

# AGENDA

## FINANCE COMMITTEE

MEETING DATE: MARCH 10, 2015  
TIME: 9:00 A.M.  
LOCATION: 125 WORTH STREET  
BOARD ROOM

## BOARD OF DIRECTORS

CALL TO ORDER

BERNARD ROSEN

ADOPTION OF THE FEBRUARY 10, 2015 MINUTES

SENIOR VICE PRESIDENT'S REPORT

MARLENE ZURACK

KEY INDICATORS & CASH RECEIPTS/DISBURSEMENTS REPORTS

KRISTA OLSON  
FRED COVINO

### ACTION ITEMS

1. Authorizing the President to negotiate and execute a contract extension between the New York City Health and Hospitals Corporation ("HHC" or the "Corporation") and Base Tactical Disaster Recovery, Inc. ("Base Tactical") to provide expert consulting services for disaster recovery, project management, and filing claims for reimbursement from the Federal Emergency Management Agency ("FEMA") for expenses incurred by the Corporation in connection with damages caused by Super Storm Sandy. The extension will be for a term of 12 months commencing August 1, 2015 through July 31, 2016, for an amount not to exceed \$2,500,000. **MARLENE ZURACK**
2. Authorizing the President to negotiate and execute a contract between the New York City Health and Hospitals Corporation (HHC or Corporation) and Arcadis U.S., Inc. and Parsons Brinckerhoff, Inc. to provide professional architectural and engineering services to assist in the recovery, reconstruction and hazard mitigation of Bellevue Hospital Center, Coler Rehabilitation and Nursing Care Center, Coney Island Hospital, and Metropolitan Hospital and other HHC facilities, which were damaged as a result of the Super Storm Sandy disaster. The Contract will be for a term of 12 months commencing October 1, 2015 through September 30, 2016 in an amount not to exceed \$5,000,000. **ANTONIO MARTIN**

### INFORMATION ITEMS

1. PS KEY INDICATORS QUARTERLY REPORT
2. FINANCIAL PLAN UPDATE

FRED COVINO  
FRED COVINO

OLD BUSINESS  
NEW BUSINESS  
ADJOURNMENT

BERNARD ROSEN

# MINUTES

MEETING DATE: FEBRUARY 10, 2015

## FINANCE COMMITTEE

## BOARD OF DIRECTORS

The meeting of the Finance Committee of the Board of Directors was held on February 10, 2015 in the 5<sup>th</sup> floor Board Room with Bernard Rosen presiding as Chairperson.

### ATTENDEES

#### COMMITTEE MEMBERS

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

#### OTHER ATTENDEES

J. DeGeorge, Analyst Comptroller's Office, State  
T. DeDubio, Analyst, OMB  
C. Fiorentini, Analyst, NYC IBO  
M. Heron, Assistant Director, DC 37  
R. McIntyre, Account Executive, Cerner  
K. Raffaele, Analyst, OMB

#### HHC STAFF

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

## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

D. Collington, Assistant Director, Coney Island Hospital  
F. Covino, Corporate Budget Director, Corporate Budget  
J. Cuda, CFO, MetroPlus Health Plan, Inc.  
R. Fischer, Associate Executive Director, Bellevue Hospital Center  
V. Fleming, Director, Corporate Office of Medical Affairs  
L. Free, Assistant Vice President, Corporate Managed Care  
K. Garramone, CFO, North Bronx Health Care Network  
M. Genee, Deputy Corporate Comptroller, Corporate Comptroller's Office  
T. Green, CFO, Metropolitan Hospital Center  
G. Guilford, Assistant Vice President, Office of the Senior Vice President/Finance/Managed Care  
J. John, CFO, Central Brooklyn Health Network  
L. Johnston, Senior Assistant Vice President, Medical & Professional Affairs  
M. Katz, Senior Assistant Vice President, Corporate Revenue Management  
J. Linhart, Deputy Corporate Comptroller, Corporate Comptroller's Office  
P. Lockhart, Secretary to the Corporation, Office of the Chairman  
J. Maltese, Director, Corporate Operations  
R. Mark, Chief of Staff, Office of the President  
A. Martin, Executive Vice President/COO, Office of the President  
A. Moran, CFO, Elmhurst Hospital Center  
D. Moskos, Director, Office of Facilities Development  
K. Olson, Assistant Vice President, Corporate Budget  
P. Pandolfini, CFO, Southern Brooklyn/Staten Island Health Network  
K. Park, Associate Executive Director, Queens Health Network  
J. Quinones, Senior Assistant Vice President, Corporate Operations  
S. Ritzel, Associate Director, Kings County Hospital Center  
S. Russo, Senior Vice President, General Counsel, Office of Legal Affairs  
L. Sainbert, Assistant Director, Office of the Chairman  
C. Samms, CFO, Generations Plus/Northern Manhattan Network  
S. Shaw, Assistant Director, Corporate Budget  
B. Stacey, Chief Financial Officer, Queens Health Network  
R. Walker, CFO, North Brooklyn Health Network  
M. Williams, Assistant Vice President, EEO/Affirmative Action  
R. Wilson, Senior Vice President/CMO, Medical & Professional Affairs  
M. Zurack, Senior Vice President/CFO, Corporate Finance

## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

### CALL TO ORDER

**BERNARD ROSEN**

The meeting of the Finance Committee was called to order at 9:10 a.m. The minutes of the January 13, 2015 were approved as submitted.

### CHAIR'S REPORT

**BERNARD ROSEN**

### SENIOR VICE PRESIDENT'S REPORT

**MARLENE ZURACK**

Ms. Zurack informed the Committee that the report would include three items. The first of which included the announcement of HHC's Federally Qualified Health Center approval by the Health Resources and Services Administration (HRSA) as "Look-Alike status." This was a major achievement for HHC that had been in progress for a number of years under the guidance of Ms. LaRay Brown, Senior Vice President, Intergovernmental Relations, Corporate Planning and Community Health and the Corporate Planning staff and other key HHC staff. In anticipation of this approval, HHC in its Financial Plan included \$30 million in additional revenue for wrap-around payments that the FQHC will receive as part of the Medicaid managed care payment structure which is approximately \$130.00 per visit and also additional benefits in Medicare rates; 340B pricing and malpractice coverage.

Dr. Raju extended thanks to Ms. Brown and staff and also to Mr. Aviles who had led the efforts in obtaining this status.

Ms. Zurack, moving to the next item stated that the January Financial Plan for the FY 16 budget had been announced by the Mayor's office. Some of the highlights relative HHC included the major changes that were included in the November Plan that were incorporated into the January Plan, notably, \$20 million in FY 15 for EBOLA expenses at Bellevue and collective bargaining adjustments. The major adjustment for HHC relates to capital whereby the City has added \$110 million for capital for several projects, EPIC, add-on for revenue cycle, other additional costs for the EPIC project, boiler plant, fuel tanks upgrades, electrical systems upgrades and window replacements at Metropolitan Hospital and some other small infrastructure upgrades. The last item in the report, HHC's cash status was at 28 days of cash on hand with a projected year-end balance of \$550 million, a significant improvement from the previous months. The reporting was concluded.

### KEY INDICATORS/CASH RECEIPTS & DISBURSEMENTS REPORTS

**KRISTA OLSON/FRED COVINO**

Ms. Olson reported that utilization for the current FY 15 compared to last year on a month to month basis, December 2013 and 2014 for the first time this FY there was an increase in all three areas, acute discharges, ambulatory care visits and nursing home days. Year-to-date (YTD) there was a slight decline in acute care discharges down by 2.8%; however, due to the increase in December 2014 it was lower than it has been, 3.6% last year excluding Coney Island it was 6.5%. On the ambulatory care side, overall visits are down by 1.3% compared to last year for the same period, slightly better than last

## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

month 2.4% decrease. The D&TC visits are down by 2.0% compared to 3.7% last month. However, East NY was up by 9.1% which is a positive trend.

Dr. Raju commented that it was a significant trend and asked Julian John, CFO, Central Brooklyn Network to share with the Committee what the Network had done to achieve that positive outcome and if possible to have that replicated across the Corporation.

Mr. Page interjected asking whether another center/facility had close that contributed to the increase.

Mr. John stated that there was a change in leadership and under the new administrator and the medical director the focus has been on access to care and improving productivity. There have been 48-hour pre-visit calls implemented and in behavioral health there was a change in how visits were closed and are now being done more timely.

Mr. Page asked for clarification of improving productivity and how that has impacted the change.

Mr. John stated that in prior years the facility had observed that the number of patients in the clinics was less than anticipated and that the number of patients per provider was also lower than expected. Improving the time and flow in the clinics added to more patients coming in.

Dr. Raju added that the waiting time has improved and patients do not have to wait a long time to see the doctor and that has enabled the facility to see more patients. The flip side of this trend at East NY was at Renaissance whereby the visits are down. Caswell Samms, CFO, Generation Plus/Northern Manhattan Network was asked to address the issue.

Mr. Samms stated that Renaissance Health Care Network has been addressing several issues that relate to the relocation of the clinics that has put it in a more competitive environment. The other issue relates to staffing, whereby there were recent retirements that included three practitioners in the Medicine clinic and two practitioners in pediatrics. These were some long standing employees who were being rolled over to become PAGNY employees. A meeting was scheduled with PAGNY on the issue. Consequently, those vacancies have had a significant impact on the volume. In the interim a panel capacity analysis was conducted to see where there might be an opportunity to increase the panel size of some of the physicians.

Dr. Raju added that Mr. Martin would follow-up with PAGNY on that issue to ensure that it is addressed.

Ms. Olson completing the reporting stated that nursing home days were up by 2% and that the LOS corporate average was up by 5%.

Dr. Raju stated that Coney Island LOS was above the corporate average at 6.7% and asked Paul Pandolfini, CFO, Southern Brooklyn/Staten Island Health Network to address the issue.

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Mr. Pandolfini stated that Coney Island treats a large number of Medicare and elderly patients with the average age on the inpatient side of 51.4 years compared to 40.5 corporate wide. The average age of Coney Island patients is 76.9 years compared to 70.4 corporate wide. These patients are elderly and frail and are more clinically challenged and are 38.4% of the facility's Medicare population which poses some challenges in treatment. Coney Island has 34% more med surg beds than the other acute care HHC facilities and the LOS for the acute patient is a critical issue. Based on a review of the issue it appears that there is room for improvement in discharging patients on the weekends. Only 7.2% of the discharges occur on Sundays and 8.7% on Saturdays. Corporate wide it is 8.4% and 10.1% respectively. A review of best practices within HHC, Lincoln, Elmhurst and Woodhull do well in this areas and Coney Island is reviewing those best practices to improve the process. A better tracking system is also needed. It is a very complex situation and the facility is making every effort to address it. Additionally, DISRIP is expected to assist in this process of reducing the LOS without compromising patient care through premature discharges and readmissions.

Mr. Page asked if there is an issue with where the facility discharges the patients and whether specific resources have been considered to assist in addressing the problem

Mr. Pandolfini stated that some nursing homes are problematic and families are not always cooperative. The facility is addressing the issue with the appropriate clinical staff and the medical director and there are a number of options that are being explored such as using the 4<sup>th</sup> Year resident to assist in the effort.

Dr. Raju thanked Mr. Pandolfini for his overview of the actions taken by the facility and the care in which the facility is taking in addressing this issue in conjunction with ensuring the safety of its patients. Central office will continue to work with the facility on resolving this issue.

Ms. Olson in finalizing the report stated that the CMI was up by 3% compared to last year.

Mr. Covino before continuing with the reporting informed the Committee that HHC is currently in the process of implementing an FTE "right sizing" initiative to benchmark global FTES to workload across the Corporation. Global FTES include all FTES, overtime, allowances, temp agency services and affiliation. This will be implemented over the next eighteen months with the expectation of reducing global FTES by 735 out of a baseline of 45,000. As of December 2014, FTES were up by 292 with significant increases at some of the facilities. Bellevue was up by 29 nurses due to a reduction in the use of agency nurses. To-date the savings total \$2.6 million in cost netted against the hiring of the nurses the savings equate to under a \$1 million. Additionally, there was a transfer of nine dental residents from Coney Island to Bellevue and eleven medical record coding specialists were hired. Lincoln is up by 65 FTES due to staffing for a new emergency department and psych units. Woodhull is up by 25 FTES which is within the benchmark target that is slightly under. Elmhurst and Queens are 103 over the target; however, it is a network-wide initiative to convert agency staff to regular staff employees. Enterprise Information Technology (EIT) was up by 25 FTES which was in compliance with

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the budget for staffing the EMR program. Receipts were \$83 million worse than budget to-date while disbursements were \$39 million worse than budget. Cash receipts were \$3 million better than last year due to a \$73 million increase in DSH payments through December 2014. Medicare and Managed care Medicare were up by \$7 million compared to last year due to an increase in the DSH component of the Medicare rate last year. Those two payments were offset by a delay in the timing of a SLIPA pool payment whereby last year \$90 million was received in November this FY 15 it was received in January 2015 which is reflected as a reduction against last year. Additionally, \$100 million in MetroPlus risks pool payments were received compared to \$150 million received last years for the same period; however, there is another \$65 to \$70 million that will be available to HHC to drawdown by the end of the current FY 15. Expenses were \$164 million higher than last year due to an increase in PS costs relative to CB payments of \$98 million with a \$14 million increase in allowance cost and the balance due to increase in FTEs. Fringe benefits were \$51 million less than last year due to the timing of those payments last year, whereby a \$35 million payments was made in December last year but was made in January 2015 this FY 15. Also last year a non-recurring health insurance payment was made on behalf of prior years. OTPS expenses were up by \$64.7 million due to an increase in pharmaceutical costs related to the 340B policy changes of \$20 million year to date. Professional services were up by \$18 million and purchased services by \$11 million. Affiliation payments were up by \$30 million due to a change in the payment methodology from monthly to biweekly. Overall the total cost will increase by 4% over last year's baseline. Comparison of actuals to budget, receipts were down by \$77 million due to a reduction in workload and other receipts were down by \$10.2 million due to appeals and settlements, whereby the difference for Medicaid fee-for-service receipts are being paid at 98% and the 2% reduction balance is being reflected in the appeals and settlements which is expected to be recovered by the end of FY 15. Expenses in all categories were within budget with the exception of OTPS which was \$43 million worse than budget due to pharmaceutical costs. The reporting was concluded.

### **ACTION ITEM**

**ANTONIO MARTIN**

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

## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

Mr. Martin informed the Committee that HHC executed a contract in 2005 with Sodexo HealthCare Services, US Foods, Inc. and GNYHA ventures (the Consortium) with the purpose of improving the quality of the food, patient care and increase the variety of food options; increase patient satisfaction; standardize food policy and procedures throughout the Corporation to comply with regulatory requirements; optimize facility staffing plan, assure regulatory compliance; reduce and contain dietary operating costs throughout the term of the contract. Some of the major achievements have included: implemented a 21-day menu cycle which increased the food choices for all acute care and long term care facilities; instituted corporate wide formulary for nutritional supplements as established by clinical committee; instituted a cook chill model and installed equipment throughout HHC facilities; modernized the cook chill plant (CCP); standardized policies and procedure food delivery; standardized reporting systems for cost controls and financial analysis resulting in real time information ; assessed staffing levels resulting in identified workflows that improved direct and indirect patient care, patient safety and employee safety; established an optimum staffing plan of 934 FTEs; achieved an aggregate cost savings of \$57 million during the first ten year term of the contract.

Mr. Martin stated that to better address the concerns of the patients a committee was developed and the recommendations included: a new hot breakfast option to replace continental breakfast and improve the patient experience that was not previously done; enhancement of patient safety and regulatory compliance by deploying CBORD, a clinical software technology that assures patients receive the doctor's dietary order; the contract guarantees a staffing plan of 947 FTEs; renovation of the CCP allows for the continued capacity to generate 20% more food in excess of that required by the facilities allowing the Corporation to service more patients; standardized reporting systems for cost controls and financial analysis resulting in real time information that allows for rapid management and corrective action plans; HHC with the support of Sodexo will continue to comply to the Mayor's Office food guidelines. An outside consultant was consulted to ensure that the contract with Sodexo based on a review and assessment of the cost effectiveness of the contract and future expenditures for dietary services was in the best interest of the Corporation to continue. It was concluded that issuing a solicitation was not a risk worth taking and recommended proceeding with extending the current contract. The cost savings in the last two fiscal years of the previous contract term, FY 13 and FY 14, the Corporation accrued saving of \$15 million for each requisite period. The contract is for ten years for projected meals totaling 6.4 million to patients and 500,000 meals in the ER and outpatient areas. At the recommendation of Dr. Raju the food was sampled and the conclusion was that overall the food was bland but seasoning supplements were provided to enhance the flavor and the entrees and desserts were sufficient.

Mrs. Bolus asked what was included in the proposed breakfast. Mr. Martin stated that the breakfast would include a hot meal compared to a continental breakfast.

Mrs. Bolus asked Mr. Martin to share with the group the process used for delivering the food to the patients.



## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

Mr. Martin explained that the food is delivered in heated containers and is pre-packaged and labeled before delivery to the facilities.

Mrs. Bolus asked if increasing the cost would provide better quality of food. Mr. Martin stated that it would not but that it would provide more of a selection than quality.

Mr. Page asked if the 20% excess capacity cost for setting up the plant on an ongoing basis and that the number of patients are not trending upward are there any provision in the contract to address that issue.

Ms. Zurack explained that Sodexo paid for the capital and amortization costs and that Frank Cirillo, HHC's former Chief Operating Officer had tried to get the Department for the Aging (DFTA) to have their meals done by Sodexo. Sodexo paid for the risk of that 20% capacity. Perhaps HHC could explore the possibility of getting another agency to participate.

Ms. Yang indicated that she would follow-up with DFTA.

Mr. Rosen asked what was included in the 934 FTEs and whether it included the staff who delivers the food to the bedside.

Mr. Martin stated that it included the total staff for the delivery of the food to the patients.

Dr. Raju added that HHC would continue to monitor the patient satisfaction relative to the quality of the food but also the restrictions placed on the patients' meals by the doctor in addition to ongoing testing of the food which is a major issue that HHC has not taken lightly.

The resolution was approved for the full Board's consideration.

### **INFORMATION ITEM FEMA FUNDING**

**MARLENE ZURACK/JOHN LEVY**

Ms. Zurack stated that a few meetings ago the Committee was informed that HHC had reached an agreement with FEMA for \$1.722 billion to cover the cost of mitigation and restorations. At that time, the Committee had raised questions regarding the composition of those funds and the strategies HHC would deploy in monitoring the use and distribution of those funds. To address those issues, John Levy, HHC's Consultant, Base Tactical was asked to address those concerns. Mr. Levy and his colleagues at Parsons Brinckerhoff (PB) and Arcadis underwent a full year of working with FEMA on the requirements for developing proposals that would be FEMA eligible and that would harden HHC facilities, that includes Coney Island, Bellevue, Metropolitan and Coler. Mr. Levy would present to the Committee the status and highlights of that process. It is important to note that as these projects progresses the details will become more apparent and there will be changes.

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Mr. Levy stated that two years ago the Committee was presented several updates on the status of the projects and FEMA. Last month an agreement was reached totaling \$1.722 billion that affects four of HHC's hospitals. Within this agreement FEMA will pay to repair the facilities on the damages incurred. In addition to providing funding to protect assets from future events, FEMA would no longer need to pay for losses in this particular event. As part of the process there were two levels of negotiations. The first addressed how much FEMA funding would be provided to HHC to protect the facilities. There was a certain level of criteria that had to be maintained throughout the process that included life and safety of the patients, staff nurses, keeping the operating room open as needed and protect those portions of the facilities that were damaged during the storm. The \$1.7 billion has two components and each hospital listed on the slide has a specific dollar amount. FEMA has a traditional way that allows for securing funding and that is the way the dollar amounts were determined which totals the \$1.72 billion. There are also programs after the funding has been secured through the grant whereby the funding can be spent differently than the way it was initially proposed. HHC's funding proposal was developed to get the largest amount of money. There were eight cases for solutions where the hospitals are better protected with different options and less dollars. The goal was to secure the maximum amount and protect the facilities with less funding and the excess funding can be used at any of the other HHC facilities to protect those facilities against future events regardless of the impact during Hurricane Sandy. This is a very resourceful program provided there is significant responsibility placed on the spending of those funds. Included in the \$1.7 billion grant are two amounts, \$66 million and \$170 million. Historically FEMA has had different formulas on how to pay consultants and the architectural and engineering firms. Mr. Levy stated that Base Tactical was able to carve out a very attractive benefit to HHC through the course of those negotiations so that at this point those expenses will not exceed more than one third of the \$66 million and 50% of the \$170 million architectural and engineering cost.

Mrs. Bolus asked if there is a time frame for when those funds must be spent. Mr. Levy in response stated that each of the facilities has a obligated project worksheet from that point HHC has seven years following to complete the projects or request extensions. Another \$108 million was secured for other things which are increasing slightly but the primary focus is on the \$1.7 billion which is comprised of three major areas. The first baseline mitigation option starting at Coney Island would leave the facility as it is currently. As the process began in terms of securing the facility by moving things from the basement there are codes and standards that would need to be addressed that could be very costly and time consuming to achieve. To protect the facility in that manner would take at least nine years while the facility is operational at a cost of more than \$900 million. The other option included flood walls around the hospital campus that would go up each time there is a pending storm. The biggest problem with that option is that it is a single source protection in the flood wall concept. If the flood wall fails the water would go onto the campus and the facility would be back to where it is now. The best solution would include a flood wall around the campus; a new building with new parking deck attached. The critical services would be moved to the north end of the campus. This design essentially

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would cost approximately \$535 million as an option to the \$900 million which provides HHC with a significant saving that can be used for other projects. Within the course of that design there is a multistory facility that allows for moving the patient services from the south to the north end of the campus. The ambulances entrance is raised coming off the side street to the second floor of the new building and below that structure would be parking. If water should get in it would wash out and allow the facility to recover and be operational in a number of hours or days.

Mr. Page asked if there are opening in the flood walls. Mr. Levy stated that there are and that there are several movable barriers from left and right that come together and are airtight. There are a number of pumps that would pump and push the water out. The facility would be much more protected. It is important to FEMA that HHC understands that despite improvements made to its facilities in all of the major significant levels, FEMA does not want HHC to try to shelter in place because it has built its own shelter. FEMA recognized that in the event of a category 3, 4 or 5 those situations are such that those facilities would be required to evacuate.

Mr. Rosen asked if FEMA has agreed to the estimated costs. Mr. Levy stated that an agreement had been reached between HHC and FEMA on the proposed costs with the understanding that those facilities must be protected and if HHC finds other ways less than the traditional pricing FEMA would be supportive of that action. However, FEMA must agree to those options before HHC could use the funds in an alternative way.

Ms. Zurack added that the actual work is somewhat of a formula driven award. For Coney Island it is \$922 million and HHC presented the option Mr. Levy presented which totals \$535 million. In essence the current budget is \$922 million compared to current estimate of \$535 million. Therefore, HHC is in a position to cover any overruns and if this estimate holds firm throughout the completion of the project, HHC can make a request to use the balance on other projects that would hardened other HHC facilities with the appropriate approval from FEMA. HHC would have that flexibility available for its use as an option.

Mr. Page added that there is some vulnerability; therefore it is important for HHC to impose the appropriate cost controls within the \$922 million given that the lead agency during the work would be aware of that option.

Ms. Zurack stated that HHC has created a governance structure given the concerns relative to the overall management of those funds as those projects move forward.

Mr. Levy stated that there is a secondary issue and overspending is a major problem; however, if that does occur and is not consistent with the FEMA process the funding would not be forthcoming from FEMA. There is an oversight Committee that has been put in place by Dr. Raju and Mr. Martin.

## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

Dr. Raju added that the concerns raised by the Committee are valid and HHC will take the necessary steps to ensure that the appropriate oversight and controls are in place for monitoring the outcome of those projects.

Mr. Rosen asked how HHC would get reimbursed for the expenses incurred against those funds.

Mr. Levy stated that NY State has been very cooperative during the process and the cash flow to HHC will be beneficial. This is one of the largest grants FEMA has ever approved. Moving back to the presentation, at Bellevue during the storm the water flooded the basement and the emergency department wiping out the Con Edison system power and the fuel pumps in the basements which supplied fuel up to the 13<sup>th</sup> floor where the generators resided. That was the critical weakness at Bellevue and ultimately resulted in the evacuation of all of the patients. The concept shown on the slide, the basement is critical to the facility as part of the solution for Bellevue in terms of preparing for major category storm. Bellevue's proposal to FEMA included a flood wall around the facility with electronic gates that would seal the facility off. There were three proposals presented to FEMA for Bellevue of which one that included the elevation of the emergency department was rejected by FEMA given that it was not damaged by the storm. It is above the 100 year flood line. The proposal was to get it above the 500 year flood line. However, the FEMA policy rejected that proposal with the possibility that at some point if the funding is available within the \$1.7 billion that project would be considered. Storm drain sanitary pumps will be installed throughout the facility. The 40 elevators would be in a water pit in the basement. The proposal is to purchase three new elevators on the exterior of the building. There will be two passenger and one freight elevator attached to the side of the building with the elevator room at the top of the building that would eliminate the threat of having the elevators flooded and would protect the facility in the event of future storms. At Metropolitan Hospital there were no significant damages due to the storm; however, FEMA did approve the funding for a protective wall around the facility and the sliding gates which would protect the facility. At Coler Specialty Hospital/Nursing Facility there is a long term plan given that FEMA can only provide solutions on land owned, controlled or an easement for that that facility. HHC only controls five feet of land around the facility and the wall could only be installed within those parameters of the hospitals. If this was done it would not be the best option for the facility given the patient population it serves. Therefore, the solution is to have HHC, NY State and NY City work with the Roosevelt Island Operating Committee (RIOC) and come to an agreement that would allow HHC to use some of the land via an easement that would be granted. The facility would be protected by the flood walls and it would be more conducive to the patients in that environment. Some of the work involved in a FEMA claim was reflected in the seven boxes shown on the slide included in the presentation. It is important to note that the workload doubles under a FEMA claim.

Mr. Page asked if any of the funding could be used to maintain the upkeep of those flood gates and pumps that may not be used in the next ten years.

## MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

Mr. Levy stated that partially some of those funds could be used for that purpose. FEMA allows certain language relative to training and operational issues that would allow for the testing of the equipment on an annual basis so that when and if a storm should occur the equipment would be operational. The goal is to find funding so that it will work.

Mr. Page asked if there would be a guarantee that after seven or ten years and the equipment was never used; it would be operational in the event of a storm and would not deteriorate.

Mr. Levy stated that the architects are working on defining that issue.

Mr. Rosen asked how HHC will monitor those funds. Ms. Zurack stated that HHC is in the process of developing a plan and would therefore ask that HHC be allowed to report back to the Committee when that process has been developed which would be in two months and a presentation would be done at the May 2015 Finance Committee meeting. The presentation would include the details of the process and the oversight and monitoring of those fund. The Committee agreed to Ms. Zurack's request.

The presentation was concluded.

### **INFORMATION ITEM**

**KRISTA OLSON**

#### **PAYOR MIX REPORTS**

Ms. Olson reported that the Payor Mix Report for the 2<sup>nd</sup> quarter of the current FY 15 showed that the improvements that were achieved in the first quarter were sustained. The overall share of Medicaid discharges increased by 2.4% and uninsured decreased by 2.5%. The Exchanges began in the 2<sup>nd</sup> quarter of last year and with the implementation of the Affordable Care Act (ACA) there are a number of changes in the process. Across HHC there were a variety of changes; however, Elmhurst had a major improvement from 11.9% uninsured to 4.7%.

Dr. Raju noted that it was a significant improvement and asked Alina Moran, CFO, Elmhurst Hospital to address the change.

Ms. Moran stated that the facility has been working very closely on the issue and that there were two major changes that took place during the implementation of the ACA and a major one that affected Elmhurst involved the uninsured population relative to emergency Medicaid. The eligibility is now up to one year. In the past a Medicaid application was done each time there was an emergency medical condition compared to now the eligibility is for a year and the facility is recertifying the medical condition and the patient now has eligibility. The process is much easier. The second piece relates to the NYS portal which has simplified the process in that it is easier for the facility to apply its patients for Medicaid with the appropriate identification for the patient. The facility is working very closely with MetroPlus and HealthFirst. Additionally, the facility has changed the model for operations to patient centered models that is closely monitored by a metric and beside encounters are done by the staff.

MINUTES OF THE FEBRUARY 10, 2015 FINANCE COMMITTEE MEETING

Ms. Olson finalizing the reporting stated that in the adult outpatient payor mix there was a 3.1% increase in Medicaid; 4% in commercial; a 5% decrease in the uninsured. In the pediatrics payor mix there was a slight improvement but little noted changes.

**ADJOURNMENT**

**BERNARD ROSEN**

There being no further business to discuss the meeting was adjourned at 10:35 a.m.

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

**KEY INDICATORS**  
**FISCAL YEAR 2015 UTILIZATION**

**Year to Date**  
**January 2015**

NETWORKS	UTILIZATION						AVERAGE LENGTH OF STAY		ALL PAYOR CASE MIX INDEX	
	VISITS			DISCHARGES/DAYS			ACTUAL	EXPECTED	FY 15	FY 14
	FY 15	FY 14	VAR %	FY 15	FY 14	VAR %				
<u>North Bronx</u>										
Jacobi	240,553	246,744	-2.5%	11,242	11,752	-4.3%	5.8	6.2	0.9968	0.9936
North Central Bronx	117,571	114,243	2.9%	2,895	2,679	8.1%	5.0	5.3	0.7925	0.8694
<u>Generations +</u>										
Harlem	179,543	195,594	-8.2%	6,611	6,560	0.8%	5.4	5.9	0.9583	0.9509
Lincoln	311,303	321,500	-3.2%	13,801	14,100	-2.1%	5.2	5.5	0.8430	0.8245
Belvis DTC	31,211	31,330	-0.4%							
Morrisania DTC	48,045	47,613	0.9%							
Renaissance	26,128	27,908	-6.4%							
<u>South Manhattan</u>										
Bellevue	329,203	332,290	-0.9%	13,872	13,575	2.2%	6.4	6.3	1.1057	1.1044
Metropolitan	227,428	228,488	-0.5%	5,384	6,893	-21.9%	5.1	5.6	0.8506	0.7499
Coler				158,665	162,845	-2.6%				
Goldwater/H.J. Carter				67,207	70,240	-4.3%				
Gouverneur - NF				43,128	27,134	58.9%				
Gouverneur - DTC	148,333	157,036	-5.5%							
<u>North Central Brooklyn</u>										
Kings County	394,349	401,765	-1.8%	12,828	13,484	-4.9%	6.5	6.3	1.0311	0.9771
Woodhull	274,552	284,339	-3.4%	6,855	7,571	-9.5%	5.3	5.2	0.8357	0.7928
McKinney				66,499	67,215	-1.1%				
Cumberland DTC	47,044	49,379	-4.7%							
East New York	46,571	42,317	10.1%							
<u>Southern Brooklyn / S I</u>										
Coney Island	192,087	197,757	-2.9%	8,965	8,172	9.7%	6.7	6.2	0.9808	1.0039
Seaview				63,931	64,065	-0.2%				
<u>Queens</u>										
Elmhurst	361,592	363,122	-0.4%	12,075	12,813	-5.8%	5.9	5.5	0.9268	0.8785
Queens	233,446	239,242	-2.4%	7,357	7,209	2.1%	5.4	5.3	0.8414	0.8472
Discharges/CMI-- All Acutes										
Visits-- All D&TCs & Acutes										
Days-- All SNFs										
	3,208,959	3,280,667	-2.2%	101,885	104,808	-2.8%			0.9470	0.9223
				399,430	391,499	2.0%				

**Notes:**

**Utilization**

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

D&TC: reimbursable visits

LTC: SNF and Acute days

**All Payor CMI**

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

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

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

**Average Length of Stay**

Actual: discharges divided by days; excludes one day stays

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



**KEY INDICATORS**

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

Year to Date  
January 2015

NETWORKS	FTE's VS 6/14/14	RECEIPTS		DISBURSEMENTS		BUDGET VARIANCE	
		actual	better / (worse)	actual	better / (worse)	better / (worse)	
<b>North Bronx</b>							
Jacobi	(12.5)	\$ 357,191	\$ (9,845)	\$ 345,423	\$ (10,849)	\$ (20,694)	-2.9%
North Central Bronx	(8.5)	<u>113,929</u>	<u>(7,541)</u>	<u>110,529</u>	<u>4,815</u>	<u>(2,726)</u>	<u>-1.2%</u>
	(21.0)	\$ 471,120	\$ (17,386)	\$ 455,951	\$ (6,034)	\$ (23,420)	-2.5%
<b>Generations +</b>							
Harlem	11.0	\$ 232,195	\$ 1,086	\$ 224,986	\$ (12,760)	\$ (11,674)	-2.6%
Lincoln	63.0	360,675	7,199	311,544	11,068	18,267	2.7%
Belvis DTC	5.0	9,855	400	9,533	1,427	1,828	9.0%
Morrisania DTC	15.5	15,052	1,174	16,502	714	1,888	6.1%
Renaissance	(1.0)	<u>12,307</u>	<u>3,113</u>	<u>12,814</u>	<u>204</u>	<u>3,317</u>	<u>14.9%</u>
	93.5	\$ 630,085	\$ 12,973	\$ 575,379	\$ 654	\$ 13,626	1.1%
<b>South Manhattan</b>							
Bellevue	97.0	\$ 460,465	\$ (12,084)	\$ 455,436	\$ (17,447)	\$ (29,531)	-3.2%
Metropolitan	12.5	191,046	(19,811)	194,300	2,381	(17,430)	-4.3%
Coler	(32.5)	52,689	(7,467)	85,532	(6,962)	(14,429)	-10.4%
Goldwater/H.J. Carter	(8.5)	52,312	(17,327)	71,757	(7,001)	(24,327)	-18.1%
Gouverneur	<u>52.5</u>	<u>53,721</u>	<u>(599)</u>	<u>63,223</u>	<u>820</u>	<u>221</u>	<u>0.2%</u>
	121.0	\$ 810,234	\$ (57,288)	\$ 870,248	\$ (28,208)	\$ (85,496)	-5.0%
<b>North Central Brooklyn</b>							
Kings County	(4.5)	\$ 486,535	\$ (599)	\$ 429,363	\$ 12,161	\$ 11,562	1.2%
Woodhull	2.0	262,291	(5,045)	250,612	(7,892)	(12,937)	-2.5%
McKinney	0.5	35,426	4,562	28,728	377	4,939	8.2%
Cumberland DTC	4.0	16,791	253	16,981	1,442	1,695	4.8%
East New York	<u>1.5</u>	<u>17,457</u>	<u>3,348</u>	<u>15,197</u>	<u>131</u>	<u>3,479</u>	<u>11.8%</u>
	3.5	\$ 818,500	\$ 2,520	\$ 740,881	\$ 6,218	\$ 8,738	0.6%
<b>Southern Brooklyn/SI</b>							
Coney Island	(28.5)	\$ 209,384	\$ (26,867)	\$ 244,350	\$ (7,355)	\$ (34,222)	-7.2%
Seaview	<u>2.0</u>	<u>32,057</u>	<u>1,443</u>	<u>33,358</u>	<u>(101)</u>	<u>1,342</u>	<u>2.1%</u>
	(26.5)	\$ 241,441	\$ (25,424)	\$ 277,709	\$ (7,456)	\$ (32,880)	-6.1%
<b>Queens</b>							
Elmhurst	58.0	\$ 354,192	\$ (2,589)	\$ 345,615	\$ (9,769)	\$ (12,358)	-1.8%
Queens	<u>45.0</u>	<u>240,486</u>	<u>(6,444)</u>	<u>224,365</u>	<u>(3,618)</u>	<u>(10,062)</u>	<u>-2.2%</u>
	103.0	\$ 594,678	\$ (9,033)	\$ 569,980	\$ (13,387)	\$ (22,420)	-1.9%
<b>NETWORKS TOTAL</b>	<b><u>273.5</u></b>	<b><u>\$ 3,566,057</u></b>	<b><u>\$ (93,638)</u></b>	<b><u>\$ 3,490,147</u></b>	<b><u>\$ (48,214)</u></b>	<b><u>\$ (141,852)</u></b>	<b><u>-2.0%</u></b>
Central Office	(4.5)	80,482	8,359	173,968	(2,021)	6,338	2.6%
HHC Health & Home Care	2.0	8,636	(10,147)	23,622	(3,917)	(14,065)	-36.5%
Enterprise IT	<u>28.0</u>	<u>4,785</u>	<u>(809)</u>	<u>105,853</u>	<u>11,384</u>	<u>10,576</u>	<u>8.6%</u>
<b>GRAND TOTAL</b>	<b><u>299.0</u></b>	<b><u>\$ 3,659,961</u></b>	<b><u>\$ (96,235)</u></b>	<b><u>\$ 3,793,590</u></b>	<b><u>\$ (42,768)</u></b>	<b><u>\$ (139,003)</u></b>	<b><u>-1.9%</u></b>

**Notes:**

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

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

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

	Month of January 2015			Fiscal Year To Date January 2015		
	actual 2015	actual 2014	better / (worse)	actual 2015	actual 2014	better / (worse)
<b>Cash Receipts</b>						
<b>Inpatient</b>						
Medicaid Fee for Service	\$ 68,942	\$ 92,097	\$ (23,156)	\$ 471,927	\$ 494,252	\$ (22,325)
Medicaid Managed Care	57,085	61,058	(3,973)	372,440	380,222	(7,782)
Medicare	49,344	65,867	(16,523)	343,423	326,715	16,708
Medicare Managed Care	21,716	33,690	(11,974)	198,342	173,344	24,998
Other	20,520	22,205	(1,685)	131,776	134,525	(2,748)
Total Inpatient	\$ 217,606	\$ 274,918	\$ (57,312)	\$ 1,517,910	\$ 1,509,058	\$ 8,851
<b>Outpatient</b>						
Medicaid Fee for Service	\$ 15,284	\$ 12,370	\$ 2,914	\$ 115,372	\$ 117,679	\$ (2,307)
Medicaid Managed Care	29,441	28,596	845	313,989	349,275	(35,286)
Medicare	4,593	5,720	(1,127)	37,482	30,184	7,298
Medicare Managed Care	6,806	5,728	1,078	58,230	59,448	(1,217)
Other	7,314	13,906	(6,592)	93,809	104,758	(10,949)
Total Outpatient	\$ 63,438	\$ 66,320	\$ (2,882)	\$ 618,883	\$ 661,344	\$ (42,461)
<b>All Other</b>						
Pools	\$ 99,675	\$ 95,380	\$ 4,295	\$ 236,317	\$ 323,302	\$ (86,984)
DSH / UPL	666,059	539,762	126,297	1,096,946	897,706	199,240
Grants, Intracity, Tax Levy	17,575	19,061	(1,485)	150,227	142,004	8,223
Appeals & Settlements	14,604	(2,048)	16,652	3,948	3,744	204
Misc / Capital Reimb	6,707	9,789	(3,082)	35,730	37,412	(1,682)
Total All Other	\$ 804,621	\$ 661,944	\$ 142,677	\$ 1,523,168	\$ 1,404,167	\$ 119,001
<b>Total Cash Receipts</b>	<b>\$ 1,085,665</b>	<b>\$ 1,003,181</b>	<b>\$ 82,483</b>	<b>\$ 3,659,961</b>	<b>\$ 3,574,569</b>	<b>\$ 85,392</b>
<b>Cash Disbursements</b>						
PS	\$ 287,005	\$ 276,200	\$ (10,805)	\$ 1,616,661	\$ 1,487,437	\$ (129,224)
Fringe Benefits	292,190	248,388	(43,802)	689,922	697,356	7,434
OTPS	110,262	129,464	19,202	836,488	790,981	(45,507)
City Payments	35,100	19,403	(15,697)	35,100	19,403	(15,697)
Affiliation	77,753	94,872	17,119	568,550	555,821	(12,729)
HHC Bonds Debt	7,160	6,327	(833)	46,868	43,570	(3,298)
<b>Total Cash Disbursements</b>	<b>\$ 809,471</b>	<b>\$ 774,654</b>	<b>\$ (34,817)</b>	<b>\$ 3,793,590</b>	<b>\$ 3,594,568</b>	<b>\$ (199,022)</b>
<b>Receipts over/(under) Disbursements</b>	<b>\$ 276,194</b>	<b>\$ 228,528</b>	<b>\$ 47,666</b>	<b>\$ (133,629)</b>	<b>\$ (19,999)</b>	<b>\$ (113,630)</b>

**Notes:**

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

	Month of January 2015			Fiscal Year To Date January 2015		
	actual 2015	budget 2015	better / (worse)	actual 2015	budget 2015	better / (worse)
<b>Cash Receipts</b>						
<b>Inpatient</b>						
Medicaid Fee for Service	\$ 68,942	\$ 84,808	\$ (15,866)	\$ 471,927	\$ 524,480	\$ (52,552)
Medicaid Managed Care	57,085	56,203	882	372,440	385,783	(13,343)
Medicare	49,344	45,493	3,851	343,423	357,872	(14,449)
Medicare Managed Care	21,716	29,168	(7,453)	198,342	199,895	(1,552)
Other	<u>20,520</u>	<u>21,609</u>	<u>(1,089)</u>	<u>131,776</u>	<u>146,298</u>	<u>(14,522)</u>
Total Inpatient	\$ 217,606	\$ 237,281	\$ (19,675)	\$ 1,517,910	\$ 1,614,328	\$ (96,419)
<b>Outpatient</b>						
Medicaid Fee for Service	\$ 15,284	\$ 15,051	\$ 233	\$ 115,372	\$ 121,462	\$ (6,090)
Medicaid Managed Care	29,441	29,778	(337)	313,989	308,632	5,357
Medicare	4,593	4,900	(308)	37,482	35,472	2,011
Medicare Managed Care	6,806	7,537	(732)	58,230	54,386	3,845
Other	<u>7,314</u>	<u>12,964</u>	<u>(5,649)</u>	<u>93,809</u>	<u>102,246</u>	<u>(8,437)</u>
Total Outpatient	\$ 63,438	\$ 70,231	\$ (6,793)	\$ 618,883	\$ 622,197	\$ (3,314)
<b>All Other</b>						
Pools	\$ 99,675	\$ 100,676	\$ (1,001)	\$ 236,317	\$ 241,309	\$ (4,992)
DSH / UPL	666,059	666,059	0	1,096,946	1,096,946	0
Grants, Intracity, Tax Levy	17,575	17,539	36	150,227	142,388	7,840
Appeals & Settlements	14,604	-	14,604	3,948	-	3,948
Misc / Capital Reimb	<u>6,707</u>	<u>6,631</u>	<u>76</u>	<u>35,730</u>	<u>39,028</u>	<u>(3,298)</u>
Total All Other	\$ 804,621	\$ 790,906	\$ 13,714	\$ 1,523,168	\$ 1,519,670	\$ 3,498
<b>Total Cash Receipts</b>	<b>\$ 1,085,665</b>	<b>\$ 1,098,418</b>	<b>\$ (12,754)</b>	<b>\$ 3,659,961</b>	<b>\$ 3,756,196</b>	<b>\$ (96,235)</b>
<b>Cash Disbursements</b>						
PS	\$ 287,005	\$ 285,678	\$ (1,327)	\$ 1,616,661	\$ 1,612,482	\$ (4,180)
Fringe Benefits	292,190	290,780	(1,410)	689,922	694,171	4,249
OTPS	110,262	110,159	(103)	836,488	793,342	(43,146)
City Payments	35,100	35,100	0	35,100	35,100	0
Affiliation	77,753	77,753	(0)	568,550	568,550	(0)
HHC Bonds Debt	<u>7,160</u>	<u>6,882</u>	<u>(278)</u>	<u>46,868</u>	<u>47,177</u>	<u>309</u>
Total Cash Disbursements	\$ 809,471	\$ 806,353	\$ (3,118)	\$ 3,793,590	\$ 3,750,822	\$ (42,768)
<b>Receipts over/(under) Disbursements</b>	<b>\$ 276,194</b>	<b>\$ 292,065</b>	<b>\$ (15,871)</b>	<b>\$ (133,629)</b>	<b>\$ 5,374</b>	<b>\$ (139,003)</b>

**Notes:**

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

# **RESOLUTION**

**#1**

## **RESOLUTION**

Authorizing the President to negotiate and execute a contract extension between the New York City Health and Hospitals Corporation (“HHC” or the “Corporation”) and Base Tactical Disaster Recovery, Inc. (“Base Tactical”) to provide expert consulting services for disaster recovery, project management, and filing claims for reimbursement from the Federal Emergency Management Agency (“FEMA”) for expenses incurred by the Corporation in connection with damages caused by Super Storm Sandy. The extension will be for a term of 12 months commencing August 1, 2015 through July 31, 2016, for an amount not to exceed \$2,500,000.

**WHEREAS**, on October 29, 2012 Super Storm Sandy caused substantial damage to numerous HHC facilities, which required the evacuation of all patients and staff from Bellevue Hospital Center and Coney Island Hospital; and

**WHEREAS**, the President of HHC issued a Declaration of Emergency and directed that repairs and replacement of facility assets necessary to have the facilities resume providing medical care to their respective communities be carried out immediately; and

**WHEREAS**, a Request for Proposals was issued November 23, 2012 and Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1, 2013 through July 31, 2014; and

**WHEREAS**, said contract was extended for the period of August 1, 2014 through July 31, 2015; and

**WHEREAS**, said contract is expiring and a change of vendors at this time would jeopardize the Corporation’s ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Super Storm Sandy; and

**WHEREAS**, the extension of the Base Tactical contract will enable the Corporation to secure FEMA obligations, identify appropriate solutions to harden HHC facilities’ physical structures so that they can resist future storms and proceed with their reconstruction; and

**WHEREAS**, the Executive Vice President and Chief Operating Officer of the Corporation shall be responsible for the overall management, monitoring and enforcement of the contract extension.

**NOW, THEREFORE** be it

**RESOLVED**, that the President be and hereby is authorized to negotiate and execute a contract extension between the New York City Health and Hospitals Corporation and Base Tactical Disaster Recovery, Inc. to provide expert consulting services for disaster recovery, project management, and filing claims for reimbursement from the Federal Emergency Management Agency for expenses incurred by the Corporation in connection with damages caused by Super Storm Sandy. The extension will be for a term of 12 months commencing August 1, 2015 through July 31, 2016, for an amount not to exceed \$2,500,000.

## EXECUTIVE SUMMARY

A contract was awarded to Base Tactical Disaster Recovery on November 6, 2012 via the President's Declaration of Emergency for the purpose of assuring that the Corporation had expert consulting services in the area of Disaster Recovery Project Management in response to the catastrophic damage caused to HHC facilities by Superstorm Sandy. The contract, which was for an amount not to exceed \$1.2 million, expired on January 31, 2013.

A Request for Proposals was issued November 23, 2012 to test the market. Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1, 2013 through July 31, 2014 for Consulting Services for FEMA Related Disaster Recovery reimbursable expenses and for assuring FEMA mitigation funding. The contract was for an amount not to exceed \$4,422,700.

Base Tactical is currently in negotiations with FEMA for the provision of repairs and mitigation funding for more than \$1.7B and for reimbursement for emergency work that has been completed by the facilities. HHC requires Base Tactical's services to secure FEMA obligations, identify appropriate solutions to harden the facilities structures so they can avoid damage in future storms and proceed with their reconstruction. A change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Superstorm Sandy.

It is not in the Corporation's best interest to solicit a new vendor via a Request for Proposals for Consulting Services rather than extend Base Tactical's contract for an amount not to exceed \$2,500,000. The contract extension is for a period of five years from August 1, 2015 through July 31, 2016.

Under the contract extension, Base Tactical shall perform expert consultant services in disaster management and recovery including strategic planning and project management and the finance processes involved in applying for and claiming public assistance from the Federal Emergency Management Agency (FEMA).

Base Tactical Disaster Recovery, Inc. ("Base Tactical") provides: expert consulting services for disaster response and recovery; disaster recovery project and program management; creation, submission, and management of temporary, permanent, and hazard mitigation claims to the Federal Emergency Management Agency ("FEMA"); and oversight of the New York State Office of Emergency Management grant administration. Further it reviews the Corporation's procurement of services, contractors and reimbursement processes to confirm the procedures are consistent with federal grant procedures and The Sandy Recovery Act.

# CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

**Contract Title:** Consulting Services for Federal Emergency Management Agency  
(FEMA) Related Disaster Recovery Funding

**Project Title & Number:** Consulting Services for FEMA Related Disaster Recovery Funding

**Project Location:** Bellevue, Central Office, Coler, Coney Island, Harlem,  
Health and Home Care, Kings, Metropolitan, Metro Plus,  
Neponsit

<b>Successful Respondent:</b>	Base Tactical Disaster Recovery
<b>Contract Amount:</b>	Not to exceed \$2,500,000
<b>Contract Term:</b>	August 1, 2015 through July 31, 2016

**Requesting Dept.:** Corporate Operations

**Number of Respondents:** Contract extension  
(If Sole Source, explain in Background section)

**Range of Proposals:** N/A

**Minority Business Enterprise Invited:** X Yes

**Funding Source:** X Grant: eligible for 90% FEMA and 10% CDBG (Community Development Block Grant) reimbursement

**Method of Payment:** X Other: explain Project based, not to exceed \$2,500,000

**EEO Analysis:** Pending

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

**Vendex Clearance** Pending

## CONTRACT FACT SHEET (continued)

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

A contract was awarded to Base Tactical Disaster Recovery on November 6, 2012 via the President's Declaration of Emergency for the purpose of assuring that the Corporation had expert consulting services in the area of Disaster Recovery Project Management in response to the catastrophic damage caused to HHC facilities by Hurricane Sandy. The contract expired on January 31, 2013 for an amount not to exceed \$1.2 million.

A Request for Proposals was issued November 23, 2012 to test the market. Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1, 2013 through July 31, 2014 for Consulting Services for FEMA Related Disaster Recovery reimbursable expenses and for assuring FEMA mitigation funding. The contract was for an amount not to exceed \$4,422,700.

Base Tactical is currently in negotiation with FEMA for the provision of mitigation funding and for reimbursement for emergency work that has been completed by the facilities. It would create an exposure for the Corporation to change vendors at this time. A change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Hurricane Sandy.

It is not in the Corporation's best interest to solicit a new vendor via a Request for Proposals for Consulting Services in this area. Therefore, the Corporation shall extend HHC Contract #CO-DIS-14-07-031, Consulting Services for FEMA Related Disaster Recovery Funding for a period of five years to secure FEMA obligations, identify appropriate solutions to harden structures for future events and proceed with reconstruction of HHC facilities.



## CONTRACT FACT SHEET (continued)

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### ***Contract Review Committee***

*Was the proposed contract presented at the Contract Review Committee (CRC)?*

The Contract Review Committee (CRC) reviewed and approved the issuance of a Request for Proposal (RFP) on its November 21, 2012 meeting.

The original Contract was presented and approved on January 4, 2013 and the contract extension was presented and approved on January 29, 2015.

*Has the proposed contract's scope of work, timetable, budget, contract deliverables or accountable person changed since presentation to the CRC?*

The budget will be \$2,500,000 million and the timeframe will be 12 months.

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

#### **Selection Committee Members:**

Roslyn Weinstein, SAVP, President's Office, Chair  
Alfonso Pistone, AVP, OFD  
Daniel Collins, Director/Engineering, CIH  
Frederick Covino, AVP, Budget  
Joseph Quinones, SAVP, Operations  
Michael Buchholz, AED, Coler  
Michael Rawlings, AED, Bellevue

#### **List of firms responding to RFP:**

David M Shapiro  
Jacobs  
Base Tactical  
Witt Associates  
CDM Smith/Navigant  
Resilire  
Ernst & Young  
Experis

#### **List of firms considered for Best and Final:**

Jacobs  
Base Tactical  
Witt Associates

**The Selection Committee members rated each proposal and voted on weighted average based upon the following evaluation criteria (in order of priority):**

- Depth and Technical Expertise of Staff
- Sufficient Staff to complete the project within the contract term
- Ability to Work with and Educate Corporate Staff so that it can Become Self Sufficient
- Methodology that will be used to support HHC's FEMA application and claiming
- Strategy for applying for FEMA funding
- Demonstrated knowledge of hospital building infrastructure, equipment, space adjacencies and operations
- Deliverables that meet HHC's needs
- Number of Hours Assigned to Each Category Appropriate
- Allocation of the staff and expertise allow for cost effective completion of the engagement
- Hourly rates for staff reasonable

**Base Tactical received the highest rating from the Committee members.**

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

FEMA will reimburse 90% of direct administrative costs under typical circumstances. The City of New York will reimburse 10% from funding received from CDBG (Community Development Block Grants). The Corporation has submitted nearly \$150 million in costs for Emergency Protective Measures to FEMA for the initial dewatering and abatement activities needed to restore services at Bellevue, Coler, and Coney. Base Tactical will coordinate the Corporation's submittal of Project Worksheets for more than \$300M in costs for reconstruction and \$1.4 B for mitigation at Bellevue, Coler, Coney, and Metropolitan Hospitals.

Base Tactical has worked with the Hospital staff to assess the damages and catalog and video tape data needed for the Project Worksheets. In addition, the City has appropriated another \$300 million for permanent work to bring electrical and other operations back, as a down payment on expected FEMA reimbursement. In addition FEMA will provide funding to harden the facilities from future events and there is potential to secure more than \$1.4B for Hazard Mitigation.

If we assume the City appropriation number of \$300 million at 90%, the potential reimbursement is \$270 million. If we assume more current estimates including Hazard Mitigation the potential reimbursement is \$1.7 billion. FEMA both allows and encourages the use of outside experts and reimburses for their services. In sum, the Corporation would be well advised to avail itself of this much needed expertise.

*Provide a brief summary of historical expenditure(s) for this service, if applicable.*

A contract was awarded to Base Tactical Disaster Recovery on November 6, 2012 via the President's Declaration of Emergency for the purpose of assuring that the Corporation had expert consulting services in the area of Disaster Recovery Project Management in response to the catastrophic damage caused to HHC facilities by Hurricane Sandy. The contract expired on January 31, 2013 for an amount not to exceed \$1.2 million.

A Request for Proposals was issued November 23, 2012 to test the market. Base Tactical was the highest rated respondent and was awarded the contract for the period of February 1, 2013 through July 31, 2014 for Consulting Services for FEMA Related Disaster Recovery reimbursable expenses and for assuring FEMA mitigation funding. The contract was for an amount not to exceed \$4,422,700.

Base Tactical is currently in negotiation with FEMA for the provision of mitigation funding and for reimbursement for emergency work that has been completed by the facilities. It would create an exposure for the Corporation to change vendors at this time. A change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Hurricane Sandy.

It is not in the Corporation's best interest to solicit a new vendor via a Request for Proposals for Consulting Services in this area. Therefore, the Corporation shall extend HHC Contract #CO-DIS-14-07-031, Consulting Services for FEMA Related Disaster Recovery Funding for a period of one year with an option to extend for one year to secure FEMA obligations, identify appropriate solutions to harden structures for future events and proceed with reconstruction of HHC facilities.

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

**Corporate staff does not have the requisite experience in such matters.**

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

**NO**

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*Contract monitoring:*

***Antonio Martin, Executive VP/COO, President's Office***

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

*Received By E.E.O.: February, 2015*

*Analysis Completed By E.E.O.: Pending*

By Manassess Williams, AVP, Affirmative Action

# HHC FEMA Grant Program FEMA Consulting and A&E Contracts



**HHC** NEW YORK CITY  
HEALTH AND  
HOSPITALS  
CORPORATION

[nyc.gov/hhc](http://nyc.gov/hhc)

# A/E & FEMA Services History

- **BASE Tactical: Contract 1 January 2012 \$5.5M**
  - Emergency stabilization of hospitals to re-open ED's and critical services.  
(Results: Services re-establish in <100 days.)
  - Identify damages and costs for repairs which leads to Project Worksheets.  
(Results: Landmark FEMA 428 grant)
  - True up and secure agreement with FEMA on several Project Worksheets including emergency services.  
(Results- \$107M)
  - Secure State of NY Hazard Mitigation  
(Results-\$30M)
  - Secured SSBG funding  
(Results \$2M)

## **BASE Tactical: Contract 2 August 1, 2014 \$2.2M**

- Secured largest grant in FEMA history  
(Results \$1,722,000,000)
- Continuation State of NY Hazard Mitigation 404 program (Metropolitan & Coney Island)
- Construction projects: Ida Israel, Metropolitan Electrical Cable, Metropolitan Conference Center, Jacobi, Coney Island main floor reconstruction, Bellevue basement stabilization.

## **ARCADIS & Parsons Brinkerhoff: Contract 1 April 2013 \$11.0M**

- **ARCADIS -- FEMA Damage Assessments, 428 Grant Applications, temporary repair design, mitigation planning, permanent design planning.**
- **PB – Assessment and design on specific projects (raising infrastructure)**

# A & E Design

# BASE Tactical

Design projects which include mechanical infrastructure raised to higher elevations.

Ensure that HHC's FEMA projects are completed with maximum FEMA reimbursement

Design major mitigation projects including floods walls, new elevators, generator platforms and water pumping stations

Monitor and ensure compliance with FEMA and NYS deadlines and policies  
Tracking costs and change orders and provide necessary notification to FEMA and NYS

Assist in procurement packages by issuing scope and responding to bidder questions

Assist in preparation of payment packages, drawdowns of funds, and project closeout audits.

Review and approve shop drawings

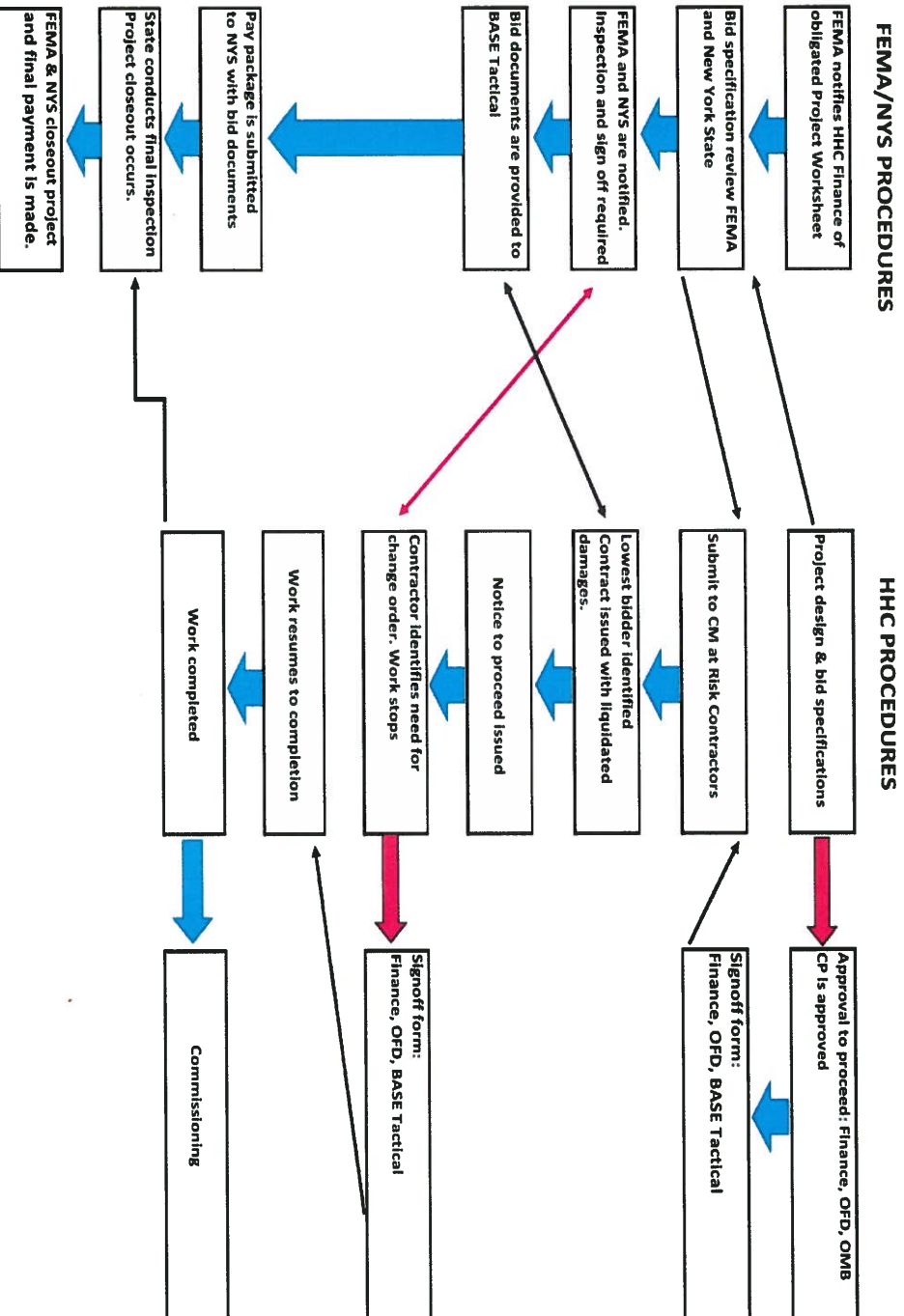
Strategic Planning: Mitigation solutions and proposed changes to FEMA and NYS

Provide overall Construction Management activities.

Continue to develop 404 hazard mitigation projects for HHC

# HHC PERMANENT RECONSTRUCTION PROCESS - FEMA CLAIMS

February 7, 2014







# A/E / FEEMA Services 5 YR. Budget

Service	ARCADIS and Parsons Brinkerhoff	BASE Tactical
FEMA Support	\$ 16,000,000	\$ 11,000,000
Permitting / Environmental Review	\$ 4,000,000	\$ 1,500,000
Architectural Design On-demand	\$ 20,000,000	

A&E NTE \$5,000,000    BASE Tactical NTE \$2,500,000

# **RESOLUTION**

**#2**

## **RESOLUTION**

Authorizing the President to negotiate and execute a contract between the New York City Health and Hospitals Corporation (HHC or Corporation) and Arcadis-U.S., Inc. and Parsons Brinckerhoff, Inc. to provide professional architectural and engineering services to assist in the recovery, reconstruction and hazard mitigation of Bellevue Hospital Center, Coler Rehabilitation and Nursing Care Center, Coney Island Hospital, and Metropolitan Hospital and other HHC facilities, which were damaged as a result of the Super Storm Sandy disaster. The Contract will be for a term of 12 months commencing October 1, 2015 through September 30, 2016 in an amount not to exceed \$5,000,000.

**WHEREAS**, on October 29, 2012 Super Storm Sandy caused substantial damage to numerous HHC facilities, which required the evacuation of all patients and staff from Bellevue Hospital Center and Coney Island Hospital; and

**WHEREAS**, the President of HHC issued a Declaration of Emergency and directed that repairs and replacement of facility assets necessary to have the facilities resume providing medical care to their respective communities be carried out immediately; and

**WHEREAS**, a Request for Proposals was issued on February 15, 2013 seeking the services of a professional architectural and engineering services to assist in the recovery, reconstruction and hazard mitigation of Bellevue Hospital Center, Coler Rehabilitation and Nursing Care Center, Coney Island Hospital, and Metropolitan Hospital and other HHC facilities; and

**WHEREAS**, the contracts with Parsons Brinckerhoff, Inc. and Arcadis-US, Inc., will expire as of September 30, 2015; and

**WHEREAS**, said contract is expiring and a change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and to maximize its mitigation funding for the facilities impacted by Super Storm Sandy; and

**WHEREAS**, the extensions of these contracts will enable the Corporation to continue to secure FEMA obligations of funds, proceed with reconstruction, and execute appropriate solutions to harden HHC facilities so that they can resist future storms.

**WHEREAS**, the Senior Vice President for Finance and Chief Finance Officer of the Corporation shall be responsible for the overall management, monitoring and enforcement of the contract.

**NOW, THEREFORE** be it

**RESOLVED**, that the President be and hereby is authorized President to negotiate and execute a contract between the New York City Health and Hospitals Corporation (HHC or Corporation) and Arcadis-U.S., Inc. and Parsons Brinckerhoff, Inc. to provide professional architectural and engineering services to assist in the recovery, reconstruction and hazard mitigation of Bellevue Hospital Center, Coler Rehabilitation and Nursing Care Center, Coney Island Hospital, and Metropolitan Hospital and other HHC facilities, which were damaged as a result of the Superstorm Sandy disaster. The Contract will be for a term of 12 months commencing October 1, 2015 through September 30, 2016 in an amount not to exceed \$5,000,000.

## EXECUTIVE SUMMARY

New York City Health and Hospitals Corporation (“HHC”, or the “Corporation”) seeks for Parsons Brinckerhoff, Inc. and ARCADIS-US, Inc. (“the “A&E Firms”) to each provide: specialized architectural and engineering services related to damage from Super Storm Sandy, including permanent repair and hazard mitigation opportunities; propose and provide preliminary, 10%, 50%, and final designs for permanent and hazard mitigation work at Bellevue Hospital Center, Coler Rehabilitation and Nursing Care Center, Coney Island Hospital, Metropolitan Hospital, and other Sandy affected hospitals; estimate repair, replacement, and/or hazard mitigation costs; develop cost-benefit analyses as requested; and support the Corporation’s grant applications for Public Assistance Program reimbursement by the Federal Emergency Management Agency (“FEMA”). The extension for the A&E firms will be for a term of 12 months commencing on October 1, 2015, through September 30, 2016, for an amount not to exceed \$5,000,000.

The Corporation identified a need for specialized architectural and engineering firms to design and perform work which mitigates long-term risks to life and property from natural hazards similar to hurricane Sandy. On July 25, 2013, after issuing a Request for Proposal (“RFP”) and employing a selection committee of corporate employees to review submissions from potential A&E firms, the Board of Directors of the Corporation ratified and confirmed the engagement of Parsons Brinckerhoff, Inc. and ARCADIS-US, Inc. The contracts with Parsons Brinckerhoff, Inc. and ARCADIS-US, Inc. will expire as of September 30, 2015. A change of vendors at this time would jeopardize the Corporation’s ability to fully recoup its expenses and maximize its mitigation funding for facilities impacted by Superstorm Sandy. The extensions of these contracts will enable the Corporation to continue to secure FEMA obligations of funds, proceed with reconstruction, and execute appropriate solutions to harden HHC facilities so that they can resist future storms.

# CONTRACT FACT SHEET

New York City Health and Hospitals Corporation

**Contract Title:** Architectural & Engineering Professional Services  
**Project Title & Number:** Architectural & Engineering Professional Services  
**Project Location:** HHC Facilities  
**Requesting Dept.:** Central Office Operations

<b>Successful Respondent:</b> Arcadis-US, Inc. & Parsons Brinckerhoff, Inc.
<b>Contract Amount:</b> Not to exceed \$5 Million
<b>Contract Term:</b> October 1, 2015 – September 30, 2016

**Number of Respondents:** Contract Extension  
(If sole source, explain in background section)

**Range of Proposals:** \$ N/A to \$ N/A

**Minority Business Enterprise Invited:** Yes

**Funding Source:** Grant: FEMA eligible

**Method of Payment:** Time and Rate

**EEO Analysis:** Approved

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

**Vendex Clearance** Pending

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

## CONTRACT FACT SHEET(continued)

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

During the federally declared flooding disaster of October 30, 2013, many HHC hospitals and facilities were inundated by toxic, salt, floodwaters, and storm surge for a number of days. HHC is seeking the professional services of Architectural and Engineering firms to assist in the recovery, reconstruction, and hazard mitigation of Bellevue Hospital Center, Coler Rehabilitation and Nursing Care Center, Coney Island Hospital and other HHC facilities which were damaged as a result of the Hurricane Sandy disaster.

New York City Health and Hospitals seeks for Parsons Brinckerhoff, Inc. and ARCADIS-US, Inc. to each provide: specialized architectural and engineering services related to damage from Super Storm Sandy, including permanent repair and hazard mitigation opportunities; propose and provide preliminary, 10%, 50%, and final designs for permanent and hazard mitigation work at Bellevue, Coler, Coney Island, Metropolitan, and other Sandy affected hospitals; estimate repair, replacement, and/or hazard mitigation costs; develop cost-benefit analyses as requested; and support the Corporation's grant applications for Public Assistance Program reimbursement by the Federal Emergency Management Agency. The extension for the A&E firms will be for a term of 12 months commencing on August 1, 2015, through July 31, 2016 for an amount not to exceed \$5,000,000.

The Corporation identified a need for specialized architectural and engineering firms to design and perform work which mitigates long-term risks to life and property from natural hazards similar to hurricane Sandy. On July 25, 2013, after issuing a Request for Proposal and employing a selection committee of corporate employees to review submissions from potential A&E firms, the Board of Directors of the Corporation ratified and confirmed the engagement of Parsons Brinckerhoff, Inc. and ARCADIS-US, Inc. The contracts with Parsons Brinckerhoff, Inc. and ARCADIS-US, Inc, will expire as of September 30, 2015. A change of vendors at this time would jeopardize the Corporation's ability to fully recoup its expenses and maximize its mitigation funding for facilities impacted by Superstorm Sandy. The extensions of these contracts will enable the Corporation to continue to secure FEMA obligations of funds, proceed with reconstruction, and execute appropriate solutions to harden HHC facilities so that they can resist future storms.

## CONTRACT FACT SHEET(continued)

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### ***Contract Review Committee***

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

**The Contract Review Committee (CRC) reviewed and approved the original contract on March 20, 2013 and the contract extension on January 29, 2015.**

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

**NONE**



## CONTRACT FACT SHEET (continued)

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

The RFP was issued on February 15, 2013 and the RFP was awarded July 25, 2013.

**Selection Committee Members:**

Joseph Quinones, SAVP, Operations, Chair  
Roslyn Weinstein, SAVP, President's Office  
Alfonso Pistone, AVP, OFD  
Steven Alexander, COO, Bellevue Hospital  
Daniel Collins, Director/Engineering, CIH  
Michael Buchholz, AED, Coler  
Edie Cole, SA Director/Finance, Metropolitan Hospital

**List of Firms Responding:**

Syska Hennessy Group  
Lakhani & Jordan Engineers, PC  
CSA Group NY Architects & Engineers, PC  
Parsons Brinckerhoff  
HDR  
Goldman Copeland Consulting Engineers  
WSP Flack & Kurtz  
Greenman-Pedersen, Inc.  
STV  
Arcadis  
Stantec  
Lothrop  
Thornton Tomasetti (Not considered due not meeting submission timeframe)

The Selection Committee members rated each proposal and voted on weighted average based upon the following evaluation criteria (in order of priority):

- a. Firm's experience, organization, resources
- b. Technical qualifications
- c. Client references
- d. Management plan or program plan
- e. Cost of proposal

Acadis and Parsons Brinckerhoff received the highest rating from the Committee members.

## CONTRACT FACT SHEET (continued)

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*Scope of work and timetable:*

**Services may include but not be limited to:**

- **Recovery strategies for the affected facilities.**
- **Hazard Mitigation strategies to prevent future damage and determining funding sources which may include FEMA, HMGP 404 Section, 406 Hazard Mitigation, CDBG, Office of Management and Budget of New York City (OMB), and others.**
- **Provide bid specifications, contract documents, and engineering opinions related to the reconstruction of the damaged facilities.**
- **Provide Benefit-to-Cost analysis to support hazard mitigation projects.**
- **Provide contract administration and/or construction management services related to the reconstruction of the damaged facilities. (Note: HHC will consider alternate for Construction Administration and Construction Management firms with disaster recovery experience that have worked the A&E that is proposing. The Corporation may choose at sole option to use Johnson Controls, Inc., its current facility manager to oversee and manage the construction.**
- **Provide FEMA close-out documentations and A&E services related to the requirements of other governmental funding.**

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*Costs/Benefits:*

**FEMA will reimburse 90% of acceptable recovery costs under typical circumstances. Because of the extreme nature of Sandy the President has asked Congress to increase the level of reimbursement to 90%.**

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

**Corporate staff does not have the requisite experience or expertise in such matters**

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

**No**

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

**Marlene Zurack – Senior Vice-President/Chief Finance Officer**

## CONTRACT FACT SHEET (continued)

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

Received By E.E.O. February 2013  
Date

Analysis Completed By E.E.O.

April 9, 2013 & September 16, 2014  
Date

Manasses Williams  
Name

# INFORMATION ITEM

**INFORMATION ITEM - PS KEY INDICATORS 2<sup>ND</sup> QTR REPORT**



[nyc.gov/hhc](http://nyc.gov/hhc)

# Review of Personal Services Key Indicators (FY 2015 thru January)

## Transition to monitoring Global FTE Levels

### Initiative designed to right-size all FTEs

- Accounts for all Full Time, Part Time, Hourly, Affiliation, Overtime and Temporary Full-Time Equivalents (Global FTEs)
- A 1000 FTE reduction is being implemented across the corporation
  - allows flexibility to move across categories of employees within a dollar cap
- Benchmark Global FTEs to workload across the Corporation
- Targets for the remainder of FY 15 have been shared with the facilities and will be monitored beginning in March.
- Targets have been established for FY 16, however the benchmarking analysis will be refreshed to recognize latest workload

# Budgeted FY 15 FTE Growth

Network/Facility	Purpose	Anticipated FTEs Inc. in FY15
Gouverneur	Staffing to fully open facility to 160 beds	90.0
Enterprise IT	EMR Trainers (36) and Consultant Conversions (40)	76.0
Multiple Facilities	Hospital Medical Home Grant	50.0
North Central Bronx	Staffing of Labor & Delivery Services	33.0
Bellevue	Ebola Virus	27.0
Multiple Facilities	CMMI Grant (Healthcare Innovation Award)	24.0
Coney Island	Residents	17.0
Coney Island	Reopening Homecrest	8.0
<b>Grand Total</b>		<b>325.0</b>

\*These figures do not reflect increases associated with DSRIP

# PS Disbursements – Actual vs. Budget

Network/Facility	Budgeted PS thru January 2015 (\$ in 000's)	Actual PS thru January 2015 (\$ in 000's)	(over)/under (\$ in 000's)
<b>North Bronx</b>			
Jacobi	\$148,098	\$145,264	\$2,834
NCR	\$48,462	\$47,651	\$811
<b>Subtotal</b>	<b>\$196,560</b>	<b>\$192,915</b>	<b>\$3,645</b>
<b>Generations +</b>			
Harlem	\$91,015	\$92,187	(\$1,172)
Lincoln	\$129,381	\$130,556	(\$1,175)
Morrisania	\$8,044	\$8,343	(\$299)
Renaissance	\$5,806	\$5,835	(\$29)
S. R. Belvis	\$4,917	\$5,050	(\$133)
<b>Subtotal</b>	<b>\$239,163</b>	<b>\$241,971</b>	<b>(\$2,808)</b>
<b>South Manhattan</b>			
Bellevue	\$188,142	\$187,509	\$633
Metropolitan	\$81,492	\$83,127	(\$1,635)
Coler	\$41,216	\$42,147	(\$931)
Gouverneur	\$33,633	\$30,907	\$2,726
H. J. Carter	\$32,117	\$33,745	(\$1,628)
<b>Subtotal</b>	<b>\$376,600</b>	<b>\$377,435</b>	<b>(\$835)</b>
<b>North Central Brooklyn</b>			
Kings County	\$228,610	\$231,364	(\$2,754)
Woodhull	\$100,313	\$101,926	(\$1,613)
McKinney	\$13,787	\$13,696	\$91
Cumberland	\$8,481	\$8,662	(\$181)
ENY	\$8,912	\$8,788	\$124
<b>Subtotal</b>	<b>\$360,103</b>	<b>\$364,436</b>	<b>(\$4,333)</b>
<b>S. Brooklyn / Staten Is.</b>			
Coney Island	\$105,628	\$106,256	(\$628)
Seaview	\$18,676	\$18,268	\$408
<b>Subtotal</b>	<b>\$124,304</b>	<b>\$124,524</b>	<b>(\$220)</b>
<b>Queens</b>			
Elmhurst	\$141,761	\$141,256	\$505
Queens	\$84,391	\$88,147	(\$3,756)
<b>Subtotal</b>	<b>\$226,152</b>	<b>\$229,403</b>	<b>(\$3,251)</b>
<b>Facilities Total</b>	<b>\$1,522,882</b>	<b>\$1,530,684</b>	<b>(\$7,802)</b>
Central Office	\$38,610	\$38,056	\$554
Certified Home Health	\$10,985	\$9,930	\$1,055
Accountable Care Org.	\$0	\$0	\$0
Enterprise IT	\$40,006	\$37,992	\$2,014
<b>Grand Total</b>	<b>\$1,612,483</b>	<b>\$1,616,662</b>	<b>(\$4,179)</b>



# FTE Variance 06/14/14 – 1/24/15

Network/Facility	FTEs as of 6/14/14	FTEs as of 1/24/15	Increase (Decrease) in FTEs thru 1/24/15
<b>North Bronx</b>			
Jacobi	3,251.0	3,238.5	(12.5)
NCB	1,063.5	1,065.0	(8.5)
<b>Subtotal</b>	<b>4,314.5</b>	<b>4,293.5</b>	<b>(21.0)</b>
<b>Generations +</b>			
Harlem	2,061.5	2,072.5	11.0
Lincoln	2,750.0	2,813.0	63.0
Morrisania	185.5	201.0	15.5
Renaissance	136.5	136.5	(1.0)
S.R. Belvis	100.5	105.5	5.0
<b>Subtotal</b>	<b>5,234.0</b>	<b>5,327.5</b>	<b>93.5</b>
<b>South Manhattan</b>			
Bellevue	4,185.5	4,282.5	97.0
Metropolitan	1,912.5	1,925.0	12.5
Coler	1,030.5	998.0	(32.5)
Gouverneur	635.5	688.0	52.5
H. J. Carter	717.0	708.5	(8.5)
<b>Subtotal</b>	<b>8,481.0</b>	<b>8,602.0</b>	<b>121.0</b>
<b>North Central Brooklyn</b>			
Kings County	4,675.5	4,671.0	(4.5)
Woodhull	2,290.5	2,292.5	2.0
McKinney	322.5	323.0	0.5
Cum berland	211.0	215.0	4.0
ENY	196.0	197.5	1.5
<b>Subtotal</b>	<b>7,695.5</b>	<b>7,699.0</b>	<b>3.5</b>
<b>S Brooklyn / Staten Is.</b>			
Coney Island	2,405.5	2,377.0	(28.5)
Seaview	337.5	339.5	2.0
<b>Subtotal</b>	<b>2,743.0</b>	<b>2,716.5</b>	<b>(26.5)</b>
<b>Queens</b>			
Elmhurst	3,158.0	3,216.0	58.0
Queens	1,808.5	1,853.5	45.0
<b>Subtotal</b>	<b>4,966.5</b>	<b>5,069.5</b>	<b>103.0</b>
<b>Facilities Total</b>	<b>33,434.5</b>	<b>33,708.0</b>	<b>273.5</b>
Central Office	665.5	660.0	(5.5)
Certified Home Health	176.5	178.5	2.0
Accountable Care Org.	2.0	3.0	1.0
Enterprise IT	680.5	708.5	28.0
<b>Grand Total</b>	<b>34,959.0</b>	<b>35,258.0</b>	<b>299.0</b>

Note: RESIDENT HEADCOUNT FOR FISCAL YEAR END 2014 UTILIZES 8/31/14

# Corporate-wide FTE Variance by Category

Staffing Change June 2014 vs. January 2015	FTEs
Nurses *	148.5
Managers	118.0
Tech/Spec	49.0
Environmental/Hotel	16.0
Residents	15.0
Aides/Ord	8.5
Physicians	2.0
Clerical	(58.0)
<b>Total</b>	<b>299.0</b>

\*Nurses include LPNs RNs & Nurse Practitioners

# FY 2015 Overtime Actual vs. Budget

Network/Facility	OT Budget thru	Actual OT thru January 2015	(over)/under (\$ In 000's)
<b>North Bronx</b>			
Jacobi	\$10,505,976	\$10,525,244	(\$19,268)
NCB	\$4,415,555	\$3,850,400	\$565,155
<b>Subtotal</b>	<b>\$14,921,531</b>	<b>\$14,375,644</b>	<b>\$545,887</b>
<b>Generations +</b>			
Harlem	\$4,872,337	\$4,146,171	\$726,166
Lincoln	\$7,308,505	\$8,378,814	(\$1,070,309)
Morrisania	\$182,713	\$136,447	\$46,266
Renaissance	\$106,582	\$27,683	\$78,899
S.R. Belvis	\$60,904	\$33,101	\$27,803
<b>Subtotal</b>	<b>\$12,531,041</b>	<b>\$12,722,216</b>	<b>(\$191,175)</b>
<b>South Manhattan</b>			
Bellevue	\$10,353,715	\$11,045,425	(\$691,710)
Metropolitan	\$3,958,773	\$4,565,907	(\$607,134)
Coler	\$3,958,773	\$4,891,162	(\$932,389)
Gouverneur	\$243,617	\$263,016	(\$19,399)
H. J. Carter	\$2,436,168	\$3,282,423	(\$846,255)
<b>Subtotal</b>	<b>\$20,951,046</b>	<b>\$24,047,933</b>	<b>(\$3,096,887)</b>
<b>North Central Brooklyn</b>			
Kings County	\$10,353,715	\$9,253,041	\$1,100,674
Woodhull	\$5,012,416	\$4,446,925	\$565,491
McKinney	\$1,522,605	\$882,242	\$640,363
Cumberland	\$304,521	\$292,939	\$11,582
ENY	\$100,492	\$88,038	\$12,454
<b>Subtotal</b>	<b>\$17,293,749</b>	<b>\$14,963,185</b>	<b>\$2,330,564</b>
<b>S Brooklyn / Staten Is.</b>			
Coney Island	\$2,131,647	\$2,822,568	(\$690,921)
Seaview	\$578,590	\$687,150	(\$108,560)
<b>Subtotal</b>	<b>\$2,710,237</b>	<b>\$3,509,718</b>	<b>(\$799,481)</b>
<b>Queens</b>			
Elmhurst	\$7,734,834	\$7,724,580	\$10,254
Queens	\$4,263,295	\$4,381,375	(\$118,080)
<b>Subtotal</b>	<b>\$11,998,129</b>	<b>\$12,105,955</b>	<b>(\$107,826)</b>
<b>Facilities Total</b>	<b>\$80,405,733</b>	<b>\$81,724,651</b>	<b>(\$1,318,918)</b>
Central Office	\$334,973	\$294,142	\$40,831
Certified Home Health	\$76,130	\$146,727	(\$70,597)
Accountable Care Org.	\$0	\$0	\$0
Enterprise IT	\$1,370,345	\$381,859	\$988,486
<b>Grand Total</b>	<b>\$82,187,181</b>	<b>\$82,547,379</b>	<b>(\$360,198)</b>

# Overtime by Major Category

## FY 2015 vs. FY 2014

FYTD JANUARY 2014 vs. FYTD JANUARY 2015

GROUP	FYTD JANUARY 2014	FYTD JANUARY 2015	Inc./(Dec.) \$	Inc./(Dec.) %
NURSING	\$26,053,717	\$27,974,489	\$1,920,772	7.4%
PLANT MAINT	\$20,730,671	\$18,755,993	(\$1,974,678)	-9.5%
ALL OTHERS	<u>\$35,566,053</u>	<u>\$35,816,897</u>	<u>\$250,844</u>	<u>0.7%</u>
<b>TOTAL</b>	<b>\$82,350,441</b>	<b>\$82,547,379</b>	<b>\$196,938</b>	<b>0.2%</b>

# Nurse Registry FY 2015 vs. FY 2014

Network/Facility	Nurse Registry thru January 2014	Nurse Registry thru January 2015	Increase/(Decrease)
<b>North Bronx</b>			
Jacobi	\$5,088,820	\$3,878,935	(\$1,209,885)
NCB	\$1,272,363	\$166,542	(\$1,105,821)
<b>Subtotal</b>	<b>\$6,361,183</b>	<b>\$4,045,477</b>	<b>(\$2,315,706)</b>
<b>Generations +</b>			
Harlem	\$6,160,019	\$10,121,006	\$3,960,987
Lincoln	\$6,945,385	\$11,088,602	\$4,143,217
Morrisania	\$65,010	\$139,935	\$74,925
Renaissance	\$30,403	\$0	(\$30,403)
S. R. Belvis	\$83,711	\$1,688	(\$82,023)
<b>Subtotal</b>	<b>\$13,284,528</b>	<b>\$21,351,231</b>	<b>\$8,066,703</b>
<b>South Manhattan</b>			
Bellevue	\$5,607,461	\$8,287,877	\$2,680,416
Metropolitan	\$2,886,377	\$5,697,924	\$2,811,547
Coler	\$108,562	\$254,448	\$145,886
Gouverneur	\$0	\$11,278	\$11,278
H. J. Carter	\$373,587	\$158,635	(\$214,952)
<b>Subtotal</b>	<b>\$8,975,987</b>	<b>\$14,410,162</b>	<b>\$5,434,175</b>
<b>North Central Brooklyn</b>			
Kings County	\$5,048,404	\$4,942,075	(\$106,329)
Woodhull	\$1,111,794	\$811,991	(\$299,803)
McKinney	\$1,520,772	\$1,254,073	(\$266,699)
Cum berland	\$0	\$924	\$924
ENY	\$30,533	\$44,865	\$14,332
<b>Subtotal</b>	<b>\$7,711,503</b>	<b>\$7,053,928</b>	<b>(\$657,575)</b>
<b>S. Brooklyn / Staten Is.</b>			
Coney Island	\$0	\$0	\$0
Seaview	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Queens</b>			
Elmhurst	\$2,858,582	\$2,247,637	(\$610,945)
Queens	\$6,286,992	\$4,610,097	(\$1,676,895)
<b>Subtotal</b>	<b>\$9,145,574</b>	<b>\$6,857,734</b>	<b>(\$2,287,840)</b>
<b>Facilities Total</b>	<b>\$45,478,775</b>	<b>\$53,718,532</b>	<b>\$8,239,757</b>
Central Office	\$31,800	\$0	(\$31,800)
Certified Home Health	\$1,919,004	\$2,108,470	\$189,466
Accountable Care Org.	\$0	\$0	\$0
Enterprise IT	\$0	\$0	\$0
<b>Grand Total</b>	<b>\$47,429,579</b>	<b>\$55,827,002</b>	<b>\$8,397,423</b>

# Allowances FY 2015 vs. FY 2014

Allowance expenditure are increasing as facilities are working to reduce their reliance on temporary and agency workers

Network/Facility	Allowances thru January 2014	Allowances thru January 2015	Increase/(Decrease)
<b>North Bronx</b>			
Jacobi	\$383,921	\$298,301	(\$85,620)
NCB	\$142,192	\$227,469	\$85,277
<b>Subtotal</b>	<b>\$526,113</b>	<b>\$525,770</b>	<b>(\$343)</b>
<b>Generations +</b>			
Harlem	\$2,582,301	\$5,052,934	\$2,470,633
Lincoln	\$5,156,356	\$7,796,292	\$2,639,936
Morrisania	\$100,817	\$107,025	\$6,208
Renaissance	\$80,868	\$126,077	\$45,209
S.R. Belvis	\$180,872	\$179,412	(\$1,460)
<b>Subtotal</b>	<b>\$8,101,214</b>	<b>\$13,261,740</b>	<b>\$5,160,526</b>
<b>South Manhattan</b>			
Bellevue	\$2,924,812	\$2,888,925	(\$35,887)
Metropolitan	\$2,434,522	\$2,760,497	\$325,975
Coler	\$1,040,277	\$1,068,134	\$27,857
Gouverneur	\$2,395,094	\$2,823,729	\$428,635
H. J. Carter	\$1,027,799	\$1,344,226	\$316,427
<b>Subtotal</b>	<b>\$9,822,504</b>	<b>\$10,885,511</b>	<b>\$1,063,007</b>
<b>North Central Brooklyn</b>			
Kings County	\$8,388,980	\$11,546,546	\$3,157,566
Woodhull	\$2,113,052	\$2,850,268	\$737,216
McKinney	\$780,746	\$1,093,035	\$312,289
Cumberland	\$76,691	\$80,687	\$3,996
ENY	\$135,765	\$208,243	\$72,478
<b>Subtotal</b>	<b>\$11,495,234</b>	<b>\$15,778,779</b>	<b>\$4,283,545</b>
<b>S Brooklyn / Staten Is.</b>			
Coney Island	\$4,461,979	\$6,698,640	\$2,236,661
Seaview	\$3,980,298	\$4,449,739	\$469,441
<b>Subtotal</b>	<b>\$8,442,277</b>	<b>\$11,148,379</b>	<b>\$2,706,102</b>
<b>Queens</b>			
Elmhurst	\$2,090,505	\$2,926,349	\$835,844
Queens	\$4,519,690	\$5,406,691	\$887,001
<b>Subtotal</b>	<b>\$6,610,195</b>	<b>\$8,333,040</b>	<b>\$1,722,845</b>
<b>Facilities Total</b>	<b>\$44,997,537</b>	<b>\$59,933,219</b>	<b>\$14,935,682</b>
Central Office	\$463,221	\$400,331	(\$62,890)
Certified Home Health	\$1,095,722	\$1,723,560	\$627,838
Accountable Care Org.	\$0	\$0	\$0
Enterprise IT	\$103,608	\$91,364	(\$12,244)
<b>Grand Total</b>	<b>\$46,660,088</b>	<b>\$62,148,474</b>	<b>\$15,488,386</b>

# INFORMATION ITEM

**New York City**  
**Health & Hospitals Corporation**  
**Financial Plan**





# Operating Financial Plan

January 16 Plan, Cash Basis (in \$ millions)

RECEIPTS:	Actuals			Projected				
	FY14	FY15	FY16	FY17	FY18	FY19		
<u>Third party receipts</u>								
Medicaid Fee for Service	\$ 928.54	\$ 908.96	\$ 704.63	\$ 648.33	\$ 627.29	\$ 608.54		
Medicaid Managed Care	1,186.87	1,268.41	1,439.25	1,484.36	1,522.92	1,557.88		
Supplemental Medicaid	1,985.29	3,255.28	2,142.35	2,247.71	1,859.56	1,830.86		
Disproportionate Share (DSH)								
<u>City</u>	1,779.89	1,256.51	1,479.56	1,470.26	1,185.37	1,193.07		
<u>State</u>	844.22	578.26	688.78	719.35	726.92	734.62		
<u>Federal</u>	45.63	50.00	51.00	52.50	52.50	52.50		
Other Supplemental Medicaid	890.05	628.26	739.78	698.41	405.95	405.95		
<u>City</u>	205.40	1,998.77	662.79	777.45	674.19	637.79		
<u>State</u>	96.10	992.00	357.72	440.36	407.84	385.87		
<u>Federal</u>	6.60	7.38	7.38	7.38	7.38	7.38		
Medicare Fee for Service	102.70	999.38	297.68	329.71	258.96	244.53		
Medicare Advantage	637.00	632.87	560.25	517.73	515.37	515.37		
Fully Integrated Duals Advantage (FIDA)	420.47	416.23	384.55	381.69	384.11	384.11		
Commercial/Other Mged Care	-	-	25.09	42.93	53.08	54.02		
Assessments	372.21	367.86	368.15	368.30	368.39	368.39		
Subtotal: Third Party Receipts	<u>\$ 5,510.98</u>	<u>\$ 6,824.30</u>	<u>\$ 5,598.97</u>	<u>\$ 5,665.75</u>	<u>\$ 5,305.41</u>	<u>\$ 5,293.87</u>		
City Services Total	\$ 190.80	\$ 317.99	\$ 214.95	\$ 257.75	\$ 272.75	\$ 279.16		
Grants/FEMA Related Grants	400.73	346.37	200.99	91.86	91.86	91.86		
FDNY/EMS	143.69	219.47	199.53	199.46	199.50	198.76		
Other	201.10	206.21	209.23	212.31	215.45	218.65		
Subtotal: Other/Grants	<u>\$ 745.51</u>	<u>\$ 772.05</u>	<u>\$ 609.74</u>	<u>\$ 503.62</u>	<u>\$ 506.80</u>	<u>\$ 509.27</u>		
<b>Total Receipts</b>	<b><u>\$ 6,447.29</u></b>	<b><u>\$ 7,914.34</u></b>	<b><u>\$ 6,423.66</u></b>	<b><u>\$ 6,427.12</u></b>	<b><u>\$ 6,084.97</u></b>	<b><u>\$ 6,082.29</u></b>		

(Continue on next page)

# Operating Financial Plan

## January 16 Plan, Cash Basis (in \$ millions)

	Actuals					Projected				
	FY14	FY15	FY16	FY17	FY18	FY19				
<b>DISBURSEMENTS:</b>										
Personal Services	\$ 2,495.25	\$ 2,692.39	\$ 2,669.96	\$ 2,826.38	\$ 2,776.68	\$ 2,815.75				
Fringe Benefits	1,327.31	1,363.49	1,339.98	1,358.50	1,373.13	1,430.48				
Other Than Personal Services	1,630.81	1,914.99	1,787.19	1,830.73	1,858.89	1,887.87				
Malpractice Settlements	-	244.27	135.90	135.90	135.90	135.90				
Affiliation Contracts	934.70	969.13	998.20	1,028.15	1,058.99	1,090.76				
Other City Services and Charges	1.35	1.35	1.35	1.35	1.36	1.36				
Debt Service Costs	77.14	385.56	244.21	253.49	248.72	257.54				
Total Disbursements	6,466.56	7,571.18	7,176.78	7,434.49	7,453.67	7,619.66				
Receipts over (under) Disbursements	\$ (19.24)	\$ 343.20	\$ (753.10)	\$ (1,007.40)	\$ (1,368.70)	\$ (1,537.40)				
Capital Receipts over (under) Disbursements	(16.40)	49.50	(7.00)	(9.70)	(14.20)	25.90				
<b>Corrective Actions</b>										
Restructuring	-	79.20	75.15	72.34	72.34	72.34				
Additional HHC Actions	-	200.00	300.00	300.00	350.00	350.00				
DSRRP	-	60.21	65.94	199.33	335.88	295.62				
MetroPlus	-	14.99	58.18	94.34	129.81	159.94				
State and Federal Actions	-	-	-	250.00	250.00	250.00				
Subtotal: Corrective Actions	-	354.40	499.27	916.01	1,138.03	1,127.91				
Opening Cash Balance	\$ 323.10	\$ 287.51	\$ 1,034.54	\$ 773.68	\$ 672.61	\$ 427.75				
Closing Cash Balance	\$ 287.51	\$ 1,034.54	\$ 773.68	\$ 672.61	\$ 427.75	\$ 44.18				

Note: Numbers may not sum due to rounding.