, it should save us time and certainly will prevent -- we hope it will prevent some of these scanning errors. The City also does the same thing.

Ms. Guzman stated that the last issue that Mr. Telano mentioned is the processing of time sheets. That is kind of also the nature of the beast. The process of scanning and processing timesheets is labor intensive, but what we are doing is that we did create kind of a higher - level report through IT that kind of lets us know how many errors we have that need to be processed, how many timesheets are missing so we get a sense of what the backlog is. We manage it better, so those reports are starting to come out. There is also the calendar year that closed in April. Typically what happens there is a rush to kind of close the year. Timesheets are coming in, and then it kind of ebbs and flows, drops and then goes up again, but we are just going to have to manage it as best we can in terms of really having a process in place and just looking at what is out there much more regularly to ensure that when there is a backlog we are kind of trying to focus on it to address it.

Ms. Youssouf asked didn't we talk about something else on the way for timesheets?

Mr. Anantharam answered that we discussed the idea of electronic capture of time records so that we don't have as many scanner errors. There currently is a system wide process of actually having the employee log in at the supervisor's desk. We are still looking at it, but it appears there may be a hitch in allowing people to do electronic time keeping on a regular basis. Some of the titles like group 11, that's possible, but we are still investigating it. We have to look at labor practices across the System to figure out whether it is something that can be established across.

Ms. Youssouf commented that again, as we had discussed, it would be a relatively simple fix and that as other people said that they get on a computer and fill out requests for vacation and we are dragging our feet on it.

Mr. Anantharam stated that I don't disagree at all. I just want to make sure that we are not contravening existing policies and procedures, and the only issue there is about line staff who have to register their attendance in the beginning of the day and at the end of the day at their supervisor's desk. If we can find a way to affirm that positively, then we definitely should note that. The idea in ERP is essentially to have a biometric print that establishes a time of entry, and that can happen anywhere in the system. The current practice seems to be a signing at the supervisor's desk, so depending on how prevalent that is, we might have to figure out work arounds on it, but we are looking into it.

Ms. Guzman added that just to be clear though, the errors are like one percent of the problem, less than one percent. The larger issue is just getting the time sheets processed.

Ms. Youssouf added that yes. That's what we were trying to alleviate, so you'll keep us posted on that.

Mr. Anantharam said absolutely, it's clearly an intention across the System. Everybody wants to get to a place where there are a lot fewer of these errors. That's the only one box that we need to check off.

Mr. Telano continued with the briefing stating that this was an audit of the Pharmacy Department at McKinney. Will the representatives from McKinney please come to the table and introduce yourselves please. They did as follows: David Weinstein, CEO; Christos Kouretsos, Pharmacy Director and Charmaine Lewis, Deputy Executive Director.

The first issue has to do with the management and the security over the pharmacy inventory. We did a count during the audit and found a 50 percent error rate mostly due to the lack of timely updating of the inventory system.

Second, we found that the names of individuals with possession of keys and the quantity of keys distributed for access to the pharmacy medication rooms and narcotic cabinets are not tracked by the facility's management department. We also noted there were no cameras to monitor the movement of medication within the McKinney Pharmacy Department.

Moving on, we noted that the pharmacy director and one pharmacy technician both have eCommerce access to purchase and receive pharmaceutical items. In addition, the pharmacy director had the ability to adjust inventory, and the technician could approve purchases. So in summary the technician could approve, purchase, and receive pharmaceutical items.

We also found that four individuals outside of the Pharmacy Department and one Central Office employee had access to the pharmacy system. We also noted that the system, QS 1, is not robust enough to use as an analytical tool. Though the system does generate billing reports, it does not provide information to trend the number of claims denied or the number appealed or over turned. We found 19 Accounts Payable credit memos from 2014 totaling \$21,000 that were not processed. Lastly we found that the ordering of narcotics were not done through the system. Instead they were done manually by filling out a form, which basically resulted in the ordering being extended.

Ms. Youssouf asked could you please address these, what you are doing or have done, please.

Mr. Kouretsos reported that the first one, the inventory discrepancies, is under the review of eCommerce. The eCommerce team had to retrain our staff and reset all the priorities for the individuals required to do the various functions that were needed there. That was done on the 21st of April and the 8th of April, the 5th of May and the 17th of May under the review of Mr. Hector Ramirez, the eCommerce administrator, so that's the actual inventory discrepancies. The inventory discrepancies were due to untimely removal of stock from the stores. Due to a staffing situation, that has been improved.

The physical security has been amended to show cameras inside the pharmacy and outside the pharmacy, and the Director of Security at Kings County Mr. Juan Checo was in charge and did that. I have memos showing that cameras are live in the facility and feeding live stream to the main feed at Kings County.

Ms. Youssouf asked if there is some kind of check with the inventory against the cameras of who goes in and takes stuff out, or is there some way of cross-referencing that.

Mr. Kouretsos continued and stated that the process used by eCommerce is a tickler system, a list. Then that list is given to the person to review those. As far as the cameras, there were never cameras that were placed in the facility. We're not talking about a pharmacy with different rooms. We're talking about a pharmacy that only has one room, a direct and indirect view of a pharmacy.

Mrs. Bolus asked if there were no camera. To which Mr. Kouretsos answered that there is cameras now. There were no cameras before.

Ms. Youssouf asked if someone is looking at what the camera is capturing.

Mr. Kouretsos responded that there is live feed, and then there's a 30-day feedback at Kings County.

Mr. Kouretsos stated that regarding security issues, there are presently four pharmacists including myself, one pharmacist is on FMLA. So there are three keys. I have a key, my two pharmacists have a key. The remaining key is locked up in the pharmacy vault. As far as the keys in the box upstairs, the only one who has access to that is the nurse managers, and they have the keys are passed off at each shift change. Any change in keys or locks or cylinders are in my possession, and upon my request, those keys are changed out with supervision of myself and the Director of Building Services. Nobody else has the keys. Nobody has access.

Security access, there are once again the only ones allowed to change or enter such information are the pharmacists. In May 2016 there was a fire wall thrown up by the QS1 people as per New York State regulations. Anything after that time, no one was allowed to cross that fire wall without knowing the passwords. Earlier this year I had thrown up a second firewall, a change of passwords. Those are being changed as we speak, and I have a listing of all individuals who have access, granting of access as of June 1, 2017.

Management over sight of denials of pharmacy claim, a tele-conference and a meeting will be held with QS1. QS1 has trained the pharmacy staff not only at McKinney, but the other four SNF's to use the QS1 system, and we are at this time using best practices.

To go above and beyond that, I have since requested an interview with QS1 and on site meetings with QS1 to say what else can be done in order to catch any and all receivables that may be left on the table. That meeting will occur in two weeks with my

presence, and a little help from the shifts, and if I do it correctly, I will train the other shift directors in best practice moving forward. With thanks to Mr. Telano, our unused credits are down to \$1,140. All credits are being applied accordingly and in good time and good order, and hopefully we will continue that way. We do not want to have \$20,000, \$30,000 left on the table.

Manual ordering of narcotics -- the standard format used by the pharmacy is a class 222 form, which is signed only by myself and authorized only by myself. There's an eight-step process required in order to change over switching into a CSOS system, which is ordering of controlled substances through computer access. It must be used only by one computer, only by one vendor, only by one person and only by one access number. That will go to process in coordination with Cardinal, QS1 and the DEA people in order to do that. Hopefully I'll get access to that, and then I'll have to get the backup pharmacist to do that. My backup plan is to use the 222 forms if process is not available or and if the system does go down, and eCommerce does go down from time to time.

Ms. Youssouf recommended to Chris Telano, that I think putting together what is the best practice for all of these would be really helpful because in the past issues similar to this have come up at other facilities. And obviously get copies to the Committee, but most importantly make sure to document that it is been sent to every facility so there's no ambiguity about what they should and should not be doing.

Mr. Campbell added that I just want to second Ms. Youssouf because I was thinking the exact same thing. Actually, it would be great for you to come back and report how you plan to cascade this throughout our acute-care hospitals as well ambulatory settings because I'd be surprised if there were not challenges similar in other facilities. If we can get a report back, that would go a long way.

Mrs. Bolus asked if the facility is still using the paper. To which Mr. Telano answered no. This is the first audit that was done at one of the nursing homes of the pharmacy department.

Mr. Telano moved onto the next audit, Temporary Nursing at Queens. He asked for the representatives to approach the table and introduce themselves. They did as follows: Chris Roker, CEO; Joan Gabriele, Chief Nursing Officer; Hedy Wang, Nursing Administration and Peter Maris, Director of Human Resources.

Mr. Telano stated that I'll go through the findings real quick.

First our review of invoices revealed 15 Agency Sign-In Logs could not be provided. We believe it was due to record-retention issues.

Second, we found 5 terminated employees that still had access to Epic. The HR Department did send e-mails to the EITS Department requesting them to be removed, but it was not processed.

Third, the nursing scheduling process is repetitive and time consuming. The scheduling system, ANSOS, is a three-step manual process that takes six weeks to complete.

Fourth, in looking at the scheduling system and looking at who has access in comparing it to the forms that are filled out upon request, we found the following discrepancies:

- 40 users' request forms did not match the Access Report's user roles and authority levels.
- 13 individuals, for whom request forms were completed, were not found in the ANSOS Users' Access Report.
- The User Access Report reflects active access for 3 individuals who are no longer required to access ANSOS, due to changes in their job duties or termination.
- 22 request forms were improperly signed off by the Requestor, instead of the required Department Head.
- 13 users' request forms were not retained and could not be verified.
- Two different ANSOS Access Request Forms were being used to request access, which creates confusion and errors when access is being granted.

Lastly, the personnel files for the temporary agency nurses were lacking relevant background check documents.

Ms. Youssouf asked could you please tell us how you addressed these or are planning to.

Ms. Gabriele responded that with regard to missing Agency Sign-In Logs, we accepted the findings and we now have a process in place to maintain the records for six years as required, and we are monitoring that and are in compliance.

Ms. Youssouf asked if you are retaining physically.

Ms. Wang answered that physically. Also we are going to scan into a shared drive, so everybody who is handling the agency access will be scanning those sign-in sheets to the shared drive.

Ms. Gabriele added that with regard to inaccurate access report, we have removed, reconciled any access users who are no longer part of the employ or used in our facility. We have reconciled all of that, and in the future obviously, we will monitor and make sure that our security access is accurate and maintained.

Mr. Guido reported that about 18 months ago, we brought up a project to consolidate all access levels throughout the organization. There were 24 different access points in, and it was managed from a federated standpoint. We have consolidated all 24 to one, so that has been completed. We also have made sure that every employee has to be in PeopleSoft now, so everybody is in there. If they are not in PeopleSoft, they will not get access to our systems, so that has been completed as well. We have put a process in place for the whole organization that tickets have to be submitted in order for us to take resources off. It's more of a training thing that we're going through once again to make sure everyone understands what the new process is moving forward.

Beginning of July we will have automated removal of resources. Once they are disconnected from the Corporation, they will be taken out of PeopleSoft. That will automatically remove all access to every one of our systems, so as we had stated about 18 months ago, we are on target.

Ms. Youssouf asked if that is system-wide.

Mr. Guide answered that that is system-wide for every system that we have in place and all security and also mobile access levels as well, so starting July we should be in very good shape that this is all automated. Our affiliates as well have access to PeopleSoft now. They are required now to take anybody out of PeopleSoft once they disconnect from our organization.

Mrs. Bolus asked if it's automatic. To which Mr. Guido responded that it will be automatic starting in July, so again we had a lot of work to do. We had to consolidate a lot of different access points.

Ms. Gabriele stated that in terms of improper record keeping and retention of documents, our agencies are required to keep these documents, We now have immediate access to these documents electronically through Vizient, and we are copying these documents and putting them in our files and maintaining a much better order to the file as was recommended by the auditors, so these documents are on site for immediate review if required.

Mr. Telano continued with the audit of affiliate operations of the Physician Affiliate Group of York City Health + Hospitals/Harlem. Will the appropriate individuals please come to the table? Introduce your selves, please: Luis Marcos, CEO; Reggie Odom, Chief HR Officer and Rob McKenna, Chief Affiliation Officer.

Mr. Telano reported that a review of 38 payments to contractors revealed that six invoices were paid in full although the providers did not complete the number of hours required by their contract. For example they were being paid eight hours although they only worked four hours, and some individuals working three and paid for four and in some instances paid for four and did not work at all.

As required by the contract, schedules are to be maintained by the various clinical departments in order to verify the hours worked, and the individuals were actually there. They are supposed to use these schedules to compare to the timesheets. However, they were not being maintained properly.

Moving on, this has to do once again with system access, and for the most part we see that Human Resources and PAGNY did send email notifications out to the appropriate parties, and once again EITS did not process it.

Last, regarding the recalculation process, it is not effective as it is completed in four different separate steps, and we recommended that it be more condensed and some of these steps be done at the same time.

Dr. Marcus said that we would like to address each of these findings. I mean to err is human, but that does not mean that we accept mistakes, and we welcome any suggestions for improvement, but I think it is important for us to address each one because things are a little bit more complicated than they sound. Let's start with the hours, and I will ask Reggie Odom and Rob McKenna to expand on that.

This finding applies to four physicians that work. We have a contract with Columbia University, and not only -- let's address first the issue of the time.

Mr. Odom reported that we have contracts with Columbia to provide support. One of the things that PAGNY did in response I think to a prior audit finding maybe a year or two ago is we made some adjustments to our standard contract to define that session that somebody provides support in to be a four-hour block. We were trying to be more precise about the time. One of the errors we made there was sometimes when we were engaging sub specialists and unique skill sets that we need, they don't necessarily always have a full panel of people to see during that four-hour block, so if you are doing a clinic related to sickle cell for example, maybe in that particular instance there's not enough patients. In that case the person may have only worked three hours, so we need to kind of go back to those contracts and redefine that and make sure it's clear in each of the instances.

Mrs. Bolus commented that I'm not so sure we are going to get the correct amount of people actually staying and not walking out the door a little bit earlier by doing that because at least we had them on a time frame and we knew to look for them so if a patient was coming in at the three-hour time, and the doctor decided that two hours and something he's seen everybody he wants to see and goes home. That patient coming in at three hours, he's not going to be seen by a specialist.

Mr. Odom stated that that's not really the issue. In these particular specialty clinics, they're appointment-based, and we don't really have walk-ins.

Mrs. Bolus added that you may not have walk-ins, but if you know the doctor's going to be there from 8:00 to 12 noon and you're having problems, especially sickle cell, and you're having a crisis and you're having difficulty getting there, and you just get there and he's walked out the door five minutes before because he didn't stay within that limit of time, then the patient is the one who's lost, and that's what I disagree with. That's why I disagree with the flexibility you put into this scheduling. The way you've written it, he can say I think I have seen everybody today and it's close to my time to leave, I'm going to leave, and he'll do so, and the patient will suffer.

Dr. Marcus commented that I think you are making a very good point. We have not had a situation where a patient was not seen because of this.

Mrs. Bolus added that that it's a possibility.

Dr. Marcus agreed that it is a possibility. This arrangement gets a little bit more complicated because these physicians give Harlem additional services that they don't charge us for. I'm saying this because I paid them by session even though in some cases they don't work the full four hours, the understanding is that these physicians have on-call time at home, and they don't charge us for that and other services.

Mr. McKenna reported that there are some services that Harlem asked them to do subsequent to the signing of the agreement. One of the major ones in this case pediatric surgery, which is a subspecialty, required backup calls be identified this year. So ADV Pediatric Surgery, which is the subcontractor in this place, just agreed to do that subservice, so there are times when we get additional services. We also utilize the chief of ADV Pediatric Surgery to be the chief of trauma at Harlem Hospital at no additional charge to the hospital so we believe that we are getting good value from these contracts besides the actual charge in the scope of services that we actually documented.

Mrs. Bolus asked do you have the documentation to show anything about whether this is a good deal or not. There's really no way to know? How do we know that we are getting the good end of the stick rather than the doctor?

Mr. McKenna answered that well, I'll tell you that for the best that we have done, and I think it's pretty adequate, we get a scope of services, which is very, very detailed, and it's very difficult because we often use small FTEs of these subcontracts. For example, somebody who is an HIV specialist for pediatrics. So the Columbia group presents what they feel should give you, and then the H + H lawyers argue back, and we go back until we get a compromise, and that is priced according to what both parties ultimately end up on, so we have quite a bit of push back from H + H to defend the hospital as well.

Ms. Youssouf asked do we have a contract that works a little more efficiently than these outstanding with others.

Mr. Telano responded yes, the majority of the contracts are all written that they just get paid the number of hours worked.

Ms. Youssouf suggested that if you could please give them a copy of the contracts which you believe are working properly and have it built in because you said there's some issue with how they have been written in the past. Perhaps it would be helpful to them. Can you be sure you do that?

Mr. Russo answered yes.

Ms. Youssouf stated that as far as employee access goes, I think we know what's going on with that. Is it the same thing?

Mr. Guido stated that it's the exact same thing, so we've made this enterprise-wide for anybody coming into our facility to work, so it's the exact same thing as we had previously talked about.

Ms. Youssouf said that the next thing is the recalc problem, which I know has been an issue. Fiscal year '15 is not completed yet. What is the continuing issue with that? Because I know you've tried a number of ways to have that work better.

Dr. Marcos responded that as you know it takes at least four different individuals or entities to finalize recalc. One of them is PAGNY, and the three others are different Health + Hospitals level, the hospital, Central Office, Finance, and I would like Mr. McKenna to share with the Committee in this particular case what seems to be the problem.

Mr. McKenna reported that in all the years I have been through the recalc process, and I used to work for Columbia, this is the best year by far in terms of the process that's in place. We just came down to one issue, and the issue really regards an interpretation of a policy that's in the contract. We feel it should be interpreted one way, and the facility sides with us, and H + H Finance believes it should be interpreted a different way, so it's down to that one issue. When we resolve that one issue, we will actually be able to execute both.

The issue is that at the beginning of the year, we try to H + H and PAGNY execute an affiliation agreement, and they decided upfront how much of the cost of the physicians should be borne by the physicians themselves for their own faculty practice, and it's generally about 20 percent. Every year, at the end of year, we look to see if there's adjustments. The adjustments could be that if H + H gave a million dollars to the contract during the year, we would want to raise the what we call the carve out of the amount of that they should pay for, that the physicians should pay for, so that H + H gets some benefit from it. What we are finding is we really were not getting a lot of new money. We were moving money throughout the budget, so we moved from one department to another and back, and what happened was if you look at the contract, in my interpretation, you take money and you move it to another department, there really should be no impact on the overall carve out. It's plus one, minus one. That's the way most of us feel. The Finance Department felt that that movement should be shown as an addition to the carve out but not a subtraction from the originating department unless we were able to have provide certain circumstances.

Ms. Youssouf stated that so that's it. It's a disagreement about it. Could I ask, PV, if you could find somebody who could look into it?

Mr. Anantharam responded that I think we need to dig a little bit deeper to understand. The FPP agreement across the System vary from facility to facility, and I concur wholeheartedly that process of reconciliation is a way to prolong and delay and does not serve anybody well, so we have to find something, so I will definitely go back and look at this particular item.

Mrs. Bolus stated that Dr. Marcos, I want to thank you because I remember when we first started, this it was a real big confusing mess, and you seem to have brought some light to some portions of it, not all but some portions.

Dr. Marcos said thank you. Thank you for your support.

Mr. Telano stated that that concludes my presentation.

Ms. Youssouf turned the meeting over to Mr. Wayne McNulty, Corporate Compliance Officer.

Mr. McNulty saluted everyone and introduced himself as Wayne McNulty, Senior Assistant Vice President, Chief Corporate Compliance Officer.

For the first quarter of calendar year 2017, we had one privacy incident that resulted in a breach of protected health information. This breach occurred when an individual was allowed to volunteer at Coney Island Hospital without proper HR approval authorization, and that resulted in the access of 3,494 patient information. We sent out a breach notification to those individuals. We also sent out a notice to the Office of Civil Rights of the Department of Health and Human Services, and we sent out a notice to the media with respect to that particular incident.

Moving on to the monitoring of excluded providers, we have no excluded providers noted for the sanction screening for the time period from the last time that the Audit Committee convened. Besides reviewing excluded providers on the OMIG, OIG and SAM exclusion list, we are also reviewing to ensure our employees are not on the Office of Foreign Asset Control, the Department of Treasury list or the Social Security Administration Death Master list.

Moving on to a summary of compliance related reports from the first quarter of calendar year of 2017, we have received 96 reports in that three-month period from January 1st to March 31, 2017. Out of those reports, two were priority A, 41 were priority B and 53 were priority C reports. Priority A reports are the most crucial reports that require immediate attention. Because these matters are under investigation, I'm not going to elaborate any further with respect to those particular reports.

I want to provide a status update to the DSRIP compliance attestation of One City Health partners. We provided in early February each One City Health partner with an attestation so we could assess their compliance program integrity. There were several different items that we wanted to assess. One was we wanted to assess the DSRIP compliance training to ensure that they have trained their personnel. We have provided them with training. They can use their own training or they can use the training that was provided by Health + Hospitals. We also require that they adhere to our Principles of Professional Conduct or they adopt a similar code of conduct that follows the same principles as Health + Hospitals as it relates to standards of conduct.

We also requested proof that they are certified with the Office of the Medicaid Inspector General and that they are also certified with the Office of Medicaid Inspector General for the Deficit Reduction Act and they distribute appropriate policies and procedures on fraud, waste and abuse to their personnel. We also wanted them to confirm that they screen their work force members for sanction screening.

There's an update to the last time we presented this issue to the Audit Committee in April. Out of their 193 DSRIP partners that are eligible to receive DSRIP funds, 170 of the partners have completed the attestation as of June 13th. You'll see 157 in the report, but that was as of June 8th. As of today 170 partners out of the 193 eligible to receive DSRIP funds have completed the attestation, and we are very hopeful that within the next week or two we will have all 193 partners provide us with attestations. We also wanted them to confirm that they screen their work force members for sanction screening.

Lastly, I want to provide a status update with respect to Health + Hospitals compliance with the HIPAA Security Rule Risk Analysis requirements. Back in 2015, February, I reported to the Audit Committee that Health + Hospitals' compliance with the Security Rule of HIPAA as it relates to our evaluation of all pieces of information systems that house, transmit or store electronic protected health information was a work in progress and not comprehensive in that particular juncture. I have also reported that although EITS has provided numerous and significant measures to enhance and maintain confidentiality and integrity and security of Health + Hospitals information system, the formal risk analysis requirements were not met. I have Sal Guido, who is Senior Vice President, Chief Information Officer, here to provide the Audit Committee with an update of the measures that have been taken by EITS since that February 2015 Audit Committee.

Mr. Guido stated that we work very closely with the Office of Compliance, Mr. McNulty, on the HIPAA Security Risk Assessment for our PHI systems. So we embarked upon this about three years ago, and we selected a third vendor to come in and do an independent audit and risk assessment of our environment, our security and then our PHI applications. They have been performing that over the last three years really focusing on HIPAA privacy, security and breach notifications, configuration review of all of our hardware and applications. We conducted penetration tests both internal and external, the application security review of the 29 applications that have EPHI on it and the vendor risk management of those same 29 vendors.

With that, again, Solutionary comes in and does a comprehensive review on our administrative safe guards. That's security management access controls training and then the BAAs for our partners. There's a physical safeguard associated with that, access to physical facilities, workstations and device and media controls and really the technical safeguards, the access control methods to access to our systems, the audit control and the transmission of this data both internal as well as external. Based on this year's assessment, there are critical, high/medium and how findings that Solutionary provided us. From a critical

standpoint there was a 119. Of the 119 there are remediation plans in place for corrective action for 108. I'm not going to read through all of the numbers, but we have made some significant progress in protecting our EPHI from break-ins.

Last, one of the last things that we did, about 12 months ago, there was an audit under taken that showed that there was EPHI in all biometric devices that needed to be managed and removed in a timely manner. From that point we actually have remediated all of Coney Island right now from a biometric standpoint so that EPHI gets automatically removed from the biometric devices and screens. We have been awarded funding to complete the rest of our facilities from the bio metric standpoint, and those are the monitors, the cardios, so we believe that once the POs and the funding is in place, this will all be remediated within a 12-month period of time.

Mrs. Bolus if the whole thing is being paid for by the City, not us?

Mr. Guido answered that this is City funding in the capital plan.

Mr. McNulty announced that if there's no further questions, that concludes the Corporate Compliance report.

Mr. Campbell announced that on the agenda it did show we will go into executive session, but we will actually go into executive session at the Board meeting.

Capital Committee – July 12, 2017

As reported by Mr. Mark Page

Members Present: Mark Page, Gordon Campbell, Josephine Bolus, RN, Bernard Rosen, Stanley Brezenoff

Vice President's Report

Ms. Weinstein provided a brief summary of accomplishments over Fiscal Year 17. She noted that real estate contracts allowing anticipated revenue of approximately \$2 million per year in rent or approximately \$9 million over 9 years had been approved. The Committee also approved close to \$24 million in energy projects, and over the past year there have been \$21 million in savings from similar projects. An additional \$4 million was saved this year, with energy initiatives, and the system has reduced its carbon footprint by nearly 27%.

Ms. Weinstein outlined the day's meeting agenda, which included three new energy projects, and real estate agreements for a New York City Identification center at Metropolitan Hospital Center, a Women, Infants, and Children (WIC) program operated by Bellevue Hospital Center, and an agreement for an optical dispensary at Gouverneur Healthcare Services.

That concluded her report.

Action Items

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of 100 square feet of space to operate an optical dispensary at Gouverneur Healthcare Services (the "Facility") at an annual occupancy fee of \$5,216 or \$52.16 per square foot to be escalated by 3% per year for a five year total of \$27,692.

Elsa Cosme, Chief Financial Officer, Gouverneur Healthcare Services, read the resolution into the record on behalf of Martha Sullivan, MD, Executive Director, Gouverneur Healthcare Services.

Ms. Weinstein explained that vendors provide optical services and glasses in various facilities, and this agreement is similar to those. This particular vendor had been operating at the site for a number of years, on the third floor of the Ambulatory Care Center, and patients benefited from the services. Ms. Cosme added that staff, and the Skilled Nursing Facility also utilize the site.

Josephine Bolus, RN, asked what happened when a patient couldn't afford glasses or didn't have Medicaid. Ms. Cosme said that the facility had an agreement with the vendor that they would work with clients to provide glasses as needed, and develop a payment program if necessary.

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

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

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$21,352,790 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant (the "Project") at NYC Health + Hospitals/Coler (the "Facility").

Robert Hughes, Chief Executive Officer, Coler Rehabilitation and Nursing Care Center, read the resolution into the record. Mr. Hughes was joined by Cyril Toussaint, Director, Office of Facilities Development.

Mr. Toussaint explained that the existing steam plant was constructed in 1930, providing heat and hot water to the Coler and Goldwater campuses. When the Goldwater campus was closed, the plant was shut down as a result of size, and due to environmental regulations mandating the discontinued use of number six (6) fuel oil. Hurricane Sandy had also caused damage to the plant, and the facility has been operating with temporary boilers since that time.

Mr. Toussaint noted that this project would install new, efficient, boilers to provide heat and hot water, as well as fuel storage tanks, and the boilers would be elevated to mandated flood levels, meeting the 500-year Federal Emergency Management Agency (FEMA) flood plan. The project cost was approximately \$21.4 million, with \$18 million being funded by grants through the ACE program, \$1.2 million in FEMA funding, and \$2.5 million by New York City General Obligation Bonds.

The estimated savings on this project was \$3.3 million. Mr. Page asked if that were overall savings. Mr. Toussaint said that was estimated annual savings.

The project would be managed by the New York Power Authority (NYPA), with anticipated completion in March of 2019.

Mrs. Bolus asked how the patients would be kept warm through the coming winter. Ms. Weinstein said the facility would continue to operate using temporary boilers. Mrs. Bolus asked if that was sufficient. Ms. Weinstein said yes, it had been so far.

Mrs. Bolus asked what had happened to the old fuel oil. Jeremy Berman, Deputy Counsel, said that had all been used. Ms. Weintsein added that a plan had been formulated with the State outlining how facilities would use up existing oil and transition to new systems.

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

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

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York Power Authority ("NYPA") for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new cooling tower (the "Project") at NYC Health + Hospitals/Lincoln (the "Facility").

Milton Nunez, Chief Executive Officer, NYC Health + Hospitals / Lincoln, read the resolution into the record. Mr. Nunez was joined by Cyril Toussaint, Director, Office of Facilities Development.

Mr. Nunez explained that the existing tower was 41 years old and was becoming more difficult to maintain. This project would replace the cooling tower with a new design that was easier to maintain, and contained anti-microbial material that was anticipated to lower Legionella risk. The new tower would be operational by the start of the 2018 cooling season. The tower would be more energy efficient and operational savings were anticipated. The electrical savings were estimated to be \$125,000 per year, and operational savings would be determinable by the end of the first year in use.

Ms. Weinstein explained that this tower was designed as a sphere, with fewer angles, which is where it is more common for Legionella to reside. Mrs. Bolus asked if we tested all the towers and the water systems. Ms. Weinstein said yes, testing was mandated.

Mr. Page noted that the design, material, etc., were all meant to be more efficient and safer, and explained that this type of system was also easier to repair. In short, there will not just be financial savings but anticipated health benefits as well.

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

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

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to upgrade the boiler plant (the "Project") at NYC Health + Hospitals/Gotham Health, Cumberland (the "Facility").

Kaushal Challa, Chief Operating Officer, Ambulatory Care Services, read the resolution into the record. Mr. Challa was joined by Cyril Toussaint, Director, Office of Facilities Development.

Mr. Toussaint noted that the existing boiler was over 60 years old and had exceeded its useful life. He explained that the existing plant served the A, B, and C buildings, providing to the shelter operated by Department of Homeless Services in building A, as well as the facility. This project would replace existing boilers with two new, efficient boilers, and would clean and repurpose existing boilers for use with approved number four (4) fuel. The project cost was \$8 million, and was anticipated to be complete by June of 2019.

Mrs. Bolus asked if the natural gas and fuel oil were stored in the same unit. Mr. Toussaint said that once the new boilers were installed they will use natural gas and the existing boilers would be able to operate with number four (4) fuel oil. Mr. Page asked if the service would be uninterrupted. Mr. Toussaint said there were ongoing discussions with National Grid, to provide firm service, but for the time being it was interruptible.

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

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

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five-year lease agreement with Shui's Realty Inc. (the "Landlord") for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a Women, Infants and Children Program (the "WIC Program") managed by NYC Health + Hospitals/Bellevue (the "Facility") at a base rent of \$56.86 per square foot, or \$87,000 per year to be escalated by 3% per year for a total base rent over the five year term of \$461,894.82.

Michael Rawlings, Chief Operating Officer, New York City Health + Hospitals / Bellevue, read the resolution into the record on behalf of William Hicks, Chief Executive Officer, New York City Health + Hospitals / Bellevue.

Mr. Rawlings explained that the WIC program operating in Chinatown had been operating since 2010 and with the current lease set to expire in December of this year, a new site had been located on the same block. This would ensure that clients would continue to receive services. The site had five staff members, seeing over 6,900 visits in FY 16. The program was funded by a New York State Department of Health grant.

Bernard Rosen, noted that it could be difficult to find space in Chinatown and it was lucky to end up on the same block. Mr. Rawlings agreed.

Mrs. Bolus asked if this site provided Primary Care. Mr. Rawlings said no, just WIC services. Ms. Weinstein noted that Gouverneur was nearby. Mr. Rawlings added that local patients also visited Bellevue.

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

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

Authorizing the New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a five year revocable license agreement with the New York City Human Resources Administration ("HRA") permitting HRA's use and occupancy of

approximately 470 square feet of space in NYC Health + Hospitals/Metropolitan (“the Facility”) through June 30, 2018 with four one-year renewals for the operation of the New York City Identification Card Program (“NYCID Program”) with the occupancy fee waived.

Tracy Green, Chief Financial Officer, New York City Health + Hospitals / Metropolitan, read the resolution into the record on behalf of Alina Moran, Chief Executive Officer.

Mrs. Bolus said she felt the program was fantastic, and asked if appointments were necessary. Ms. Green said there were no appointments necessary, walk-ins were available.

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

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

Finance Committee – July 12, 2017

As reported by Mr. Bernard Rosen

Members Present: Bernard Rosen, Gordon Campbell, Stanley Brezenoff, Josephine Bolus, RN, Helen Arteaga Landaverde, Barbara Lowe, RN, Mark Page

Senior Vice President’s Report

Mr. PV Anantharam began his report with the preliminary cash balance, as of June 30, was in the \$450 million range, with the final touches of the end of the fiscal year being done. Mr. Rosen asked if this was the ending cash balance in June, and Mr. Anantharam confirmed it was. Mr. Anantharam noted that some of the expected transactions in June have been pushed out to the next couple of months. In terms of utilization, the declines are levelling off. In terms of headcount, global FTEs declined by 262 in May with a total of 2,000 reductions, with more expected in June. The fiscal year to date reduction exceeded the FY17 target by 550 in May. The FY18 personnel efficiency target of \$250 million includes a headcount reduction target. With no further questions, the reporting was concluded.

Key Indicators Report

Ms. Krista Olson began reporting on FY17 Utilization through May. Mr. Rosen asked if this data was through May, with the full year to be reported in September as there is no August meeting. Ms. Olson confirmed yes to both questions. Starting with acute care hospitals, ambulatory care visits are down by 4.9%. This remains a significant decline compared to last year, although slightly improved compared to the last report when a decline of 5.5% was reported. Inpatient discharges are down by 2.5%, similar to where the data was when last reported. The average length of stay shown here is comparing facilities against the system-wide average – 5.9 days which is the same as the last report with variation across the facilities. Finally, case mix index is up by 3.25% against the same time last year. Gotham Diagnostic and Treatment Center visits continue to decline, with visits down 7.4% compared to last year at this time. Continuing their positive trend, Post-Acute Care days is up by 2.8%.

Ms. Lowe asked how the trends compare to local market trends. Ms. Olson answered that discharges are slightly greater rate than city hospitals and the same is true for ambulatory care visits. Ms. Lowe asked if we want ambulatory care to grow which Ms. Olson confirmed yes. Mr. Anantharam noted that in FY18, we were engaging more primary care physicians on the front-line to increase the number of patient visits in terms of ambulatory care visits. Ms. Bolus inquired if there was a change of inpatient doctors were charged to do ambulatory care outside. Mr. Anantharam noted that he was not fully versed on that, and that the clinicians could speak to that, but that there was an increase the availability of primary care doctors to allow earlier response times for patients awaiting appointments. Ms. Bolus asked if doctors were being retrained to do ambulatory care in Health + Hospital sites or outside sites. Mr. Anantharam noted that there was hiring of new doctors, and Mr. Brezenoff noted that it was budgeted. Ms. Bolus asked if the doctors were paid the same in in-patient and out-patient. Mr. Brezenoff noted that there are salary ranges for primary care physicians which was negotiated with the Doctors Council and approved by their membership, and this applies to primary care physicians, ER physicians, and psychiatrists. Ms. Bolus noted that there can be a snowball effect in terms of increases. Mr. Brezenoff responded that this was going on for seven months, with this issue as a target for recruitment and retention as it relates to issues on patient services where we see declines. Ms. Bolus inquired if this was a Board issue, and Mr. Brezenoff noted that setting salaries was a management decision as it relates to recruiting and retaining staff in those categories. Ms. Bolus noted that the retention of nurses was an issues – Health + Hospitals train them,

and the leave. Mr. Brezenoff noted that nurses were part of collective bargaining. With no further questions, the reporting was concluded.

Cash Receipts & Disbursements Report

Ms. Michline Farag provided an overview of the formatting of the report – with columns of data representing the beginning of the fiscal year from July 2016, the current reporting month which is May 2017, and the target column for the end of the fiscal year. Ms. Farag noted that as Mr. Anantharam had reported earlier, global FTEs declined by 262 in May bringing the fiscal year to date reduction of 2,000, exceeding the fiscal year target by 550. Additionally, overtime spend continues to be below budget. Mr. Campbell asked what the FY18 target was for FTEs. Mr. Anantharam answered that the personnel savings target was \$250 million. Mr. Page asked how much more headcount needed to decrease in FY18. Mr. Anantharam noted that approximately 1,000 positions equaled \$100 million, but that the run rate in FY17 will get us further along. Mr. Campbell asked if there was a numeric headcount target for FY18, and Mr. Fred Covino noted that there is a budget design for final approval that will be presented later, and Mr. Anantharam noted salary changes may impact the number. Mr. Rosen noted that as the data was through May, there would be further progress achieved in June. Ms. Farag continued reporting on fiscal year to date through May in which receipts were \$28.5 million less than budgeted, and disbursements were \$4.6 million lower than budget – both an improvement from the last report.

Ms. Farag reported on receipts and disbursements compared to last fiscal year for the same period. The top portion of page 3 of the report compares receipts while the bottom portion compares disbursements for the month by category. Looking at current FY17 results through May compared to the same period in FY16, receipts are \$64.5 million higher than last year with the increase is predominately due to higher UPL payments as prior year payments come in. Inpatient receipts are down compared to last year due to a 2.5% decline in discharges while outpatient receipts are up \$55 million due to increased risk pool distributions of \$83 million which were offset by a 5.2% decline in visits. In terms of disbursements, Health + Hospitals is \$288.3 million lower this fiscal year of which \$309 million is a payment made to the City in FY16 for FY 14. This was offset by a \$19 million increase due to the advanced scheduling of an affiliation payment. Ms. Arteaga Landaverde asked if the DSRIP funds from One City are reported here, and Mr. Anantharam noted that those receipts were included. Ms. Lowe asked if Medicaid funds, including Gotham FQHC dollars, were in this report, and Ms. Arteaga Landaverde inquired whether all the sites were FQHCs. Mr. Covino answered that receipts by facility are noted in the back-up to this report. Ms. Linda Dehart noted that one site is a full FQHC and the others are look-alikes. Ms. Bolus asked how much more funds were received with FQHC rates. Mr. Anantharam answered that the reimbursement is about 20% greater than what we would have normally received, and Ms. Olson noted that about \$15 million in FY17 was received and a projected \$25 million in FY18 including retro payments. Ms. Bolus asked if it was paying off, and Mr. Anantharam confirmed it was. Mr. Rosen noted that the \$355 million in this report, and the deduction of the city payment of \$309 million would leave about \$46 million which is still a sizeable amount.

Mr. Farag continued the report on receipts and disbursements for FY17 compared to the budget, with the report comparing the month of May to FY17. Since the last report, the variance in receipts against budget declined from \$60 million to \$28.5 million, or less than half the deficit reported out at the prior meeting. An improvement in revenue collection is yielding results as revenue cycle initiatives continue to be implemented and A/R days continue to decline. However, the decline in utilization is still having an impact. On the disbursements side, Health + Hospitals continues to track close the budgeted level with a \$4.6 million positive variance and is expected to continue to improve as global FTE reductions annualize. With no further questions, the reporting was concluded.

Action Items:

There were three resolutions presented to members – St. Georges University, Huron, and OP 100-05.

St. Georges University

Authorizing the New York City Health and Hospitals Corporation (the "System") to enter into an agreement with St. Georges University ("SGU") effective July 1, 2017 for the System to accept and for SGU to send approximately 380 of its third and fourth year medical students to rotate and receive training at the System's facilities which training is structured, provided and administered by staff of SGU for which SGU will pay the System both an annual fee per System facility where SGU students are placed, and a fee per student for each week he/she rotates through a System facility as detailed in the Executive Summary attached which will generate income to the System of approximately \$12,105,600 per year with increases of 3% per year starting in 2019 for a term of three years with two, two-year options exclusive to the System.

Mr. Rosen brought a motion to discuss, which was seconded, and affirmed. Mrs. Bolus requested to make a statement around a process issue in which she noted that it was unfair to bring urgent matters to committee with a short notification period, and that this had been brought for discussion about five to six years ago about having contracts brought to committee six months in advance. Ms. Bolus noted that there should have been planning as this contract is set to expire at the end of the month. Ms. Bolus noted that she was not aware of the current status of that committee. Mr. Brezenoff discussed that he could not speak to that particular process piece about a contracts committee that was supposed to review actions six months in advance, but that this particular action was a complex negotiation with some contingents. This is a new contract with advantages over the old contract. A study had been done, and found that the current St. Georges arrangement had payments that were too low and the number of students were too high. The arrangement was drawing from Health + Hospitals operational strengths. This new proposed contract increases funds and decreases students. The negotiations concluded in July, and rather than delay receiving benefits, it was elected to put this before the Board to realize the benefits sooner rather than later. Therefore, procedural steps and milestones may not have been followed to try to capture the new terms.

Mr. Campbell noted that Ms. Bolus' point was well taken, and that Mr. Brezenoff and he had a conversation the prior night about this issue, and it was raised in discussion that this is an exception, not a norm. Mr. Campbell noted that he had a meeting with staff this morning on this issue as well. This was urgent because of the benefits of the new term. Ms. Bolus asked if the contracts committee formed five to six years ago was still in existence. Ms. Pat Lockhart of the Board Office provided clarification that a committee had not been formed, but that staff had been instructed to allow for enough time for these actions, particularly for the Capital Committee. Ms. Lowe noted that this particular resolution was for the Medical and Professional Affairs (MPA) Committee. Mr. Rosen noted that as the MPA Committee was not meeting today, the issue was brought to the Finance Committee. Mr. Page noted that he appreciated the concern that the Board be included in the decision-making process, but in seeking improvements, the Board should not add months of delay of ongoing management to Health + Hospitals. He discussed the downside of insisting on approving contracts can potentially add six months to the progress of the Corporation to run itself and move forward. A balance needs to be struck, but members cannot lose sight of the potential drag of process issues and the Board on the effective management of the Corporation. Mr. Rosen asked for clarification of the 380 students for a total of two years, and Dr. Allen confirmed it was.

Dr. Allen apologized for the short notice and thanked the members for hearing the resolution. Dr. Allen and Jeremy Berman, Deputy Counsel, proceeded to provide an overview of the St. Georges University (SGU) agreement. SGU is based in Grenada, with more than 7,700 students with most of those students from the United States (65% are US citizens, and 12% are permanent residents). Fifty nine percent of the 2017 class chose family medicine for their residencies. Thirty percent chose Health + Hospitals for their residency in 2017.

The contract with SGU began in 2007 with a five-year term with a five-year renewal option that expires July 30, 2017 based on a one-month extension. The original contract allowed for 600 students and, by 2016, Health + Hospitals was training double the number of students of which 81 had received scholarships in the last ten years.

Health and Hospitals contracted with Manatt to provide an analysis of the clerkship program. Observations included that contracts were inconsistent across medical schools, clerkship contracts in terms of a loss of revenue had a range of \$14-23 million, the system was training more students than Health + Hospitals should be based on bed complement, and medical students decrease productivity. The current SGU contract was not covering expenses, the program was well managed by Health + Hospitals. Clerkships are third year and fourth year rotations. The prior contract had \$50,000 flat fee per facility for a total of \$350,000 per year for the seven sites - Coney, Kings County, Queens, Woodhull, Elmhurst, Lincoln, and Metropolitan, and a weekly fee depending on whether the student was a third year or fourth year. New financial terms include a \$500,000 flat fee annually per facility with 24 or more SGU students. For facilities with 12 to 23 students, the fee will be not less than \$250,000 which shall increase by \$20,000 per student over 12 and up to 23 students. The facility fees are anticipated to generate \$3.2 million annually. A weekly fee of \$575 for each student that rotates through facilities will also apply. The rotation fees are anticipated to generate approximately \$8.9 million. The fees are anticipated to increase 3% annually. The total anticipated SGU annual revenue will be approximately \$12.1 million. In FY16, SGU paid Health + Hospitals about \$9.4 million. The new contract terms represent a 28 % increase.

Ms. Lowe asked what the difference was between major affiliates (Metropolitan for Psychiatry) and the other hospitals as noted on the SGU website. Mr. Berman noted that Health + Hospitals was not making a distinction even if SGU's website was. Ms. Lowe requested clarity on why there was differentiation between the two categories of affiliations. Mr. Sal Russo asked if the major designation was because there was a lot of training in psychiatry, and that was a major contribution of Metropolitan to psychiatry. Dr. Allen confirmed Metropolitan's role in psychiatry training. Ms. Lowe asked if there was a payment difference by category. Dr. Allen noted that perhaps the major label came from the proportion of patients and the exposure. Ms. Lowe asked

maybe it was the intensity of preparation as well. Mr. Russo asked if the SGU representative could explain, and the representative noted that he could not but would be able to find out. Ms. Lowe asked about whether the SGU student impact on indicators in terms of patient experience and other indicators were reviewed. Dr. Allen noted that the indicators do not differentiate whether they were seen by a student or not, and that students came from a range of medical schools such as Columbia and Yale. Mr. Campbell asked about the sense of the numbers in the resolution in terms of the schools, and Dr. Allen noted that the number of students is not broken down by school. Mr. Brezenoff stated that this changes the status quo – it is an improvement in compensation and reduces the burden on Health + Hospitals, while continuing in the mission aspect. There is a need to revisit the whole issue of students, outside of SGU.

Mr. Rosen asked if these placements were only in acute care facilities, and Dr. Allen confirmed it was the seven facilities cited before. Ms. Bolus inquired if scholarships were still being advertised within neighborhoods as it was part of the initial intent to draw students into the profession. Dr. Allen confirmed that scholarships were marketed. Ms. Bolus asked which neighborhoods, and Ms. Arteaga Landaverde inquired if marketing was part of the contract, and it is not. Dr. Allen stated that the scholarships were historically targeted for children of employees of Health + Hospitals, and agreed to come back to work for a Health + Hospitals facility for their residency. Ms. Bolus asked about the scholarship terms, if it was two years of work for one year of education, and Dr. Allen answered it is year for year. Ms. Bolus asked if the year for year was still good. Dr. Allen answered that Health + Hospitals will follow-up with SGU on that marketing aspect.

Mr. Rosen brought the motion to bring the SGU matter to the full Board, and it was seconded and approved.

Huron

Authorizing New York City Health and Hospitals Corporation (the "System") to execute an agreement with Huron Consulting Group Inc. ("Huron") to provide a Revenue Cycle Optimization Program for the entire System over a 2-year period, yielding estimated ongoing enhanced annual revenue range between \$130 and \$290 million, and a one-time annual revenue recovery range between \$30 and \$50 million, for an estimated total compensation to Huron, not to exceed \$37 million based on the achievement of program milestones.

Mr. Rosen brought a motion to discuss, which was seconded, and affirmed.

Mr. William Foley, Senior Vice President of Acute and Ambulatory Care, noted that as reported out by the finance staff, there has been a focus within the past year on reducing headcount and managing expenses on supply chain, with a reduction of 2,000 in headcount of which approximately 450 were management positions. Mr. Foley noted that there is a huge opportunity on the revenue side which Huron will go through in their presentation. Mr. Anantharam state that the gap closing targets for FY18 are \$1.2 billion, \$1.8 billion in FY19, and \$1.9 billion in FY20. Mr. Anantharam stated that Health + Hospitals began implementing additional revenue initiatives in November and December that have achieved approximately \$100 million in additional revenue in FY17, exceeding the FY17 \$55M target, with the work having a back-end focus. The FY18 target is \$110 million, with the target increasing in FY19 and FY20. The Huron work is an opportunity to focus on core issues around revenue work at facilities. This includes operational infrastructure and staffing models, as well as the implementation of Epic as a single system.

Mr. Anantharam stated that Mr. Foley and he recognize that the processes in facilities are homegrown, facilities transitioned from a network structure to service lines, and there was quite a pace of change from fee-for-service to managed care with the addition of the Affordable Care Act and engaging in more commercial plans as well. Within that framework, work practices need to be optimized, and the Transformation RFP last December provided a number of vendors that could focus on that piece of the work. A solicitation was sent out, and after a competitive bid process, Huron Consulting was chosen from among six pre-qualified vendors to perform a four-week assessment of revenue cycle operations at Health + Hospitals.

Ms. Julie Ingraham of Huron proceeded to provide an overview of the assessment findings. The objectives of the assessment are financial performance, Epic readiness, and standardization with an eye toward potential future centralization. The scope included a deep dive at Elmhurst, Lincoln, and Bellevue, and a high level review of key metrics for remaining acute, post-acute, and Gotham facilities. Huron assessed through the lens of people, process, tools, and culture. The highlights of the findings include that Health + Hospitals has a committed team, focused on the mission, and creatively working with the tools at their disposal. Underlying systems and processes have a lot of variation, are very manual, and have significant gaps from the ideal state in an Epic environment. Opportunities exist to better align staffing across the enterprise, focus on upfront insurance capture, and better manage the open A/R through automation.

Huron found that the recurring revenue cycle improvement opportunity is in the range from \$130 million to \$290 million, which exclude MetroPlus, Disproportionate Share Hospitals, and Upper Payment Limits, with Health First impactability in discussion with Health + Hospitals. There is a one-time benefit of \$30 to \$50 million. The assessment was done with a qualitative approach which starts with Huron's typical performance improvement ranges as a percentage of net patient revenue and goes up or down based on Health + Hospital's processes, tools, and performance against Huron's internal benchmarking database that is based on their measured financial benefit of their clients for the last three years. The qualitative approach confirms the overall composition of the sources of opportunity build to the low end of the range. Payors have gotten very sophisticated about how to not pay claims. Huron reported that there is a combined pool of opportunity of \$1.2 billion in administrative write-offs and bad debt. There is a four to nine percent improvement within that pool. That pool was parsed into buckets, and a percentage was applied – timely filing as high impactability and medical necessity as lower impactability.

Mr. Campbell asked if Huron did this assessment process for other clients, and asked how accurate Huron has been in its assessment ranges and the improvements. Ms. Ingraham answered yes and noted that Mr. Anantharam had asked that same question, and that in the last eighteen months, the low end of the range was hit 94% of the time and the high range was hit 61%. Ms. Arteaga Landaverde asked if this was for organizations of a similar size. Ms. Ingraham noted yes. Ms. Ingraham noted the clients on the last slide, and the other clients across the nation.

Ms. Ingraham spoke about building out Insurance capture and verification within the facilities, looking to implement workflow and reporting that is more automated as the system moves to Epic. Implementation will occur at each facility level with a team of about a dozen people. This includes total redesign of the revenue cycle operating model including structure, process, tools, and training. Huron implements a specific methodology that has been built out for the last twenty-five years.

Implementation will occur over twenty-four months with four sub-teams organized by borough. A central design team will work closely with the facility leadership, the revenue cycle team under Finance, and the Epic GO team to ensure consistency in approach. Ms. Arteaga Landaverde asked if the Huron proposed work matches the Epic timeline. Ms. Ingraham noted it preceded it. Mr. Anantharam noted that it put it in the right frame and may potentially help accelerate the Epic install. Typically, when new systems are put in place, revenues can decrease in the first three months, but the Huron work may help address this. Ms. Ingraham noted that the assessment highlighted the differences across facilities, which is far from the Epic process and this work would help Health + Hospitals get ahead.

Ms. Lowe asked what the executives see – it is real-time data and can it help with decision-making. Mr. Anantharam noted that Huron promised metrics, and that the engagement includes designing workflows. After implementation, Huron will be sitting with staff to visit and see how implementation is going. Ms. Lowe asked if there were enough analytics to make recommendations and confirm best practices, and if the Board would seem some of that work. Mr. Anantharam confirmed yes, particularly after the first wave of implementation. Mr. Brezenoff asked to highlight what would happen at the eight-month mark of the Huron engagement. Mr. Foley noted that at eight-months, Health + Hospitals should break even with the \$37 million not-to-exceed contract value. Mr. Anantharam noted that the Huron engagement had milestones and cost elements, and that more details would be presented at the Board meeting on July 27.

Ms. Arteaga Landaverde asked about the gaps between the low and the high ranges and whether Huron would be coming back to the Board as to what was achieved and why. Ms. Ingraham answered that Huron would be measuring results, what needed to be done for organizational change, and reporting back. Mr. Campbell asked with engagement of other hospital systems that Huron found that current staff could be retrained and retooled. Ms. Ingraham answered affirmatively. Mr. Foley stated that Huron was an implementation firm in terms of the focus on implementation. He has worked with them before, and when Huron leaves, the improvements implemented are sustainable. Ms. Ingraham noted that during the site visits, Huron observed incredibly motivated and skilled staff who lack the tools, not the efforts. The Huron presentation ended with a summary slide of Huron's clients.

Mr. Rosen asked about the presentation chart that shows that at eight months, Health + Hospitals would have the fees back and recurring revenue thereafter. Mr. Brezenoff noted that this revenue cycle work was critical for the immediate and long terms, there are areas that Health + Hospitals does not control. Revenue cycle is an area of control in that it is Health + Hospitals' own operations versus what Health + Hospitals cannot control. Health + Hospitals has done expense reduction and management reduction. Fledging steps have been taken to improve revenue cycle to capture revenue that belongs to Health + Hospitals, and the Huron work should further the improvements.

Mr. Rosen brought the motion to approve, and it was seconded and approved.

OP 100-05

To adopt a Second Revised Statement of Board Policy for the Review and Authorization of Procurement Matters (“Second Revised Statement”) by the Board of Directors (the “Board”) of New York City Health and Hospitals Corporation (the “System”) in the form attached that shall be effective as of August 1, 2017 shall be binding upon all employees and officers of the System and directing the President of the System to prepare and adopt a revision of Operating Procedure 100-05 to implement such Second Revised Statement.

Mr. Rosen brought a motion to discuss, and it was seconded and approved.

Mr. Paul Albertson noted that there had been several conversations about revising the statement as Health + Hospitals has implemented a centralized contract strategy in which corporate-wide agreements have been negotiated, as well a centralized materials management strategy, which has led to saving – the right supplies and services at the right time, while maintaining and improvement quality. Supply Chain met its FY17 \$63.5 million savings target, and has a \$133 million target for FY18. The numbers are being reviewed with the Finance office to track. Plans for FY18 and FY19 include implementation of the Enterprise Resource Planning (ERP) system which facility stockless requisition, inventory management, and just-in-time delivery and low unit of measure.

Changing the current operating procedure for procurement, OP 100-05, requires changing the Board’s Procurement Policy Statement. OP 100-05 was written to reflect the decentralized Health + Hospitals network model. The procedure has processes that are no longer accurate. Normally, the President with Senior Staff implements OP revisions. The difference with the existing operating procedure is that in 2013, the Board adopted a Procurement Policy Statement which essentially contains the entire OP 100-05. To enable the President to adopt a revised operating procedure, the Board is being asked to adopt a revised Policy Statement.

Supply Chain Services has been centralizing and transformation since 2013, moving from smaller contracts to fewer but larger contracts. This includes hiring professional sourcing staff, standardizing work, working with IT and OFD, and assuming affiliations and outsourcing services. Modernizing contracting includes uniform contracting, flexible contracting, and sensible contracting. The recommendation is to raise the Contract Review Committee’s threshold from \$100,000 to \$1 million, and to raise the Board threshold from \$3 million to \$5 million. This threshold recognizes that there are now twenty-one facilities in contracts.

Increased controls would be implemented with increased thresholds. These controls includes a supply chain manual jointly approved by Supply Chain Services (SCS) and the Office of Legal Affairs (OLA) with detailed procedures, processes, and controls. Another control is a contract control sheet that is an auditable control for every contract detailing its procurement history, and requires SCS and OLA sign-off for each contract; no contract number can be assigned without this control sheet. There would be departmental audits which includes a review of every transaction between \$100,000 and \$1 million that is not procured by traditional methods by non-sourcing personnel. These audits would be summarized monthly and provided to the Internal Audits Office. Internal audits review would be performed semi-annually and reported to the Audit Committee.

The presentation included an overview of other New York area hospitals with their requirements for Board approval, including NYU for contracts more than \$5 million, Northwell with no Board review and a review of contracts for more than \$10 million with the President, Presbyterian with Board approval requires dependent on materiality, and Mt. Sinai requiring Board approval for large construction projects. Mr. Albertson concluded the presentation with the proposed revised Board procurement policy statement, “Only include those matters that must be reviewed by Board, Enables President to revise OP 100-05 to meet operational state.”

Mr. Rosen noted that he understands the small contracts of \$100,000 increasing to \$1 million. However, he has concerns on the \$3 million increasing to \$5 million, as this was public monies and there always has been a greater focus on procurement within the City. Mr. Rosen noted that Supply Chain has done a great job to achieve savings. Mr. Page commented on disposing of specific approvals on small contracts because it takes a lot of time and process, but that the point may be missed that there are now many fewer small contracts. The system is not looking at individual contracts, but now looking at aggregated system purchases compared to facility versus facility purchases. The same principle goes for the \$3 million to the \$5 million. There is no loss of oversight. This is now about looking at contracting as a whole thing put together; the higher limits are not particularly out of proportion as to what has been in the past in terms of oversight, it is about looking at a mountain versus many hills. The mountain is giving Health + Hospitals the savings to maximize opportunities to buy cheaply.

Mr. Brezenoff asked for the issue to be tabled and to be rethought. Mr. Rosen noted that further discussion will occur. Ms. Bolus asked why there should be rethinking. Mr. Brezenoff answered because of the concerns raised. Mr. Sal Russo brought a motion to table, and it was voted to table.

Governance Committee – June 22, 2017

As reported by Mr. Gordon Campbell

Members Present: Gordon Campbell, Bernard Rosen, Helen Arteaga Landaverde, Vincent Calamia

This meeting of the Governance Committee was convened in executive session to deliberate on the following personnel action:

Action Item:

To consider the Interim President, Stanley Brezenoff's nominee to the following corporate officer level position:

Senior Vice President / System Chief Nursing Executive (CNE) - Kim K. Mendez, EdD, ANP, RN

Dr. Mendez has been serving in an interim position since January 2017 while continuing to fulfill her responsibilities as the chief nursing officer at Bellevue. Her performance and clinical leadership in the area of nursing and patient care services as well as her contributing leadership and participation in the Medical & Professional Affairs and Quality Assurance Committees of the Board have been an asset to our global efforts to meeting the needs of the communities we serve.

After further discussion by the Committee regarding Dr. Mendez' work experience, qualifications, and demonstrated abilities, the committee was prepared to vote.

The Committee approved Mr. Brezenoff's recommendation for consideration by the full Board.

SUBSIDIARY BOARD REPORTS

MetroPlus Health Plan, Inc. – July 12, 2017

As reported by Mr. Bernard Rosen

Chairperson's Remarks

Mr. Rosen welcomed everyone to the MetroPlus Board of Director's meeting of July 12, 2017. Before the start of the meeting, Dr. Saperstein introduced Ms. Sara Gillen who currently serves as the Senior Assistant Vice President of Ambulatory Care Service Line at New York City Health and Hospitals (NYC Health + Hospitals). A resolution will be presented to MetroPlus' Board of Directors today and later at the next NYC Health + Hospitals Board Meeting.

Executive Director's Remarks

Dr. Arnold Saperstein mentioned that the total Plan enrollment as of June 1, 2017 was 498,757. There is a slight trending down over the last couple of months with recovery each month. Over the last couple of months, the Plan has been able to bring in about 20,000 to 30,000 new members per month during the open enrollment. For May 2017 and June 2017, the member disenrollment number for each month was 24,500. Dr. Saperstein mentioned that Mr. Seth Diamond has been looking closely at surveys that have been conducted that question the disenrolled member as to why he/she has left the Plan. Upon looking at the product lines, it was discovered that the Essential Plan (EP) is the plan with the fastest turnover. Mr. Dan Still asked if members were leaving the Plan due to ineligibility. Dr. Saperstein responded by stating that members are leaving the Plan due to the State conducting retroactive document checks. Mr. Diamond mentioned that the Plan is working on a number of initiatives regarding the disenrollment issues with EP. Some of the initiatives include possibly going directly to the member's home to collect the necessary documentation, obtaining access to the City's database named HHS Connect where access is granted to find individuals who have applied to other government benefits and lastly, Mr. Roger Milliner is working on a project to follow-up with the Marketing Representatives to make sure that an applicant actually completes the application upon starting it.

Dr. Saperstein informed the Board that the Plan received its QARR HEDIS results for 2016. MetroPlus was the highest scoring Plan in New York State with 100 out of 100 possible points. The Plan has earned the highest category of incentives for QARR as well as the highest scoring plan in quality measures. The Plan received the highest category for the dollar amount incentive, which is between 37 to 39 million dollars. The Plan also underwent a detailed data validation audit for data submitted to Centers for Medicare & Medicaid Services (CMS). The Plan received 100% on four of the seven measures. CMS found no deficiencies for the Special Needs Plan (SNP) Model of Care (MOC). As a result, the Plan received a score of 96.7%, which allows the Plan to be certified for three years.

In an effort to gain more community presence, Dr. Saperstein mentioned that on June 17, 2017, MetroPlus hosted a grand opening at Skyview Mall, for the new Flushing community office. The event was attended by Public Advocate Letitia James and several other elected officials. MetroPlus is also in the process of opening up three community offices in the Bronx.

Dr. Saperstein provided an update regarding the Finity rewards program. This program was designed to build loyalty to MetroPlus by giving members rewards for completing health activities such as keeping preventative care appointments. To date, over 73,000 members have earned a reward. MetroPlus members are reporting that they are very happy with this program. Other plans have reached out to Finity for services, but Finity is exclusive to MetroPlus for the next two years.

Regarding Retention events, Dr. Saperstein mentioned that MetroPlus worked with Kings County Hospital to host a Spring Essential Plan Informational Session. This informational sessions was designed to inform EP members of the support and services that are made available to them. A similar events will be held in the Bronx on July 26th at Lincoln Hospital and The Fire Department of New York will be presenting education on asthma.

Dr. Saperstein mentioned that MetroPlus has held three community events for dental screenings, which assisted 216 members. To date, a total of 1,047 members have had a dental screenings during these events. MetroPlus has partnered with Metropolitan Hospital and the Department of Aging to connect with senior citizens in the East Harlem area for an upcoming event entitled, "Power of Aging". This event is aimed towards engaging Medicare members with local senior centers. Services such as blood pressure screenings, glucose testing and podiatry services will be provided during the event. Additionally, Quality Management (QM) and Member Retention will be collaborating for a 2017 Member Touch Campaign, which consists of ten events within the NYC Health + Hospitals system. QM will deliver presentations addressing the components of HEDIS and identify/targeting non-compliant Medicare members for measure related services such as breast cancer and colon cancer screenings.

Dr. Saperstein provided new updates regarding some State policies. The school-based health center carve-in into the Medicaid Managed Care has been delayed until July 1, 2018. It was initially supposed to start on July 1, 2017. The implementation of the blood clotting factor carve-in into plans began as of July 1, 2017. The cost of Factor VIII is many thousands of dollars and it is due to be reconciled at a later date. A recent process from the State Department of Health (SDOH) and the Office of Medicaid Inspector General (OMIG) will impact Medicaid premium payments. In the past, if a plan documented proof of payment for claims, the OMIG would reconsider the member eligibility challenge. The agencies have jointly determined that semi-annual audits will help reduce duplicate and/or overlapping payments. The Plan will have to pay the fine upfront and in order to be reimbursed, the Plan has to reconcile in order to obtain its funds back. Ms. Sarah Samis asked what the Plan Association said and if they are recommending certain processes. Dr. Saperstein replied no and stated that MetroPlus has been one of the successful plans. Many plans will get a bill and pay the money back. The Plan does not have access to birth or death certificates. If the Plan knew that members passed, the Plan would not have billed them.

Dr. Saperstein stated that the Federal Policy is up in the air and that the State Policy is more relevant. Dr. Saperstein mentioned that the Governor released an Executive Order last week that any plan that drops the Qualified Health Plan (QHP) or the Small Business Health Options Plan will lose eligibility for all government programs, including Medicaid and Child Health Plus. Dr. Saperstein stated that there was a meeting with the trade organization whether to sue the Governor's Executive Order and whether it was even legal to do this Executive Order. Mr. Still asked about the QHP rates and if enough data was obtained. Ms. Lauren Leverich, MetroPlus' Director of Finance stated that the Plan took a hit in the risk adjustments. The Plan lost about \$25 million last year in QHP.

Medical Director's Report

Dr. Talya Schwartz provided an updated regarding the HIV Special Needs Plan (SNP) incentive award. The Plan will receive \$5.4 million in August 2017 for the Quality Incentive award.

Dr. Schwartz informed the Board that QM's customer experience team has launched a telephonic customer satisfaction survey on July 11, 2017. This survey will be conducted within 48 hours of when a member has an outpatient visit at one of the 15 NYC Health + Hospitals facilities. Members are asked about their experience during the visit. The responses will be shared with the

respective Chief Customer Experience staff at that facility regarding its members. Elmhurst and Queens Hospitals have not been launched yet due to access issues with the scheduling system.

Dr. Schwartz mentioned that QM has participated in eleven community events during May and June as previously mentioned by Dr. Saperstein. Four dental screening events were held at community offices and at a provider location in the Bronx.

Dr. Schwartz stated that Article 44 will be occurring October 16-20th, 2017. This is a very extensive audit. The internal process improvement unit has compiled a full project plan for Medical Management departments in preparation for the audit with particular focus on Utilization Management (“UM”) operations.

Dr. Schwartz provided a statistical chart that consisted of Consumer Assessments of Healthcare Providers and Systems (CAHPS) data which compared MetroPlus to the Statewide Average and the satisfaction point that the Plan received for each category. For 2016, pediatric survey was conducted where consumers rated their experience at a composite score of 10 points out of possible 30. Dr. Saperstein mentioned that category regarding the question “In the last 6 months, how often did customer service at your child’s health plan give you the information or help you needed?” MetroPlus scored 76.22 and the Plan was below the statewide average and received zero points for this category. This does not mean that the score was a zero.

The UM department has initiated concurrent review and case conference for sub-acute care to manage and coordinate appropriate level of care in a timely fashion. Dr. Schwartz mentioned that a new Senior Medical Director was hired and recently formed a Medical Policy Committee. All of the medical policies guiding UM are being reviewed and new policies will be created as needed. This effort will lead to more consistency in clinical decision making and assist the Plan in dealing with complaints and distributed. Dr. Schwartz added that there has been a significant increase in external appeals.

Regarding Behavioral Health, Dr. Schwartz highlighted that an after discharge transition program to replace the Discharge Kiosk has been designed. Post successful implementation of the Discharge Kiosk resulted in scores improving. Same day discharges have been eliminated. Data analytics showed that there is excessive utilization by the adult homeless population. The Plan will be meeting with the Human Resource Administration to address this population issue.

Pertaining to Pharmacy, MetroPlus’ Pharmacy and Therapeutics committee will have an internal decision process regarding formulary decisions as well as better alignment with NYC Health + Hospital’s formularies.

For Providing Network/Contracting, Dr. Schwartz mentioned that the Dental RFP was awarded to Healthplex, which is the Plan’s current member. The Transportation RFP has been issued and the HEDIS and Risk adjustment RFPS are still in review. Online pay-for-performance program is replacing paper reports at the end of July with 3M platform. The value-based purchasing contract has been executed by NYC Health + Hospitals. Dr. Schwartz mentioned that urgent care networks has helped to avoid emergency room admissions. Mr. Rosen asked are there 52 urgent care centers. Dr. Saperstein responded, yes.

COMMITTEE REPORTS

The reports were received by Mr. Rosen at the Board Meeting.

ACTION ITEMS

This first resolution was introduced by Mr. Dan Still, Chair of the MetroPlus Finance Committee

Authorizing the Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus or the Plan”) to negotiate and execute a contract with Clarity Software Solutions, Inc., to provide fulfillment and distribution services for a term of three (3) years with two (2) options to renew for a one (1) year term each, at the sole discretion of MetroPlus, for an amount not to exceed \$14,500,000 for the total five (5) years.

Mr. Still stated that this resolution was approved by the Finance Committee in June. Mrs. Gail Smith, MetroPlus’ Chief Customer Officer mentioned that fulfillment and distribution services are a regulatory requirement that has been mandated by SDOH and CMS. Five vendors responded to this RFP. Broadridge was the previous vendor for these services.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan and Board of Directors.

The second resolution was introduced by Mr. Joseph Dicks, MetroPlus’ Director of Provider Contracting.

Authorizing the submission of a resolution to the Board of Directors of the New York City Health and Hospitals (“NYC Health + Hospitals”), to authorize the Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus”) to negotiate and execute a contract

with Healthplex, Inc. (“Healthplex”) to provide administration of dental services for a term of three years with two options to renew for one-year each solely exercisable by MetroPlus, for an amount not to exceed \$8.5 million per year.

Mr. Dicks gave the Board a detailed overview of services that would be rendered. Mr. Dicks mentioned that Healthplex is the current vendor for the last five years. Dr. Saperstein mentioned that based on the RFP timing, this resolution wasn’t able to be presented to Finance but will go to NYC Health + Hospitals Board of Directors.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan and Board of Directors.

The last resolution was introduced by Dr. Saperstein, MetroPlus’ Chief Executive Officer.

Approving a resolution to be presented to the New York City Health and Hospitals Board of Directors to approve the appointment of Sara Gillen as a member of the Board of Directors of MetroPlus Health Plan, Inc., a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York (“MetroPlus”), to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

Dr. Saperstein stated that this position has been appointed by NYC Health + Hospital’s President. Dr. Saperstein mentioned that Ms. Sara Gillen currently serves as the Senior Assistant Vice President, Ambulatory Care Service Line at NYC Health + Hospitals. She will be replacing Mr. Steven Bussey who recently left NYC Health + Hospitals.

The adoption of this resolution was duly seconded and unanimously adopted by the MetroPlus Health Plan and Board of Directors.

HHC Assistance Corporation – OneCity Health Services – June 19, 2017
As reported by Dr. Ross Wilson

Among other matters, the Board discussed the following:

Dr. Jenkins described the evolution of the Corporation, noting that the subsidiary initially formed under the charter of carrying out the Delivery System Incentive Payment (DSRIP) program. The Corporation’s scope of services has since expanded to include activities focused on configuring the organization for general transformation and sustainability. Along with recently consolidated parts of the organization [Office of Population Health, At Home Division’s Health Home Program, and Medicare Shared Savings Program Accountable Care Organization (MSSP ACO), the Corporation is contemplating the addition of a Managed Services Organization (MSO) and a State All-payer ACO (APACO).

- The Board discussed FY18 budgetary items including associated cost risks linked to the new APACO and MSO care management infrastructure. There was also discussion about ensuring no investments made by the Corporation would be duplicative. Management agreed that as part of due diligence in implementing the MSO/APACO would be to ensure OneCity Health is not duplicative regarding infrastructure build for shared services (e.g., finance, IT). However, Dr. Jenkins noted that there are certain services unique to the environment that the MSO and APACO must build.
- In response to questions by the Board on alignment of OneCity Health budget with overall NYC H+H cash plan, it was explained that the NYC H+H cash plan was developed by the Central Office finance team using inputs from the OneCity Health team. These two teams, with assistance from COPE Health Solutions, collaborated frequently over the past two months in ad hoc meetings and weekly calls to develop the FY18 budget to align the Corporation’s objectives with the H+H’s financial needs.

A motion was made, duly seconded, and unanimously accepted to adopt the Corporation’s FY18 budget of \$216,310,290 in total expenses (\$108,029,323 PPS partner payments subject to PPS governance approval) for the period July 1, 2017 to June 30, 2018.

- The discussion proceeded to approve funds for an external audit. As previously discussed, the external audit scope would include a review of funds flow from the New York State Department of Health to H+H and the appropriateness of funds distribution to all partners, including the largest partner, H+H. A draft audit scope was developed in collaborative fashion with review from the Corporate Comptroller’s Office, Office of Internal Audits, and Office of Corporate Compliance. The draft scope was agreed to by all parties and then subsequently expanded by Corporate Compliance to include items that are of concern to management.

- Dr. Wilson noted that the Board agrees that an external audit is good idea; decisions will need to be made about scope. The Board discussed pros and cons associated with both limited and extensive versions of the scope. Dr. Wilson stated that the Board’s discussion should be taken as advice to management.

With no additional questions or comments from the Board, a motion was made, duly seconded, and unanimously accepted to authorize the Corporation to release a Request for Proposals to identify and select an external audit firm with a not to exceed amount of \$300,000.

HHC Accountable Care Organization, Inc. (HHC ACO) – June 22, 2017
As reported by Mr. Stanley Brezenoff

A membership meeting of HHC ACO Inc., NYC Health + Hospitals’ subsidiary not-for-profit Accountable Care Organization (“ACO”), convened on June 22, 2017 to discuss recent Medicare Shared Savings Program ACO-related activities and governance matters.

Among other matters, the Board discussed the following:

- Dr. Ross Wilson, Chief Executive Officer of HHC ACO, Inc., and Dr. Nicholas Stine, Chief Medical Officer of HHC ACO, Inc., explained to the Board of Directors the HHC ACO Board’s recommendation to obtain a New York State Accountable Care Organization Certificate of Authority, which would allow it to contract with payors outside of Medicare Fee-For Service. They also explained that a resolution would have to be accepted to change the HHC ACO, Inc. Board structure and ACO Bylaws to meet the state requirements.

The Board approved the following two resolutions:

- Accepting the recommendation of the HHC ACO Inc. Board of Directors to set the number of Directors for the ACO to seventeen, detailing the criteria for the additional seats to the ACO Board; to re-characterize one seat as representing ACO FQHC participants; and to amend the bylaws to meet state requirements.
- Authorizing William T. Foley and the Chief Executive Officer of the HHC Assistance Corporation (“One City Health”) as an *ex officio* Director to fill two Director seats on the HHC ACO, Inc. Board of Directors.

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

STANLEY BREZENOFF
NYC HEALTH + HOSPITALS
INTERIM PRESIDENT AND CHIEF EXECUTIVE OFFICER
REPORT TO THE BOARD OF DIRECTORS
July 27, 2017

Federal Update

As mentioned in previous reports to the Board of Directors, Congressional Republicans continue to entertain proposals designed to repeal the Affordable Care Act, as well as the expansion of Medicaid authorized under the ACA's provisions. Democratic members of Congress remain committed to preserving the 2011 act, though many propose amending it to allow state health insurance marketplaces to function more effectively.

Despite having voted numerous times before the 2016 elections for repeal, during the current (115th) session of Congress the consensus necessary to enact health care legislation has eluded Republicans. A bill passed by the House in June was disregarded by the Senate in favor of a bill drafted under the auspices of Majority Leader McConnell. On Tuesday this bill cleared a procedural vote needed to send it to the senate floor for debate. If a bill passes the Senate it will move on to a conference committee made up of members of both the House and the Senate, who will need to reconcile differences between the legislation passed by the separate houses. Although Congressional Republicans have not yet been able to convert their rearguard health care philosophy into viable legislation, it is likely that Congressional and administration assaults against progressive national health care policy will continue for the foreseeable future.

Also as reported earlier, the president's budget proposal contains staggering cuts to Medicaid, reducing the program by \$610 billion over 10 years. The Medicaid funding cuts would grow over time, from a nearly 10% reduction in 2019 to nearly 50% cuts by 2027. It would convert Medicaid into a block grant program, leaving it more vulnerable to shifting priorities at the state level in future years. It would also implement significant cuts to the Supplemental Nutrition Assistance (SNAP/food stamps) program, the Children's Health Insurance Program (CHIP), Social Security Disability Insurance (SSDI), and other safety net spending at the federal level.

Although when it comes to the federal budget the president *proposes*, the Congress *disposes*--meaning it has the final say on federal spending. Given the vagaries of the appropriations and the budget reconciliation processes, the outlook for passage of the president's draconian budget proposal is very uncertain.

**Agreement to Increase Salaries
for PCPs, EMPs, and Psychiatrists**

Last week I was pleased to announce that after negotiations with the union representing many physicians employed by NYC Health + Hospitals and our affiliates, the Doctors Council SEIU approved our offer to raise the minimum salaries for physicians in primary care, psychiatry, and emergency services, and a retention payment for many of these physicians currently serving in our system. The new compensation will be offered to all eligible physicians practicing in our system in those three service areas, including those who work under the affiliation agreements and are not represented by Doctor's Council. I am confident that this agreement will help ensure our ability to recruit and retain the best and brightest, mission-driven physicians we need to make a difference in these critical areas and meet the needs of the communities we serve.

The tough choices we have been making and the financial savings we have been working so hard to secure -- by spending less and working more efficiently -- are not just driven by the need to close our large budget gap. They allow us to redirect our resources where they are needed most and make critical investments like this one, which directly affect the front line of care. Our agreement with the Doctors Council shows that even in the midst of very difficult financial challenges, we are finding ways to invest in the system's future and strengthen our ability to improve the health of more New Yorkers.

Launch of Enterprise Resource Planning IT Solution to Better Manage Finances, Purchasing, Human Resources

This month NYC Health + Hospitals took an important step in the modernization of our business practices -- a key tenet in support of our ongoing drive to provide clinical excellence, while also offering more modern and convenient experience that meets the 21st century needs of our patients. In launching Enterprise Resource Planning (ERP) we are moving rapidly towards replacing paper and manual processes, eliminating reliance on obsolete technology, and driving improvements in operational performance. By 2020 we intend to have a fully implemented new ERP system at our 11 hospitals, five long-term care facilities, and more than 70 community-based health centers.

The new system will standardize inventory management, payroll, time keeping, budget, and other business functions across the health system's vast network of acute care hospitals, nursing facilities, and ambulatory care sites. NYC Health + Hospitals expects to save \$65 million over the next five years by maximizing operational efficiencies and avoiding the costs associated with running the four separate legacy systems that will be retired, which currently support more than a dozen business functions. The health system also expects to achieve additional savings worth tens of millions annually after FY 2021 and well into the future.

NYC Health + Hospitals Participates in City Hall in Your Borough/Queens

As part of "City Hall in your Borough" weeks held this spring and summer, NYC Health + Hospitals recently highlighted our partnership with the Mayor and City agencies to improve the health of patients and communities across the borough of Queens.

Activities included:

- The release of data showing how NYC Health + Hospitals' new Electronic Medical Record system at NYC Health + Hospitals/Queens and NYC Health + Hospitals/Elmhurst has had a positive impact on quality and the patient experience. Through the use of MyChart, more than 14,000 patients are already managing their health online and are able to view test results, request medication refills and communicate directly with providers. The new EMR has also helped establish a more efficient and predictable flow for clinic appointments, particularly since it helps reduce in-person demand for medication refills. Following EMR implementation, the time between patient arrival and completed visit was reduced to an average of 80 minutes from 104 minutes, with very little weekly variation.
- An event to feature NYC Health + Hospitals/Elmhurst's Women Infant and Children (WIC) clinic that provides information to mothers of young children about the importance of a nutritious diet, and the hospital's farmers market where "health bucks" provided at the WIC clinic may be used to obtain fruits and vegetables. This event was in collaboration with the NYC Department of Health and Mental Hygiene (DOHMH). In attendance were Board members Deputy Mayor Palacio and Commissioner Bassett.
- Hosting of a "Town Hall" at NYC Health + Hospitals/Elmhurst sponsored by the Mayor's Office of Immigrant Affairs and the NYC Department of Consumer Affairs to help educate immigrant small business owners about legal protections and rights available to them.
- Hosting an event at NYC Health + Hospitals/Queens, held by DOHMH, the City's Administration for Children's Services (ACS) and Borough President Melinda Katz to announce an initiative involving the investment of 1,000 portable "Pack & Plays" to be donated to moms and infants in need.
- The distribution of free anti opioid overdose Naloxone kits at NYC Health + Hospitals/Queens.

NYC Health + Hospitals/Elmhurst and NYC Health + Hospitals/Harlem among Nation's "Most Wired" Hospitals

The American Hospital Association has named NYC Health + Hospitals/Elmhurst and NYC Health + Hospitals/Harlem among the nation's "Most Wired" hospitals for successfully incorporating technology into health care delivery and helping patients become more actively involved in their own health through the use of technology. The designation is the result of surveys to more than 2,000 hospitals to examine how health care organizations are leveraging information technology to improve performance for value-based health care in the areas of infrastructure, business, and administrative management; quality and safety; and clinical integration.

NYC Health + Hospitals/Elmhurst was among the first of our hospitals to implement our new, best-in-class, advanced electronic medical record system, which is helping physicians provide safe, high-quality, efficient care and allowing patients to easily access their medical records online. NYC Health + Hospitals/Harlem is also a system leader in the implementation of new technology, having adopted Computerized Physician Order Entry (CPOE) which increases clinical capabilities and decision-making, and enhances patient experience and safety. Congratulations to CEOs Eboné M. Carrington and Israel Rocha Jr. and as well as to the IT staffs of each hospital and EITS central office staff for its support of these initiatives.

NYC Health + Hospitals/Woodhull First Brooklyn Hospital to Receive "Baby-Friendly" Designation

Earlier this month NYC Health + Hospitals/Woodhull became the first hospital in Brooklyn to be named "Baby-Friendly" by the World Health Organization and the United Nations Children's Fund (UNICEF). The coveted designation recognizes hospitals

taking the lead in encouraging and promoting breastfeeding and mother-baby bonding, and exceeding patient care standards in a rigorous on-site evaluation. Woodhull is the seventh hospital within our system to earn Baby Friendly designation. The news was announced at an event celebrating the one-year anniversary of its redesigned Mother-Baby unit.

Labor and Delivery and maternal and infant health, are clinical service areas in which NYC Health + Hospitals continues to excel, and can expect to successfully compete in the future. We congratulate CEO Gregory Calliste and the entire staff at Woodhull on this achievement.

Record Number of Patients Graduate NYC Health + Hospitals/Kings County Diabetes Management/Prevention program

NYC health + Hospitals/Kings County celebrated a milestone this month when a record 164 patients graduated from its Diabetes Self-Management Education Program. With the education and support of a team of doctors, nurses, diabetes educators, and nutritionists, patients learn how to control blood pressure, reduce A1C blood glucose levels, and improve eating habits. Pre-diabetic patients learn important skills in preventing diabetes. The program is offered in English, Spanish and Haitian Creole in a series of six classes. The graduation ceremony was attended by Brooklyn Borough President Eric L. Adams, as well as hospital staff who were celebrating the 16th year of the program and this year's largest ever graduating class. Congratulations to all participants.

Kim Mendez, EdD, ANP, RN, Appointed Senior VP and Chief Nurse Executive

Late last month the NYC Health + Hospitals Board of Directors approved the appointment of Kim Mendez, EdD, ANP, RN, as senior vice president and chief nurse executive. Dr. Mendez has served as the health system's interim chief nurse executive since January and was selected for her new role following a nationwide search. As chief nurse executive, she will lead initiatives to support patient-centered care and ensure patient satisfaction.

Dr. Mendez has been a hospital executive for more than 10 years and most recently served as NYC Health + Hospitals/Bellevue's deputy executive director and chief nursing officer. During her time at NYC Health + Hospitals/Bellevue, she helped develop population health strategies and coordinated efforts to promote organizational excellence. Congratulations to Dr. Mendez.

Fay Rim Appointed VP for Post-Acute Care

I'm also pleased to call your attention to the appointment Fay Rim, MD, FAAPMR, as senior assistant vice president for palliative care. In this newly created position, Dr. Rim will guide the development of an integrated system of palliative care and hospice services spanning the care continuum, including primary care, specialty care, inpatient care, emergency department, and long-term care, as well as care delivered in the community. She assumes her new role on July 31. Congratulations and welcome to Dr. Rim.

MetroPlus Opens New Community Offices in the Bronx

I'm glad to share with you the fact that MetroPlus has announced the opening of new community offices in three Bronx locations, representing the first time the health plan has established community offices in the borough. While MetroPlus already counts many Bronx residents among its members, bringing health care directly to where New Yorkers live and work is a core part of our mission. Opening up these three community-based offices provides MetroPlus with a great opportunity to further serve the Bronx.

The three sites are conveniently located at street level in the Bronx, with easy subway and bus service access:

Morrisania – 227A 167th Street, 10456

Bathgate – 720 East Tremont Avenue, 10457, and

Morris Heights – 1733 University Avenue, 10453

DSRIP/OneCity Health Update

OneCity Health is continuing with efforts to enhance access to primary care for patients, and the range of services available to them.

- All 32 NYC Health + Hospitals primary care clinics that applied for PCMH status have now successfully achieved 2014 Level 3 certification, which is the highest level of recognition conferred by the National Committee for Quality Assurance (NCQA).

In July, OneCity Health hosted the latest Patient-Centered Medical Home (PCMH) Learning Collaborative, providing strategies to improve communication and coordination between providers, and implement systems to better share information. This learning session was a part of OneCity Health’s efforts to assist 54 sites in the OneCity Health network toward achieving PCMH recognition, which drives transformation in patient care and improves coordination throughout our developing integrated delivery system.

- Sixteen NYC Health + Hospital facilities and six community partners are currently generating referrals from the primary care setting to OneCity Health partners with Community Health Workers. Since January 2017 OneCity Health partners have referred over 860 patients to Community Health Workers (CHWs), who have completed 529 home assessments.

Care management programs continue to expand across the OneCity Health network.

- Transition Management Teams (TMTs) continue to provide 30 days of supportive care management for patients at high risk of readmission across eight medicine and three behavioral health inpatient units, located across eight NYC Health + Hospitals facilities.
- The Health Home At-Risk program continues at 11 NYC Health + Hospitals facilities and two community partner primary care practices. In this program, primary care practitioners make referrals to care coordinators provided by OneCity Health’s Health Home lead agencies.

OneCity Health continues to work with community-based organization (CBO) partners to prepare them for value-based payments and improving health outcomes. Throughout July, OneCity Health hosted a series of listening sessions in order to hear from CBO partners about their knowledge and understanding of the changing health care landscape. In addition, OneCity Health selected Community Service Society of New York as a technical assistance partner for CBO capacity building. Support will include providing social service partners with a variety of organizational and educational assistance.

Finally, in late June, NEJM Catalyst published an article by Jeremy P. Ziring, AB, Kathleen S. Tatem, MPH, Remle Newton-Dame, MPH, Jesse Singer, DO, MPH, and Dave Chokshi, MD, all of OneCity Health. Titled “Coverage Expansion and Delivery System Reform in the Safety Net: Two Sides of the Same Coin,” the authors describe how maintaining—and optimally, growing—the insured population is crucial both to take care of those who are still uninsured, and for the system’s transformation efforts. For example, they discuss how expanding access to high-quality primary care, with integrated behavioral health services, is a linchpin of delivery system improvement.

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RESOLUTION authorizing the New York City Health and Hospitals Health and Hospitals Corporation (the “System”) to enter into an agreement with St. Georges University (“SGU”) effective July 1, 2017 for the System to accept and for SGU to send agreed upon numbers of its third and fourth year medical students to rotate and receive training at the System’s facilities which training is structured, provided and administered by staff of SGU for which SGU will pay the System both an annual fee per System facility where SGU students are placed, and a fee per student for each week he/she rotates through a System facility as detailed in the Executive Summary attached which will generate income to the System of approximately \$12,105,600 per year with increases of 3% per year starting in 2019 for a term of three years with two, two-year options exclusive to the System.

WHEREAS, SGU, based in Grenada and with more than 7,700 students, is the largest and best known of the Caribbean medical schools that train medical doctors in the United States; and

WHEREAS, the System contracted with SGU in 2007 for a five-year term with a five-year option that will expire July 30, 2017 based on a one-month extension; and

WHEREAS, under the prior contract, SGU sent its third and fourth year medical students to observe and rotate through the System’s facilities as part of their medical training; and

WHEREAS, the relationship between the System and SGU has been mutually beneficial in that many SGU medical students have gone on to work within the System after graduation (including some who receive scholarships conditioned on such service), they have assisted in the operation of the System during their training and the SGU students have gained valuable medical training and experience enabling them to become valuable contributors to the medical profession; and

WHEREAS, the System has conducted a detailed analysis of the cost to the System in staff time of assisting with the education of the SGU students and of the number of students that the System can accommodate consistent with its primary mission of providing health care to New Yorkers; and

WHEREAS, the System management has determined that SGU must increase its fees to the System from those payable under the expiring contract and have the capacity to reduce the number of its students to properly reflect the costs to the System and the System’s ability to accommodate students; and

WHEREAS, the System will continue to participate in the medical education of students of the System’s academic medical affiliates such as New York University School of Medicine and Icahn School of Medicine at Mt. Sinai; and

WHEREAS, the responsibility for the administration of the proposed contract with SGU shall reside with the Senior Vice President and Chief Medical Officer.

IT IS THEREFORE RESOLVED, that the New York City Health and Hospitals Health and Hospitals Corporation (the “System”) shall be and hereby is authorized to enter into an agreement with St. Georges University (“SGU”) effective July 1, 2017 for the System to accept and for SGU to send agreed upon numbers of its third and fourth year medical students to rotate and receive training at the System’s facilities which training is structured, provided and administered by staff of SGU for which SGU will pay the System both an annual fee per System facility where SGU students are placed, and a fee per student for each week he/she rotates through a System facility as detailed in the Executive Summary attached which will generate income to the System of approximately \$12 Million per year with increases of 3% per year starting in 2019 for a term of three years with two, two-year options exclusive to the System.

EXECUTIVE SUMMARY

RESOLUTION AUTHORIZING A MEDICAL TRAINING AGREEMENT WITH ST. GEORGE'S UNIVERSITY

BACKGROUND: St. George's University ("SGU") is a 40 year old medical school based in Grenada which has grown to have more than 7,700 students, most of whom come from the United States. New York City Health and Hospitals Corporation (the "System") has had a system-wide relationship with SGU since 2007 by which the System's facilities participate in the medical training of SGU third and fourth year medical students. The relationship has been helpful to the System because SGU students have assisted in the operation of the System's facilities (under appropriate supervision) and many of them have come to work within the System after they graduated. For the SGU students, the training they receive at the System's facilities has been an essential and necessary part of their medical education.

The System has long-term medical affiliations with NYU and Mt. Sinai both of which operate prestigious medical schools. An important part of that relationship is that those affiliates' students also rotate through the System's facilities as part of their education. Such arrangements have generally co-existed with the SGU program and will continue to do so. The System hospitals with doctors supplied by NYU or Mt. Saini will continue to have most of their students drawn from those two academic medical institutions.

Despite the benefit the System derived from the 2007 contract with SGU, a careful analysis of the program has indicated that SGU must increase its fees to the System and the System must have the ability to limit the number of students it sends to rotate through the System's facilities. In FY 2016, SGU paid to the System a total of approximately \$9,433,138 including both a fee per facility and a weekly rotation fee based on 380 students participating in the SGU program at the System's facilities. The System has determined that a renewal of the SGU agreement would be acceptable only if the payments were increased, the System were to gain the ability to reduce the number of students and exercise control of the program from the System's Central Office rather having such control distributed to the individual facilities.

NEED: The United States needs more doctors than are currently graduated from U.S. based medical schools and there are more students qualified to train to be doctors in the United States than there are slots for them at U.S. based medical schools. Accordingly, a number of medical schools have developed in the Caribbean to fill the gaps.

PROGRAM: SGU is responsible for the administration of the Program, including the curriculum content, the requirements of matriculation, grading, graduation and faculty appointments. SGU shall provide a Director of Medical Education, Clerkship Director and Clerkship Coordinator to ensure that the Program is properly administered with the necessary support for the students and the NYC Health + Hospital staff. The System is responsible for accommodating the rotation of SGU students through the System facilities, giving them access to the System's patients

under appropriate System staff supervision and participating in the clinical training and education of the SGU students.

FINANCIAL TERMS:

SGU will pay an annual fee to the System of \$500,000 for each System facility with 24 or more SGU students. For facilities with 12 to 23 students, the fee will be not less than \$250,000 which shall increase by \$20,000 per student over 12 and up to 23 students. It is not anticipated that facilities will have fewer than 12 students but if this should be the case, the parties will discuss an equitable reduction of the fee provided that the fee for NYC Health + Hospitals/Metropolitan which falls into this category shall generate an annual fee of \$200,000. These facility fees are anticipated to generate approximately \$3,200,000 annually.

SGU will also pay a weekly fee of \$575 for each student that rotates through the System facilities. These rotation fees are anticipated to generate approximately \$8,905,600.

The fees payable by SGU to the System will increase by 3% annually.

The total anticipated SGU annual revenue will be approximately \$12,105,600. In FY 2016, the last year for which full figures are available, the comparable annual revenue was \$9,433,138. Thus the proposed contract will increase the revenue from SGU by approximately 28%.

SCHOLARSHIPS:

SGU will award two full scholarships per participating System facility to students who pledge to work within the System after graduation. This represents a doubling of the number of such scholarships over that previously awarded.

EXCLUSIVITY:

As with the prior SGU agreement, the System will not allow students from other foreign medical schools to train at the System's facilities without the approval of SGU.

RIGHT OF FIRST REFUSAL:

The System will give to SGU a right of first refusal to make a new medical training agreement with a foreign medical school.

RIGHT OF TERMINATION:

The Corporation and SGU shall each have the right to terminate the agreement on six months' notice.

SYSTEM RIGHT TO REDUCE THE NUMBER OF STUDENTS:

The System shall have the right to require a reduction of the total number of students on six months' notice provided that if SGU is not able, following good faith efforts, to place any students who would lose their slots in the System's facilities in other medical facilities to continue their training, then the System shall continue the training of such students for up to another six months. Initially SGU will be able to send 380 students as is currently the case.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with Huron Consulting Group Inc. (“Huron”) to provide a Revenue Cycle Optimization Program for the entire System over a 2-year period, yielding estimated ongoing enhanced annual revenue range between \$130 and \$290 million, and a one-time annual revenue recovery range between \$30 and \$50 million, for an estimated total compensation to Huron, not to exceed \$37 million, inclusive of expenses, based on the achievement of program milestones.

WHEREAS, as part of the System’s ongoing transformation it is necessary to optimize and improve revenue cycle operations and performance to ensure the ongoing financial health of the System; and

WHEREAS, an assessment by Huron of current performance indicates an opportunity for a range of revenue recovery between \$70 – 150 million in FY 18, with an ongoing revenue recovery range between \$130 and \$290 million annually; and

WHEREAS, Huron was prequalified through an open competitive process to provide training, process re-design, implementation and establish governance and quality control structures in the area of Revenue Cycle from among six pre-qualified consultants; and

WHEREAS, Huron is considered the industry leader in revenue cycle performance improvement consulting with a track record of improving revenue at major health systems across the nation and has done considerable prior work for health systems in New York City; and

WHEREAS, the proposed contract for Huron’s services will be managed jointly by the Senior Vice President for Acute and Ambulatory Care Services and the Senior Vice President for Finance/Chief Financial Officer who shall share responsibility for ensuring that the work of Huron is properly coordinated.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to enter into a contract with Huron Consulting Group Inc., to provide Revenue Cycle optimization services over a 24 month period for an amount not to exceed \$37 million, inclusive of expenses, based on the achievement of program milestones.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) to execute an agreement with the New York Power Authority (“NYPA”) for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new cooling tower (the “Project”) at NYC Health + Hospitals/Lincoln (the “Facility”).

WHEREAS, in March 2005, NYC Health + Hospitals and the City of New York (the “City”), through the City Department of Citywide Administrative Services (“DCAS”) entered into an Energy Efficiency-Clean Energy Technology Program Agreement (“ENCORE Agreement”) with NYPA that establishes the framework for NYPA to manage energy related-projects for City agencies and affiliated entities; and

WHEREAS, the Facility’s existing cooling tower is original to the building and has exceeded its useful; and

WHEREAS, in August 2015, the City adopted Local Law 77 that required registration, inspection, cleaning, disinfection and testing of all cooling towers in the City; and

WHEREAS, a new cooling tower will mitigate the Facility’s risk of Legionnaires Disease; and

WHEREAS, the Project falls within the ENCORE Agreement scope and so NYPA can manage it; and

WHEREAS, NYPA has bid the Project and has determined that it will cost \$11,888,441; and

WHEREAS, the Project cost in the amount of \$11,888,441 will be funded through Citibank financing and the City’s General Obligations Bonds; and

WHEREAS, the Project will produce a total annual energy savings to the Facility of 956,845 kilowatts hours; and

WHEREAS, the overall management of the construction contract will be under the direction of the Vice President - Corporate Operations.

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with the New York Power Authority for an amount not-to-exceed \$11,888,441 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant at NYC Health + Hospitals/ Lincoln.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$21,352,790 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant (the "Project") at NYC Health + Hospitals/Coler (the "Facility").

WHEREAS, in March 2005, NYC Health + Hospitals and the City of New York (the "City"), through DCAS entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA that establishes the framework for NYPA to manage energy related-projects for City agencies and affiliated entities; and

WHEREAS, the City has allocated funding under the Accelerated Conservation and Efficiency ("ACE") program for improvements to increase energy efficiency at City-owned facilities; and

WHEREAS, following damage caused by Hurricane Sandy, the closure of Goldwater Hospital and to comply with environmental regulations, NYC Health + Hospitals discontinued using the 1930's era steam plant that had been providing steam heat to Goldwater and the Facility; and

WHEREAS, after the decommission of the steam plant, the Facility has been relying for several years on a temporary portable boiler to supply its heat and hot water; and

WHEREAS, a permanent, efficient means to supply heat and hot water to the Facility is needed;

WHEREAS, the Project falls within the ENCORE Agreement scope and so NYPA can manage it; and

WHEREAS, NYPA has bids for the Project and has determined that it will cost \$21,352,790; and

WHEREAS, the Project is ACE program eligible and \$17,940,639 has been allocated for it; the Federal Emergency Management Agency has approved reimbursement of \$1,260,028 of Project costs; and the balance of the Project cost in the amount of \$2,152,123 will be obtained through the City from City General Obligations Bonds; and

WHEREAS, NYPA projects that the Project will produce total annual cost savings to the Facility of \$3,342,898; and

WHEREAS, the overall management of the construction contract will be under the direction of the Vice President Corporate Operations.

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with the New York City Department of Citywide Administrative Services and the New York Power Authority for an amount not-to-exceed \$21,352,790 for the planning, design, procurement, construction, construction management and project management services necessary to install a new boiler plant at NYC Health + Hospitals /Coler.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an agreement with the New York City Department of Citywide Administrative Services ("DCAS") and the New York Power Authority ("NYPA") for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to **replace and upgrade** the boiler plant (the "Project") at NYC Health + Hospitals/Gotham Health, Cumberland (the "Facility").

WHEREAS, in March 2005, NYC Health + Hospitals and the City of New York (the "City"), through DCAS entered into an Energy Efficiency-Clean Energy Technology Program Agreement ("ENCORE Agreement") with NYPA that establishes the framework for NYPA to manage energy related-projects for City agencies and affiliated entities; and

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

WHEREAS, the City has allocated funding under the Accelerated Conservation and Efficiency ("ACE") program for improvements to increase energy efficiency at City-owned facilities; and

WHEREAS, the existing boilers are original to the building and have exceeded their useful life; and

WHEREAS, under an agreement with NYC Health + Hospitals, the New York City Department of Homeless Services ("DHS") operates a homeless shelter in the Facility's "A" Building; and

WHEREAS, under the agreement, NYC Health +Hospitals supplies heat and hot water to the "A" Building; and

WHEREAS, the Project falls within the ENCORE Agreement scope and so NYPA can manage it; and

WHEREAS, NYPA has bids for the Project and has determined that it will cost \$8,848,954; and

WHEREAS, the Project is ACE program eligible and \$4,297,104 has been allocated for it and the balance of the Project cost in the amount of \$4,551,850 will be obtained through the City from City General Obligations Bonds; and

WHEREAS, NYPA projects that the Project will produce total annual cost savings to the Facility of \$338,403; and

WHEREAS, the overall management of the construction contract will be under the direction of the Vice President Corporate Operations.

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with the New York City Department of Citywide Administrative Services and the New York Power Authority for an amount not-to-exceed \$8,848,954 for the planning, design, procurement, construction, construction management and project management services necessary to **replace and upgrade** the boiler plant at NYC Health + Hospitals / Gotham Health, Cumberland.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five-year lease agreement with Shui's Realty Inc. (the "Landlord") for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a Women, Infants and Children Program (the "WIC Program") managed by NYC Health + Hospitals/Bellevue (the "Facility") at a base rent of \$56.86 per square foot, or \$87,000 per year to be escalated by 3% per year for a total base rent over the five year term of \$461,894.82.

WHEREAS, the Facility has operated a grant-funded WIC program at 221-227 Canal Street since 2010 and the lease for the space it occupies expires in December 2017; and

WHEREAS, pregnant, breastfeeding and postpartum women, infants and children less than five years of age determined to be at nutritional risk are eligible for WIC Program services which includes monitoring children's growth rates, nutrition education, breastfeeding support, and high risk counseling; and

WHEREAS, 212 Canal Street is located in close proximity to the existing WIC Program site thereby ensuring the program's clients in the community will continue to receive its services; and

WHEREAS, the rent and other operating expenses for the WIC program are pass-through costs covered by the New York State Department of Health funding grant; and

WHEREAS, the proposed lease will be administered by the Facility Executive Director.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and is hereby authorized to execute a five year lease agreement with Shui's Realty Inc. for approximately 1,530 square feet of space at 212 Canal Street, Borough of Manhattan, to house a Women, Infants and Children Program managed by NYC Health + Hospitals/ Bellevue at a base rent of \$56.86 per square foot, or \$87,000 per year to be escalated by 3% per year for a total base rent over the five year term of \$461,895.82.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of 100 square feet of space to operate an optical dispensary at Gouverneur Healthcare Services (the "Facility") at an annual occupancy fee of \$5,216 or \$52.16 per square foot to be escalated by 3% per year for a five year total of \$27,692.

WHEREAS, the Facility operates an Ophthalmology and Eye Clinic, performing an array of vision screenings, diagnostic tests and ophthalmic procedures for its patient population; and

WHEREAS, in July 2012 the Board of Directors of the Corporation authorized NYC Health + Hospitals to enter into a five year revocable license agreement with the Licensee; and

WHEREAS, the Licensee's optical dispensary augments available ophthalmology and eye clinic resources for the Facility's patient population by providing an on-site ophthalmic dispensary; and

WHEREAS, the Licensee has been operating an optical dispensary at the Facility since 2008 and the service has been a beneficial addition to the Facility's programs and the Facility desires to continue to provide space for the Licensee's operation.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") be and hereby is authorized to execute a five year revocable license agreement with Eyes and Optics (the "Licensee") for its continued use and occupancy of 100 square feet of space to operate an optical dispensary at Gouverneur Healthcare Services (the "Facility") at an annual occupancy fee of \$5,216 or \$52.16 per square foot to be escalated by 3% per year for a five year total of \$27,692.

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a five year revocable license agreement with the New York City Human Resources Administration ("HRA") permitting HRA's use and occupancy of approximately 470 square feet of space in NYC Health + Hospitals/Metropolitan ("the Facility") through June 30, 2018 with four one-year renewals for the operation of the New York City Identification Card Program ("NYCID Program") with the occupancy fee waived.

WHEREAS, on July 10, 2014, Mayor Bill de Blasio signed Local Law No. 35 of 2014, establishing the NYCID Program; and

WHEREAS, Mayor de Blasio issued Executive Order No. 6 of 2014 designating HRA as the administering agency of the NYCID Program; and

WHEREAS, the NYCID Program provides an identification card to many New York City residents who have difficulty acquiring alternative forms of identification, thereby helping all residents receive benefits from City services; and

WHEREAS, Local Law No. 35 requires the administering agency of the NYCID Program to designate at least one access site in each of the five boroughs and HRA desires to ensure that the Program reaches as many New York City residents as possible; and

WHEREAS, HRA currently operates the NYCID program out of space located in NYC Health + Hospitals/Lincoln; and

WHEREAS, NYC Health + Hospitals desires to continue to participate in and support the IDNYC Program by allowing the NYCID Program to expand its operation to the Facility;

WHEREAS, the Senior Vice President for Hospitals and the Chief Executive Officer of Metropolitan shall be responsible for the administration of the proposed license agreement.

NOW THEREFOR, be it

RESOLVED, that the New York City Health and Hospitals Corporation is authorized to execute a five year revocable license agreement with the New York City Human Resources Administration ("HRA") permitting HRA's use and occupancy of approximately 470 square feet of space in NYC Health + Hospitals/Metropolitan through June 30, 2018 with four one-year renewals for the operation of the New York City Identification Card Program with the occupancy fee waived.

RESOLUTION

Authorizing the Executive Director of MetroPlus Health Plan, Inc. (“MetroPlus”) to negotiate and execute a contract with Healthplex, Inc. (“Healthplex”) to provide administration of dental services for a term of three years with two options to renew for one-year each, solely exercisable by MetroPlus, for an amount not to exceed \$8.5 million per year.

WHEREAS, MetroPlus, a subsidiary corporation of New York City Health and Hospitals (“NYC Health + Hospitals”), is a Managed Care Organization and Prepaid Health Services Plan, certified under Article 44 of the Public Health Law of the State of New York and;

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

WHEREAS, MetroPlus currently provides dental benefits for approximately 480,000 members in its Medicaid, Essential Plans, Child Health Plus, and other plans, and utilizes a dental benefits management vendor for the administration of the dental program; and

WHEREAS, MetroPlus seeks to provide a fully integrated dental program to its members working with its selected vendor towards the goal of improving health and reducing health care costs; and

WHEREAS, the current contract was at its conclusion and a Negotiated Acquisition for administration of dental services was issued in compliance with MetroPlus’ contracting policies and procedures; and

WHEREAS, Healthplex was the vendor selected to provide these services; and

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

NOW THEREFORE, be it

RESOLVED, that the Executive Director of MetroPlus is hereby authorized to negotiate and execute a contract with Healthplex to provide administration of dental services for a term of three years with two options to renew for one-year each, solely exercisable by MetroPlus, for an amount not to exceed \$8.5 million per year.

RESOLUTION

Appointing Sara Gillen as a member of the Board of Directors of MetroPlus Health Plan, Inc. (“MetroPlus”), a public benefit corporation formed pursuant to Section 7385(20) of the Unconsolidated Laws of New York, to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

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

WHEREAS, the Certificate of Incorporation designates NYC Health + Hospitals as the sole member of MetroPlus and has reserved NYC Health + Hospitals the sole power with respect to electing members of the Board of Directors of MetroPlus; and

WHEREAS, the Bylaws of MetroPlus authorize the President of NYC Health + Hospitals to select two directors of MetroPlus’ Board subject to election by the Board of Directors of NYC Health + Hospitals; and

WHEREAS, the President of NYC Health + Hospitals has selected Ms. Gillen to serve as a member of the Board of Directors of MetroPlus to replace Mr. Steven Bussey as Mr. Bussey has left his position at NYC Health + Hospitals; and

WHEREAS, the Board of Directors of MetroPlus has approved said nomination.

NOW, THEREFORE, be it

RESOLVED, that the NYC Health + Hospitals Board of Directors hereby appoint Sara Gillen to the MetroPlus Board of Directors to serve in such capacity until her successor has been duly elected and qualified, or as otherwise provided in the Bylaws of MetroPlus.

NYC HEALTH + HOSPITALS

A meeting of the Executive Committee Board of Directors Executive Committee was held in Room 532 at 125 Worth Street, New York, New York 10013 on the 6th day of Sept. 2017 at 1:45 P.M. pursuant to a notice which was sent to all of the Directors of NYC Health + Hospitals and which was provided to the public by the Secretary. The following Directors were present in person:

Mr. Gordon J. Campbell
Mr. Stanley Brezenoff
Josephine Bolus, R.N.
Barbara A. Lowe, R.N.
Mr. Bernard Rosen

Also present in a voting capacity were Karen Lane, representing HRA Commissioner Steven Banks, and Deborah Brown, representing Dr. Herminia Palacio. Mr. Gordon Campbell chaired the meeting. Mr. Salvatore Russo, General Counsel, kept the minutes thereof.

CHAIRPERSON'S REPORT

Mr. Campbell thanked the Board members who attended the meeting.

ACTION ITEM

RESOLUTION

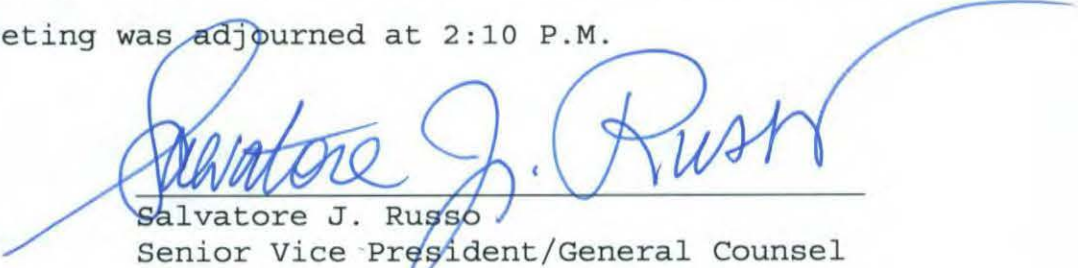
1. Authorizing the New York City Health and Hospitals Corporation (the "NYC Health + Hospitals") to execute a lease with **Factory Lessor, LLC** ("landlord") for a term of seven years and four months for approximately 47,522 square feet of space on the fourth floor (suites 412, 414, 418 and 440) at 30-30 74th Avenue, Long Island City, Borough of Queens, to house a portion of the New York City Health + Hospitals' Enterprise Information Services unit

("EITS") at an initial rent of \$35 per square foot, or \$1,247,453 for the first year of the term after factoring three months of free rent, and with the rent escalating for the balance of the term at a rate of 2.25 percent per year for a total rent for the lease term of approximately \$12,552,370; provided New York City Health + Hospitals shall hold an option to terminate after five years on the payment of a termination fee of \$175,000 but with an additional month of free rent in year six if the termination option is not exercised and with New York City Health + Hospitals holding an option to renew for five further years at 95 percent of fair market value.

Rosalyn Weinstein, Vice President, Operations, discussed the continuing rollout of EPIC and ERP and need for 448 new staff members, consultants and FTE's. In addition, she discussed the need for additional space to house the employees.

Mr. Campbell moved the adoption of the resolution which was duly seconded and unanimously adopted by the Executive Committee.

Thereupon, there being no further business before the Board, the meeting was adjourned at 2:10 P.M.



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

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation (the “NYC Health + Hospitals”) to execute a lease with Factory Lessor LLC (“Landlord”) for a term of seven years and four months for approximately 47,522 square feet of space on the 4th Floor (Suites 412, 414, 418 & 440) at 30-30 47th Avenue, Long Island City, Borough of Queens, to house a portion of the NYC Health + Hospitals’ Enterprise Information Services unit (“EITS”) at an initial rent of \$35/sq. ft., or \$1,247,453 for the first year of the term after factoring 3 months of free rent, and with the rent escalating for the balance of the term at a rate of 2.25%/year for a total rent for the lease term of approximately \$12,552,370; provided NYC Health + Hospitals shall hold an option to terminate after five years on the payment of a termination fee of \$175,000 but with an additional month of free rent in year 6 if the termination option is not exercised and with NYC Health + Hospitals holding an option to renew for five further years at 95% of Fair Market Value.

WHEREAS, EITS has been tasked with several large and labor intensive initiatives including the Epic EMR rollout, Epic Revenue Cycle rollout, the IT aspects of the DSRIP capital funded projects and the ERP project which together urgently require approximately 448 additional staff including many that will be brought on through staffing agencies to work on a time limited basis; and

WHEREAS, most of the additional staff will be required for only approximately five years; and

WHEREAS, NYC Health + Hospitals does not have appropriate space within its own portfolio that is ready and available for such additional staff

WHEREAS, internal solutions to the need for space as described are being developed at both NYC Health + Hospitals/Jacobi and at NYC Health + Hospitals/Cumberland however such locations can accommodate only a portion of the EITS staff needing space; and

WHEREAS, the space on Long Island City can quickly accommodate as many as approximately 290 EITS staff during the likely duration of the EITS projects described above; and

WHEREAS, the Long Island City space is in a former factory with large open floor plans that will require minimal work by NYC Health + Hospitals and will lend itself to the installation of many small work stations common for IT related work and thus the space would enable an efficient solution to the need; and

WHEREAS, the Senior Vice President for EITS will be responsible for the lease administration.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation be and hereby is authorized to execute a lease with Factory Lessor LLC for a term of approximately seven years for approximately 47,522 square feet of space on the 4th Floor (Suites 412, 414, 418 & 440) at 30-30 47th Avenue, Long Island City, Borough of Queens, to house a portion of the NYC Health + Hospitals’ Enterprise Information Services unit (“EITS”) at an initial rent of \$35/sq. ft., or \$1,247,453 for the first year of the term after factoring three months of free rent, and with the rent escalating for the balance of the term at a rate of 2.25% per year for a total rent for the lease term of approximately \$12,552,370 ; provided NYC Health + Hospitals shall hold an option to terminate after five years on the payment of a termination fee of \$175,000 but with an additional month of free rent in year 6 if the termination option is not exercised and with NYC Health + Hospitals holding an option to renew for five further years at 95% of Fair Market Value.

RESOLUTION

Adopting NYC Health + Hospitals' Mission Statement and Performance Measures for Fiscal Year 2017 as required by the Public Authorities Reform Act of 2009 which require a local public authority such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.

WHEREAS, the New York State Public Authorities Reform Act of 2009 requires local public authorities such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist NYC Health + Hospitals in determining how well it is carrying out its mission; and

WHEREAS, NYC Health + Hospitals has posted on its website a mission statement that is a refined version of the purposes of NYC Health + Hospitals as expressed in the legislation which created NYC Health + Hospitals and in the NYC Health + Hospitals By-Laws; and

WHEREAS, NYC Health + Hospitals keeps extensive data on numerous performance measures for internal monitoring and external reporting; and

WHEREAS, NYC Health + Hospitals has selected performance measures addressing the core functions and values of the Corporation for reporting to the Office of the State Comptroller's Authorities Budget Office (ABO) as required by the Public Authorities Reform Act; and

WHEREAS, the ABO has required reporting of NYC Health + Hospitals' mission and performance measures, as well as responding to certain additional questions, on a form provided by that office and requires that the Board of Directors read and understand the mission statement and read and understand the responses provided to the ABO; and

WHEREAS, the attached "Mission Statement and Performance Measures" uses the same indicators as reflected in the Mayor's Management Report;

NOW, THEREFORE, be it

RESOLVED that the attached "Mission Statement and Performance Measures" is hereby adopted, as required by the Public Authorities Reform Act of 2009, which requires a local public authority such as NYC Health + Hospitals to adopt each year a mission statement and performance measures to assist in determining how well it is carrying out its mission.

Executive Summary

NYC Health + Hospitals is required to adopt and to report to the New York State Office of the State Comptroller's Authority Budget Office ("ABO") each year a mission statement and performance measures to assist the System in determining how well it is carrying out its mission. The ABO requires completion of a specific form to achieve this reporting, as well as to respond to some additional questions. Attached is the complete report of our mission statement and the performance measures and the additional responses, all of which require the Board's adoption.

The attached "Mission Statement and Performance Measures" uses the same indicators as included in the Mayor's Management Report.

There have been minor variations on the Mission Statement over the years. All are refined versions of the purposes of NYC Health + Hospitals as expressed in the legislation which created System and in the System By-Laws. The mission statement on the ABO form is the version currently included on our website.

Authority Mission Statement and Performance Measurements

Name of Public Authority:

New York City Health and Hospitals Corporation (“NYC Health + Hospitals”)

Public Authority's Mission Statement:

To extend equally to all New Yorkers, regardless of their ability to pay, comprehensive health services of the highest quality in an atmosphere of humane care, dignity and respect;

To promote and protect, as both innovator and advocate, the health, welfare and safety of the people of the City of New York;

To join with other health workers and with communities in a partnership which will enable each of our institutions to promote and protect health in its fullest sense -- the total physical, mental and social well-being of the people.

Date Adopted: September 29, 2017

List of Performance Measurements:

	Indicator	FY 2016	FY 2017	Desired direction
1	Eligible women receiving a mammogram screening (%)	76.4%	75.4%	Up
2	Emergency room revisits for adult asthma patients (%)	6.2%	6.9%	Down
3	Emergency room revisits for pediatric asthma patients (%)	3.2%	3.6%	Down
4	Adult patients discharged with a principal psychiatry diagnosis who are readmitted within 30 days (%)	6.8%	7.1%	Down
5	Inpatient satisfaction rate (%)	62.0%	61.0%	Up
6	Outpatient satisfaction rate (%)	77.8%	81.3%	Up
7	Hospital-acquired Central Line-acquired Bloodstream Infection (CLABSI) rate	n/a	1.438	Down
8	HIV patients retained in care (%) (annual)	85.7%	83.5%	Up
9	Calendar days to third next available new appointment - adult medicine	23.0	18.6	Down
10	Calendar days to third next available new appointment - pediatric medicine	5.0	5.1	Down
11	Patient Cycle Time - Adult Medicine	88	79	Down
12	Patient Cycle Time - Pediatrics	70	70	Down
13	Patient Cycle Time - Women's Health	76	88	Down
14	Prenatal patients retained in care through delivery (%)	87.0%	86.1%	Up
15	General care average length of stay (days)	5.2	5.4	Down

Note: Due to change in reporting methodology, CLABSI FY 2016 is not available.

ADDITIONAL QUESTIONS:

- 1. Have the board members acknowledged that they have read and understood the mission of the public authority?**

Yes.

- 2. Who has the power to appoint the management of the public authority?**

Pursuant to the legislation that created NYC Health + Hospitals, the President is chosen by the members of the Board of Directors from persons other than themselves and serves at the pleasure of the Board. (Unconsolidated Law, section 7394)

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?**

The Governance Committee to the Board of Directors, which is a special committee established by the Board, includes the functions of the former Personnel Committee and has, among its responsibilities, the duty to receive, evaluate and report to the Board of Directors with respect to the submissions of appointments of corporate officers.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

In addition to standing and special committees which have defined subject matter responsibilities and which meet monthly or quarterly, the Board of Directors meets monthly to fulfill its responsibility as the governing body of NYC Health + Hospitals and its respective facilities as required by law and regulation by the various regulatory and oversight entities that oversee NYC Health + Hospitals. Corporate by-laws and established policies outline the Board's participation in the oversight of the functions designated to management in order to ensure that NYC Health + Hospitals can achieve its mission in a legally compliant and fiscally responsible manner.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

Yes.

RESOLUTION

Authorizing New York City Health and Hospitals Corporation (the “System”) to execute an agreement with Huron Consulting Group Inc. (“Huron”) to provide consulting services regarding the System’s supply chain operations and other operations that impact Other than Personal Services (“OTPS”) costs over an eighteen-month period which are estimated to yield estimated ongoing and recurrent annual savings in OTPS expenditures ranging from \$69 Million to \$162 Million, for an estimated total compensation to Huron, not to exceed \$11.7 Million.

WHEREAS, as part of the System’s ongoing transformation substantial reforms and improvements have already been achieved in its Supply Chain Services division (“SCS”) that, in FY 2017 yielded recurrent annual savings of \$64 Million with further savings already projected for FY 2018; and

WHEREAS, with increased manpower and expertise, SCS could achieve even greater savings for the System and could do so faster; and

WHEREAS, an assessment by Huron of current performance identified opportunities for a range of increased annual savings in OTPS payments managed by SCS and also by other parts of the System of between \$69 – \$162 million; and

WHEREAS, Huron was prequalified through an open competitive process to provide an analysis, of current SCS and other System operations that impact OTPS spending, to identify opportunities for further savings and to assist in implementing new contracts, systems and procedures to secure such savings from among four pre-qualified consultants; and

WHEREAS, Huron is considered an industry leader in supply chain performance improvement consulting with a track record of achieving savings at major health systems across the nation.

WHEREAS, the proposed contract for Huron’s services will be managed by the Vice President for SCS.

NOW THEREFORE BE IT:

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute an agreement with Huron Consulting Group Inc. to provide consulting services regarding the System’s supply chain operations and other operations that impact Other than Personal Services (“OTPS”) costs over an eighteen-month period which are estimated to yield estimated ongoing and recurrent annual savings in OTPS expenditures ranging from \$69 Million to \$162 Million, for an estimated total compensation to Huron, not to exceed \$11.7 million over an eighteen-month period.

EXECUTIVE SUMMARY
RESOLUTION TO AUTHORIZE CONTRACT
WITH HURON CONSULTING GROUP

BACKGROUND: The purpose of this engagement is to find additional savings in the recurrent expenditures of Other than Personal Services (“OTPS”) including by the System’s Supply Chain Services division (“SCS”).

Major health systems around the country have implemented similarly focused reforms of OTPS expenditures with substantial savings achieved.

NEED: Due to the inefficiencies that remain from the historic decentralized structure of the System considerable inefficiencies remain. While SCS has made substantial efficiency improvements over the last two years the remaining work to be done will require additional resources and expertise to achieve the System’s budget goals within the next eighteen months. Huron Consulting Group Inc. (“Huron”) will add the manpower and expertise that will enable SCS to greatly quicken its pace and thereby realize substantial savings earlier than would otherwise be the case. In particular, Huron has identified several key areas that offer the opportunity for substantial further savings. Among these areas are various pharmacy operations and services including retail operations and 340B subsidy implementation; non-medical operations including IT purchases, the use of Group Purchasing Organizations and various support services, facilities and clinical expenditures including the purchase of physician preference items, laboratory operations and encouraging greater standardization in clinic practices.

PROCUREMENT: NYC Health + Hospitals issued a Request for Proposals to identify and pre-qualify consultants within fifteen different scopes of work all of which relate to the Transformation of the System now underway. From the many proposals received, generally 5 – 7 vendors within each scope of work were selected by Selection Committees that evaluated the vendors based on written submissions. The Contract Review Committee reviewed the pre-qualification procedure used and the pre-qualification selections made and approved of both. Pursuant to a written procedure proposed by the SVP/Chief Financial Officer and the SVP/Chief Transformation Officer and accepted by the Interim President applicable to all work orders for particular Transformation services using firms pre-qualified as described above, the proposed consulting services were described to four firms prequalified to perform supply chain related process design and reform of high potential purchase areas. Huron was one of such firms. The four firms made competing proposals including cost proposals. A Selection Committee evaluated the proposals, scored them and on the basis of both price and appropriateness, selected Huron. In accordance with the adopted procedure, that selection and the cost of the contract was presented to an Approval Committee that must approve all Transformation consulting contracts using the pre-qualified pool of consultants. The Approval Committee consists of the Interim President, SVP/Chief Financial Officer and the SVP/Chief Transformation Officer. The Approval Committee approved the selection of Huron. Being as the contract price exceeds the Board’s threshold for review, the contract is being presented to the Board of Directors for approval.

TERMS: The System will pay an amount not to exceed \$11.7 million, inclusive of all expenses over an eighteen-month period.

31590A

TO: Mitchell Jacobs, Director
Procurement System Operations
Division of Materials Management

FROM: Keith Tallbe *KT*

DATE: April 4, 2017

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

The proposed contractor/consultant, Huron Consulting Services LLC, has submitted to the Supply Chain Diversity Office a completed Contract Compliance Questionnaire and the appropriate EEO documents. This company is a:

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Central Office

Contract Number: _____

Project: Consulting Services for Transformation

Submitted by: Division of Materials Management

EEO STATUS:

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

COMMENTS:

KT:srf

Centralized Procurement

Supply Chain/
Other Than Personnel Services (OTPS)
Expense Reduction Plan
Huron Supply Chain Consulting Services

Board of Directors Meeting
September 29, 2017



NYC HEALTH + HOSPITALS IMPERATIVES

- NYC Health + Hospitals (NYC H+H) is:
 - engaged in continuous, multi-year, budget gap reduction process
 - striving to appropriately transform itself to meet the changed and changing health care and reimbursement landscapes
 - staying true to its mission.
- Foundational work includes:
 - Technology – PeopleSoft/ERP, EPIC Clinical and Financials
 - Clinical Services Redesign, enhancing ambulatory care
 - Revenue Cycle standard work, improved/optimized collections
 - OTPS/Supply Chain standard work, improved/optimized savings



INITIATIVE INTRODUCTION

- NYC H+H identified need to improve Supply Chain processes and reduce Other Than Personnel Spend (OTPS). NYC H+H has approximately \$1.4 billion in supply chain spend.
- NYC H+H developed an RFP to select a partner to assess the savings opportunity in OTPS. Huron Consulting was chosen as the partner to conduct this assessment.
- During the Supply Chain Assessment, Huron interviewed over 50 NYC H+H staff and analyzed over 150 data files.
- The preliminary results of this assessment are included in this report



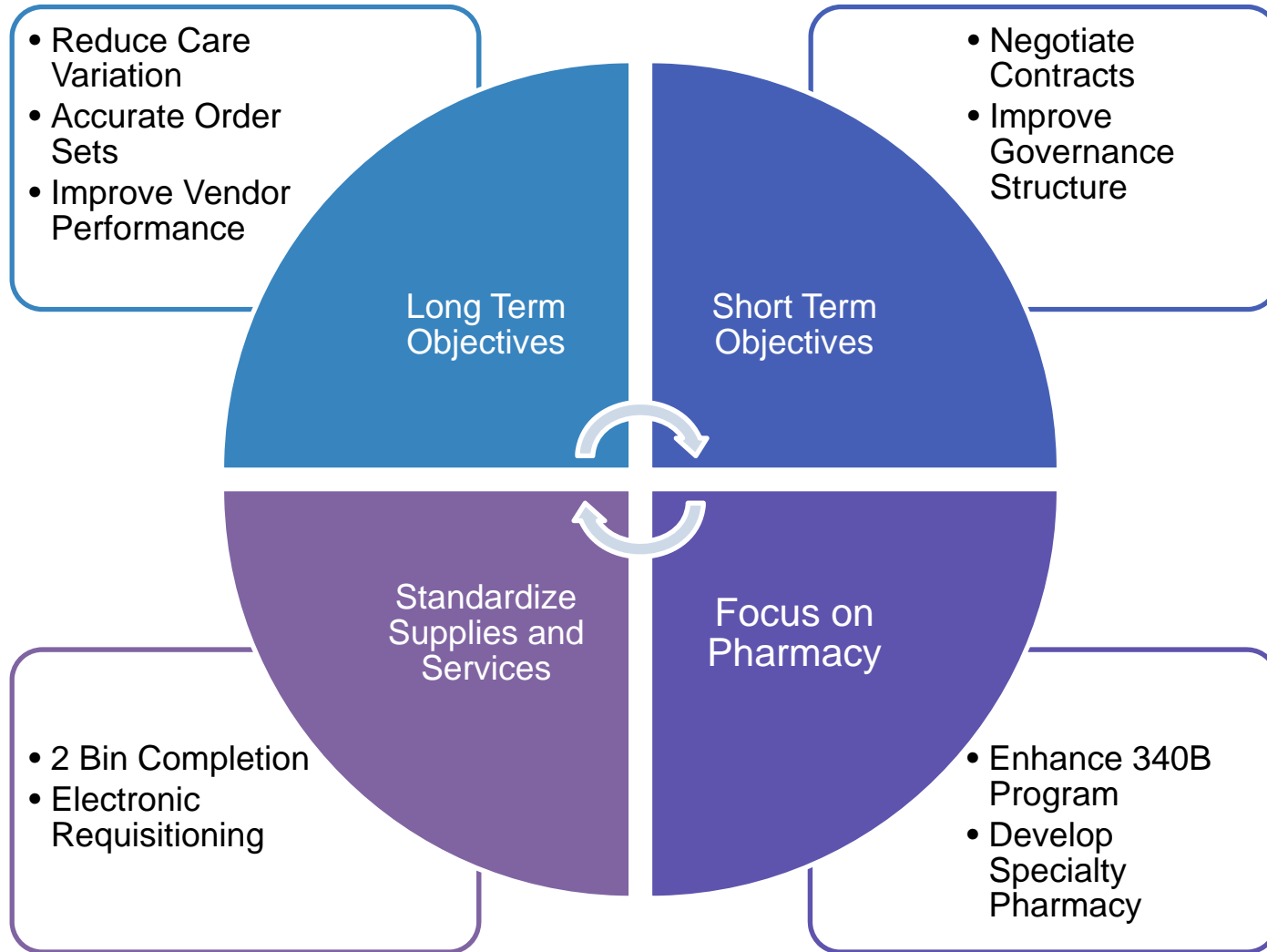
ANNUAL SAVINGS OPPORTUNITIES

Area	Recurring		
	Low	Mid	High
Pharmacy Revenue ¹	\$ 24,400,000	\$ 47,850,000	\$ 71,300,000
Pharmacy Savings	\$ 6,417,000	\$ 9,782,000	\$ 13,147,000
Pharmacy Subtotal	\$ 30,817,000	\$ 57,632,000	\$ 84,447,000
HR Purchased Services Savings	\$ 12,800,000	\$ 16,000,000	\$ 19,200,000
Purchased Services & IT Savings	\$ 6,130,000	\$ 11,115,000	\$ 16,100,000
Support Services & Facilities Savings	\$ 7,000,000	\$ 9,750,000	\$ 12,500,000
Other Miscellaneous Spend Savings	\$ 2,910,000	\$ 4,365,000	\$ 5,820,000
GPO Optimization/Commodities Savings	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000
Non-Clinical Subtotal	\$ 29,840,000	\$ 43,230,000	\$ 56,620,000
Med/Surg Supply Savings	\$ 3,390,000	\$ 6,070,000	\$ 8,750,000
Laboratory Savings	\$ 3,000,000	\$ 6,000,000	\$ 9,000,000
Clinical Variation Savings	\$ 2,000,000	\$ 2,750,000	\$ 3,500,000
Clinical Subtotal	\$ 8,390,000	\$ 14,820,000	\$ 21,250,000
Total Increased Revenue¹	\$ 24,400,000	\$ 47,850,000	\$ 71,300,000
Total Savings	\$ 44,647,000	\$ 67,832,000	\$ 91,017,000
Total Benefits	\$ 69,047,000	\$ 115,682,000	\$ 162,317,000
Current NYC H&H Initiatives			
Pharmacy Revenue		\$ 27,000,000	
Pharmacy Savings		\$ 17,915,400	
Non-Clinical Savings		\$ 4,977,168	
Clinical Savings		\$ 9,867,154	
NYC H&H Initiative Total		\$ 59,759,722	
Grand total		\$ 175,441,722	

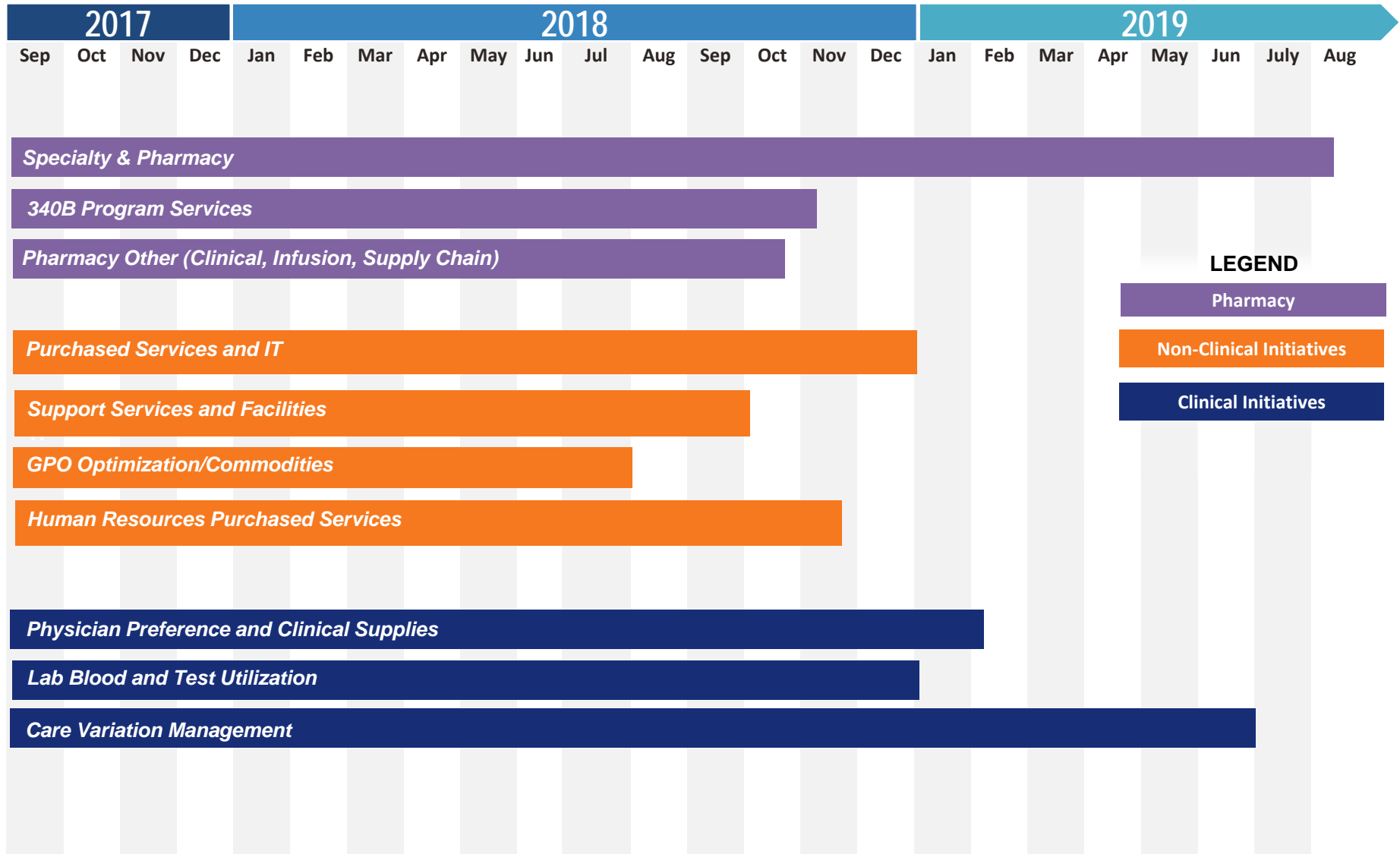
*Requires capital investment to achieve benefit



IMPLEMENTATION STRATEGY



NYC
HEALTH+
HOSPITALS **TIMELINE**



LEGEND

- Pharmacy
- Non-Clinical Initiatives
- Clinical Initiatives



IMPLEMENTATION CONFIDENCE SUMMARY

Category	Complexity of Initiatives	Difficulty to Implement	Confidence To Reach Mid-Point Benefit	Risks/Barriers
Pharmacy Revenue				Pharmacy revenue will be dependent on capital investment, space allocation, IT/IS build components, state regulations, recruiting and retention of key staff, payer network development, and CDM build and rollout
Pharmacy Savings				Pharmacy savings will be dependent on medical staff acceptance of clinical activities, resources for splitter implementation and CDM build and rollout
HR Purchased Services				Institutional factors may restrict consolidation of vendors and implementation of common policies and practices related to placement of contingent labor resources.
Purchased Services & IT				Existing contract terms are unknown at this time Some contract out clauses can be challenging
Support Services and Facilities				Reduced negotiating power due to current AP process



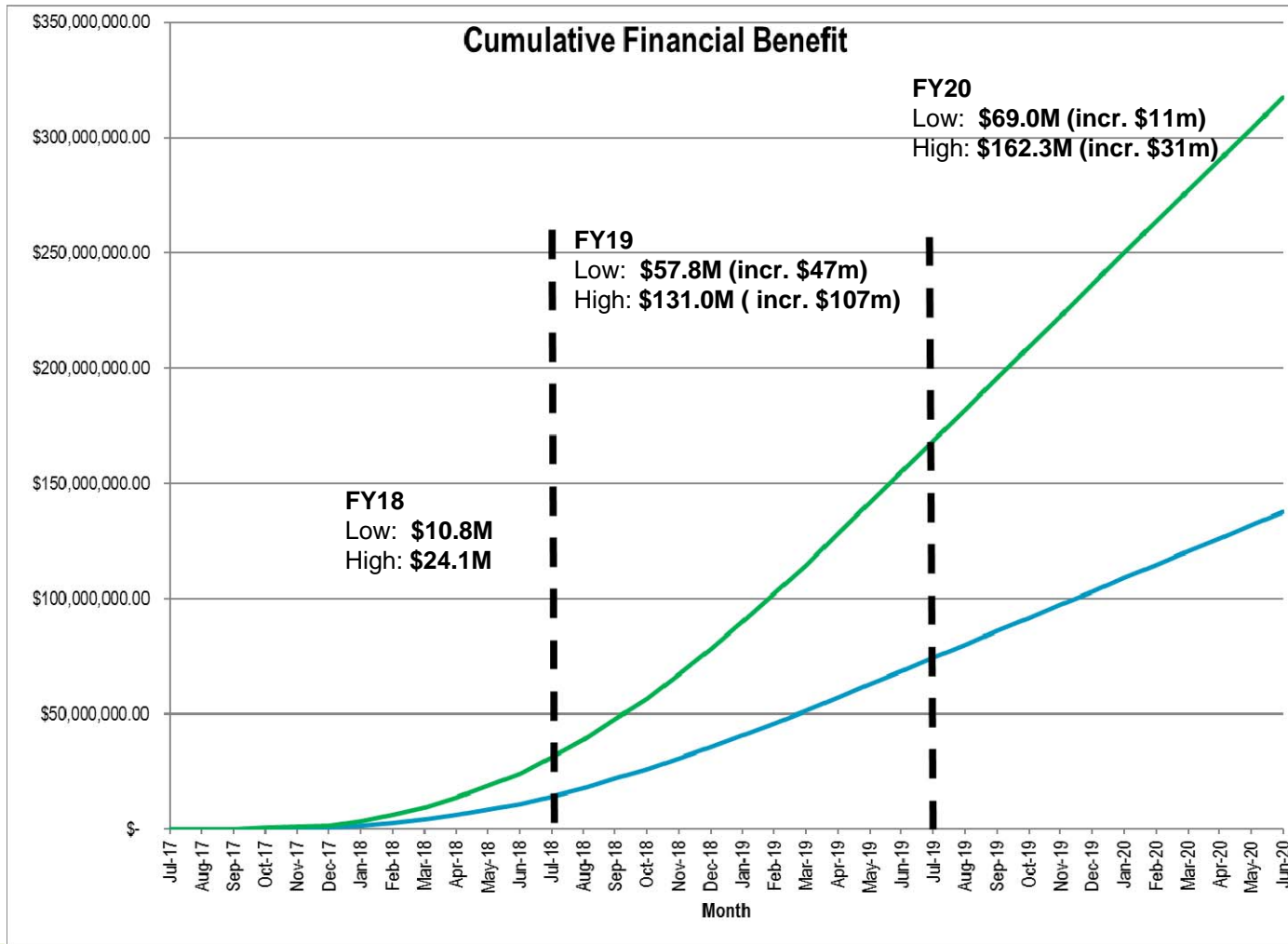
IMPLEMENTATION CONFIDENCE SUMMARY

Category	Complexity of Initiatives	Difficulty to Implement	Confidence To Reach Mid-Point Benefit	Risks/Barriers
PPI/Clinical Supplies				Savings is dependent on willingness to standardize in certain areas Standardization requires purposeful physician engagement that may be difficult to accomplish quickly due to distance between hospitals
Laboratory				Reporting capabilities IT resource availability Order set criteria Habits of historical ordering
Clinical Variation				Physician engagement will be necessary Ability to load order sets in Epic will be important to facilitate compliance with use and monitoring
GPO Optimization				Ability to standardize across the system Ability to utilize committed programs like Premier ASCEND
Other Misc. Spend				Lots of small dollar opportunity will take additional time to review



THREE YEAR SUMMARY

- Opportunity exists to improve performance by \$138M - \$317M over the next three years



Resourcing

- + Comprehensive implementation across **21 entities** (11 hospitals, 5 post-acute care facilities, and 5 diagnostic treatment centers)
- + **18-month duration**
- + **42,000 consulting hours** with peak staffing of approximately **20 dedicated onsite consultants** plus additional resources supporting remotely

Investment

- + **Fixed fee arrangement based on achievement of milestones where consultant fees and out of pocket expenses not to exceed \$11.7 million**
- + Recurring ROI equals 9.8:1 of annual recurring financial benefit versus total fees. **3-year cumulative ROI between 11.7:1 and 27.1:1**
- + The engagement is projected to **break even by month 8** of implementation (cumulative financial benefit exceeds total fees)
- + Cost per entity is less than \$600k

+ ROI and calculation based on mid-point benefit projection



NYC
HEALTH+
HOSPITALS

HURON QUALIFICATIONS

Huron has 25 years of experience partnering with a broad range of clients, including multi-hospital systems and systems using PeopleSoft (before, during and after conversions).

Multi-hospital Health Systems Experience



PeopleSoft Experience



RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute an extension of the existing agreements with Arcadis U.S., Inc. ("Arcadis") and with Parsons Brinckerhoff, Inc. ("Parsons") for a term of five years for an amount not to exceed \$1,277,702.94, which consists of the balance of funds left unused from the prior contract with these firms in order for such firms to continue planning and design services for Hurricane Sandy repair and mitigation projects.

WHEREAS, NYC Health + Hospitals/Bellevue, NYC Health + Hospitals/Coler, NYC Health + Hospitals/Metropolitan and NYC Health + Hospitals/Coney Island were all damaged by Hurricane Sandy; and

WHEREAS, in February 2013 NYC Health + Hospitals issued a Request for Proposals (the "RFP") to secure the services of architects and engineers to help to plan the repair, restoration and hazard mitigation work necessitated by Hurricane Sandy to be funded by the Federal Emergency Management Agency ("FEMA"); and

WHEREAS, Arcadis and Parsons were awarded contracts pursuant to the RFP which expired September 30, 2015; and

WHEREAS, on March 26, 2015 the NYC Health + Hospitals' Board of Directors approved an extension of the Arcadis and Parsons contracts for an amount not to exceed \$5 Million for a term of one year expiring September 30, 2016; and

WHEREAS, on July 28, 2016, the NYC Health + Hospitals' Board of Directors approved a second extension of the Arcadis and Parsons contracts for an amount not to exceed \$2,366,826.50, which was the remaining balance of the funds originally authorized for such contracts, for a term of one year expiring September 30, 2017; and

WHEREAS, of the \$5 Million approved for the Arcadis and Parsons contracts, \$1,277,702.94 remains unspent; and

WHEREAS, work remains to be done to develop the over-all strategy and priority to further the repair, restoration and hazard mitigation work at the NYC Health + Hospitals' facilities damaged by Hurricane Sandy and to present the same to FEMA; and

WHEREAS, NYC Health + Hospitals wishes to continue to use the services of Arcadis and Parsons and to allow them to continue on-going work; and

WHEREAS, the Vice President for Corporate Operations shall be responsible for the administration of these contracts.

NOW THEREFORE, be it

RESOLVED that the New York City Health and Hospitals Corporation be authorized to execute an extension of the existing agreements with Arcadis U.S., Inc. and Parsons Brinckerhoff, Inc. for a term of five years for an amount not to exceed \$1,277,702.94, which is the balance of funds left unused from the prior contracts with these firms in order for such firms to continue planning and design services for Hurricane Sandy repair and mitigation projects.

EXECUTIVE SUMMARY

CONTRACT EXTENSIONS WITH ARCADIS U.S., INC. AND PARSONS BRINCKERHOFF, INC.

Following Hurricane Sandy, NYC Health + Hospitals awarded contracts to Arcadis U.S., Inc. ("Arcadis") and Parsons Brinckerhoff, Inc. ("Parsons") in the combined total of \$16 Million including all option terms. These contractors performed valuable services helping to design, price and present to the Federal Emergency Management Agency ("FEMA") plans for the repair, restoration and hazard mitigation of the facilities damaged by Sandy. In March 26, 2015, the NYC Health + Hospitals' Board of Directors approved an extension of the Parsons and Arcadis contracts for an amount not to exceed \$5 Million and for a term of one year expiring September 30, 2016 and on July 28, 2016, the NYC Health + Hospitals' Board of Directors approved a second extension of the Arcadis and Parsons contracts for an amount not to exceed \$2,366,826.50 for a term of one year expiring September 30, 2017. NYC Health + Hospitals is now moving beyond the initial planning of the Sandy projects and their preliminary presentation to FEMA and is starting the actual work on the damaged facilities. As the actual work on each facility is started, project architects and engineers are being hired using competitive procurement processes managed by the NYC Economic Development Corporation ("EDC"). Arcadis and/or Parsons may choose to submit proposals for such work and they may be awarded contracts to perform such work. That work would be performed under separate contracts from that proposed here and with separate funding and cost limits. This proposed contract further extends the term of the existing contracts for five years using only the funds initially earmarked for Arcadis and Parsons in order that they may continue to perform the remaining work with EDC and the NYC Health + Hospitals' team to present the repair, restoration and hazard mitigation plans to FEMA and other governmental bodies and to formulate the over-all strategies being pursued in the projects.

31647

TO: David Larish, Director
Office of Procurement Systems and Operations

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

FROM: Manasses C. Williams

m.c.w. / R.P.

manasses.williams@nychhc.org

DATE: November 10, 2015

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

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

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Requirements Contract for Professional Engineering and Architectural Services

Submitted by: Office of Procurement Systems and Operations

EEO STATUS:

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

COMMENTS:

MCW:srf

31667B

Manasses C. Williams
Assistant Vice President
Affirmative Action/EEO

manasses.williams@nychhc.org

TO: David Larish, Director
Office of Procurement Systems and Operations

FROM: Manasses C. Williams

DATE: February 13, 2015

SUBJECT: EEO CONTRACT COMPLIANCE REVIEW AND EVALUATION

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

Minority Business Enterprise Woman Business Enterprise Non-M/WBE

Project Location(s): Corporate-wide

Contract Number: _____

Project: Professional Services

Submitted by: Office of Procurement Systems and Operations

EEO STATUS:

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

COMMENTS:

MCW:srf

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year revocable license agreement with the Federal Bureau of Investigation of the United States Department of Justice (the "Licensee") for its continued use and occupancy of 150 square feet of space on the roof of the Main Building and the 14th Floor Mechanical Room to house communications equipment at NYC Health + Hospitals/Coney Island (the "Facility") at an annual occupancy fee of \$9,299 or \$61.32 per square foot to be escalated by 3% per year for a five year total of \$49,370.

WHEREAS, in September 2012, the Board of Directors authorized the President to enter into a license agreement with the Licensee; and

WHEREAS, the Licensee has operated communications equipment on the Facility's campus since September 2002, and desires to continue operating its system at the site; and

WHEREAS, the Facility continues to have adequate space to accommodate the Licensee's communications equipment; and

WHEREAS, the communications equipment does not compromise Facility operations and the system complies with applicable federal statutes governing the emission of radio frequency signals and therefore poses no health risk.

NOW, THEREFORE, be it

RESOLVED, that the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") be and hereby is authorized to execute a revocable license agreement with the Federal Bureau of Investigation of the United States Department of Justice (the "Licensee") for its continued use and occupancy of 150 square feet of space on the roof of the Main Building and in the 14th floor Mechanical Room space to house communications equipment at NYC Health + Hospitals/Coney (the "Facility") at an annual occupancy fee of \$9,299 or \$61.32 per square foot to be escalated by 3% per year for a five year total of \$49,370.

EXECUTIVE SUMMARY

LICENSE AGREEMENT

FEDERAL BUREAU OF INVESTIGATION OF THE UNITED STATES DEPARTMENT OF JUSTICE

NYC HEALTH + HOSPITALS / CONEY ISLAND

The New York City Health and Hospitals Corporation ("NYC Health + Hospitals") seeks the authorization of the Board of Directors to execute a revocable license agreement with the Federal Bureau of Investigation of the United States Department of Justice ("FBI") for its continued use and occupancy of space to house communications equipment at NYC Health + Hospitals/Coney Island ("Coney Island").

In September of 2012, the Board of Directors authorized the NYC Health + Hospitals to enter into a license agreement with the Licensee. The Licensee has operated communications equipment on the Facility's campus since September 2002 and desires to continue operating its system at the site.

At NYC Health + Hospitals/Coney Island, the FBI operates VHF-FM radio receiver equipment that enhances the overall performance of its communications systems. The FBI will continue to have use and occupancy of approximately 150 square feet of space on the roof of the Main Building and in the 14th floor Mechanical Room. The equipment does not compromise facility operations and the system complies with applicable federal statutes governing the emission of radio frequency signals and therefore poses no health risk.

The FBI will pay an occupancy fee of \$9,299 per year or \$61.32 per square foot. The occupancy will be escalated by 3% per year. Over the five year term the occupancy fee will total \$49,370. The FBI will be responsible for the operation and maintenance of the equipment. The occupancy fee includes the cost of electricity.

The FBI will be required to indemnify and hold harmless NYC Health + Hospitals and the City of New York from any and all claims arising out of the use of the licensed space and shall provide appropriate insurance naming the NYC Health + Hospitals and the City of New York as additional insured parties.

The license agreement will be revocable by either party on ninety (90) days prior notice, and will not exceed a term of five (5) years without further authorization by the Board of Directors of NYC Health + Hospitals.

Prior v. New Term Comparison

Prior Term	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Annual Fee	8,021	8,261	8,509	8,765	9,028
PSF Fee	53.47	55.07	56.73	58.43	60.18

New Term	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Annual Fee	9,299	9,578	9,865	10,161	10,466
PSF Fee	61.99	63.85	65.76	67.74	69.77

RESOLUTION

Authorizing the NYC Health + Hospitals (the "Health Care System") to execute a three-year revocable license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the Corporation's continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the "Ida G. Health Center") managed by Coney Island Hospital Center (the "Facility") at an annual payment to HPD of \$130,000 for a total over the three year term of \$390,000.

WHEREAS, in July 2014 the Board of Directors authorized the Health Care System to enter into a license agreement with HPD for the use of the lots to locate a pre-fabricated structure to house the primary care clinic; and

WHEREAS, Coney Island Hospital ("the Facility") had operated the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the "Center") until such clinic was destroyed by Hurricane Sandy; and

WHEREAS, the Ida G. Health Center has been providing health care services from the new location since September 2015 and its continued presence in the community allows it to meet ongoing health care needs; and

WHEREAS, the New York City Economic Development Corporation (the "EDC") has implemented redevelopment plans for Coney Island that will yield 4,500 units of affordable housing; and

WHEREAS, EDC's redevelopment plans involve the parcel of land where the Ida G. Health Center is now located, the clinic will be relocated to approximately 23,000 square feet of space in a new structure to be built across the street from its current location on W. 19th Street; and

WHEREAS, EDC's schedule calls for the new space to be ready for occupancy by December 2020 and the Health Care System is working with EDC to ensure a timely transition of health care services to the new site.

WHEREAS, the responsibility for operating the Ida G. Health Center is being transitioned from Coney Island Hospital Center to Gotham Health.

NOW THEREFORE, be it

RESOLVED, that the NYC Health + Hospitals (the "Health Care System") is authorized to execute a three-year revocable license agreement with New York City Department of Housing Preservation and Development ("HPD") for the Corporation's continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center (the "Ida G. Health Center") managed by Coney Island Hospital Center (the "Facility") at an annual payment to HPD of \$130,000 for a total over the three year term of \$390,000.

EXECUTIVE SUMMARY

LICENSE AGREEMENT

NEW YORK CITY DEPARTMENT OF PRESERVATION AND DEVELOPMENT

CONEY ISLAND HOSPITAL CENTER/GOTHAM HEALTH

The NYC Health + Hospitals (the "Health Care System ") seeks authorization from the Board of Directors to execute a three-year revocable license agreement with the New York City Department of Housing Preservation and Development ("HPD") for the continued use and occupancy of Block 7061, Lots 16, 39, 40, 41, 42, 43, 44 and 45 in the Coney Island area of Brooklyn for the operation of the Ida G. Israel Community Health Center ("Ida G. Health Center") managed by Coney Island Hospital Center ("CIH") at an annual payment to HPD of \$130,000 for a total over the three year term of \$390,000.

Hurricane Sandy destroyed the Ida G. Israel Community Health Center at 2201-2202 Neptune Avenue in the Coney Island area of Brooklyn (the "Center"). Coney Island Hospital ("CIH") worked with the community, local elected officials and various agencies of the City of New York to find a suitable replacement site for the Center. It was concluded that once a location is found, it was likely to take from 6 to 18 months to complete all of the work at such location to enable the Ida G. Health Center to begin its operations there. During that period of time, the Coney Island neighborhood's need for primary health services would not have been adequately met.

To expedite the opening of the new site, CIH identified a reputable manufacturer of modular, prefabricated structures which could house the clinic. The Ida G. Health Center has been providing health care services from the new location since September 2015 and its continued presence in the community allows it to meet ongoing health care needs. The Ida G. Health Center provides 27,000 annual visits, including the following services; adult internal medicine, pediatric, general dentistry, OB/GYN, behavioral health and chemical dependency. The responsibility for operating the Ida G. Health Center is being transitioned from Coney Island Hospital Center to Gotham Health.

The New York City Economic Development Corporation (the "EDC") has implemented redevelopment plans for Coney Island that will eventually yield 4,500 units of affordable housing. EDC's redevelopment plans involve the parcel of land where the Ida G. Health Center is now located. To ensure that the community will continue to be served by Ida G., the clinic will be relocated to approximately 23,000 square feet of space in a new structure to be built across the street from its current location on W. 19th Street. EDC's schedule calls for the new space to be ready for occupancy by December 2020. The Health Care System is working with EDC to ensure a timely transition of health care services to the new site.

Prior v. New Term Comparison

Prior Term	Yr. 1	Yr. 2	Yr. 3
Annual Fee	130,000	130,000	130,000
PSF Fee	10	10	10

New Term	Yr. 1	Yr. 2	Yr. 3
Annual Fee	130,000	130,000	130,000
PSF Fee	10	10	10

RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to execute a five year, revocable, license agreement with Touro College & University System ("Touro") for full-time, use and occupancy of approximately 11,218 sq. ft. located on the 4th Floor of the Samuel Kountz Pavilion at NYC Health + Hospitals/Harlem (the "Licensed Space") to operate the Harlem Hospital Center School for Radiologic Technology (the "SRT") at an occupancy fee of \$47 per sq. ft. for a total annual amount of \$527,246 during the first year to be escalated by 2.5% per year.

WHEREAS, the SRT is dedicated to training and graduating students with the necessary entry level skills required to function as Radiographic Technologists;

WHEREAS, the SRT opened its doors on September 10, 1990 and was operated and maintained by Columbia University while it was the Medical Affiliate for NYC Health + Hospitals/Harlem;

WHEREAS, NYC Health + Hospitals/Harlem took over the operations of the SRT approximately ten years ago when Columbia University ceased its affiliation with NYC Health + Hospitals/Harlem and the SRT currently has approximately 250 enrollees;

WHEREAS, the SRT has served the community by bringing members of the community into the field of radiology and training such individuals to serve as technicians;

WHEREAS, maintaining the required accreditation and operating the SRT as well as the cost of the educational staff furnished through PAGNY, has become burdensome and distracts NYC Health + Hospitals/Harlem from its primary healthcare mission;

WHEREAS, with the goal of maintaining the SRT program, the best course of action has been determined to be bringing in Touro to operate the SRT within NYC Health + Hospitals/Harlem through the proposed License Agreement;

WHEREAS, under the proposed License Agreement, Touro will use the Licensed Space to continue to operate the SRT, including taking over the employment of the PAGNY educational staff; and

WHEREAS, Touro will honor the traditions and past policies of SRT by continuing to train local candidates for radiological work and especially for work within the NYC Health + Hospitals System; and

WHEREAS, the responsibility for the administration of the proposed License Agreement shall rest with the Executive Director of NYC Health + Hospitals/Harlem.

NOW, THEREFORE, be it

RESOLVED, that New York City Health and Hospitals Corporation be and hereby is authorized to execute a five year revocable license agreement with Touro College & University System for full-time, use and occupancy of approximately 11,218 sq. ft. located on the 4th Floor of the Samuel Kountz Pavilion at NYC Health + Hospitals/Harlem to operate the Harlem Hospital Center School for Radiologic Technology at an occupancy fee of \$47 per sq. ft. for a total annual amount of \$527,246 during the first year to be escalated by 2.5% per year.

EXECUTIVE SUMMARY

LICENSE AGREEMENT

HARLEM HOSPITAL CENTER SCHOOL OF RADIOLOGIC TECHNOLOGY

- Background:** Authorization is sought to execute a revocable five year license agreement with Touro College & University System ("Touro") for space in which Touro will continue to operate the Harlem Hospital Center School for Radiologic Technology (the "SRT"). The SRT began on September 10, 1990 under the administration of Columbia University during the period of its affiliation with NYC Health + Hospitals/Harlem ("Harlem"). Approximately ten years ago the Columbia University affiliation with Harlem ended but, because the SRT was so beneficial to the community, the management was taken over by Harlem, including the SRT program personnel obtained through PAGNY. Currently, the SRT has approximately 250 enrollees. Because Harlem is not primarily an educational institution it has been burdensome for it to maintain accreditation and the operation of SRT has become a distraction from Harlem's healthcare mission. In contrast, Touro is an established academic institution with the resources and experience to effectively operate the SRT.
- Program:** The SRT program benefits the community by bringing people in to the field of radiology, some of whom work for NYC Health + Hospitals. By permitting Touro to license the Licensed Space, the SRT program will survive and continue to be benefit the community. Furthermore, Touro will be able to enhance the SRT by aligning it with Touro's academic programs such that SRT will provide a path to an Associate's Degree. Such License Agreement will also generate income for NYC Health + Hospitals and eliminate the current cost of operating the SRT. No NYC Health + Hospitals staff had been involved in the operation of SRT all of whom were furnished by PAGNY. Touro will extend employment offers to all such PAGNY staff. Touro will invest in improvements to reinvigorate the SRT.
- Terms:** The occupancy fee will start at the rate of \$47/ft. resulting in a first year total of \$527,246. Thereafter, the occupancy will increase at the rate of 2.5% per year. The Licensed Spaces, utilities, routine housekeeping, maintenance, and routine security will be provided by Harlem. Touro will indemnify and hold harmless NYC Health + Hospitals and the City of New York from any claims arising by virtue of its use of the Licensed Space and its provision of services.

SAVITT PARTNERS

May 25, 2016

Mr. Dion Wilson
Director
Office of Facilities Development, Real Estate
NYC Health + Hospitals Corporation
346 Broadway, 12 West
New York, NY 10013

Re: Appraisal of Harlem Hospital Center, Harlem School of Radiology – 4th Floor, Kountz Pavilion

Dear Dion:

Pursuant to your request, on both March 24, 2016 and May 13, 2016, I visited the referenced property for the purpose of evaluating the rental rate of the existing School of Radiology space at the Harlem Hospital Center. My evaluation is subject to the following:

- The unit is currently owned by New York City Health + Hospitals Corporation (HHC)
- The unit is located on the 4th floor of the Harlem Hospital Center in the Kountz Pavilion
- The approximate square footage of the unit is 11,500 RSF as further described.
- This evaluation is for the purposes of determining the rental value to a potential tenant, Touro College, which may assume the operation of the school, Harlem School of Radiology, who uses the space for services both ancillary and independent of normal hospital practices and services.

Medical and school spaces found independently in buildings surrounding the hospital center in the area around Harlem Hospital Center have rents ranging from approximately \$33 - \$43 per rentable square foot (RSF) for office spaces with retail spaces as high as \$125 per RSF. The low end spectrum of the market would typically be in the older, un-renovated or minimally renovated buildings. They would also typically not be built for medical or school use, but for general office use and not provide full building services. The high end would be in the larger new or recently renovated buildings providing full service amenities such as concierge service with 7-day 24-hour access. Medical offices or school spaces in these buildings would be to code, be in good to excellent condition, with enhanced plumbing, electric and HVAC systems, and in many instances would also have substantial fixture improvements within the space (millwork, plumbing fixtures and cabinetry). These building spaces, while used for medical offices or school and educational purposes, would also be quite suitable for general office purposes but for the specific build-out needed for the referenced school use. Most spaces, in general, unless built within the last 10 years, will not meet current ADA or other municipal code requirements, and unless nothing but a cosmetic face lift is contemplated, would require structural changes, permits, filings, etc. to meet code.

Units, however, located in this general vicinity that are situated in lower level portions of buildings would typically have rents up to 20% below the value of units as previously indicated (\$26-\$34 per RSF). Examples might be for filing, storage, ancillary services associated with the above mentioned practices, i.e. testing, academic training, etc. or a laboratory facility unable or not required to pay the higher rents but that need to be located, strategically, in or near a hospital corridor.

SAVITT PARTNERS

Rentals in this area have been, and we anticipate will remain, on a gradual and positive uptick as is the competing sales market. However, lease terms can be created to anticipate the changes in the industry as a whole, and as they relate to the specific medical group or tenant. Larger offices, those 2,500 square feet and larger, remain the strongest.

The subject unit, used as an educational and training school program for the practice of Radiology, represents a unique use and specific installation in terms thereof. The space provides and anticipates the opportunity for academic and practical training and use for this tenant in a hospital environment. The School of Radiology unit consists of:

- Lounge
- 11 offices
- File room
- 3 storage rooms
- 4 toilets
- 3 classrooms – large
- 1 janitor's closet
- 1 freezer room
- 1 male locker and 2 female locker rooms
- Computer lab
- Radiology lab
- Developer room
- General lab

Features

- Security tied to the hospital's security system
- Concrete and tile floors throughout
- Independent thermostats. Unclear if tied in to building system or independent system.
- Space appears to be OSHA compliant.

The space is built fully, floor to ceiling. The unit is not new but is kept well and highly serviceable. The floor and walls are tiled or concrete. The space, while part of the hospital system, operates independently although the space is not physically segregated from the rest of the Harlem Hospital Center. The unit will not easily retrofit without a complete physical renovation for a different use.

Heat and air conditioning appears to be supplied by the building, however air conditioning is supplemented in part by separate window units in many areas. The bathroom facilities appear to be to ADA code requirements. It can be assumed that the space, because of its location within the hospital, is fully compliant with the ADA and other government regulations.

The subject space is located on the fourth floor of the Kountz Pavilion on the Harlem Hospital Center campus, part of the New York City Health + Hospitals Corporation. The space is accessed through the hospital's main entrance on Malcolm X Boulevard or through the 136th Street and Fifth Avenue entrance directly into the Kountz Pavilion building.

SAVITT PARTNERS

The unit is in good condition and appears to function properly for its intended use. The space benefits from light and air on four sides.

Our evaluation takes into account the aforementioned assumptions as well as the analysis of the market and the location and condition of the subject premises. There are no market comps for its use. The type of practice currently being maintained within the premises is consistent with that found in many hospitals on private school programs or on college campuses. Because of the use, location and specific build out components, it is appropriate for a hospital as a landlord or owner to house this use.

Our evaluation places this unit at the high end of the rental range at approximately \$33 per RSF because of location, with an added premium of approximately \$20 per RSF for the aforementioned upgraded build out requirements and specific nature of the use. Further, the space benefits from the common area access and is rented, therefore, closer to a net basis. By example, renting a unit in a stand-alone setting would require a tenant to pay not only for the space they use but for corridor space, bathrooms, lobby and waiting areas, and for electric services, cleaning and supplies, etc. Accordingly, a premium of 30% would be appropriate to add into the rent total to compensate for the additional space and services provided but not being considered in the square foot measurement. The rent, therefore, should be the equivalent of \$68 per RSF for the property improved as stated with the common area access and other services provided.

The purpose of the evaluation is to determine the rental value of this space as it is contemplated to lease the school space to another tenant, Touro College, which would run the program for training. Given these assumptions, the annual rental value of the space is:

$$\$68 \text{ per RSF} * 11,500 \text{ RSF} = \$782,000 \text{ per annum, or } \$65,167 \text{ per month}$$

Rent escalations would typically begin after the first year and would be anywhere from 3-5% per annum in any rent scenarios & consistent with current market conditions. Since this is a not-for-profit entity, there would not be appropriate "tax stops" added. Electric is not sub metered and can be included as an additional rental item. Given that HVAC is included in the space, an escalated rate add-on of \$3.50 per RSF would be acceptable.

In the event I can be of any further assistance to you, please do not hesitate to call me.

Very Truly Yours,



Michael Dubin

SAVITT PARTNERS

Lease Comps

Address	SF Leased	Rent
3534-3540 Broadway	10,000 SF	\$37.50
55 West 125 th Street	8,400 SF	\$39.50
55 West 125 th Street	11,442 SF	\$38.00
310 Lenox Avenue	8,449 SF	\$43.00
2090 Seventh Avenue	13,871 SF	\$33.00
2090 Seventh Avenue	13,781 SF	\$33.00
2090 Seventh Avenue	13,749 SF	\$33.00

TRANSITION OF THE SCHOOL OF RADIOLOGIC TECHNOLOGY



**A Proposal for Promoting Growth
for The School of Radiologic Technology of NYC H+H/Harlem and
Creating an Affiliation between SRT and Touro College**



SRT: HISTORY TO PRESENT

- The establishment, initial agreements and structure of SRT were developed in 1975. The school was a partnership of Harlem Hospital Center and Columbia University to provide job opportunities and vocational education to the community. Harlem Hospital Center as the Sponsor provided the space and CUMC funded the staff.
- After the accreditation and licensing processes were completed, the school opened its doors to 15 students in 1990. Since then, SRT has grown from solely a Radiography Program to an Imaging Program providing training in not only radiologic technology but also advanced imaging modalities.
- SRT currently serves over 263 multinational and diverse students annually in clinical and didactic classes in four divisions: (1) a two-year Radiography Program, (2) Advanced Radiography, (3) Advanced Imaging (i.e., MRI, CT, Mammography etc.) and (4) Continuing Education and Technical Assistance.
- Populations served are community residents in the five boroughs, veterans, hospitals, unions and imaging centers. Based on its history and reputation, SRT also provides resources and training to a growing list of individuals and universities in South Korea, Australia, Ireland, and the Caribbean.
(e.g., In July 2017, 42 students from South Korea came on site for training at NYCH+H/Harlem.)



COST OF SRT

- SRT has an operating budget of \$729,570 (costs of operation do not include rent and associated charges) and revenue of \$786,670. Tuition is received from various sources: self pay, VA, HRA, OCF, DOL & TA.
- The revenue has been limited recently due to chronic understaffing (11 vacancies) in the last three years but the need remains to provide the resources to the students as well as maintain accreditation and compliance.
- The school is currently in an accreditation cycle with the next JRCERT survey expected in March 2018.



DEMOGRAPHICS SRT

- Clinical sites are : Elmhurst, Kings County, Metropolitan, NCBH, Harlem and Interfaith Hospital. On graduation they provide a staffing pool of per diem and full time staff for these sites.
- Current enrollment per modality in Clinical and Didactic Classes: Radiography- 40*, Advanced Radiography- 68, IR -28, CT -23, Registered Cardiac Electrophysiology Specialist (RCEIS) -15 (1199 SEIU sponsored for Montefiore Hospital), MRI -10, Mammo -10, Ultrasound Review -12, Technical Assistance -120, Continuing Education -20 (included Radiology Nurses from Jacobi, NBCH, Kings County and Technologists). Pending incoming class of 40.
- All courses except for the two-year radiography are offered 3 times per year.
- The student demographic profile is as follows: 80% African-American, 9% Asian Pacific Islander, 8% Hispanic, 2% White Non -Hispanic, and 1% Caribbean American.
- According to the U.S. Bureau of Labor (2016), for health care practitioners and technical occupations, 80% of employees are Caucasians, 10% are African-Americans, 7.8% are Asians, and 6.7% are Hispanics and minority radiographers make up only 5% of the national average.



An Introduction to the Touro College and University System

- TCUS was established in 1971 with one undergraduate program and now educates >18,000 enrolled students, including 5500 health sciences students, around the world.
- TCUS is a powerhouse in medical and allied health education with health care campuses in:
 - Harlem, NY
 - Vallejo, CA
 - Bay Shore, NY
 - Valhalla, NY
 - New York, NY
 - Henderson, NY
 - Middletown, NY
 - Operations and degree authorization efforts in motion for Chicago, IL
- Approximately 4% of all new MDs and DOs in the U.S. graduate from a TCUS program.
- Touro College is an independent institution of higher education under Jewish sponsorship established to serve the general community in keeping with the historic Jewish commitment to intellectual inquiry, the transmission of knowledge, social justice and service to society.
- Operation of SRT will fall squarely within the ambit of Touro's New York School of Career and Applied Studies ("NYSCAS"). NYSCAS is uniquely appropriate to integrate SRT due to its mission, health education focus, current student demographics and the associate's degree required for completion of the program.



Benefits to NYCH+H of Touro's Sponsorship of the NYCH+H/Harlem School of Radiologic Technology

- Touro will license the 4th floor of the Samuel Kountz Pavilion at NYC Health + Hospitals/Harlem to operate SRT at an occupancy fee of \$47 per sq. ft. for a total annual amount of \$527,246 during the first year to be escalated by 2.5% per year.
- Post-affiliation, NYCH+H/Harlem will no longer be burdened by a non-core educational enterprise but will maintain a revenue stream.
- Pipeline of capable SRT graduates will continue to fill NYCH+H/Harlem and other NYC H+H needs.
- Opportunities exist for synergies with Touro's osteopathic medical schools, PA programs, etc.
- Touro will be able to assist SRT in fulfilling its staffing needs, maximizing its class size and increasing the amount of students educated.
- By placing SRT within a higher education institution, students will have seamless access to 30 schools and programs worldwide. Furthermore, given the tendency of accreditors to increase educational requirements for licensure (certificate to associates degree, associates degree to bachelors, etc.), acquisition by Touro is necessary if NYCH+H is to avoid increased costs associated with accreditation compliance.
- All accreditation and affiliation burdens will fall on Touro. Touro will continue to improve the curriculum (i.e., innovative teaching methodologies, "flipped-classroom," etc.) to maximize student outcomes and success.



RESOLUTION

Authorizing the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to approve a Capital Project for an amount not to exceed \$23,000,000 for planning, pre-construction, design, construction and construction management services necessary for the upgrade of the emergency power distribution system providing a Type 1 Essential Electrical System (the "Project") at NYC Health + Hospitals / Harlem (the "Facility").

WHEREAS, there is no separation of emergency feeds and circuits as required by present code, and generators that feed existing transfer switches, life safety, equipment, and critical services, are mixed in both main distribution and electrical panels throughout the facility; and

WHEREAS, current code requires the emergency power distribution system provide for the separation of emergency power into three (3) distributions branches, life safety, critical, and equipment; and

WHEREAS, it was determined that a code correction project for both infrastructure and additional emergency power receptacles at patient bedside would be incorporated into one (1) code correction project; and

WHEREAS, the revision of Operating Procedure 100-5 requires that construction projects with budgets of \$3 million or more shall receive approval of the Board of Directors through Capital Committee; and

WHEREAS, the proposed total project budget, inclusive of all contingencies, is estimated to be \$23,000,000 million; and

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

NOW THEREFORE, be it

RESOLVED, the New York City Health and Hospitals Corporation ("NYC Health + Hospitals") to approve a Capital Project for an amount not to exceed \$23,000,000 for planning, pre-construction, design, construction and construction management services necessary for the upgrade of the emergency power distribution system providing a Type 1 Essential Electrical System, providing for a code compliant Type 1 electrical system in the MLK building at NYC Health + Hospitals.

EXECUTIVE SUMMARY

TYPE 1 ESSENTIAL ELECTRICAL SYSTEM (EES) MODERNIZATION & CONVERSION AT NYC HEALTH + HOSPITALS / HARLEM

OVERVIEW: NYC Health + Hospitals is seeking to upgrade the emergency distribution system providing for a code compliant Type 1 EES in the Martin Luther King (MLK) building at NYC Health + Hospitals / Harlem. The project was designed, estimated and bid in accordance with the NYC Health + Hospitals Operating Procedure 100-5. The project cost is not-to-exceed \$23,000,000.

NEED: The status of the electrical system at Harlem Hospital is inadequate to meet the current needs of the patients and currently does not meet code. The original systems were installed when the building was built, around 1966, and with the exception of some small minor alterations has remained as is from that time. Currently there is no separation of emergency feeds and circuits as required by present code. The facility has generators that feed existing transfer, however, life safety, equipment, and critical services are mixed in both main distribution and electrical panels throughout the facility. Lack of required emergency outlets in our medical/surgical patient rooms will also be addressed, as part of this project.

SCOPE: The scope of work for this project includes the following:

- ❖ Design new emergency power distribution system providing separation of the three (3) branches of the Type 1 EES and incorporate additional emergency power receptacles for all in-patient areas as required by code.
- ❖ Review drawings and bid documents for completion.
- ❖ Bid construction work as required by NYC Health + Hospitals Operating Procedure 100-5.
- ❖ Review all bids for completion, award and start construction.

COSTS: \$23,000,000

FINANCING: General Obligation Bonds: \$18.9 million. Citibank Financing: \$4.1 million.

SCHEDULE: The project is scheduled for completion by December 2020.

RESOLUTION

Adopting a Second Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors (“Board”) of New York City Health and Hospitals Corporation (the “System”) and directing the President of the System to prepare a revision of Operating Procedure 100-05 to implement such Statement of Policy.

WHEREAS, at its September 22, 2011 meeting, the Board adopted a Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors; and

WHEREAS, the current Revised Statement of Policy and Operating Procedure reflects a decentralized, network model, containing processes and roles that are no longer present in the System; and

WHEREAS, since such September 22, 2011 the functions of procurement have been centralized into the division of Supply Chain Services; and

WHEREAS, the Board wishes to provide for further efficiencies in the System’s procurement functions to ensure its financial wellbeing; and

WHEREAS, the Second Revised Statement of Policy maintains the Board’s oversight of the System’s significant contracting activity, and requires its authorizations for certain procurement transactions before they are concluded; and

WHEREAS, the New York State Public Authorities Accountability Act requires that entities such as the System have in place written policies regulating its procurement activities and the Board intends that the adoption of the Second Revised Statement of Policy and Operating Procedure 100-05 be in satisfaction of such requirement.

NOW THEREFORE, be it

RESOLVED, that the Board hereby adopts the Second Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors, in the form attached hereto that shall be binding upon all employees and officers of the System. The Second Revised Statement of Policy shall be effective as of October 1, 2017. The President shall cause a revision of Operating Procedure 100-05 to be adopted.

EXECUTIVE SUMMARY

RESOLUTION TO ADOPT A SECOND REVISED STATEMENT OF POLICY FOR THE REVIEW AND AUTHORIZATION OF PROCUREMENT MATTERS BY THE BOARD OF DIRECTORS

BACKGROUND:

New York City Health and Hospitals Corporation as part of its efforts to leverage its purchasing ability and promote standardization, has centralized its functions of procurement into a single office, Supply Chain Services, and implemented modern best practices in supply chain management to achieve costs savings while ensuring quality of goods and services and bettering patient experiences and outcomes, while increasing internal controls, accountability and visibility in the procurement process.

In order to meet current-state organization and to further the System's efforts in achieving these goals the prior Revised Statement of Policy for the Review and Authorization of Procurement Matters by the Board of Directors requires revision to enable further changes in the procurement operating procedure, Operating Procedure 100-05.

Revision of Board Procurement Policy Statement

September 29, 2017



Supply Chain Initiatives

- Centralized procurement – standardized goods, supplies and equipment
- Goals – decrease costs, improve quality and outcomes
- Implementing PeopleSoft Technology
 - Inventory Management
 - Low Unit of Measure
 - “Just in Case” to “Just in Time” deliveries/quantities
- Continue providing savings



OP 100-05 Current State

- OP 100-05 was written before Supply Chain centralization
- OP 100-05 has processes that are no longer accurate
- Normally the President, in concert with Senior Staff, implements OP revisions
- The difference with this OP: The Board adopted a detailed Procurement Policy Statement in 2013
- To enable the President to adopt a revised OP, the Board is asked to adopt a revised Policy Statement.



OP 100-05: Limitations

- Does not match current state of fewer, larger contracts
 - Dollar value limits need to be increased
- Does not satisfy Comptroller
 - Add pieces from PPB Rules to aid in registering of contracts, e.g. “Minor Rules Violation”
- Requires President’s Deviation for routine matters
- Does not allow for modern sourcing methods
 - For example, electronic RFPs
- Prolongs contracting process



Transforming OP 100-05: Modernized Contracting

Uniform Contracting:

All procurement falls under Supply Chain Services and Office of Legal Affairs authority

Flexible contracting:

Allow for combining procurement methods
Value based purchasing
Contract extensions and renewals

Sensible Contracting:

Apply due diligence standard for routine contracting
Raise CRC threshold from 100K to 1 million
Raise Board threshold from 3 million to 5 million



Transforming OP 100-05: Increased Controls

Supply Chain Manual: A document jointly approved by Supply Chain Services (SCS) and Office of Legal Affairs (OLA) with detailed procedures, processes, controls.

Contract Control Sheet: An auditable control for every contract detailing its procurement history and requiring SCS and OLA sign off for each contract. No contract number can be assigned without.

Departmental Audits: Review of every transaction between \$100K and \$1M that is not procured by traditional methods by non-sourcing personnel; summarized monthly; provided to Internal Audits Office.

Internal Audits Review: Performed semi-annual; reported to the Audit Committee.

Board Reports: Monthly reports to the Board of all new contracts, including vendor, contract value, and contract description.



Board Approval at Other NY Area Hospitals

<u>Hospital</u>	<u>Board Approval Requirement</u>
NYU	> \$5 million
Northwell	No board review Reviews contracts for service/capital > \$10M with President
Presby	Materiality
Mt Sinai	No board approval except for large construction projects



Revising OP 100-05 Requires Revising Board Procurement Policy Statement

September 2013 Statement:

A shortened version of OP 100-05 including all methods and limits

Proposed Statement:

Only include those matters that must be reviewed by Board
Enables President to revise OP 100-05 to meet operational state



STATEMENT OF POLICY
FOR THE REVIEW AND AUTHORIZATION OF PROCUREMENT
MATTERS BY THE BOARD OF DIRECTORS OF
NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

I. POLICY PURPOSES AND GOALS

This Statement of Policy sets forth the requirements of the Board of Directors (the “Board”) of New York City Health and Hospitals Corporation (“NYC Health + Hospitals”) for those procurement matters of NYC Health + Hospitals that must receive prior Board authorization. This statement of policy shall be binding upon all officers and employees of NYC Health + Hospitals.

In adopting this Statement of Policy, the Board wishes to preserve NYC Health + Hospitals’ financial wellbeing while maintaining its efficient operations. The intent of this Statement of Policy is to ensure that the Board is informed of the Corporation’s significant contracting activity and that it reviews and authorizes certain procurement transactions before they are concluded.

II. GENERAL STATEMENT

In general, and subject only to the specific exceptions noted below, any financial commitment by NYC Health + Hospitals in excess of \$5 million for the procurement of goods or services, including affiliation contracts under which NYC Health + Hospitals will pay for others to provide clinical services, requires the Board’s prior authorization regardless of the procurement method used. Further, the following require the Board’s prior approval regardless of the amount of money involved: (a) all leases, licenses and other agreements for the disposition or acquisition of real property rights; and (b) all contracts for the services of auditors engaged to report on any aspect of the conduct of the business of NYC Health + Hospitals. This Statement of Policy shall not be interpreted to relieve NYC Health + Hospitals from making presentations to the Board and, when appropriate receiving the approval of, or authorization from, the Board regarding non-procurement related matters such as those pertaining to strategic planning, medical and professional affairs, etc. consistent with NYC Health + Hospitals’ past practice and existing Operating Procedures. The Board acknowledges that MetroPlus Health Plan, Inc.’s certificate of incorporation imposes certain requirements for the approval by NYC Health + Hospitals’ Board of certain contracts and it is not intended that this Statement of Policy alter in any way such requirements.

In adopting this Statement of Policy, the Board intends to change the current practices of the Corporation in three ways. First, the threshold for the requirement for Board approval for general contracts is increased from \$3 million to \$5 million. Second, the structure for reporting on contracts below the threshold for presentation to the Board is strengthened. Third, this Statement of Policy, recognizing the centralization of the procurement function within the Office of Supply Chain Services and the increased professionalism of the operation, leaves to the oversight of the President and the Vice

President responsible for Supply Chain Services the task of adopting suitable rules and procedures for the procurement of those goods and services below the threshold for presentation to the Board rather than directing them here.

III. PROCUREMENT MATTERS NOT REQUIRING ANY APPROVAL OF THE BOARD

The procurement matters not requiring prior authorization by the Board are: (i) grant-funded contracts under which the entity providing the goods or services is specified in the grant by the funder; (ii) purchases of goods (such as medical/surgical supplies, pharmaceuticals, all manner of supplies and equipment and utilities used in the ordinary course of the Corporation's business) regardless of the dollar value of such purchases; and (iii) contracts for the maintenance of NYC Health + Hospitals' equipment or related components when the contract is a renewal or replacement of an existing contract with the same vendor and for a scope of maintenance services substantially the same as in the previous contract.

IV. PROCUREMENT MATTERS REQUIRING ONLY THE BOARD'S PRIOR AUTHORIZATION FOR THE RIGHT TO EXPEND FUNDS BUT NOT FOR THE ACTUAL CONTRACT

Construction contracts governed by the New York State General Municipal Law for "Construction Projects" that will cost more than \$5 million require prior authorization of the Board only for the right to expend the needed funds. Once the Board has approved the right to expend the funds, Board authorization shall not be required for the awarding of a contract, selection of the contracting party or any aspect of the procurement process.

For the purposes of this Statement of Policy, a "Construction Project" shall refer to the totality of the work and materials needed to complete a capital improvement or addition to one of the Corporation's facilities and shall include all elements that are planned, budgeted or contracted together. The object of such definition is to afford the Board the opportunity to consider such projects as a single endeavor and determine if the overall effort is worthy and properly funded. That a single entity will oversee or coordinate the entire effort will render the entire effort a single Construction Project. The President shall make such additional related rules regarding Construction Projects as necessary through a revised Operating Procedure 100-5 to be adopted.

Requests to the Board for authorization to expend funds for procurement purposes under this Section IV, shall set forth the spending authority requested, the purpose for which the expenditure is to be made, the procurement method to be used and the source of the funds to be expended.

V. CONTRACT REVIEW COMMITTEE

The Contract Review Committee (CRC) shall be a management committee constituted by the President with one voting member appointed by the Chairperson of the Board. The CRC shall review all contracts that require Board authorization prior to the award of a contract except for leases, licenses and other agreements for the disposition or acquisition of real property rights.

VI. OPERATING PROCEDURE

The President shall adopt a revised Operating Procedure 100-5 to provide a consistent method for ensuring compliance with this Statement of Policy and with best practices with regard to procurement contracts and authorizations of the right to expend funds for procurement purposes in cases where the authorization of the Board is not required by this Statement of Policy.

VII. CONTRACT REPORTS

The President shall provide the Board with reports and such reports shall include matters that the President deems appropriate as well as those matters requested by the Board. The Board believes that the development of an effective reporting structure is an essential tool to assure effective Board governance especially for matters that will not be presented to the Board for authorization.

The Board may select any contract or vendor for review in the course of its duties regardless of whether such contract is subject to Board approval under this Statement of Policy.

VIII. PRESIDENT'S AUTHORITY

The procedures outlined in this Statement of Policy shall be followed in all but exceptional cases, such as emergencies, where the President, or his/her designee, determines in writing to make an exception from the established procedure. The President shall report any such exception to the Board at the meeting immediately following such exception when the exception concerns a matter that would otherwise have been subject to Board approval under this Statement of Policy. The President may take to the Board for prior authorization or as an informational item, any transaction or expenditure that, irrespective of this Statement of Policy, the President determines merits the attention of the Board.

STATEMENT OF POLICY
FOR THE REVIEW AND AUTHORIZATION OF PROCUREMENT
MATTERS BY THE BOARD OF DIRECTORS OF
NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

I. POLICY PURPOSES AND GOALS

This Statement of Policy sets forth the requirements of the Board of Directors (the “Board”) of New York City Health and Hospitals Corporation (~~the “Corporation~~ (“NYC Health + Hospitals”) for those procurement matters of ~~the Corporation~~ NYC Health + Hospitals that must receive prior Board authorization ~~and for the manner of presentation of certain procurement matters for which prior authorization is mandated.~~ This statement of policy shall be binding upon all officers and employees of ~~the Corporation and shall be implemented by the President of the Corporation by the adoption of appropriately detailed Operating Procedures~~ NYC Health + Hospitals.

In adopting this Statement of Policy, the Board wishes to preserve ~~the Corporation’s~~ NYC Health + Hospitals’ financial wellbeing while maintaining its efficient operations. The intent of this Statement of Policy is to ensure that the Board is informed of the Corporation’s significant contracting activity and that it reviews and authorizes certain procurement transactions before they are concluded.

II. GENERAL STATEMENT

In general, and subject only to the specific exceptions noted below, any ~~financial commitment expenditure of funds by the Corporation~~ NYC Health + Hospitals in excess of \$35 million for the procurement ~~of of:~~ (i) ~~Construction Services for “Construction Projects,” as defined below in Section IV;~~ (ii) equipment; (iii) professional services and non-professional services; and (iv) ~~any other expenditure of funds by the Corporation to procure~~ goods or services, ~~including affiliation contracts under which NYC Health + Hospitals will pay for others to provide clinical services, irrespective of how classified~~ ~~require~~ requires the Board’s prior authorization regardless of the procurement method used. Further, the following require the Board’s prior approval regardless of the amount of money involved: (a) all leases, licenses and other agreements for the disposition or acquisition of real property rights; ~~and~~ (b) all contracts for the services of auditors engaged to report on any aspect of the conduct of the business of ~~the Corporation~~ NYC Health + Hospitals; ~~and (c) all affiliation contracts under which NYC Health + Hospitals will pay for the purchase of others to provide clinical services.~~ This Statement of Policy shall not be interpreted to relieve ~~the officers of the Corporation~~ NYC Health + Hospitals from making presentations to the Board and, when appropriate receiving the approval of, or authorization from, the Board regarding non-procurement related matters such as those pertaining to strategic planning, medical and professional affairs, etc. consistent with ~~the Corporation’s~~ NYC Health + Hospitals’ past practice and existing Operating Procedures. ~~The Board recognizes the need to adopt new policies to govern the Corporation’s banking and financing activities and that will be addressed in a separate document.~~ The Board acknowledges that MetroPlus Health Plan, Inc.’s certificate of incorporation ~~requires~~

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~~imposes certain requirements for the approval by the HHC's NYC Health + Hospitals' Board of all certain contracts having an annual expense of \$1 million or more and it is not intended that this Statement of Policy relax/alter in any way such more restrictive #/requirements.~~

In adopting this Statement of Policy, the Board intends to change the current practices of the Corporation in ~~two key~~three ways. First, ~~the Board shall be informed about all contract spending and not just individual contracts that require Board approval.~~ Second, as set forth in the chart appearing at the end of this Statement of Policy and explained in the following paragraphs, certain transactions of lower dollar value will no longer be presented to the Board for authorization while others of higher dollar value that had previously not required Board authorization will, in the future, require such authorization.

~~Currently, the threshold for having to obtain Board authorization for transactions varies greatly depending upon the size of the contract, the nature of the goods or services purchased and the method for selecting vendors. For example, for non-recurring goods or services purchased by competitive bids, the current threshold is \$1 million while there is no approval required for purchases of recurring goods or services made using competitive bidding. There is no approval needed for purchases made off of City, State, or Federal contracts or using group purchasing organizations, while professional service contracts in excess of \$50,000 require Board approval.~~

~~The new policy will increase the threshold with the result that a category of transactions previously presented to the Board for authorization will no longer be subject to such a the requirement. But the new, higher, for Board approval for general contracts is increased from \$3 million threshold will be applied without many of the exceptions that had complicated the former policy. While in the past, construction contracts, City, State, and Federal contracts and contracts made using group purchasing arrangements had not been brought to the Board, now they will be submitted for authorization if they exceed \$3 million in value and if they are for Construction to \$5 million. Second, the structure for reporting on contracts below the threshold for presentation to the Board is strengthened. Third, this Statement of Policy, recognizing the greatly increased centralization of the procurement function within the Office of Supply Chain Services, equipment and either professional or non-professional services. The reason that construction contracts had not been brought to the Board before is because the General Municipal Law strictly regulates the process by which such contracts are awarded and mandates the award to the low bidder. The reasoning had been that, because the Board could have no role in choosing the vendor (the law dictated the award to the low bidder), it could have no meaningful role in any part of the process. Similarly, with the use of group purchasing organizations, the list of vendors has already been vetted by the group purchasing organization. When the Corporation uses such a vendor, there is already assurance that the Corporation is getting a good price by benefiting from volume discounts and that the vendor is a and the increased professionalism of the operation, leaves to the oversight of the President and the Vice President responsible party. Thus, again, the choice of the vendor seemed not to be subject to debate.~~

Thus, while some transactions will be removed from Board consideration, others will be added with the aim being to shift the Board's focus to transactions of higher dollar value.

~~In implementing the changes required by this Statement of for Supply Chain Services the task of adopting suitable rules and procedures for the procurement of those goods and services below the threshold for presentation to the Board rather than directing them here. As indicated below numerous important principles established in the Board Policy, the Board wishes Management to err in favor of presenting matters to the Board for authorization in any cases of any doubt whether Board authorization is required and it shall be the responsibility of management to inform the Board of any cases where there is doubt as to whether the authorization of the Board is required, adopted in September 2011 continue in effect.~~

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III. PROCUREMENT MATTERS NOT REQUIRING ANY APPROVAL OF THE BOARD

The procurement matters not requiring prior authorization by the Board are: (i) grant-funded contracts under which the entity providing the goods or services is ~~listed~~ ~~unspecified in~~ the grant by the ~~third party funder~~; (ii) ~~contracts that do not involve any expenditure of funds~~; (iii) purchases of goods (such as medical/surgical supplies, pharmaceuticals ~~and~~ all manner of ~~other~~ supplies and equipment ~~and utilities~~ used in the ordinary course of the Corporation's business) regardless of the dollar value of such purchases; ~~and~~ (iiiiv) contracts for the maintenance of ~~any of our computer systems~~ NYC Health + Hospitals' equipment or related components when the contract is a renewal or replacement of an existing contract with the same vendor and for a scope of maintenance services substantially the same as in the previous contract ~~and (v) those procurement transactions, other than those pertaining to real estate, audit services or clinical services, for less than \$35 million.~~

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IV. PROCUREMENT MATTERS REQUIRING ONLY THE BOARD'S PRIOR AUTHORIZATION FOR THE RIGHT TO EXPEND FUNDS BUT NOT FOR THE ACTUAL CONTRACT

Construction contracts governed by the NYS General Municipal Law for "Construction Projects" that will cost more than \$35 million ~~and contracts for services made through group purchasing agreements including contracts made through City, State or Federal group purchasing agreements~~ require prior authorization of the Board only for the right to expend the needed funds. Once the Board has approved the right to expend the funds, Board authorization shall not be required for the awarding of a contract, selection of the contracting party or any aspect of the procurement process.

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For the purposes of this Statement of Policy, a "Construction Project" shall refer to the totality of the work and materials needed to complete a capital improvement or addition

to one of the Corporation's facilities and shall include all elements that are planned, budgeted or contracted together. The object of such definition is to afford the Board the opportunity to consider such projects as a single endeavor and determine if the overall effort is worthy and properly funded. That a single entity will oversee or coordinate the entire effort will render the entire effort a single Construction Project. The President shall make such additional related rules regarding Construction Projects as necessary more fully define "Construction Project" as necessary through a revised Operating Procedure 100-5 to be adopted.

V. CONTRACT REVIEW COMMITTEE

The Contract Review Committee (CRC) shall be a management committee constituted by the President with one voting member appointed by the Chairperson of the Board. The CRC shall review all contracts that require Board authorization prior to the award of a contract except for leases, licenses and other agreements for the disposition or acquisition of real property rights.

V. PROCESS FOR MATTERS REQUIRING BOARD APPROVAL PRIOR TO CONTRACTING

~~For procurement matters requiring the Board's authorization prior to contracting under the general rule of Section II, the prior approval and report of the Contract Review Committee, described below shall be required. For all real estate matters, the Office of Facilities Development shall continue to present all proposed transactions as in the past with the addition of regular briefings of matters not ready for presentation but in earlier stages of development.~~

VI. PROCESS FOR OBTAINING BOARD AUTHORIZATION WHERE ONLY AUTHORIZATION FOR THE RIGHT TO EXPEND FUNDS IS REQUIRED BUT NOT FOR THE ACTUAL CONTRACT

~~The President shall adopt a revised Operating Procedure 100-5 to provide for presentations~~Requests to the Board ~~of requests~~ for authorization to expend funds for procurement purposes under this Section IV, ~~above, settings shall set~~ forth the spending authority requested, the purpose for which the expenditure is to be made, the procurement method to be used and the source of the funds to be expended. ~~The President shall approve a standard reporting format to be used.~~

VII. CONTRACT REVIEW COMMITTEE

~~The Contract Review Committee (CRC) shall be a management committee constituted by the President with one voting member appointed by the Chairperson of the Board. The CRC shall review all contracts that require Board authorization prior to the award of a contract. The purpose of such reviews is to ensure that:~~

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- i. ~~The proper procurement methodology was followed;~~
- ii. ~~The contract is ready to be executed;~~
- iii. ~~The required expenditure has budget authorization from Corporate Finance;~~
- iv. ~~The selection process was fair and impartial; and~~
- v. ~~In accordance with applicable Operating Procedures all contract negotiation processes were followed, all standard contract forms were used and that all vendor responsibility investigatory procedures were appropriately followed.~~

~~The CRC shall forward to the Board reports of all contracts requiring prior Board authorization. The President shall approve a standard reporting format to be used.~~

~~**VIII. APPROVAL OF PROCUREMENT CONTRACTS AND THE RIGHT TO EXPEND FUNDS BELOW THE THRESHOLD FOR BOARD AUTHORIZATION**~~

V. CONTRACT REVIEW COMMITTEE

The Contract Review Committee (CRC) shall be a management committee constituted by the President with one voting member appointed by the Chairperson of the Board. The CRC shall review all contracts that require Board authorization prior to the award of a contract except for leases, licenses and other agreements for the disposition or acquisition of real property rights.

VI. OPERATING PROCEDURE

The President shall adopt a revised Operating Procedure 100-5 to provide a consistent method for ensuring compliance with ~~relevant Operating Procedures~~this Statement of Policy and with best practices with regard to procurement contracts and authorizations of the right to expend funds for procurement purposes in cases where the authorization of the Board is not required by this Statement of Policy.

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~~**VII. CONTRACT REPORTS**~~

The President shall provide the Board with reports ~~and prepared annually showing the total contract spending by the Corporation organized by vendor listing the largest vendors accounting for approximately 80% of the Corporation's purchasing by contracting amount.~~ Such reports shall include ~~such other matters that as~~ the President deems appropriate as ~~well as~~ and those matters requested by the Board. The Board believes that the development of an effective reporting structure is an essential tool to assure effective Board governance especially for matters that will ~~not longer~~ be presented to the Board for authorization. ~~The format for such reports shall be determined by the President in consultation with the Board but, in any case, such report shall indicate the general subject of the contracts outstanding with the listed vendors and the expiration dates of each.~~

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~~Upon presentation of such annual contracting report, the Board may select any contract or vendor for review in the course of its duties of the following twelve months regardless of whether such contract is subject to Board approval under this Statement of Policy. When a contract term will expire during the twelve months following the presentation of the annual report, the Board may determine that it wishes not only to review the contract but also to make any renewal of the contract subject to the Board's prior approval.~~

XVIII. PRESIDENT'S AUTHORITY

The procedures outlined in this Statement of Policy shall be followed in all but exceptional cases, such as emergencies, where the President, or his/her designee, determines in writing to ~~deviate~~make an exception from the established procedure. The President shall report any such ~~deviation~~exception to the Board at the meeting immediately following such ~~deviation~~exception when the exception concerns a matter that would otherwise have been subject to Board approval under this Statement of Policy. The President may take to the Board for prior authorization or as an informational item, any transaction or expenditure that, irrespective ~~of of the monetary thresholds established in~~ this Statement of Policy, the President determines merits the attention of the Board. ~~While the President shall have the sole authority to create a revised Operating Procedure 100-5 to implement this Statement of Policy, he shall present such Operating Procedures to the Board for the information of the Board and he shall not thereafter modify Operating Procedure 100-5 without similarly informing the Board of the proposed modification.~~

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Type of Expenditure	Procurement Method(s)	Approval/Report Current	Approval/Report Under New Structure
Construction	Competitively Bid	No Board Approval	Board Approval for Spending > \$3M & Reports on Total Spending & Major Contracts.**
Professional Services including outside auditors	RFP, Negotiated Acquisition or Sole Source	Board Approval of all Contracts > \$50,000	Board Approval of Contracts > \$3M & Reports & of all contracts for outside auditors.**
Professional Services and non-Prof Services incl. Info. Tech Services	City, State, Federal, Group Purchase Organization	No Board Approval	Board Approval of Contracts > \$3M except renewals of IT maint. contracts w/same vendor for substantially same scope; & Reports **
Non-Prof Services incl. Information Technology Services	Competitively Bid	Board Approval of Non-Recurring > \$1M; no Board Approval for Recurring Contracts	Board Approval of Contracts > \$3M & Reports.**
Medical, Capital & Information Technology Equipment	Competitively Bid	Board Approval of all Purchases > \$1M	Board Approval of Contracts > \$3M & Reports.**
Medical, Capital & Information Technology Equipment	City, State, Federal, Group Purchase Organization	No Board Approval	Board Approval of Contracts > \$3M & Reports.**
Goods for Routine Operations	Competitively Bid	Board approval of non-recurring > \$1M but for Pharmaceutical, Manf. only Distrib. Medically nec. goods; no Board Approval for Recurring Contracts	No Board approval; Reports.**
Goods for Routine Operations	City, State, Federal, Group Purchase Organization	No Board Approval	No Board Approval; Reports.**
If Provider of Goods/ Services Named in Grant Contract; or if No Spending Required	All Methods	No Board Approval	No Board Approval
Real Estate	All Methods	Board Approval of all Agreements	Board Approval of all Agreements
Affiliation Contracts	Sole Source	Board Approval of all Agreements	Board Approval of all Agreements
MetroPlus	All Contracts	Based on MetroPlus' own rules, HHC Board Approval for Contracts w/annual spend > \$1M	Based on MetroPlus' own rules, HHC Board Approval for Contracts w/annual spend > \$1M

With all of the above, both before and after, the President may deviate from the requirement for approval in emergencies. With all the above, both before and after, the President may request approval when not required.